

**BRITISH-IRISH  
PARLIAMENTARY ASSEMBLY**

**Fifty-First Plenary Session**

**15-17 November 2015, Cheltenham, Glos.**

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

### **STEERING COMMITTEE**

#### **Co-Chairs**

Mr Laurence ROBERTSON MP  
Mr Frank FEIGHAN TD

#### **Vice-Chairs**

Mr Séamus KIRK TD  
Mr Dave ANDERSON MP  
Mr Aengus Ó SNODAIGH TD  
Mr Andrew ROSINDELL MP

#### **MEMBERS IN ATTENDANCE**

##### **Oireachtas Members**

Mr Frank FEIGHAN TD  
Senator Terry BRENNAN (Associate)  
Senator Paul COGHLAN  
Mr Noel COONAN TD  
Senator John CROWN  
Senator Maurice CUMMINS  
Senator Imelda HENRY  
Senator Cáit KEANE  
Mr John LYONS TD  
Mr Dinny McGINLEY TD  
Senator Paschal MOONEY  
Senator Mary MORAN  
Mr Joe O'REILLY TD  
Mr Aengus Ó SNODAIGH TD  
Mr John Paul PHELAN TD  
Mr Arthur SPRING TD  
Senator Jim WALSH

##### **Welsh Assembly Members**

Mr David MELDING AM  
Mr John GRIFFITHS AM (Associate)  
Mr William POWELL AM  
Mrs Joyce WATSON AM  
Mr Lindsay WHITTLE AM

##### **British Members**

Mr Laurence ROBERTSON MP  
Mr Dave ANDERSON MP  
Lord BEW  
Baroness BLOOD  
Mr Andrew BRIDGEN MP  
Ms Deidre BROCK MP  
Mr Oliver COLVILE MP  
Lord DUBS  
Mr Mark DURKAN MP  
Mr Paul FARRELLY MP  
Lord GLENTORAN  
Ms Helen JONES MP  
Mr Danny KINAHAN MP  
Rt Hon Lord MAWHINNEY  
Mr Conor McGINN MP  
Mr Nigel MILLS MP  
Mr Andrew ROSINDELL MP  
Lord SKELMERSDALE  
Mr Robin WALKER MP

##### **Scottish Parliament Members**

Mr John SCOTT MSP  
Mr Willie COFFEY MSP  
Mr Gordon MacDONALD MSP (Associate)  
Mr Michael McMAHON MSP  
Ms Mary SCANLON MSP

**Tynwald Member**  
The Hon Stephen RODAN SHK

**States of Jersey Member**  
Deputy John LE FONDRE  
Deputy Kevin LEWIS (Associate)

**States of Guernsey Member**  
Deputy Roger PERROT

**Northern Ireland Assembly Members**  
Mr Barry McELDUFF MLA  
Mr Sean ROGERS MLA  
Mr Robin SWANN MLA

#### OTHERS ATTENDING AS GUEST SPEAKERS

Mr Ben Wallace MP <i>Parliamentary Under-Secretary, Northern Ireland Office</i>	Mr George Hamilton QPM <i>Chief Constable of Northern Ireland, PSNI</i>
Rt Hon David Lidington MP <i>Minister of State, Foreign and Commonwealth Office</i>	Ms Nóirín O’Sullivan <i>Commissioner of An Garda Síochána</i>
Mr Brian Kavanagh <i>Chief Executive of Horseracing Ireland</i>	Mr Dominic Hannigan TD <i>Chair of the Oireachtas Joint EU Affairs Committee, Dublin</i>
Mr Nick Rust <i>Chief Executive of the British Horse Racing Authority</i>	Deputy John Le Fondré, Jersey Deputy Roger Perrot, Guernsey Hon Stephen Rodan, Isle of Man <i>Representatives of the three Crown Dependencies</i>

#### OFFICIALS

<b>Joint Clerks to the Assembly</b> Dr Robin James, British Co-Clerk Ms Tara Kelly, Irish Co-Clerk	<b>Clerks of the Devolved Institutions</b> Mr Steven Bell Mr Robert Lloyd-Williams Mr Nicola Crawford
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#### COMMITTEE CLERKS TO THE ASSEMBLY

<b>Committee A: Sovereign Matters</b> Mr Ian Devine Mr Ed Faulkner	<b>Committee B: European Affairs</b> Mr Ed Beale Mr Ian Devine
<b>Committee C: Economic</b> Mr Luke Brennan Dr Anna Dickson	<b>Committee D: Environmental and Social</b> Mr Stuart Stoner Mr Luke Brennan
<b>British and Irish Secretariats</b> Mrs Amanda Healy Miss Priscilla Hungerford Sir Michael Davies KCB Mr Luke Brennan Miss Jessica O'Connor	<b>Official Reporters</b> Mr Mark Blackaby Ms Portia Dadley Mrs Awen Mai Evans Ms Gail Nicholl Ms Elizabeth McVeigh Mr Francis Sheehan

## Monday 16 November 2015

*The Assembly met at 10.27 am.*

### PLENARY BUSINESS

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

Good morning. I wonder if we could make a start. Apologies for the delay, but our first speaker was delayed, and we might have to rejig the programme a little. The Assembly is now in public session, and I am very pleased to welcome everyone to this wonderful venue—Cheltenham racecourse. I hope we have a good plenary session in these wonderful surroundings.

I have one or two brief announcements. First, could I ask everyone to turn off mobile phones and other devices while they are in the meeting room? Also, when anyone is invited to contribute from the floor, could they please stand up and clearly state their name and legislature? Finally, may I remind Members that the proceedings of the body do not attract parliamentary privilege?

I am delighted to be joined by my Co-Chairman, Frank Feighan.

### NEW MEMBERS

#### **The Co-Chairman (Mr Frank Feighan TD):**

Thank you. Since the last plenary session, held in Dublin in February, the UK general election has been held, and we have a new UK delegation, as well as a new British membership for Committees. I do not propose to read out all the names, and a full list has been provided to Members. In particular, I would like to welcome David Anderson MP and Andrew Rosindell MP as the new British Vice-Chairs. I also welcome Andrew as the new Chair of Committee B.

I would also like to pay tribute to the work of all those parliamentarians from the UK who have ceased to be members—in particular to Paul Murphy and Bob Walter, who were the previous British Vice-Chairs. I also pay tribute to Bob for his distinguished work as Chair of Committee B.

The following Members have sent their apologies for the plenary session: from the UK, Rosie Cooper MP, Baroness Corston, Jeffrey Donaldson MP, Nigel Evans MP, Baroness Harris of Richmond, and Jack Lopresti MP; from Ireland, Seán Conlon TD, Seán Crowe TD, Martin Heydon TD, Seamus Kirk TD, Mattie McGrath TD, Patrick O'Donovan TD and Aengus Ó'Snodaigh TD; from the Scottish Parliament, Alison McInnes MSP; from the National Assembly for Wales, Darren Millar AM; and from the Northern Ireland Assembly, Judith Cochrane MLA and Brenda Hale MLA.

I have to inform the Assembly also that in accordance with rule 2A, the following Associate Members have accepted the invitation of the Steering Committee to assume the powers and responsibilities of Members for the whole of this session: Senator Terry Brennan, replacing Mattie McGrath TD, Gordon MacDonald MSP, replacing Alison McInnes MSP, and John Griffiths AM, replacing Darren Millar AM.

## PROGRAMME OF BUSINESS

*10.30 am*

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

In response to the tragic events in Paris, we will observe a minute's silence at 11 o'clock today. We have put out a press statement, which we will read at the time, but we will interrupt proceedings at 11 o'clock to observe the silence if that is okay.

We will now consider the programme for the next two days. Since the provisional programme was distributed last week, there have been a number of changes, largely due to the important talks now taking place in Northern Ireland, which have been extended into today. One or two of our speakers have withdrawn, for reasons that I hope we all understand, but we have tried to rejig the programme so that it is still very relevant and interesting. Copies of the revised programme have been sent out. We still have quite a crowded programme. We will hear first from David Lidington, the UK Minister for Europe. Ben Wallace has been slightly delayed, but will be here shortly.

During the lunch break, there will be an opportunity for a guided tour of the redeveloped racecourse, which is well worth doing. Following that, we will have the usual group photograph. After lunch, we will hear from the two chief police officers in Ireland and Northern Ireland, followed by an address from the Chairman of the Oireachtas Joint Committee on European Union Affairs and a political debate on the future relations between the UK and Ireland following the referendum in the UK on its membership of the EU. This evening, at the racecourse, we will be privileged to be joined for dinner by Her Royal Highness the Princess Royal.

In tomorrow's session, which will start at 10 o'clock, we will have a joint presentation by the Isle of Man, Jersey and Guernsey on the past and future relationship between the three Crown dependencies and the UK. Then we will have an opportunity to debate the three Committee reports and hear progress reports from the Committees.

*Programme of Business agreed.*

## ADDRESS BY THE MINISTER FOR EUROPE

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

As I said, we have had to rejig the programme slightly, but I am delighted that the Minister for Europe, David Lidington, is now with us. His earlier appearance has just been sprung on him. Thank you, David, for agreeing to move your session forward. I am sure that this is a very interesting time to be holding that post—in the run-up to our referendum on membership of the European Union, but also because of the very many issues being considered at the moment. It is certainly not an easy post to hold, so David, thank you very much for joining us. We look forward to hearing what you have to say. The floor is yours.

**Rt Hon David Lidington MP, Minister of State, Foreign and Commonwealth Office:**

Laurence, thank you very much for the invitation to come and speak today. As I look round, I am conscious that a number of friends and acquaintances are here from both countries. It is good to see people again. I want to start with where we are in terms of the bilateral relationship. Given the history of this body, it is worth pausing and taking note of how far the bilateral relationship has come since the early days, in which I recall some veteran Members of the Parliamentary Assembly saying that people were almost literally at daggers drawn when they first came across one another.

Her Majesty the Queen's transformational state visit in May 2011 and the first state visit by President Higgins to the United Kingdom in the spring of 2014 symbolise the way in which the political landscape of these islands has been reshaped. More recently, the visit of Their Royal Highnesses the Prince of Wales and the Duchess of Cornwall to the west coast of Ireland has marked another step forward. I know that both the Prime Minister and the Taoiseach remain committed to deepening relations between our two Governments. In March 2012, they signed a joint statement, which set out a 10-year vision of what co-operation would look like. Three years in, we have made a great deal of progress, and the two Heads of Government talk frequently, not just at the formal meetings of the European Council and the like but often informally, on the telephone or in the margin of other international meetings.

Economically, the bilateral relationship is hugely important. Every week, more than €1 billion of trade is conducted between the UK and Ireland, sustaining more than 400,000 jobs directly and many more indirectly. The United Kingdom accounts for €12 billion of Ireland's annual exports of goods and €17 billion of services, aggregating to 16% of total Irish exports and €26 billion or 19% of imports.

Ireland, for her part, is Britain's fifth largest export market and the second largest individual market for UK services exports. There are no fewer than 55,000 Irish nationals sitting on the boards of companies in the United Kingdom—more than double the number of the next highest nationality.

Philip Hammond shows a particularly close interest in our bilateral relationship, highlighted by his attendance in June at the 24th British-Irish Council. That is an important forum for discussions between the two sovereign Governments but also the devolved Administrations and Crown dependencies. I certainly continue to try to take a close interest in UK-Ireland relations. Dublin was my first bilateral overseas visit following the current Government's election in May of this year, and Dara Murphy is a close colleague. We speak regularly, and I am looking forward to seeing him again tomorrow in Brussels. Of course, from time to time I

have had meetings with Paschal Donohoe and other members of his committee in the Oireachtas.

Some changes have been successful. North-South relations have progressed significantly over the past 20 years and our joint membership of the EU has played a role in that. There are still challenges; it is a fragile situation in the North as we all know, but we need to remain positive and optimistic. Northern Ireland will be a dynamic economy that will benefit both the United Kingdom and the whole island of Ireland.

If I may turn to questions of European policy, last week David Cameron wrote to Donald Tusk, President of the European Council, to set out in detail the changes that the British Government wish to see in how the EU does business. We believe that these are changes that will be in the interests of Europe as a whole, but that they will also have the benefit of enabling the British people to feel more comfortable with their place in the European Union than is the state of affairs today. The Prime Minister is clear that he wants to campaign to keep the United Kingdom in a reformed European Union at an in-out referendum on our membership that will be held before the end of 2017.

There are many positive things to be said about the European Union. Membership has allowed all of us to be greater than the sum of our parts. The European single market—something that owes a huge amount to a somewhat unlikely but effective alliance between Jacques Delors and Margaret Thatcher—is the largest international single market in the world. The EU has also been a genuine force for good in bringing a lasting peace to Europe and entrenching human rights, the rule of law and democratic institutions in parts of southern and central Europe, where those traditions and values had been crushed for most of the 20th century because the democratic institutions set up in the aftermath of world war one proved too weak to withstand the pressures of political extremism, internecine ethic and religious tension, and threats of invasion from outside.

The EU today also faces fundamental challenges. We can see from any opinion poll by Eurobarometer or Pew research that discontent with the EU—a sense of alienation at remote, unaccountable decision taking—is by no means confined to the United Kingdom. Some polling research has shown that mistrust of the EU is deeper in France and Spain than it is in Britain. Europe needs to be more competitive, democratic and flexible than it is today.

The Prime Minister has set out four areas in which we seek reforms. The first is competitiveness. We see Ireland as a key partner and driver in this agenda. The blunt truth is that Europe's share of global output is due to halve over the next 15 years. Not only do we face a difficult recovery from the crash of 2008, but at the same time we are trying to contend with what are, frankly, existential challenges, with an historic shift of economic power worldwide towards Asia and Latin America, and with the impact of digital technology, which is starting to shake up white collar and professional occupations in the way that automation did to factory floor working a generation ago.

Putting it bluntly, unless Europe raises its game on competitiveness quickly and dramatically, the next generation of Europeans, whichever country they come from, will not be able to afford the standards of living, social protection or public services that people take for granted today. If that happened, the social and political tensions that we see in so many European

countries with the rise of movements such as Front National, Jobbik, Golden Dawn or Five Star Movement would be as nothing compared with the political turmoil or challenge that we would face in five or 10 years.

We believe that we need to press forward in deepening the single market, especially for digital and services, in striking more ambitious free trade agreements between the European Union and other countries and regions of the world, using the leverage that a market of 500 million people gives us, and in cutting the burden of unnecessary red tape and over-costly regulation on businesses throughout the continent.

Working with Ireland we have helped to drive forward progress on a number of recent initiatives towards a more competitive Europe: the abolition of mobile roaming charges, reform of the common fisheries policy, and progress on free trade deals, including one with South Korea that is now successfully concluded and working; completed deals with Singapore and Canada; a heads of agreement with Vietnam; and, moving forward, free trade agreements with the United States and Japan. I am glad that the Commission's newly published trade strategy points towards free trade deals with Australia, New Zealand and Latin American countries too.

I welcome, too, the fact that the Commission has taken steps, since the new team came in under Jean-Claude Juncker, to reduce significantly the number of new regulatory and legislative initiatives coming out of Brussels; but we need to go further and faster to achieve irreversible change—to have a target to cut the total burden of business; to institutionalise smarter and less burdensome regulation; and to bring forward all the proposals on competitiveness into a clear, long-term commitment to boost the competitiveness of every European country.

Secondly, on questions of economic governance, some countries in the EU have, like Ireland, chosen to commit themselves to the currency union of the euro. Others, such as the United Kingdom, are not going to join. A third group, while committed to joining the euro at some stage, will be outside the currency union for quite some years to come, either because there is no political support in those countries for joining, or because they will not meet the criteria for eurozone membership.

For as far ahead as we can see there are going to be some EU member states, and not just the UK, outside the currency union, and others inside it. Those who are inside, it seems to me, are logically going to need—if you have a single interest rate, a single monetary policy and a single currency—to move over time towards closer integration of fiscal and economic policy arrangements, which in turn will call forth the need for a measure of political integration in order to hold such euro group-level decisions democratically accountable.

*10.45 am*

The question is: how are we to achieve that? How can we design an architecture for Europe that allows those who are in the currency union to take those steps to give that union stability, which is something the UK wants to see—we believe it is in our interests—while at the same time assuring the integrity of a single market at 28, the duty of institutions to look after the

interests of all 28 and not only a sub-group of member states, and the integrity of decision taking at 28, as well as providing safeguards against caucusing by a euro group that will have a built-in qualified majority, should it choose to act as such a bloc?

We believe we need agreement on some overarching and legally binding principles of non-discrimination, to safeguard the interests of non-eurozone members and therefore the operation of the Union for all 28 member states. We need to reflect and respect the reality that the European Union has, and will continue to have, more than one currency.

That takes me on to the questions of sovereignty and subsidiarity. We want to make it clear that for a country like the UK that is not going to be part of the integrationist dynamic that derives from membership of a currency union we do not see ourselves as committed to some project of ever closer political union, and we believe we need to secure a clear acceptance of that by all our colleagues.

We want, too, to build on the powers in the Lisbon treaty for national Parliaments to have a stronger voice in checking or blocking unwanted European Union legislation. Both the Dutch and the Danish Parliaments have come up with some very helpful ideas about how to give concrete expression to that wish to see national Parliaments have a much stronger voice.

With subsidiarity, we have a principle that is supposed to apply to every part of EU business, but, in practice, I am sceptical that it is sufficiently followed through. As the Taoiseach pointed out last week, we need to look critically at what we do at EU level and how we do it, to ensure the best deal for all our citizens. It is in all our interests to make the Union function more effectively.

The fourth and final area of policy where we want to see change is welfare. I want to be clear: as the Prime Minister has frequently said, we are not questioning the basic principle of the free movement of workers, but we need to address the pressure that mass migration to the UK has created on public services and the huge social policy challenge it has presented in terms of integration. If we look at the figures, our population has risen by 2.3 million in the past decade and is forecast to grow by a further 3 million over the next 10 years. On the current schedule, we will overtake Germany some time in the 2040s, which will make for an interesting discussion about voting weights at Council of Ministers meetings and representation in the European Parliament. We will have a population of some 76 million by about 2060. That poses enormous challenges for both the provision of public services—things like housing—and integration within our towns and cities.

We are saying that we need to address the pull factors that our welfare system, and particularly our system of in-work benefits to top up low pay, have in terms of movement from the EU. That is why we put on the table the idea of four years of contributions being required before you can qualify for in-work benefits, and it is why we are seeking an end to the practice of exporting child benefits to children who do not live in this country.

Other issues also need to be addressed, such as certain European Court judgments that have made it much more difficult to limit convicted criminals' access to our country if they come from other EU member states, and more difficult to check out people suspected of sham

marriages—if a third-country national is married to an EU national, they are subjected to fewer checks than those we require of British citizens wanting to bring in a third-country spouse.

Where are we today? As I have said, the Prime Minister sent his letter to Donald Tusk last week. The renegotiation is now entering its formal phase, following several rounds of technical discussions. There has been a lot of good will and understanding. The Tusk secretariat is now convening a meeting of so-called confessionalists. They are going to have a series of one-to-one meetings with every one of the member state Governments over the next two or three weeks. We hope that we will be able to complete a deal by December if possible, but the Prime Minister is very clear that the timing depends on the substance, not the other way around. If it takes longer than by December to settle a deal, so be it. It is the outcome that matters the most.

The Prime Minister has already spoken to all 27 EU leaders, as well as to the Presidents of the Council, Commission and Parliament. He did that ahead of the June European Council and is currently embarking on a further round of bilateral diplomacy. Other British Ministers will support him in that work.

The European Union Referendum Bill was introduced in Parliament in May. It has completed its passage through the House of Commons and is going through the Lords. It stipulates that the poll must take place before the end of 2017, but gives the Government powers under secondary legislation to set an earlier date. As I said, the date will depend on when the European Union-level negotiations end.

In conclusion, the reforms we are seeking represent a package that will benefit all member states. We want to see a dynamic, competitive and outward-focused Europe delivering both prosperity and security for every one of its members and taking decisions in a way that respects the diversity of a European Union of 28 members—in a few years' time that will probably be 30-plus—which is very different in scale and complexity from the original six western European states that came together back in the 1950s. I am grateful to our good friends and neighbours in Ireland for their co-operation and understanding. We look forward to close discussions with our Irish partners continuing as we seek to secure a way forward that enables the British people to feel confident about their place in Europe, resting upon seeing a Europe that is responding to the calls for greater accountability, flexibility and prosperity.

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

Thank you very much, David, for a very comprehensive account of where we are up to in the negotiations. The Minister has agreed to take a few questions and comments. We will start with Brian Mawhinney.

#### **Rt Hon the Lord Mawhinney:**

David, it is nice to see you again. You used a phrase used regularly by Ministers when they talk about the financial arrangements between euro countries and the rest of us: you said that you are looking for something that is “legally binding”. It is a great phrase because no one

knows what it means, so I would like to try to tease out of you what it actually means. Does it mean legally binding in a legislative sense or in a treaty sense? What is the timing for legally binding? Might we have a referendum in which people are invited to believe that at some future time there will be some legal protection that does not apply at the time of the referendum? How far are you permitted to allow us to tease out from you what that cliché means?

**Rt Hon David Lidington MP:**

Thanks, Brian. As you would expect me to say, I cannot give a blow-by-blow account of ongoing negotiations. To some extent, the different options that you present are the substance of the negotiation, but let me show as much ankle as I feel I can this morning. You could tackle this matter in either of the ways that you described. In the negotiations on the legislation to establish both the single supervisory mechanism and the single resolution mechanism, we got into very detailed technical talks about legal guarantees of non-discrimination and how those two systems would operate.

One could adopt that approach for every single piece of financial services legislation, but that is probably not as attractive a prospect as having agreement on some overarching principles of non-discrimination and acceptance of the fact that the EU is a multi-currency union, which would then govern how all the institutions approached legislative and regulatory tasks in the future. Obviously the best way of doing that is to write that into treaty, but the reality is that our timetable is to have a referendum by the end of 2017. You just could not have treaty negotiation and 28 national ratifications within that timeframe.

We are looking at such approaches as those that Ireland and Denmark have used in the past. That might be one way of approaching this matter, with something that is binding in international law, but which has a clear commitment to a future treaty change. One would clearly need to have absolute confidence that it was being treated as binding by all Governments and the institutions themselves. What we are offering is, at the end of the day, a sort of grand bargain. If you look at the wording of the fiscal compact, it has an ambition for that to be written into the treaties within five years. That target will be missed, but that ambition is there.

In the German coalition agreement, there is explicit language about a commitment to treaty changes to ensure the future stability of the euro. If you look at the jurisprudence of the German constitutional court, Karlsruhe is saying that you cannot go any further towards Eurozone integration without either changing German basic law or changing the treaties in some way. I do not find anyone around Europe who resiles from the need to change the treaties; it is very much about the timing. It is a question of ensuring that we have firm, binding guarantees. That could be done by secondary legislation or it could be done by writing the overarching principles into law in the way I have described.

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

Thank you. I call Alf Dubs.

**The Lord Dubs:**

Thank you. David, you referred to the four-year period of contributions that would be necessary in relation to in-work benefits and others. That is fair enough, and I understand why you are saying that. On the other hand, it would have a potentially serious effect on Irish people coming over to Britain, which has been happening for years, and there has been this freedom. Would it be the Government's aim to exempt Irish people from that four-year period, or do you think it is not possible because the Poles would object too much?

### EVENTS IN PARIS

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

Before you answer, David, we are approaching 11 o'clock. We will just read out the press statement we made, and then we will have a moment's silence.

*11 am*

**The Co-Chairman (Mr Frank Feighan TD):**

As Co-Chairs of the Assembly, we issued the following statement this morning.

*"On behalf of the members of the British Irish Parliamentary Assembly, we are united in expressing our deepest sympathies and in condemning the recent attacks in Paris.*

*Our hearts go out to all those bereaved, their families and friends. These terrible events only serve to unite us with each other and with the people of France at this dark time."*

I propose that we now rise and mark a minute's silence in memory of the innocent victims of these dreadful attacks.

*The Assembly observed a minute's silence.*

### ADDRESS BY THE MINISTER FOR EUROPE

**The Co-Chairman (Mr Frank Feighan TD):**

Thank you.

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

Thank you very much. We now resume the conference.

**Rt Hon David Lidington MP:**

In response to Alf, the first thing to say is that the PM has made it clear that our proposals will be for future cases; they will not be retrospectively applied to people already in the UK. We are very conscious of the uniquely close historical relationship between the UK and Ireland and the implications of the common travel area, which is something that we are bearing very closely in mind as we go into the next stage of the negotiations.

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

Thank you very much. I call Barry McElduff.

**Mr Barry McElduff MLA:**

Given the particular economic and political circumstances of the North of Ireland, will the British Government facilitate our own separate referendum for retaining membership of the EU? I point out that the North of Ireland is a net recipient of EU funding. There are a number of peace programmes in place, and our farmers and fishing community have never felt well represented by the British Government inside the European Union—I suggest that comes from both Unionist and Nationalist communities. I have heard a lot of people in the fishing community make that point. I am saying that there seems to be a Westminster-driven agenda, which will be bad for the North of Ireland as we share an economy with the rest of the island of Ireland.

**Rt Hon David Lidington MP:**

I do not want to speak for my colleagues in Parliament who represent Northern Ireland constituencies, but I have frequently heard Members representing seats in Northern Ireland in the House of Commons be extremely critical of the way in which the EU does business. On fishing and farming, we have a standing practice whereby all three of the devolved Administrations are, first, consulted about the negotiating position that the UK Government takes on any EU dossier that has devolved implications—that is a requirement of the British Secretary of State before they submit a proposed negotiating position for Cabinet approval.

Secondly, officials and Ministers from the devolved Administrations are welcome to join the UK delegation in Brussels for Council meetings where a devolved issue is at stake. Usually, at Fisheries Council meetings in particular, the number of officials and Ministers from the three devolved Administrations added together far exceeds the number of people coming from the UK Government. The straight answer to your question is no. We are going to have arrangements whereby it will be clear how people have voted in Northern Ireland, Wales and Scotland, and in the different parts of England, because we will count on that basis, but it is the UK that is the member state of the EU, and therefore it is right that this is a decision to be taken by the UK as a whole.

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

Thank you. I call William Powell.

**Mr William Powell AM:**

Thank you, David, for such a positive exposition of the situation in which we find ourselves at the moment. Barry McElduff has addressed the one issue that I wished to raise with regard to agriculture. The situation with regard to Northern Irish agriculture very much replicates the situation in which we find ourselves in Wales. The common agricultural policy is important not only as a cash cow, as the late Rev. Ian Paisley used to refer to European support, but through providing crucial access to tariff-free trade for our produce.

The other issue that I wish to raise briefly, which I do not think was referred to in your address, is the potential consequences of unravelling the mutual qualification recognition that came with the Single European Act of 1985, if we do find ourselves in a situation in which we are going towards the exit door of the European Union. We are in a situation where we rely hugely on the skills of European Union citizens in our health service and in many other sectors. I would ask that we have some clarification as to where we would stand in future if there was an unravelling of that, because it cannot just be a one-way process.

**Rt Hon David Lidington MP:**

It is a very good point. It is one of the questions that, when the referendum comes, the organisation that is designated as the umbrella campaign group for leaving will have to address: what does “out” look like? This kind of subject is exactly what would have to be negotiated, presumably under the arrangements in article 50 of the treaties, if there were a UK vote to leave. I agree that mutual recognition has been of great benefit. Not only is it a question of British organisations needing to fill a shortage of professions, but British professionals going out to work across Europe.

One of the things very much on the UK Government agenda in the context of services liberalisation is to press for this mutual recognition to go further and faster. It is ridiculous, for example, that a British architect—I presume an Irish architect, too—cannot go and set up shop and practise in Germany freely. National rules are set to require particular qualifications that it is very difficult for a non-German architect to meet. I am not saying we want to have lawyers free to practise in any legal system whether or not they are qualified—that would be going too far—but some of these national regulations are, in my view, protectionist in their nature, and everybody would benefit if we had greater progress towards mutual recognition.

I welcome what Elżbieta Bieńkowska is doing in trying to segment services liberalisation. She is tackling construction services and business professional services first, where there is a lot of low-hanging fruit that could be of real benefit to business Europe-wide, but where both the UK and Ireland could get some definite advantages.

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

David Anderson.

**Mr Dave Anderson MP:**

David, I want to come back to where Brian Mawhinney started off: clichés. In the letter from the Prime Minister, you mentioned more free trade agreements and cutting red tape on business. For those of us who want to see a more social Europe, those are really worrying things. There is huge public opposition in Britain to the Transatlantic Trade and Investment Partnership arrangements and massive concerns about the impact on public services. To a lot of us, cutting red tape on business means more woe for workers, which, for example, has already happened in this country with big changes in industrial tribunal legislation over the past five years. It is quite possible that what you are trying to do is shape the EU in a Tory image. That might mean that some of us who want to support steel in Europe will have second thoughts if that is the sort of Europe that you say we must have if we want to stay in Europe.

**Rt Hon David Lidington MP:**

There will inevitably be some political differences between you and me, but I will say this: first, on TTIP, I am an unashamed believer in free trade. A successful transatlantic free trade agreement would bring some real benefits to the sort of people you represent in your constituency on two counts. First, it would give much greater access to United States markets for European businesses, including small and medium-sized enterprises that find it very difficult to get access to the US market either directly or as part of supply chains, because of the protectionist approach that the United States takes. Secondly, consumers in every part of Britain would benefit from the lower prices that would come if we could scrap those remaining tariffs that are above the WTO norms on US imports: things like jeans or certain electronic goods.

Also, if we could achieve the mutual recognition of each other's standards, that would mean firms such as vehicle producers could cut costs. At the moment, if you make cars, whether in the north-east of England or elsewhere, and you want to sell to the US market, you need to have a production line with slightly different standards from those lines that are producing for the European market, because the technical standards vary, although the outcomes in terms of safety are not really any different. What would make sense would be to have mutual recognition, or some sort of common standards approach, so that the vehicle manufacturer only had to have a single production line and a single set of technical standards. They could then cut the cost of the family car or the cost of the van for a small business, which would be of real practical benefit.

The other thing I will say about TTIP is that a lot of the concern has arisen, as you say, over what it means for public services. I think both the US and the EU negotiators have been absolutely clear on the record that there is nothing in TTIP that will interfere with the freedom of Governments to regulate public services, including health, or to have elements of the public sector in public ownership, if that is their political choice.

We will have to see what comes out of the final text. Clearly, some explicit carve-out about the National Health Service in particular might be the sort of thing that you and your colleagues would find helpful; we will have to see what comes out of negotiations. However,

if you look at what has been said publicly by the two lead negotiators, there need not be the sort of fear that is being expressed by some of the campaigns against TTIP.

On your question about red tape, what we have seen with the EU—too often, I think—is well-intended legislation that has gone too far in trying to impose very detailed, micro-managerial rules upon businesses. SMEs in particular, which cannot employ people in the way that BP or Shell can because those companies have a whole department of people to monitor regulations, face real practical problems. If you look at the REACH directive, or the way in which nitrate vulnerable zones legislation has been implemented, or the soils directive, which I think is now being taken off the table, you see that those measures were well intended but their consequence was, or would have been, some unnecessary red tape and expense for businesses that are trying to make a living and compete with other suppliers elsewhere in the world.

There is absolutely no intention on the part of the British Government to send little boys up chimneys to clean them, or to scrap maternity leave or holiday pay, but we need to have sufficient flexibility to ensure that we get people back to work. Surely the biggest social policy challenge facing Europe is the fact that there are millions of people, particularly young people, across Europe who are out of work. Over half of 16 to 24-year-olds in countries such as Spain and Greece are out of a job, which Europe must get to grips with.

In the face of a world where the US is stretching its lead over Europe in terms of competitiveness, where we face new challenges from Asia and Latin America and where digital technology cannot be disinvited, we need to have the flexibility in our labour market to allow people to adapt to that change.

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

A lot of people are waiting, so I will take them in groups of three. Perhaps I can request that we have very brief contributions and brief answers. I call Arthur Spring, Jim Walsh and then Roger Perrot. Arthur first, please.

**Mr Arthur Spring TD:**

I would like clarification around the first issue that you mentioned, which was competitiveness. There are two ways of gaining competitiveness for the modern business: one is to reduce the costs of inputs; and the second is to increase the form of offering that they have. I am afraid that if Europe looks at a crude instrument such as an input around energy, we could all start burning coal again and looking at less expensive forms of energy rather than the renewable energies that this organisation has looked at.

We could also look at the cost of labour and the effects it would have on the standards of living of average people if we tried to make ourselves competitive with Asia, as you pointed out a moment ago. Where is the competitiveness going to come from, and would you agree that we are better off as a union in order to tackle things like climate change around energy as one of the key inputs? It needs to be balanced in terms of competitiveness as well.

**Senator Jim Walsh:**

I agreed with much of what you said, as I did when I heard your Prime Minister speak recently, outlining exactly what he was aiming to achieve in Europe. I fully subscribe to the idea of competitiveness, greater cost-effectiveness and efficiency in Europe. Indeed, I think Europe is growing into a self-serving bureaucracy, but we should remind ourselves that we suffer from that in our own countries as well, and we do not tackle it nearly as energetically as we should.

I have a note of caution for you. I think there will be considerable support for the very pragmatic approach and recommendations that you have across Europe among people who want to see a Europe that is more in tune and benefits its citizens, but I think the tone you adopt will be critical, No. 1. If you are seen to be preaching to the rest of Europe, you are going to flounder on making progress, and I think that is a pity for Europe.

Secondly, I think that there is a need to look at the deadline. Europe moves exceptionally slowly on all these things. I think the programme and agenda that you have laid out is a very good one, and I think all the countries coming together could in fact define and refine the European concept to make it more in tune with the needs of its people, but I think there may be a difficulty with the deadline. I would prioritise the overall benefit of Europe rather than any particular single member. I would like you perhaps to look at adopting that.

I have one final question I would like to put to you which I did not speak on. This country invaded Iraq with America some years back on the basis that Saddam Hussein's regime was a threat to the rest of the world. I think most observers would say that the current regime in Iraq and Syria, Daesh, is an even greater threat to civilised society around the world. I note that you are the Minister of State for Foreign Affairs, so I would like to ask you what you feel is the approach needed in the interests of civilised society and of eradicating that particular threat. What approach is the best approach to achieve that?

**Deputy Roger Perrot:**

Mr Lidington, I am a representative from Guernsey. This is a rambling and probably unfair question, and I am not sure how it will eventuate. The Crown is responsible for our external affairs in Guernsey, and the conduit for contact is through the Ministry of Justice, which I realise is outside your patch. Last summer, the Department for Environment, Food and Rural Affairs unilaterally suspended our fishing fleet from fishing in UK waters. We have started judicial proceedings as a consequence, so I know that we cannot speak about that. The problem arises because of fishing quotas imposed by Europe, to which the UK has agreed. To what extent has that appeared on your radar as Minister for Europe? If it has, to what extent are you prepared to try to help us?

**Rt Hon David Lidington MP:**

Let us take these in turn. I will answer Arthur's question first. I agree that climate change and energy are both important. Research has played an active part in getting an ambitious EU

position in place before the meeting in Paris. I think there is a massive challenge too, for the whole of the EU, in terms of energy security. Europe is far too dependent on Russia, and we need to diversify the sources of supply and the routes by which energy comes into Europe. Renewables have a part to play in that, but the treaties are clear that it is up to each member state to determine its own energy mix. It will vary depending on the geography and geology of particular countries, but we certainly remain very focused on that. The third energy package was an extremely important step forward, because that was the most effective challenge to Gazprom that there could be, and it has undoubtedly bolstered the leverage that a little country such as Lithuania might have when it is trying to wean itself off complete dependence on Russian energy supplies.

In terms of what we can get through competitiveness, it is the proper continental economies of scale. We see that that has been achieved, for example, with aviation. If it were not for the single market in aviation, you would not have easyJet or Ryanair or Wizz Air in their present form, giving ordinary families the opportunity of low-cost travel to many different European destinations, and those airlines have said that.

We are getting there with digital, slowly. The roaming charges have now been agreed, but you still cannot get Spotify or iPlayer in every European Union country. Last year, roughly 40% of people in the EU bought something online, but fewer than one in 10 transactions crossed a national frontier, because we do not have agreement yet on a common framework for consumer protection or payment systems, and the like. Those are the advantages and we really need to take that out into the services sector, because that is where most of the new jobs and new growth will come from in every European economy, looking forward.

On Jim's points, the deadline will be set in legislation for the end of 2017—that is for the referendum to be held—but within that, we have powers under secondary legislation to set an earlier date, depending on progress with the negotiations. I am not too pessimistic about the timescale, because I think that without a deadline of some kind, it risks becoming an issue that can be put off again and again. I remember—early on as a Minister, in October 2010—the Deauville summit, where Chancellor Merkel and President Sarkozy agreed that they needed to have a treaty change in order to give a firm treaty basis for the European stability mechanism. I remember the subsequent Council meeting, where absolutely nobody else thought that was a good idea, but actually, at the end of the day, it was agreed that that should be done and it was all done pretty quickly. Even with ratification, it only took about a year and a half to do it. Okay, it was a single-line treaty change, but it showed that it could be done when people put their minds to it. I agree with you about the importance of tone, and the PM made a deliberate choice in his Bloomberg speech in January 2013, and at Chatham House last week, to frame his case primarily in terms of, "This is a package that is good for the health of Europe as a whole."

If I get too far into Iraq and combating Daesh, I am going to take up all the morning. I think we need to have clear national and co-ordinated European action to combat terrorism and extremism, and I think that will mean that more needs to be done not only at a national level regarding how we check people when they come across the frontier, in terms of what the police do, but at a European level, in terms of information sharing. We are not good enough yet around Europe at sharing information quickly with one another. It is early days, but there are already some suggestions coming out of the French system

that that failure to share information may have contributed to what happened in Paris. However, we will have to wait and see exactly what the findings of the investigation are.

We need to focus not just on those who are committed to terrorism, but on how we promote social integration and combat extremist ideology. That, I think, is very largely a matter of trying to share experiences of what works and what does not work. I would be hesitant to say that we must have a common European policy, a directive, on this. It is about detailed, local work very often, with particular communities—with, for example, Muslims in prison, to ensure that prison arrangements do not provide opportunities for further radicalisation but, on the contrary, steer people away from such a temptation.

On Roger's comments, I remember the issue of Guernsey and Jersey fishing rights coming across my desk last year. I will be honest with you: I do not remember all the detail. In general terms, I wrote to the Chief Ministers of the three Crown dependencies when the EU renegotiation started to say that we wanted to be open to their views, to ensure that their interests were taken into account. I saw the Chief Ministers of both Jersey and Guernsey earlier this year, after the general election, and I am due to see the Chief Minister of the Isle of Man in the next few weeks. I have always said to them, "My door is open. If there are particular things that you want to come and talk to me about, in terms of European policy, I am happy to do so."

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

I will only be able to take three more questions, so apologies to those whom I cannot call. Andrew Rosindell, Willie Coffey and John Scott, then we will have to finish there, I'm afraid.

**Mr Andrew Rosindell MP:**

Thank you. Good morning, David, and thank you for your presentation.

During the election earlier this year in the United Kingdom and following the Prime Minister's Bloomberg speech, the expectation was that the renegotiation would bring about a fundamental change in Britain's relationship with the European Union. That is what the Prime Minister said and is the basis of what the British people understood we would do if we were elected to government. Of course we were elected to government with a majority, so do you understand the feeling among a lot of people that the terms of the renegotiation now seem to be rather timid?

The idea that the renegotiation is about competition is a good thing, but that should be the case automatically anyway. The protection for the non-eurozone countries should surely be an automatic thing that we should be doing in any case. So what is the fundamental nature of this renegotiation? Surely what most British people want is a relationship with Europe based on trade and co-operation, not on political union—that is what most people want. Can we not be a lot bolder and achieve a more fundamental shift which, if achieved, would be good not only for Britain but for the whole of Europe?

**Mr Willie Coffey MSP:**

Minister, in shaping your priorities has the UK Government consulted with the Scottish Government, and indeed the other devolved Administrations, in reaching what the four priorities are? Or are they the priorities of the Conservative party?

**Mr John Scott MSP:**

Minister, would you care to speculate on the likely constitutional impact on the United Kingdom if Scotland, Wales and Northern Ireland vote in the referendum to stay within the EU, but England votes to leave?

**Rt Hon David Lidington MP:**

Let us take those in order. Andrew, I think—I said this in the Commons last week—some of those who are being critical of the Prime Minister's approach actually underestimate the significance of what he is proposing. It is no accident that Donald Tusk said that he thought that getting agreement on the agenda set out in a letter last week would be very difficult.

Fundamentally, what we are about is getting acceptance across Europe that its future is to recognise diversity, not to be monolithic. The assumption has always been, so far, that everyone is heading for the same destination. The most that people conceded is that it might be at different speeds. What we are saying is that we are looking at a Europe that is a fundamentally different model—a Europe based on variegated integration, where some countries, for reasons of geography, history or shared currency, will choose to integrate much more closely and where those of us who are not taking part in that will take our foot off the brake. We will not try to inhibit or stop that. The quid pro quo for that is that written into the DNA and the law under which all EU institutions operate and decisions are taken is a recognition that that is not the destination for all. That is a massive cultural and political change from the way in which the EU has been accustomed to think about its work.

*11.30 am*

On Willie's comments, I wrote to all the devolved Administrations after the Government took office in May this year to set out what we are going to do and invite them to feed in comments. The renegotiation is a standing item in the agenda of the quarterly meetings of the joint ministerial committee on Europe, which I chair. Ultimately, it is for the UK Government, as the elected Government of the member state, to decide what their position should be. Unsurprisingly, that reflects the Conservative party manifesto, just as the policy of the elected Scottish Government tends to reflect the Scottish National party manifesto. There are a significant number of Members from Scottish constituencies in the House of Commons who are sitting on Committees such as the European Scrutiny Committee and the Select Committee on Foreign Affairs, performing their job of holding UK Ministers to account in the UK Parliament. I have no complaint whatever about that.

When I was in Edinburgh on Wednesday last week, I said to the Scottish Government that ultimately this is a reserved matter. I will try to be as open as it is possible to be. I want to

have a working culture whereby Fiona Hyslop or her colleagues can pick up the phone to me, and whereby their officials can talk to my officials at any time if they see something in the papers, pick up on something that they are concerned about or want to get a point across. We should be in a continuous conversation with the three devolved Administrations. That is trying to give effect to the respect agenda, to which the Prime Minister gives a high priority.

On John's comments, the blunt answer is yes. If it turned out the way that you described, John, there certainly would be some political tensions as a consequence. But when I have looked at the opinion polls, they show variations in position, but not massive ones, between different parts of the UK. I think back to the 1975 referendum, which was pretty decisive right across all parts of the UK. I think that was also true of the referendum on the alternative vote in 2011. A lot will depend on how the referendum campaign is managed. I come back to the fact that it was the UK as a whole that joined the EU under Ted Heath, and it is the UK that is written into the treaties as a signatory party. Therefore, it can only be the case that the UK as a whole takes the decision now.

**The Co-Chairman (Mr Frank Feighan TD):**

Thank you, David. We wish you well in those negotiations. The Taoiseach has said that we will be as facilitating as possible with the UK in those negotiations. Unfortunately, Ireland's experience of referendums is that people do not always answer the question they are being asked. Ireland has a very special interest as a close friend, a trading partner and a near member of the EU. We share a common border and travel area, and I do not think that anyone would like to see an EU border on the island of Ireland. Nevertheless, thank you very much for your reflections, Minister, and thank you to other colleagues. We wish you well in the future.

**ADDRESS BY THE PARLIAMENTARY UNDER-SECRETARY AT THE  
NORTHERN IRELAND OFFICE**

**The Co-Chairman (Mr Frank Feighan TD):**

I am pleased to welcome Ben Wallace MP, Parliamentary Under-Secretary of State at the Northern Ireland Office. We invite Ben to address the Assembly. We are grateful to you, Ben, for attending today at short notice in the unavoidable absence of the Secretary of State. This is a particularly sensitive time in the political affairs of Northern Ireland, and we look forward to hearing your analysis of recent developments and to putting questions to you afterwards. Minister, you have the floor.

**Mr Ben Wallace MP:**

Thank you very much, Frank and Laurence. May I apologise for my right hon. Friend Theresa Villiers not being here today? She is locked in another session of intensive talks, so I am the stand-in. I will do my best, and hope not to disappoint. I am sorry that I was late. In England we also have a north-south divide. I am a Lancashire MP, and trying to travel anywhere on a Monday morning can be a nightmare. I think my last three Mondays have either been spent

stuck in fog in Manchester or stuck on the M6. Today it was the turn of the railways. The Monday god does not like me very much at the moment.

I am delighted to have been invited here to Cheltenham. Laurence and I love racing. There are not many Ministers who can say that their father-in-law was a jockey here. My wife used to work for the Tote. I have a very deep Irish relationship when it comes to horses, so I cannot think of a better place to be. I am quite sad that I cannot stay for the rest of the proceedings, because I would be very interested to hear about the next topic, racing, and how the UK and Ireland work together.

Racing is a good example of how the Irish and the British work together. In my time I have had horses—not very successful ones—and I remember being offered a horse for sale by someone in Ireland who said to me, “It’s won four races.” I thought that that sounded good, but on closer inspection I realised that the horse, which was British-born, had not beaten a single Irish horse in its four races, so I decided that it was not a horse to buy. That reflects the fact that nothing is always as it seems when it comes to British-Irish politics.

I am delighted to be in this job. I know Ireland particularly well, I know the North very well, and, having previously served in the Scottish Parliament, I know devolution and the nuances that come with it extremely well. First, I want to update you on where we are in the talks. We have had nine and a half weeks of intensive talks, which is a long time for anything that is intensive. We have had 150 meetings over 34 days, with 50 round-tables and 70 bilaterals, so I can say with some relief that I am glad to be here rather than perhaps joining yet another bilateral or round-table discussion.

We should not forget what is worth saving: a Stormont with tremendous opportunity that has had a generous block grant and has not been through some of the tough cuts that constituents in England and Wales have been through, with funding 23% higher per head than in England or Wales. Stormont has the ability to provide flexibility on welfare—to top up, should it so wish, the impacts of United Kingdom welfare policy. That is not an option for the constituents of many of us in this room. Stormont has the ability—in fact, the empowerment—to cut corporation tax to 10%, should it wish to. That is a tremendous opportunity for Stormont. That is what we are all trying to save in the talks in order to deliver on the 2014 Stormont House Agreement, because the prize is great.

I did my first four years in politics in the Scottish Parliament—it is nice to see John here opposite me. Devolution can do tremendous things for a country. It can deliver, and it can change politics for a lifetime. You have only to look at the results in Scotland to see that areas of Scotland that would never before have voted Scottish National party did so at the last election. My father grew up in the mining towns of Fife; the idea that they now have an SNP MP and MSP is something that would never have entered anyone’s head 20 or 30 years ago. That is partly because people vote for a pilot who can actually fly planes. They vote for people who can deliver good government in the country they represent.

If Stormont is firing full guns, I think it will deliver for whichever party wishes to make the best of it and a great future for Northern Ireland. Irrespective of Nationalists or Unionists, Stormont taking on those powers and seeing through the Stormont House Agreement means that a Northern Ireland Executive will, I think, be able to deliver a great future for Northern

Ireland. It is, in the end, about the future; that is what we are all here to talk about. Of course, we have to deal with some of the legacies of the past, but we also have to make sure we now capitalise on the 21 years of peace, which I was certainly involved in in 1994, when I did my last tour as a soldier there during the early talks and early beginnings of the ceasefire.

We should not forget why we are in crisis. We are in crisis because the Stormont House Agreement of Christmas 2014 has not yet been implemented. Some of the parties who effectively signed up to deliver it have not seen that through, and it is important we get over those barriers. It is also because the murders of Kevin McGuigan Sr and Jock Davison in the Short Strand and Markets area of Belfast have brought people's fears to the fore. The suggestion that members of the Provisional IRA may or may not have been involved in those murders means there are some very serious security questions to be answered before parties in the Northern Ireland Executive want to get back to those talks and get round to running Northern Ireland again.

Time is running out. This is not going to be another deal that we hope will take us all the way to Christmas; we just do not have that time, and the Northern Ireland Executive does not have that time. The budget is not good. If we do not resolve the welfare issue, Northern Ireland, without doubt, will start to not function as it should do. We have already seen impacts on the health service and other areas of domestic policy. We are trying, and we are hopeful that this week, above all, is the week we shall finally come together to fulfil the Stormont House Agreement and put right some of the fears that caused us to go into these talks.

If I reflect on my years in Northern Ireland, I see a Northern Ireland that is far more vibrant than when I was last there. I see a younger population, both Catholic and Protestant, who want to move forward and who are now ahead of their politicians in a way that was maybe not the case before; the politicians often led. At the moment, when I meet young people in business in Northern Ireland, they are ahead of their politicians, and what they want more than anything is decisions to be made to govern Northern Ireland that will allow them to capitalise on their opportunities. That is what we have to aim for.

Hopefully, this week, the bump in the road will subside and we will get on with helping to support a devolutionary settlement for Northern Ireland—a settlement that was agreed by all, by referendum, back in the Belfast Agreement. If we, as the UK Government, can support that devolution, I think Northern Ireland will go from strength to strength, and the opportunities for the young people of Northern Ireland will increase. We should not let them down in the future.

Thank you, Minister. I am going to open the floor to questions. We will try to take them in threes. First, Mr Barry McElduff.

#### **Mr Barry McElduff MLA:**

I want to briefly offer a slightly different narrative as to why we are in crisis. With all due respect, the British Government is not a referee in the talks; it is a player in the talks. It sometimes presents itself as a referee. I want to ask the Minister if the British Government is not guilty of denying the Assembly at Stormont a sustainable, workable budget. I see that

across all the Departments—the denial of a sustainable, workable budget—it is not just directly connected to welfare reform matters. Secondly, messages are coming out from the talks about the British Government actively blocking disclosure of the truth, all the time quoting British national security. Those are worrying concerns as well.

**Mr Robin Walker MP:**

Thank you, Ben, for your presentation. Moving on from the current crisis talks to normalisation in Northern Ireland, how do you feel we can develop a healthy parliamentary Opposition in Stormont and the institutions that will actually support that?

**Mr Robin Swann MLA:**

Thank you, Minister. Moving on to a different barrier, can you give us an assurance that, coming out of these talks, the British Government will be genuine about tackling paramilitarism in Northern Ireland, rather than continuing the appeasement we have seen in the past few years?

*11.45 am*

**Mr Ben Wallace MP:**

First, on denying a sustainable budget, I would say you want to look to the south and to the rest of the United Kingdom, where austerity has been deep and significant, and has cut into budgets far deeper than in Northern Ireland. The Stormont Assembly has at its disposal a budget that has seen a 1% real-terms cut year on year in the last, roughly, five years. Compared to anywhere else on the island of Ireland, and in the rest of the United Kingdom, that is nothing like what we have all been through. So I do not think the UK Government has conspired to deny a sustainable budget.

On the decisions about how that budget is spent, so much of that now is in the hands of the Northern Ireland Executive. How it wishes to prioritise some of the issues is up to the First Minister and the Deputy First Minister. Let us not forget that, in December 2014, when we came together on this Stormont House Agreement, the package put together was about £2 billion, including an extra £150 million for shared education and shared community offerings to try and help the reconciliation, money to deal with the legacy of the past and money to set up the Historical Investigations Unit.

I think we have actually done an awful lot. I do not think we are a referee in this. What was put together in the Stormont House Agreement was a good deal for Northern Ireland and a good deal for the people of Northern Ireland. At the end of the day, we have to ask ourselves why the people who originally agreed to it decided they were not going to agree to it when it came before the Stormont Assembly. That is something we have to look at.

On Robin's point about a plausible Opposition—a constitutional change, to some extent—well, first of all, in the Stormont House Agreement, that was to be addressed. I would like to

see a lot more work on it, and I know that individual Northern Ireland parties would, although they might not agree on which parts. But it is important that that is part of the process of moving on. We need a Stormont that is about delivery. We need to move on from the politics of, perhaps, division or grievance that we all left behind 20-odd years ago. It is time to decide, what is this about? Is this about delivering better healthcare? Is it about delivering planning consents and so on? That is absolutely important.

On tackling paramilitaries, we are absolutely serious. My right hon. Friend the Secretary of State is constantly trying with the Treasury to get more money for our Police Service of Northern Ireland to tackle this issue. Currently in the talks, we are looking at options for monitoring paramilitary activity. A couple of weeks ago, I met the National Crime Agency, which is now starting to become more operational and to tackle these issues.

We take this issue very seriously. It is not just paramilitary, but organised crime. This is something where there is no excuse anymore. There is certainly no excuse for paramilitaries in Northern Ireland—I do not believe there ever was. There is no excuse for them to continue to exist, and the best way to remind them that there is no point being there is for Stormont to function and for the Northern Ireland Executive to get on and deliver a good manifesto and to deliver for the people of Northern Ireland. Then the paramilitaries will look like the left-behinds that they really are.

**Mr Sean Rogers MLA:**

Thank you, Minister. In your opening remarks, you mentioned that 23% more money was spent per head of population in Northern Ireland. But in terms of Northern Ireland, as you well know, there is a lot of hurt out there on all sides. What possibility do you think there is of having a comprehensive resolution of legacy issues as part of the current talks?

**The Baroness Blood:**

Perhaps I can ask the Minister a totally different question. He has already referred to the Good Friday Agreement being put to the people of Northern Ireland. Given the settlement's importance to the future of Northern Ireland as a devolved Assembly, could he explain why, if a settlement is agreed this week at Stormont, a form of words could not be put to the people of Northern Ireland on whether they want the settlement or not? In my mind, this would take away a future crisis.

**The Lord Glentoran:**

Thank you, Chair. First, it seems to me, and people think, that there is a distinct lack of leadership. You said at the beginning of your words that what people want is decisions to be made. Decisions are not made, have not been made and do not appear to be going to be made out of Stormont.

The financial situation, as you also mentioned, is very serious. I declare an interest in that, from the agricultural point of view, I was on about a grant that is already seven months

overdue. I was told by the officials concerned that “the tick is against everything, everything is ready to go”, but no civil servant at all—no one in the Stormont Government—is allowed to sign a cheque for anything.

**Mr Ben Wallace MP:**

On the legacy issues, I absolutely hope, and strive, to get resolution. We went into these talks with this being part of the comprehensive solution—we need it. It is very important because it is not just about justice, it is also about closure, and the money is there to help to fund both things.

I will be the Bill Minister on the Northern Ireland (Stormont House Agreement) Bill 2015. We have shared its terms with officials and parties, and we are waiting to see if we can get it on to the conveyor belt that is the UK Parliament to see it through. I want to know some of the things of my past—I want to see victims get the justice they deserve—and I have been very clear in the process of the formulation of the policy that nothing we do will prevent people from being brought to justice for a crime or crimes they may have committed in the past against civilians, soldiers, police officers or anyone else. I am absolutely determined that we do that, because we can only really move on in the future if we can, not let go of the past, but ensure that it is being dealt with. That is really important.

On the issue of another referendum, I say to Baroness Blood that I am not sure. We had a general election only this year. I think that at the moment the Northern Ireland parties are in the talks, trying to resolve it, and that if we get the talks resolved public opinion in Northern Ireland will follow behind the political leaders and get on to the issue of delivery. That is very important, but when you say leadership, it is not for me or the UK Government to just step over people and say, “Enough of this. It’s direct rule. Wouldn’t it all be easier?” This is devolution.

There were two interesting policy areas not so long ago in Northern Ireland that show that the electorate are much more sensitive and more prepared to challenge their political leaders than they might have been in the past. For example, if you look at when we had the ministerial resignations, I think that what started to hurt was the NHS roll-out. People started saying, “Well, I know all about that, but my wife can’t get her hip done, and that’s really important to me.” I think that the Minister for Health, Social Services and Public Safety felt a lot more pressure.

If you were to flip the coin and go to Roger Casement Park and the planning permissions rows that you see in Andersonstown, it is really interesting that people said, “It is very interesting Sinn Féin. I know you’ve been great representatives of Andersonstown but I don’t want a new stadium in my backyard”. What they dealt with was day-to-day policy.

So leadership is not about imposing your will or direct rule. Leadership is about ensuring that the parties in Northern Ireland understand that they have that responsibility. They cannot pass the buck. They have devolution. It is an empowering settlement at Stormont. The electorate know that, and I am sure that if we press them and we get together in the next couple of weeks, in the end we will get back on track to deliver both the policies and the grants that are obviously so important to many people.

**Ms Helen Jones MP:**

Ben, I think that all of us would wish you and Theresa success in the talks that you are undertaking, but I wonder whether we could look at it from the other side of the coin. What would be the effect on public opinion in England, Wales and Scotland of a failure to reach a sustained agreement in Northern Ireland? As you rightly say, the money allowed to the devolved Assembly in Northern Ireland far exceeds that which is spent in the English regions, for example. To get a settlement in the long term, we need to sustain unity, not just in the North of Ireland but in the Republic and in the rest of the United Kingdom as well and I would appreciate your thoughts on that.

**Mr Mark Durkan MP:**

Can I ask Ben, as the Minister who will be taking the Bill forward, will he consider committing the Bill to a form of pre-legislative scrutiny by a Joint Committee of both the Commons and the Lords? There have been a lot of concerns on the part of a number of victims' groups and others about the lack of consultation around some of the proposals in respect of legacy. Of course, there will be other issues in the Bill as well. And, given the level of misunderstanding and misapprehension around some of those issues, does he agree that a Joint Committee looking at this before it goes through the processes in both Houses could be very useful and time well served?

**Rt Hon the Lord Mawhinney:**

Minister, can I take you back to the question that May Blood asked? When the Good Friday Agreement emerged, Governments in both jurisdictions in Ireland said that the way to cement this is to have a referendum, to have the people express their support in unequivocal terms, and that that deals with the issue. Your answer to May was exactly the opposite: if we manage to get an agreement, you said, I am sure the people will follow. So what is the reason, in policy terms, why what has already been British policy cannot be British policy again for the same reason and with the same outcome? Why not let the people of Northern Ireland have a say—yea or nay—on what emerges from the talks?

**Mr Ben Wallace MP:**

First of all, in answer to Lord Mawhinney, we are—not through referendum—not far from an election to the Northern Ireland Assembly, which will start ratcheting up, no doubt, in March of next year. In that sense, people will have a say.

Secondly, as you will know as a former Minister, referendums are not always the most appropriate vehicle, in my view, for certain decisions. Certainly, are we going to have a referendum on the nuances of the Historical Investigations Unit or the Institute for Conflict Research, or are we going to have a referendum on the individual welfare bail-outs or flexibilities that we are going to ask about? I am afraid this is not anything like the 1998 Agreement—this is not the constitutional, earth-shattering change that required that consent both North and South. This is about an agreement that started off life about dealing with

legacies of the past, three different bodies and the welfare agreement to top up flexibilities. And, given the proximity of a Northern Ireland Assembly, I do not think for now that it is an appropriate vehicle to achieve that. That is the position of the Government and I agree with that.

Mark, first of all, subject to timing, I would support anything like that. The issue is, we need to get anything that is agreed next week through Parliament in this Session. We do not need any more delays. We cannot be in a position where we have to join the back of the queue and wait for all the other Bills that are going through. Therefore, if we can do that—I will certainly be engaging as much as possible in the Lords and with all colleagues and with the Northern Ireland Affairs Committee. I signed off something only the other day to make sure that we are before them and whether it takes such a formal stage as pre-legislative scrutiny or whether it is full consultation with you and everyone else, that is really dependent on timing. We have not yet taken the Bill to the Parliamentary Business and Legislation Committee to get its slot. We are determined that it gets its slot; we don't want to miss the boat, for sure. Certainly, I am alive to his concerns, and I will do everything I can to engage on that issue.

Helen, it is difficult. If you ask my constituents what they think, they cannot understand why there is a logjam. Helen is one of my near neighbours, and my police force—the Lancashire constabulary—had 25% cuts. Their view of what is going on in Northern Ireland, if they have a view, is that they are a bit mystified about why they cannot progress. It is very much in their mind that it has been 20 years since the Troubles came to an end and the ceasefire first happened. I think they will start questioning whether people are serious about peace and delivering devolution.

*Noon*

What is more worrying is that the case for devolution in other parts of the United Kingdom will be undermined if people see devolution being used to play out other political rows, rather than rows about general policy and the delivery of the manifestos. That is something we need to be mindful of, and the Northern Ireland parties need to be mindful that they slightly carry the flame for devolution's working. It can't work in only one part of the United Kingdom; it needs to be shown to work all over. That is something that we are all conscious of in the talks. Whether we then see it in action is a case to be made.

**The Co-Chairman (Mr Frank Feighan TD):**

Thank you, Minister. It was great to meet you two months ago in Dublin. We had a very interesting discussion. Thank you again for updating us today. We do not see Irish Ministers Flanagan and Sherlock in Dublin too often; every time we ask them where they are, they seem to be in Belfast. I understand that they have been intensely involved in all talks. Ireland is very supportive of the implementation of the Stormont House agreement. We wish everyone well in the talks, and we acknowledge the commitment of all those involved. Like everyone, we want to see a forward-looking, prosperous, secure Northern Ireland. We are all united here today in trying to achieve that aim.

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

Thank you very much, Ben, for coming today, in spite of your tortuous journey. We wish you and Theresa well in the discussions. It is a little depressing that 17 years after the Good Friday agreement was made and implemented we are in a position where a Budget cannot be implemented and there are crisis talks again.

Going back to one of the questions that Robin Walker asked earlier, we need to see Northern Ireland through to normal politics. I am sure everybody in the room would agree with that. We wish you well in those discussions, and we hope that whatever is agreed will be a lasting agreement and that we do not find ourselves 12 months from now in a similar situation. Thank you very much for joining us today, and we wish you a better journey back than you had coming here.

## **HORSERACING IN BRITAIN AND IRELAND: PANEL DISCUSSION**

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

We will move on to the next session, which is rather a topical one, considering where we are meeting. We have just gone through three days of a great meeting called ‘the open meeting’ here at Cheltenham, and we have been grateful for the attendance of so many people from Ireland at the meeting, which is of course the case frequently at Cheltenham. In fact, Cheltenham just would not be the same without the Irish coming over. So, we now have two speakers: we have Nick Rust, who is the chief executive of the British Horseracing Authority, who is going to be followed by Brian Kavanagh, who is the chief executive of Horse Racing Ireland. I am very pleased that they are able to join us. They are both going to make brief presentations and then we can make comments or ask questions. Thank you very much for joining us. Nick, the floor is yours. Thank you.

### **Mr Nick Rust:**

Good afternoon, ladies and gentlemen. Thanks very much indeed to Laurence and the group for inviting me here today. I was due to be following Brian, actually, so forgive me; I will adjust what I am about to say and not just steal his thunder.

I want to, really, talk today about British horse-racing, first of all, and how it works with Irish racing. Racing is more than just a sport, it is an industry in Britain. We have around about 85,000 people whose employment relies on British racing. But it is, of course, a sport, and sport matters to people. It matters to people socially, it matters in their lives, it gives them an escape, it helps them to take part in wider society, and British horse-racing certainly does that. We have around about 6 million people who visit our 59 racecourses across a year. There were record attendances at the major festivals this year. Indeed, at the meeting at the weekend at Cheltenham, the three-day open meeting, we saw record crowds of 73,000 on the back of record attendances at the Cheltenham Festival, at Royal Ascot, at Aintree and also at the Derby Day festival this year.

So, it is fabulous entertainment, but big business in its own right. In Britain, an economic report by Deloitte a couple of years ago showed that British racing contributed over £3.4 billion to the British economy. It generated, as I said, the second-largest spectator total in sport, behind football, and it is growing, as I mentioned earlier. I hope that, between us, Brian

and I are able to show that racing is unique in the nature of its contribution to sport and society, and also to show the strong link between Britain and Ireland. In fact, the two industries are inextricably linked, in my view. Brian was reminding me—and I do not wish to steal all his thunder—that we would not have a British horse-racing industry without the imports of Irish horses from the breeding industry, which is so important to British racing. A huge proportion of British jump racing relies on the breeding industry in Ireland for its survival and growth.

Cheltenham Festival, here in this setting, is one of the highlights of British racing. It was the sixth-highest-attended sporting event in the UK last year, and, as I said, the new £45 million grandstand that you have seen, or may have the chance to go around later on, I think, today, helped achieve a record crowd for the three-day meeting of 73,000 at the weekend.

Just looking at British racing overall and the link to Irish racing, as well as the bloodstock side, the last 12 months have seen over 1,000 Irish runners at British racecourses, and I am pleased to say that their capabilities meant that 15 per cent of all the races that they ran in resulted in wins, so that is pretty successful, and about 40 per cent of these runners have been running our top races. So, really, we have a real set of championships that come together around our top races on the flat and over jumps in Great Britain, and the same happens in Ireland with the major festivals seeing top British runners taking part.

On co-operation, Brian and I are responsible for the administration of racing in our respective countries. We try to work co-operatively together. There has been long-standing co-operation well before Brian and I were thought of, really, in these roles, in that British bookmakers and Irish bookmakers are looking to have a very clear product, and looking to make sure that they do not have clashes in the activities. So, it is no good if the main meeting in Ireland is clashing with the main meeting in Great Britain, because that spoils the enjoyment, the media rights revenue and also the betting turnover and revenue generated from those activities, if the meetings clash. So, there is co-operation on race times, on fixtures and on the pattern of racing in Britain and Ireland. Both countries work together in ensuring the major races are spaced out as best they can, so that those championships we talked about, not just between British and Irish runners, but also involving international runners from France, Australia, Japan, and so on, can be properly facilitated.

There is also co-operation with Government and with policy with regard to the movement of horses, the welfare of horses and veterinary and equine development, which is extremely helpful, and I think we are pretty united on that. We also work together, importantly, on integrity and anti-doping matters. Brian is a vice-president of the International Federation of Horseracing Authorities and in my role I am an executive on the executive committee of that body. Over the last few years, we have signed up to measures to keep performance-improving drugs out of the sport. It is very important that if we are to co-operate together and work together that like policies are put in place under that international umbrella, which we have managed to do over the last few years. In doing so, that has meant the minimum of fuss around running British horses in Ireland and Irish horses in Britain. Without that, countries that sit outside of that policy have to undertake pre-race tests and importation tests upon arriving in Great Britain. They have to have a full blood sample and hair sample analysed within 14 days of arriving in the country, and they cannot race or indeed be permanently imported until those tests have taken place. However, because of the like policy in Ireland and the way in which the Irish authorities police that, we have confidence in their like policy and

that allows, within reason and within the law, free movement of horses between the two countries.

Finally, on areas of co-operation, we work very closely on rules and regulations. Although there are sometimes some different interpretations of what happens in a horse-race, generally speaking, the rules in Britain and Ireland are pretty aligned so that if you see a particular incident happen in a race, you can understand that the stewards in Great Britain and the stewards in Ireland are likely to treat the incident similarly. There have been a couple of such situations recently with Simple Verse, which won the St Leger Stakes but was demoted on the day, and then reinstated within 10 days of that, and the winner, Golden Horn, in the Irish Champions Stakes, back a few months ago. Those cases are pretty clear-cut in terms of how they would be dealt with by our stewards, but we are pretty different from some other countries. So, in France, basically, if you have any sort of collision, then a horse will be disqualified, irrespective of whether or not it was the best horse on the day. So, those areas of co-operation and that learning on integrity matters, and the way we set our rules, Brian and I, and our teams, work very closely on, to help ensure that we are, to all intents and purposes, one industry, because end consumers in both Britain and Ireland regard British and Irish racing very much as part of their home racing.

Just looking at one major difference, however, between Britain and Ireland with regard to racing, before I hand over to Brian, there is the issue of funding and the vexed question of how funding arrangements can be made within the wider European context, and I know that, tomorrow, you are discussing legislation regulation with regard to Europe. We have shared similar difficulties regarding funding, but in Britain we now find ourselves at a very different stage in addressing these issues. Both the UK and Irish betting markets are highly competitive, liberalised and increasingly focused on online betting platforms. For example, in Great Britain, the horse-race betting levy established in 1961, which provides some funding from betting off-course on British racing to fund racing, was envisaged as being bets placed in Great Britain by British customers. Unfortunately, what that has meant over the last 10 years is that, with the majority of online betting taking place offshore, as much as 40 per cent of betting activity on British racing now falls outside of that funding mechanism. It is a symbiotic relationship, and that fall in revenues in Great Britain is impacting on racing. So, whilst the crowds are going up at the big meetings, and we are seeing some increases in attendance, we are also seeing some pretty dramatic falls at the moment in some of our key statistics under the bonnet. For example, the number of individual racehorse owners has fallen by 15 per cent in three years. The number of horses in training has fallen by 7 per cent. That is despite growth at the top end and growth in the prize money at the top end, and some growth coming through in syndicates, with people joining together to own a horse. What is really happening is the vast majority of owners in the middle of our sport are looking at it and saying, ‘Am I happy to continue to get around 25p in the £1 back for my activities?’, and that is after the capital spent on owning a horse.

Whilst no-one is expecting that racehorse owners should be subsidised by the state, independent, individual funding is key, and the relationship with betting and racing is key, and the economics are such that, if those numbers, which are considerably lower in Great Britain than they are in either Ireland, at around 31p in the £1, or in France, at more than 40p in the £1 for the same statistics, they are going to have an attritional impact, and a key part of that funding is the statutory funding between racing and betting.

Irish racing faced similar challenges, and Brian will no doubt talk about them. But, fortunately for them, through the support of politicians, since the Betting (Amendment) Act was signed into law in March 2015, they receive a return from all betting activity, whether it is taking place in Ireland or offshore. This has helped to allow HRI to announce a significant programme of a €100 million investment across Irish racecourses in the next five years. Unfortunately, in Britain's case, this has yet to happen. However, there is cross-party support in Parliament for the introduction of a horse-race betting right, which would provide a fair return to racing from all betting activity. It would basically close the loophole on offshore betting, and the £30 million to £40 million gap, which would mean so much for the central funding of our sport. We see this as the platform for significant growth in British racing. We have already announced a significant growth strategy, targeting 1,000 additional horses in training, which will be up about 7 per cent in the next three years, a 5 per cent increase in betting activity, and an increase in racecourse attendances to 7 million from the 6 million now.

*12.15 pm*

We will need continued political support from both sides of the Irish sea as the horserace betting right will ultimately require clearance from the European Commission. Given our interdependence, a thriving and successful British racing industry can only be a good thing for the Irish racing industry. As I have mentioned, they are inextricably linked and, vice versa, also important.

We hope, for many years to come, that, here at Cheltenham, thousands will continue to flock. There are about 10,000 or 15,000 every day at the Cheltenham Festival, Irishmen who come over to watch the racing and see the best of British and Irish horses, trainers and jockeys compete at the highest level, and enjoy one of the more than 200,000 pints of Guinness that are served here at the festival. [Applause.]

Thanks very much and I will hand over to Brian now.

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

Thank you very much. Thank you, Nick. Brian, it is always a pleasure to visit Irish racecourses as well, Punchestown festival being probably the best and most enjoyable. But, I do not know, you may contest that. Over to you.

**Mr Brian Kavanagh:**

No, no, Laurence, you are always welcome. Laurence is a familiar figure on Irish racecourses, and I would just like to compliment you on your choice of venue for the meeting today. No Irishman needs to be asked twice to come to Cheltenham, so I think it was the perfect choice. Nick has said an awful lot of what I wanted to say to you. In terms of the work that your council does and your Assembly does, you could not pick a better example of an integrated industry between our two islands. As Nick said, it is totally integrated, operates as one industry, and is a perfect example of east-west co-operation and indeed, in the case of Ireland, north-south co-operation, because racing has always been run as an all-island activity in Ireland. It is a shared sport and it is interwoven together.

I have prepared some slides for today but Laurence would not let me use them, so I will fly through them. The mission statement of my organisation, Horse Racing Ireland, is to develop and promote Ireland as a world centre of excellence for horse racing and breeding. I think, even though we see a lot of investment in Ireland from multinationals, Ireland is still, at its core, probably an agricultural society. Most people based in cities are one, maybe two, generations away from the land. So, there is an affinity among our people and, I am glad to say, among our politicians for the horse and the horse-racing industry. For that reason, racing is administered in Ireland through a state body—Horse Racing Ireland. As I said, our mission is to develop and promote the country as a world centre of excellence. That is a more centralised structure than operates in Britain—strong Government support, strong Government interest, and with the result that we have been able to develop a highly significant rural industry in our country.

Horse-racing and thoroughbred breeding is not just a wonderful sport but it accounts for a significant amount of employment, economic activity and inward investment into our economy. Successive Governments have seen the value of that, particularly in terms of employment in rural communities. There is a debate going on in Ireland at the moment about the future of rural Ireland, and certainly here is one sport and one activity in which Ireland can hold its head high on the world stage. Horse Racing Ireland has a wide variety of functions, from the development and promotion of Irish horse-racing to the development of our racecourses. We operate Tote Ireland, we license bookmakers, and we are responsible for selling the media rights for Irish racing and a number of other activities. I think, in Britain, there are probably five separate organisations carrying out the activities that Horse Racing Ireland operates.

As Nick alluded to, Horse Racing Ireland is funded through a levy—a tax on betting that takes place in Ireland. All forms of betting now are taxed at a rate of 1 per cent of turnover. In Britain, you operate a gross profits tax, so bookmakers pay tax in addition to corporation tax based on their profitability. In Ireland, that tax is charged on a turnover basis. As of 1 August this year, tax is levied not just on betting that takes place in bookmakers' shops, but now on online, internet and telephone betting that takes place offshore. That tax is routed back into the horse-racing and, indeed, the greyhound racing industries through a fund called the horse and greyhound racing fund, which was established under the Horse and Greyhound Racing Act 2001.

HR Ireland, in addition to this levy, enjoys other sources of funds: from the sale of media rights; from profits from the tote; from data and registration charges for the clients' activities we operate; a levy on every foal born in Ireland, which is used to fund the infrastructure of the breeding industry; race sponsorship and entry fees; and racecourse profits. All those funds are then used for the development and overall improvement of the racing industry and the breeding industry. As I said, horse racing and breeding are very significant activities in rural Ireland. They support 14,000 full-time jobs, and that does not include the thousands of additional economic participants that directly contribute to the success of the industry. As I said, it is one in which Ireland is a genuine world leader, both in terms of quality and quantity. The economic value of our industry has been independently assessed at approximately €1 billion a year, so it is a significant factor in rural Ireland. Overall, the industry is a significant net contributor to the state.

The two industries are intrinsically linked. I took the example of Don't Push It, a horse trained locally by Jonjo O'Neill—Laurence, you will know well—who won the Grand National in

2010. That was an English-trained horse. However, it was owned by an Irishman, trained by an Irishman, ridden by an Irishman and bred in Ireland, which I think shows the level of integration of our industry. That happens at all levels. Next week, we will have the Tattersalls sales at Newmarket. Over 50 per cent of the foals being sold at Tattersalls will be through Irish vendors. Irish owners own horses in training in England, and vice versa—English owners own horses in training in Ireland. As Nick said, the horses, trainers and jockeys regularly compete in each other's countries.

The British market is hugely important for the bloodstock industry in Ireland. In simple terms, there are 6,058 registered breeders in Ireland, compared with 3,000 in Britain. There are 8,000 thoroughbred foals born in Ireland every year, compared with 4,328 in Britain. So, when you think of the different scales of the two countries, and you think of those statistics, it gives you an idea of the relative importance of the sector in Ireland and the huge importance, as Nick alluded to, of the British market for Irish bloodstock breeders. I think that, a lot of the time, the Irish breeders and Irish producers of horses are more interested in what is happening in British racing and the British sector than they are in what is going on at home, because it is the biggest export market that we have.

Ireland is the largest producer of thoroughbreds in Europe and the fourth largest in the world. Last year, Irish horses were exported to 34 countries around the world with a total value of €229 million. Significantly, 78 per cent of our bloodstock exports are to this country, so that gives an idea of the scale of the market. Bloodstock accounts for 8.5 per cent of total livestock output in Ireland, or thoroughbreds. So, it is a significant industry and a significant source of foreign inward income into the country. As I said, Britain is a vital outlet for Irish breeders. Last year, just under 3,000 Irish foaled horses were sold at auction in Britain. The Irish breeders like sterling; they like the fact that they are sold in guineas. That is up 10 per cent on the number of horses that were sold in Britain in 2010. In recent years, we have seen a large number of British owners and trainers running their horses in Ireland—particularly British owners basing their horses and choosing to have their horses in training in Ireland. On the National Hunt side of things, that is very important to us. While it is said that our breeding industry is approximately double the size of that in Britain, our racing industry is about a quarter of the size of that in Britain. We had 27,476 individual runners on the racetrack in Ireland last year. That compares with just over 80,000 in Britain. Indeed, on fixtures, we stage about 350 fixtures a year in Ireland, compared with the 1,464 fixtures in Britain. As Nick said, if you go into a betting shop, most days in Ireland or Britain, you will probably have three or four British race meetings and one Irish race meeting, with punters betting on all of them the same. There are 26 racecourses in Ireland, and 59 racecourses in Britain. The total attendance at race meetings in Ireland last year was 1.29 million—just under 1.3 million—and in Britain, it was 5.8 million, and, as Nick said, it is growing. So, 20 per cent of the population attended racing in Ireland last year; 9.4 per cent in Britain.

A point I made earlier is just worth considering for the Assembly and the forum that we have here: of those 26 racecourses, two of them are based in Northern Ireland, in Down Royal and Downpatrick. As I said earlier, the industry operates as an all-Ireland industry. If a foal is born in Derry or a foal is born in Kerry, they both carry the IRE suffix after their name. They are both Irish-bred horses, and that is a valuable brand on the international market. Horse Racing Ireland provides funding for racing in the North—for prize money and some capital funding, but the two tracks in the North are operating under a very inadequate funding system compared to that which operates in either Britain or Ireland. As I said, the tax in Ireland is 1 per cent of turnover. There is an agreed fee paid every year—it is a per-shop fee, rather than a

turnover or profit-based fee—which is paid by bookmaker shops in Northern Ireland to return to the racing industry. We estimate it is less than 10 per cent of the equivalent funding payment in the Republic.

As I said, British owners are a very important element of our industry in Ireland. They race and choose to race—people like Rich Ricci, Graham Wylie, Michael Tabor, Alan Potts. All these people are wealthy owners who have chosen to have their horse in training in Ireland. That is hugely important to us in terms of purchasing the bloodstock and keeping them with Irish trainers. Willie Mullins, a National Hunt trainer, has been particularly successful for British owners. There are over 400 registered owners from Britain racing horses in Ireland, and they can take advantage of prize money, skilled trainers and jockeys.

As Nick alluded to earlier, Irish runners race quite frequently for racing here in Britain. Last year, here in Britain, the Irish runners won just over £9 million sterling in prize money in England. I am pleased to say that five of the last eight Epsom Derby winners were Irish trained. Seven of the last 10 2000 Guineas winners and, because of the place we are in, Laurence, 11 of the last 17 champion hurdlers were Irish. The reigning champion hurdler was beaten in a race yesterday so maybe it will not be so good next year. On the other side of that, a number of the Irish classics this year went to UK-trained horses. We were delighted to see Golden Horn win the Irish Champion Stakes and Jack Hobbs—both trained by John Gosden, a trainer in Newmarket and Suffolk—won the Irish Derby this year. So, regularly, horses, trainers and jockeys are travelling between both jurisdictions.

Our major racing festivals are significant economic events in our country—the Galway festival in July, the Punchestown festival in April, the Listowel festival in September, Leopardstown now at Christmas. They contribute about €260 million a year to their local economies, and I am pleased to say that, in addition to all the Irish men and women, Nick, who are coming over to Cheltenham to drink pints of Guinness, the Punchestown festival attracts about 20,000 British race-goers, and very welcome race-goers they are too. I know our chairman has regularly taken that trip himself, and it is very cheap now with the way sterling and the euro are at the moment. So, if you are looking for something to do at the end of April next year, I can think of nothing better than to come to Cheltenham.

Finally, just on the cultural side of things, we have cultural links. I suppose, during the toughest of times, horse-racing and the bloodstock business were an industry in which Ireland and Britain just got on with things and raced down through the years. The British Irish Chamber of Commerce hosts an annual British and Irish race day at Leopardstown every year, which was inaugurated two years ago and has gone from strength to strength. They run the King George V Cup, which, this year was won by the Aga Khan's Radanpour. We saw during the recent Royal visits, when Prince Charles and Camilla were coming to Ireland—where did they go? They went to Sligo races. There is a nice story there. They presented the trophy for a maiden hurdler at Sligo races and so taken where they with the event that Charles decided to buy the winning horse and give it to Camilla, which now races in her colours in England. Likewise, during Her Majesty the Queen's visit to Ireland in 2011, horse-racing and the breeding of thoroughbreds took a central part of that visit. So, there have always been very strong cultural links with our sport.

So, that is a very quick run through, Co-Chairman, of the industry in Ireland and its links with Britain. As Nick said, perhaps, in some ways, because of the reason I mentioned earlier, which is that the Irish psyche is still more in tune to the horse—less of an urban psyche,

perhaps—we have always found strong political support from a lot of the people in the room here today for the sector. I think, if an American industrialist came and said he was thinking of creating an industry that would generate €1 billion in economic output with 14,000 jobs spread throughout rural communities throughout the length and breadth of the country, Government would be doing everything it could to facilitate that type of industry. That is the approach that the Irish Government has taken. It leads to significant inward investment and, as I said, a lot of export value. So, in addition to being a wonderful sport, it is a fantastic industry and it is, as Nick said, inextricably linked between the two islands. [Applause.]

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

Thank you very much, Brian, for giving us the very impressive figures and statistics from Irish racing, which, as you say, given a much smaller population, compares very favourably with what we have in the United Kingdom. Both are great sports and great industries. I am sure that we wish you well for the future, therefore. I am going to take one or two more questions now. The first one is from Jack Wall.

*12.30 pm*

**Mr Jack Wall TD:**

Thank you, Co-Chairman. I would like to thank Nick and Brian for their presentations. Obviously, both of them are on key regarding the technicalities of the problems that face the industry in relation to tax, et cetera. It would perhaps be a good idea if their submissions could be sent to each and every one of us so that we have them in detail. I am sure that they will be able to do that.

Obviously, the Cheltenham Festival is one of the huge festivals, from an Irish perspective, in relation to National Hunt. It now compares to the rugby match between Ireland and England. We compared the number of Irish winners against England and, on several occasions recently, Ireland came out on top in that battle. That shows how the competition, in relation to what we see as the importance of it, has changed.

However, one question that I just want to ask the two lads is this. We have 26 racecourses in Ireland, and each one of them has now built up, in their own remit, their own small festivals. One can see what effect the Royal visit to Sligo will have in relation to the future development of that three-day event in Sligo. I believe that there is need for the two associations to interlink in relation to the exchange of annual tickets. I know that, if you get an annual ticket for the Curragh races, you can visit practically every course in England for free. That should be developed further. Whereas we have, as Brian has said, four or five major festivals on the bigger courses, we are also developing that in smaller courses. Of course, if we get English horses coming over for that, it makes a huge difference. I know the all-weather racecourse in Dundalk now sees, nearly every Thursday night, a number of English horses competing there. Therefore, it is important that we develop the smaller intricacies of it in relation to the smaller courses.

We have seen, in the last few days, two huge developments in €65 million for a development in Curragh, and also for a development in Naas. I have three courses in my constituency: the Curragh, Naas and Punchestown. Punchestown now is moving up to the situation, as in relation to Cheltenham here, in the importance of National Hunt. However, I think that the

huge thing is to develop interlinks in relation to the festivals and the small tracks, because it is all about the numbers, it is all about the footfall that goes through the gates, to ensure that they are a success. I think that interlinks between seasonal tickets to allow English people to come to the small festivals in Ireland and vice versa would make a huge difference.

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

Thank you very much. I will take a couple more questions, from Maurice Cummins and then Michael McMahon. Maurice.

**Senator Maurice Cummins:**

Thank you, Lawrence. The recession has obviously seen a great fall off in horse ownership in both jurisdictions. Many of the small syndicates dissolved with the recession that we witnessed. Can you see that improving in years ahead? I spoke to a chap on the plane over on Saturday, and he said that he was in Tattersalls sales last week and that it was almost impossible, because the money is back, flowing into the industry again, to buy horses at the right prices. That was what he felt.

Also, online betting is obviously dominating the sport now. We are beginning to get a few bob from the operators. Could both gentlemen envisage a common taxation system where online betting is concerned? We have a lot of agreement, as has been outlined, between the British and the Irish horse-racing. Could that be extended to the tax system? I know that it is probably more a job for politicians than for you, but could you see that happening and would it benefit both industries?

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

That is an interesting proposition. Thank you. Michael McMahon.

**Mr Michael McMahon MSP:**

Thank you, Lawrence, and thank you, gentlemen, for your presentation. I have the privilege of representing Hamilton Park Racecourse, in the heart of industrial Lanarkshire. It is certainly not a rural racecourse, but it is a very popular one, and just last week it won the best customer service award in the *Racing Post* readers' awards at the Racecourse Association showcase. It has been a very innovative racecourse over the years and it is also a very traditional one. It hosts the oldest race in the world, the Lanark Silver Bell, but it was the first racecourse to have an evening meeting and it was the first racecourse to have a morning meeting. Recently, because of the foot-and-mouth disease outbreak, it became quite innovative in working across sports. We have been talking about the interlinks between racing in Britain and in Ireland, but Hamilton Park, a few years ago, created a festival that was not just about racing, but took advantage of the fact that Scotland were playing Ireland at rugby and that there were two other major sporting events taking place on the same weekend, and it tried to incorporate it into a festival of sport in general. Is that type of work ongoing between the racing industry and other sports? If that is not the case, why should that not be pursued?

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

Thank you. Who would like to kick off? Perhaps Nick, first.

**Mr Nick Rust:**

Thanks, Jack, on festivals, it is great to see that happening in Ireland and the same pattern happening in Great Britain as well. We have good linkage in passes between some racecourses and I think more should be done or more could be done. Certainly, I am prepared to pick that up with Brian and the racecourses concerned. The festivals are important. I think in Great Britain at the moment we have concentrated a lot of them around weekends and we need to just give a little bit of thought as to how we will manage mid-week events a bit better, because it has become very concentrated around the weekends and we need to create some more interest outside of that time.

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

Brian.

**Mr Brian Kavanagh:**

Thank you, Co-Chairman. I would agree with Nick. We had a trade stand here at Cheltenham this weekend. Our marketing department comes to the trade village at this meeting and at the Cheltenham Festival, and that is entirely aimed at tempting British race-goers to come and incorporate a visit to an Irish race meeting as part of a holiday in Ireland. Funnily enough, whilst we obviously promote the Punchestown and Galway festivals, more often than not the ones we are pushing are the small west of Ireland race meetings in Ballinrobe in County Mayo or Killarney in County Kerry, where, if you are interested in racing, and perhaps also interested in golf or fishing or music or whatever, you can come for a week, or come for 10 days, see fantastic racing and have a fantastic holiday. You can never do enough in that area, Jack; you know that. I think Nick's offer to work together on promoting or cross-promoting festivals is a good idea. I have to say, since Nick has come into the job, he has been very proactive in integrating and working together with Ireland on race times and on race fixtures, working the two sectors in a complementary fashion. Therefore, I think we can certainly do more in that area.

I will take Senator Cummins's question about the owners. It is a challenge. The ownership of race horses, particularly in Ireland, fell off a cliff during the recession. When people were losing their disposable income, the first things to get caught were all the luxuries, and any element of owning a horse falls into that category. So, the number of syndicates fell away completely. It has improved somewhat on the flat, I have to say, as opposed to over jumps and National Hunt racing. For those who are not familiar with it, horses race on the flat from the age of two, and, generally, they do not go over jumps until they are four-year-olds. So, there is a quicker turnaround time or a quicker reaction time on the flat, because the foal crop collapsed in 2009-10. Those are the National Hunt runners of last year, this year and next year. So, it is slower to come back in National Hunt than it is in flat, but it is improving. I do not think it will ever get back to where it was and I do not think I would want it to get back to where it was, where we had more horses and more owners of horses than we could provide races for them. It is a challenge, even still. While people talk of a recovery, it is a challenge to get people back and involved in owning horses. There is a danger with National Hunt racing that the small owner is getting squeezed at the top by the big battalions that I referred to there, who are buying very high quality horses and putting them in training in Ireland, and, at the lower end, by the point-to-point sector, where people are producing horses and running them

at point-to-points, largely with the objective of selling them to some of those big owners if they show a lot of potential. That is a challenge, therefore, and we can learn a lot from each other on the question of ownership.

**The Co-Chairman (Mr Lawrence Robinson MP):**

Thanks, Brian. On Michael's point, Nick.

**Mr Nick Rust:**

As I mentioned, we have seen a decline of 15 per cent in ownership in Britain over the last five years. The majority of that came in the middle. The syndicates have held up well in Great Britain, and we think that provides the way forward. Right at the top of the sport, the leading owners and investors, most of them international now, are spending more and more, and we have a danger of an overreliance on too few people, but we are very grateful for their investment. However, they are buying up more of the horses and they are growing the numbers of horses in training amongst the top few.

We have had to start developing activity to really focus on racehorse ownership. Until two years ago, British racing spent the mighty sum of £20,000 on promoting racehorse ownership. In the last year and a half, we have developed a very clear plan to attract new owners and to start to reach out. The major area that that has focused on is the syndicate space. There are around 12 million people in the country who have expressed an interest in owning a racehorse or a share of a racehorse. About 10.5 million of those think that they never can, and are unaware of the opportunities to get involved, so we see a major opportunity there.

We are also seeing another dynamic going on in Britain, in that, whilst Brian's industry breeds a lot of the horses, the showcase of racing in Britain on the international stage means that staying horses are a specialty of British racing, and staying horses have been bred out of many racing jurisdictions around the world. So, as well as seeing a lot of demand for the cream of bloodstock coming through from those top owners, we are also seeing demand for the middle group from jurisdictions overseas. The number of horses that would have been sold on as horses in training for £20,000 or £30,000 at Newmarket in October is diminishing, because they are going for £70,000 or £80,000 to be raced in Australia, where all they have are speed horses. Therefore, the middle-distance and staying types are going there. That is also putting a squeeze on owners coming in at the middle level to our sport, and it is a structural change that we need to continue to address.

To go on to online operators, then, as well, my goodness, I would love to deliver that. I think, spiritually, we are in pretty much the same place. The structure of the two Governments' set-ups, is somewhat different. In Ireland, it is through the Minister for Agriculture, Food and the Marine, and there is an understanding of the importance to the rural economy in great detail. In Britain, our Government department is the Department for Culture, Media and Sport, therefore, it is looking at it from a different angle. There was an opportunity to look at taxation at the end of last year, when taxation was put in place on operators facing the British market at the same time as they were being licensed to offer bets in Britain. Unfortunately, that missed the opportunity to extend the levy, or replace the levy, to cover it. There is a somewhat different view, I think, in the corridors of power from time to time around the impact of European regulation on the attempt to bring in a horse-race betting right. However, the Government in Britain has committed to delivering it, and I believe there will be

similarities to that in Ireland. Certainly, I would like to keep talking to see whether there are areas of common ground.

**Mr Brian Kavanagh:**

Just on that point, I do not think that that will come, Senator Cummins. I do not think it would be in our interest to have a single taxation system across Britain and Ireland. Our racing industry is a quarter the size of the British industry, and therefore our betting industry is probably 10 per cent of the size of the British betting industry. I do not think Irish racing will ever be able to commercialise its product to the extent where it could be funded entirely through a racing right. That is where the importance of the rural economy and the bloodstock breeding side of the industry becomes a much more important part of the story that we present.

*12.45 pm*

I also would not like to move from a turnover-based taxation system to a profits-based taxation system. We could be faced with the horrible prospect of coming over here to Cheltenham every March and hoping that we have no Irish winners, because the bookmakers would make more profits if there are 33-1 or 50-1 winners. But I think a turnover-based system of taxation is more certain and clearer. The relative scales of the sectors mean that it is something that might be attractive, and is attractive, and probably will come in the case of the funding of British racing, because they have a massive betting industry, and a massive betting industry on their racing. We do not have that, simply because (a) we do not have the Irish volume of racing, and (b) the scale of the Irish betting market is much smaller than the British market. So, I do not see that coming.

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

Okay, we will take one or two more questions from the floor. Robin Swann and then Terry Brennan, please. Robin.

**Mr Robin Swann MLA:**

Thank you, Chair. As someone blessed with the height of a jockey, but often challenged with the weight restrictions, Brian, can I ask you, with regard to the inadequacy of the funding of the two courses in Northern Ireland, and specifically with regard to UK taxation, how is the income from those two courses comparable to the other ones on the island of Ireland?

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

Okay, thank you. Terry—

**Mr Brian Kavanagh:**

If you think you have worries about weight issues, you are not alone. The two tracks in the north perform miracles. They are both very successful. They are both very good at generating business on the racecourse. Downpatrick was almost closed 10 or 15 years ago. They have a hugely enthusiastic local committee and a very good management team, and have revitalised it. At Down Royal they have strong, enthusiastic support from their chairman. Just taking

Michael McMahon's point earlier, they have developed, in conjunction with the Northern Ireland Tourist Board, a festival of racing in the start of November—a two-day race meeting with significant sponsorship. That has attracted very good quality horses to race at Down Royal. So, they get on okay, but it is only a limited period of time; that cannot go on forever. They have been scraping along, they have been getting by with assistance from us, they have been able to execute some good media rights deals—we have negotiated decent media rights deals, which have to some extent papered over the problem. But in terms of relative performance, they will be two of the more successful tracks in the country, and I would put that down entirely to local input and local community effort.

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

Okay, thank you. Terry Brennan.

**Senator Terry Brennan:**

I live quite close to Dundalk all-weather racing stadium, with fabulous facilities in an idyllic location. Last year they had 39 meetings in the 12 months. If you compare the likes of Wolverhampton or Lingfield, where they have in excess of 100 meetings per annum, I believe Dundalk is totally under-utilised. I am just asking the question: is there anything that Horse Racing Ireland can do to increase the number of meetings at Dundalk? I attended a trial meeting there about three weeks ago, a month ago—harness racing at the stadium. A beautiful sunny Sunday. I thought it was a fantastic success, altogether well attended, bookies, the whole lot—a great atmosphere. I would like to ask both our speakers about the opportunity for harness racing. We are all familiar with what it is, and the industry that it is; for example, in France it is greater than the horse-racing industry. I think it will become popular in Ireland. I would ask Nick—are there many harness race meetings in Great Britain? Are there any instances of sharing facilities, like Dundalk did a month or so ago? They had a trial day for the harness racing and it was very successful. I think it would add to the racing industry and it would be a benefit in particular to the local economy, where we could hold both—and I know that they are both held on the one day in France, horse-racing and trotting, on the same course. Is there a future for harness racing?

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

Thank you very much. I will take one or two more, just before we get answers. John Scott, then Noel Coonan, please.

**Mr John Scott MSP:**

Thank you very much, Co-Chair. Coming from Ayr and living very close to Ayr Racecourse—the only grade 1 racetrack in Scotland—I really speak in support of what Michael McMahon has already said. I think it was Brian Kavanagh who spoke about the successful meeting at Leopardstown, between the British and Irish chambers of commerce. Now, your counsel general in Scotland, the esteemed Pat Bourne, has been working very hard to build trade links between our chambers of commerce in Scotland and Ireland, and I just wonder if there is an opportunity for a meeting, perhaps, based around racing, between Scottish and Irish chambers of commerce, possibly at Ayr, possibly at Hamilton. I think there is some developmental work there in terms of building both racing and, indeed, business links between Scotland and Ireland in that regard.

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

Thank you. Noel Coonan.

**Mr Noel Coonan TD:** Go raibh maith agat, Co-Chair. We have spoken about owners and trainers, and horses, but I am just wondering if either of the two gentlemen who gave such an excellent presentation to us have any advice about poor punters when things go wrong—as they did for us on Saturday, although some of our more affluent colleagues came along and helped us to recover yesterday. However, on the more serious side, Brian paints a very good picture of horse-racing in Ireland, but there are issues there as well that we need to keep an eye on. I come from Tipperary, where one of the greatest trainers in the world, Aidan O'Brien, and Coolmore Stud are based, and they have huge concerns in relation to prize money. They tell me that many of the more wealthy trainers across Europe and elsewhere in the world are opting for France and, maybe, for mainland Europe, for America and for China. That is an issue that we need to deal with in order to keep the industry alive and vibrant at home. To put it in context, Coolmore Stud give employment to over 1,000 people in the area, which is a huge industry.

The other issue then is, while Nick said that he did not expect state subsidy for small producers, who are the backbone of the racing industry in Ireland—the owner/trainer/breeder in rural Ireland—I think it is important that there are incentives kept in place there, because once they go, you are chipping away at the backbone of the industry.

I have one final point, which maybe Brian could comment on. He mentioned 26 racecourses in Ireland, and some of them are fantastic, but if you go to the lower end of the scale, the facilities there are very basic. If there are plans by Horse Racing Ireland to invest in racetracks that drive the local industry—for example, Thurles and Tipperary, or Tipperary town itself—is the onus on the Government or on the local committee there, or what role does Horse Racing Ireland have to play in promoting courses like that?

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

Thank you very much. Those were very good points. The last contributor on this point, Arthur Spring, please.

**Mr Arthur Spring TD:**

Thank you very much, and thank you for your presentation. I just have one fundamental question, which is around trying to get tourism between both islands going a little further. If you look at a rugby match in Twickenham, the capacity of Twickenham is a great deal more than it is in the Aviva Stadium, for example, and we have people coming over for the rugby matches. In Cheltenham, over the last couple of days, there has been a large contingent of Irish people here, and in March, we will see an enormous contingent again. I go to Punchestown, I go to Killarney and a couple of race meetings in the year, and I do not see the same number of people coming from the UK across to Ireland. Is it something that Horse Racing Ireland can do on its own, or does it need the help of a state agency, such as our tourism board? I think there is enormous potential there. I come from an area that is a tourism destination for golf—or it is predominantly—and we get people from all over the UK coming, but I would like to see it happening around horse-racing. I think we are going to have to come

up with a marketing strategy, but I would like to hear if we can help that to be realised as well. Thank you.

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

Thank you. Brian and Nick. Thank you.

**Mr Brian Kavanagh:**

Okay, thank you, Chairman. I will try and take a few of those. On Dundalk, it is hard to see more fixtures in the short term for several reasons. One, there is not the demand from the horse population for more races; we have very little balloting out of races now, so the fixture list at 350-odd fixtures is about right for the number of horses that we have. And Dundalk is a different product. It does not get the crowds to the race meetings there; small crowds. It is mainly run for broadcasting into the betting sector, and they are not knocking down the door looking for extra fixtures. The reality is that a fixture at Dundalk costs somewhere of the order of €80,000 to run, so the economics of it do not stack up. That is in terms of prize money, in terms of integrity costs and all those aspects. There is not huge demand for that, so I think 39 fixtures is probably the limit that we will see at the moment.

With regard to harness racing, there are issues that need to be addressed in relation to harness racing and for the development of harness racing in Ireland. It has never traditionally been as popular in Britain, as I understand, or Ireland, as it has been on continental Europe. There are some moves to bring it into Ireland. We have some concerns with regard to disease control, veterinary aspects, welfare aspects and issues in terms of impact on the racetrack. It would be unusual for a horse racetrack to share racing with harness racing on a regular basis. That said, the trial, as you said, took place about a month ago, and we are sitting down with the harness people to review that area.

With regard to the suggestion from John Scott about the Scottish-Irish race meeting link, it is an absolutely great idea; I am very keen to pursue that, and perhaps even link it in with—as was mentioned earlier by the gentleman from Hamilton—the rugby weekends and the scope to build something up around that.

With regard to Mr Coonan's comments, I cannot help you on the punting—I think you should have listened to Jack Wall, that is all I would say to you, because I met Jack earlier and he said he had backed winners yesterday. I think there is an issue—you make a very good point about prize money. Prize money is quite often misunderstood; it is perceived as being, you know, racing is the sport of kings and prize money, to some extent—. People query why money should go into prize money. Prize money is the lifeblood of the industry, and it is an internationally competitive commodity. Nick had some very clear statistics on where Britain and Ireland lie relative to our international competitors in terms of prize money. The owners put up a significant proportion of the prize money themselves through entry fees, and I think the prize money needs to be regarded as the catalyst for encouraging people to own horses and keep them in training. It is estimated that the cost of keeping a horse in training in Ireland, leaving aside the capital cost of purchasing the animal, but just the training costs, the training fees spent by owners each year is of the order of €350 million. That is €350 million into keeping vets, stable staff and farriers employed in rural economies. So, the money that we put into prize money to act as a catalyst for that is a modest investment producing in excess of a ten-fold return, when you look at it that way. So, I think there are issues that we need to be

aware of—prize money is racing ahead in France. Nick referred to Australia, who are now buying a lot of our horses that are bred to stay longer distances, so it is hard to get those sorts of horses here.

The last point Noel made was in relation to the tracks. I am pleased to say—. Nick alluded to the fact that we have just launched a €100 million racecourse capital development fund. We will put up 40 per cent of that money; the tracks themselves will put up 60 per cent. So, again, rather than your traditional capital sports grant, which is a 100 per cent grant funding, we use the Government funding to try and leverage investment by the local racecourses into their facilities. The response has been very good. You will see over the next couple of years in the tracks you mentioned—Thurles and Clonmel; all the rural tracks—and Tipperary—you will see new improvements being rolled out. It is like the Tyne bridge—you can never do enough. You start painting it one end and by the time you get to the other end you have to go back and start again, and 26 tracks is a lot of tracks. But, I think that will get rolled out over the coming months.

*1 pm*

**Mr Nick Rust:**

Thanks. With regard to harness racing, Terry, it is not hugely popular in Great Britain. There is some activity. None of our race tracks have been built with that in mind. So, if it was to be integrated, we would need to consider adaptions at, predominantly, the all-weather tracks—at the ones you mentioned: Wolverhampton, Lingfield, and so on.

We do have some concerns about biosecurity. The sport is not regulated in the same way. It could not afford, yet, to be regulated in the same way, and we would be unhappy to extend the sharing of facilities with thoroughbreds until and unless the biosecurity was managed through full regulation. We still speak to organisations like the British Harness Racing Club and, indeed, a similar issue, Arab racing in Great Britain, which is growing in popularity, has the same issue, and we are trying to work with them to resolve those issues. There are tracks dotted around the country, but they do not have huge attendances, unfortunately. They are often poorly marketed and, if harness racing really wants to make it onto the stage, it needs support, yes, but it needs to get itself better organised.

With regard to Scotland's only grade 1 track, at Ayr, I would like to say, and would like to compliment Scottish racing, because within British racing, overall, the Scottish are seen as strong and they have shown a good example to the rest of British racing by working extremely closely together on a number of factors. They have to work hard to get horses into Scotland, because the amount of horses trained in Scotland versus those that run is less than 15 per cent of all runners. In fact, the number of Irish runners that go over to race in Scotland, particularly at Perth and Ayr, is high, and the courses have had to work hard to pull that stuff together. So, I would welcome a meeting; I think there is a good reason for that and some good and strong links between Ireland and Scotland, and if there is anything I can do to help with that, I will.

Regarding ownership and the cost of ownership, quite right with regard to the incentives staying in place for the smaller parts of the industry; I support that. I just meant, in general, that we could not expect the British Government to subsidise the whole of our sport in that way.

With regard to ownership, I mentioned some numbers: about 25p in the £1 return from your outlay, forgetting the cost of the horse, by the way—that is just your ongoing outlay in Britain; over 30p in the £1 in Ireland; 40p in France; and north of that in certain states in the US. We are starting to see an exodus. We are starting to see some moving for economic reasons, and the number of runners from Britain now, or owned in Britain and running in France, is increasing, because of the state support that was put in place to directly tax and directly pass moneys to what the French Government regarded as an important industry. The British Government has said it is an important industry and has stated its intention to bring this extension in through the horse race betting rights, and we would continue to press for them to look at that and look at the examples elsewhere. We are not looking for any direct cash from the British Government, just a method to ensure that we can support ourselves well.

Finally, on tourism, I think one of the key issues is the passion in Ireland that Brian talked about around the horse means that a lot of Irish people will follow the sport and follow it wherever it goes in terms of the top-quality racing. In Britain, a large part of our attendances comes from event-based crowds, not necessarily focused on the history and tradition of horse racing, and that has been part of the change that has been achieved over the years. But I do think that we could help with better marketing. Ireland markets itself very well anyway to British consumers, but I think it is perhaps a case of linking things up a bit better and pointing out the various activities that could take place at the same time, which has been done successfully in pockets in the past. But, certainly, I think, coming from today, that theme around marketing and how we work our sports in together, not only with each other, but with regard to other sports, is one that I think we will pick up for discussion after this.

**The Co-Chairman (Mr Frank Feighan TD):**

Thank you, colleagues. I would like to thank Brian and Nick for their stimulating contributions to the plenary here today. It has been an interesting few hours. Just for a bit of housekeeping, the tour of the stadium will take place at 1.45 pm for half an hour. At 2.15 pm, we have a group photograph, which will be taken, and then at 2.30 pm, we will resume our session. The sitting is now suspended.

*Sitting suspended at 1.05 pm.*

## **POLICING NORTH AND SOUTH**

2.43 pm

**The Co-Chairman (Mr Frank Feighan TD):**

Colleagues, the plenary is now back in public session. I now have the pleasure of inviting George Hamilton, QPM, Chief Constable of the Police Service of Northern Ireland, and Nóirín O'Sullivan, Commissioner of An Garda Síochána to make a joint presentation to the plenary session, following which they will take questions from the floor.

**Mr George Hamilton:**

Chair, committee members, it is an honour to be with you today alongside my colleagues, the Garda Commissioner, Nóirín O'Sullivan, Garda Assistant Commissioner, John O'Mahoney, Garda Detective Chief Superintendent, Peter Kirwan, and last but by no means least, Assistant

Chief Constable for crime operations within Northern Ireland, Will Kerr. With your permission, Chair, I will make a few opening remarks, which I will keep brief, so that we can allow as much time as possible for questions with committee members.

Before I speak of home though, I think it is only appropriate at an occasion like this to acknowledge the horrific in Paris on Friday evening past. It reminded us all of the shocking devastation caused by terrorism. Our thoughts are with the people of France and, in particular, with those who have lost loved ones. As police officers, we are also mindful of the police and security services who continue to deal with this threat and we wish them well in continuing their work along with ongoing offers of practical support as well.

There are, of course, many differences between the threat and harm that manifested itself in Paris on Friday evening and the challenges we have faced in Ireland, particularly in the North, in the past and actually still do to some extent with the threat, risk and the harm posed from violent dissident republicans, in particular. However, the main common approach that overlaps both scenarios is that only by communities standing strong together, working in partnership with, and supported by, a credible police service and security services, can such a threat be defeated.

Chair, for many years now, Northern Ireland has been a society in transition. There is no doubt that huge progress has been made and while we should never lose sight of this progress, there remain a number of well-known unresolved issues that continue to hold us back.

The cold reality is that PSNI officers continue to deliver a service to the community while under significant threat from violent dissident republican paramilitaries. It is these groups that currently pose the most serious threat to the safety and well-being of our communities. At any given time, a terrorist attack is highly likely in Northern Ireland. In the past month alone, officers have had to deal with an under car booby trap device in north Belfast, a military-style hand grenade thrown at community police officers in east Belfast, a viable explosive device planted at one of the locations that was due to hold a PSNI recruitment event, and a number of serious security alerts in addition to that which have tied up police resources and, more importantly, disrupted the lives of communities and local business and commerce.

In August, an improvised explosive device was found in a cemetery in Strabane. It was positioned so that it could be used to attack a passing police patrol. And, in July, we had an extremely dangerous situation when there was a call placed to the Samaritans claiming that a device which had been aimed at a police patrol during the early hours of the morning had failed to explode. A suspicious object was quickly located by responding officers who in order to protect the public evacuated the area so searching could continue. As these officers continued to search, a second device detonated. This was a truly callous attack in which the phone call and the first device were designed simply to lure police officers into the area to be targeted by this secondary device. We hoped we had left that stuff behind us; it appears not.

And while attacks such as these were designed with the intent to kill police officers, they also put the lives of local communities in danger. There is nothing that can excuse such violence against the community or against the police service or any member of the criminal justice or security services. Violence will achieve nothing but a repeat of the hurt, of the grief, of the pain that we experienced in the past and it is actually that same hurt, grief and pain that we

have seen written on the faces of the people of France in the last few days. No cause can ever justify this human suffering.

Despite the severe security threat, the officers and staff of the Police Service of Northern Ireland, together with the vast majority of the community in the North, remain absolutely determined that violence will never be successful. As I have said on many occasions, the desire of a minority to do harm will never be as great as the PSNI's commitment to keep people safe.

The same commitment is true of my colleagues in An Garda Síochána. I am continually grateful for their help and support in tackling this threat. Through both organisations working closely together, we have undoubtedly prevented harm and saved lives. This was most recently demonstrated in October past when PSNI officers arrested and subsequently charged two men with terrorism offences. These charges were only possible because of the excellent co-operation between our two police services.

The co-operation between our organisations is at every level from the leadership level, some of whom appear in front of you here today, through to our front-line officers in delivering a service in local communities, and that co-operation is across all aspects of policing, not only in responding to the security threat. That was evident on the tragic night that Garda Tony Golden was murdered in Omeath. Colleagues in the PSNI offered whatever assistance was required in the immediate response, including vehicle check points and use of air support, and working closely on intelligence gathering.

Chair, we may wear different uniforms, but that means little when you hear of the loss of a member of the policing family who has given their life in the protection of their community. Once again, on behalf of the PSNI, our thoughts remain with Garda Golden's family and friends and his colleagues in An Garda Síochána.

The joint challenge of tackling criminality and paramilitary activity is an issue which has been the subject of much public and political commentary in recent weeks with the publication of the assessment on paramilitary groups commissioned by the Secretary of State in Northern Ireland and the Justice Minister's publication of the Garda assessment on the status of the Provisional IRA. I understand fully the need for a public debate on the issue and I fully support the parties in their ongoing work to agree a plan for tackling paramilitarism in our societies. However, from a policing perspective, the assessment of paramilitary groups cannot be allowed to become a distraction. As police services we target the crime, not the badge that those involved in crime claim to wear or claim to have worn in the past. The Secretary of State's initiative with the assessment makes clear that it is "individual members" that present an ongoing threat, not the groups as a whole.

Let us be clear. If either the PSNI or An Garda Síochána becomes aware of information on any individual or group involved in causing harm to the community through criminality or paramilitary brutality, we will investigate them regardless of who they may be. We do that every single day. For example, a recent investigation into cannabis cultivation led to the seizure of plants worth £1.5 million at six locations in Northern Ireland and the seizure of 3,000 plants in the South. The principal of the organised crime gang was based in Dundalk and liaison between our two organisations led to the arrests in Northern Ireland back in September.

In May this year, An Garda Síochána seized drugs and firearms at Dublin Port and made two arrests. On foot of this seizure of cocaine and ecstasy, PSNI officers were able to dismantle an organised crime group in Bangor, County Down by intercepting drugs packages which had been sent by post from Holland after the transport route through Dublin Port had been compromised. And in July, An Garda Síochána provided assistance to PSNI detectives investigating the illegal trade in bottled gas along the border in south Armagh. That trade was depriving legitimate companies of business, posing health and safety risks to consumers and the local community as well as providing a revenue stream to organised criminals. More than 1,000 gas cylinders were seized along with six vehicles and a significant amount of cash. Four arrests were made and, of course, that investigation continues.

But as we look ahead, our commitment to tackling criminality will continue in the weeks, months and years ahead. We are resolute in that. We have met at a leadership level several times on a number of occasions in recent months. A major part of our discussions have focused on how we can work better together to protect the communities that we serve. Our activities will build on the significant success of the cross-border policing strategy and contribute to the ongoing work between both police services and our respective Ministers on the refresh of the strategy. We will continue to develop that cross-border policing strategy.

A final point from me worth noting as we look to the future is the impact of the financial climate. As Members of this Assembly will know, both the Police Service of Northern Ireland and An Garda Síochána have faced very significant cuts to our budgets in recent years. While this presents very real challenges for both organisations, particularly with regard to the impact on the frontline - the visible parts of policing - both the Commissioner and I are determined that our response to financial austerity will be for our working relationship to become closer rather than it being an excuse to work further apart.

Chair, I have taken enough of your time this afternoon and I will hand back to you now. Thank you very much.

**The Co-Chairman (Mr Frank Feighan TD):**

Thank you, George. I now call Nóirín O'Sullivan, Commissioner of An Garda Síochána to make her presentation.

**Ms Nóirín O'Sullivan:**

Chair, committee Members, I am delighted and honoured to be invited to address this group and partake in discussions. I am accompanied today by Assistant Commissioner, John O'Mahoney, who is in charge of our crime and security section, and Detective Chief Superintendent, Peter Kirwan, who is in charge of our national security and intelligence branch.

I have always found gatherings such as this to be interesting, informative, engaging and productive, and I am sure today's meeting will not disappoint. Forums like this provide an excellent opportunity to exchange information; look at recent development; most importantly, to identify emerging trends; and to generate ideas for future strategies. That is why today is a great opportunity and it is an opportune time. The sharing of knowledge and experience can only serve to make us more informed and better equipped to meet the dynamic challenges of the future and the ever changing landscape of policing and security, which I may come back to briefly at the end.

I particularly welcome the opportunity of once again sharing a platform with our colleagues, Chief Constable, George Hamilton, and Assistant Chief Constable, Will Kerr. I would like to reiterate the unique relationship that exists between An Garda Síochána and the PSNI and, in particular, the excellent spirit of co-operation and the ethos of mutual assistance that exist between our respective police services - I know the Assembly has commented on this previously. Mr Hamilton has referred to some tangible examples of significant successes in tackling terrorism and organised crime that have come about from working together, and from that close co-operation and that excellent sharing of intelligence. These successes have stemmed in the main from An Garda Síochána and the PSNI exchanging information and intelligence and being able to translate that intelligence and information into real tangible evidence that brings people before the courts and enables us to prosecute people, north and south of the border. It is in our combined efforts to fight crime and terrorism and protect communities across the island of Ireland we seek and garner the support of the communities on both sides of the border and, indeed, the support of bodies such as this.

I would like to refer briefly to the murders of gardaí, Tony Golden and Adrian Donohoe. I wish to thank Mr Hamilton for his words of condolence in respect of the recent murder of Garda Tony Golden. I also wish to acknowledge the continued assistance the PSNI is providing in respect of the investigation into the background of the murder of Detective Garda Donohoe. Those callous murders remind us every single day of the threats that the men and women of An Garda Síochána and the men and women of the PSNI face in going about their duty. When we look at what that means, it means that sometimes it takes some tragic murders like that to see the support and the solidarity that comes from the community. Certainly, I would like to acknowledge in this forum the great support and the great solidarity that came from the community after both of those murders, but particularly, most recently, the murder of Garda Golden.

These murders and the continuing targeting of PSNI personnel in Northern Ireland, which George has outlined, bring into sharp focus the reality and the dangers posed to police officers on either side of the border, who are endeavouring to deliver a normal professional policing service. I would like to include the murder of PC Phillips in Liverpool in this context because, again, that was a stark reminder. As George said, the loss of a member of the policing family is a loss to all of us so I think it is appropriate that we remember all of these officers today.

In the context of tackling terrorism and cross-border crime, working together is critical. In this regard, there is a significant degree of interdependency but this interdependency should not be seen as a weakness. It is a strength that combines us; it is a strength that speaks to the successes we have had. A relationship that shares information, knowledge and experience in pursuit of a common objective not only makes us stronger, but also strengthens the relationship with the communities we serve. Benefiting the communities we serve is what we are all about.

*3 pm*

In relation to the security threat, An Garda Síochána is particularly conscious of the continuing severe level of threat which prevails in Northern Ireland arising from the activities of dissident groups. Our counterterrorism strategies are designed to detect, disrupt and bring to justice persons or groups in the Republic of Ireland who are seeking to assist in any way, through logistics or otherwise, the campaign of violence in Northern Ireland. In the past number of months, our two policing services have co-operated in relation to a host of cross-

border terrorist-related incidents or attack planning scenarios. Without going into substantial detail, such incidents include targeted attacks on PSNI officers and preparatory operations dealing with preparation of explosive devices.

Co-operation between our two police services is at various levels, as George has outlined, from operational to strategic. Many of the cross-border investigations, especially those relating to controlled drugs, have a wider European and transnational dimension. This is also true in respect of our co-operation with our respective revenue and customs agencies in the fight against tobacco and fuel smuggling. Some recent examples of our shared recent successes with the PSNI include significant seizures of drugs on both sides of the border and the arrests and recovery of evidence following the recent ATM robbery outside of Newry where the intervention was made in Carrickmacross in Monaghan, and a person arrested and charged before the courts.

In conclusion, Chair, we must continue to be vigilant to the significant threats to our communities from terrorism and organised crime but also remembering volume crime, which can impact on communities, north and south of the border, and opportunistic criminals, who use the border to their advantage. While we have enjoyed some significant successes, we cannot for one moment lose sight of the fact that just as we are here today innovating, strengthening and improving how we operate, so too are the terrorists and organised crime gangs who want to wreak havoc and harm in our communities. While cross-border crime continues to present unique challenges, which are ever changing, I have every confidence that these are challenges we are facing up to together, adapting to, and meeting head on.

I would just like to come back to the challenges and the ever changing landscape that I mentioned earlier. I think events in Paris last Friday evening and events further afield over the last few weeks bring into sharp focus how quickly changing the policing and security landscape is right across Europe and internationally. It is something that we must be ever vigilant of and it is something that we must be continuously agile and adaptable in this regard. From An Garda Síochána's perspective, we maintain close liaison with both our policing and our security partners at a European and international level. We are fortunate to have a liaison officer based in the embassy in France who is one of our network of European liaison officers. Through him we are getting constant updates from our security and policing partners in Paris. We are continuously reviewing the threat assessment as it pertains to the Republic of Ireland and we have our counterterrorism strategies commensurate with what that threat is, but it is an ever changing, ever evolving landscape and the responsibility for us as policing services is to maintain the agility, responsiveness and adaptability to be able to meet these challenges head on.

Chair, I thank you for the opportunity to address you and, as the Chief Constable said, the team and I are available to answer any questions that you may have.

**The Co-Chairman (Mr Frank Feighan TD):**

Thank you very much, Nóirín and George, for your presentations. I now invite contributions from Members for questions. I am going to take them three at a time so first up is Senator Paschal Mooney.

**Senator Paschal Mooney:**

I just wanted to, once again, welcome the presentation by the Chief Constable and the Commissioner. I am sure I speak for all Members of this Assembly in expressing our deep sympathy to the family of Tony Golden and before that of Adrian Donohoe and also for the murders of PSNI officers in the North as well as Peter Phillips of Liverpool. It brings home, as you say, the realities of what it is like to be on the beat on a daily basis and it is commendable that—

**The Co-Chairman (Mr Frank Feighan TD):**

Senator, we have a problem with your mic.

**Senator Paschal Mooney:**

I am just saying that it is commendable that the forces on both sides of the border are working together, in particular, and my question is specifically in that context. I come from County Leitrim, which is a border county, and the Government in the South in recent times has announced increased resources for the gardaí, which is to be welcomed - and I am sure you can comment on that - specifically in the area of providing high powered vehicles for pursuit purposes, and to increase recruitment to Templemore, which will bring more officers on to the beat.

However, counter to that, while the reassignment of officers to Louth in the wake of the murder of Garda Golden is welcome, I understand that the deployment of some gardaí to County Louth is at the expense of gardaí being removed from Cavan, another border county. So I am just putting the question in the context of hoping the Commissioner, in so far as she is able to, can outline what your priorities are for the southern side. I am sure the Chief Constable will address this from the northern side to counter all the issues that he has raised about cross-border crime. As you know, this Assembly published a very important report on fuel smuggling, which is also part of the challenges that are facing both forces in the border counties. But my question is specifically about resources and a reassurance that those of us who are living in the border counties on both sides can have the full confidence of both police forces in ensuring that there are adequate resources provided to combat what is, I agree, a very challenging situation.

**Joe O'Reilly TD:**

Thank you, Chair, and might I just applaud our co-chairs for putting this very critical item on the agenda? Criminality around the border, whether it is fuel laundering or contraband cigarettes—there is a litany of other forms of criminality that threatens the normal—

**The Co-Chairman (Frank Feighan TD):**

Deputy, we have a problem with the mics. Maybe you can just speak up.

**Joe O'Reilly TD:**

Yes, I am very used to that. Do not worry. I will go again. I am used to be doing the louder one.

I was just making the point to the Chief Constable and the Commissioner through your, Co-Chair, that criminality threatens all normal life and commercial activity along the border

counties. It is a huge problem for us on a day-to-day basis. For that reason, I would like to put a question both the Chief Constable and the Commissioner. I am very impressed by your level of co-operation today. It is wonderful to know the degree of co-operation. We applaud that and we commend that that intensifies, but would it be helpful to have a corridor on both sides of the border free to both police services to conduct investigations and to arrest people in? Would that enhance your effectiveness? I know you are not policy makers but can you comment professionally on the impact of such a development in terms of your operation? Second, how helpful would it be to you if we had a specific task force on cross-border crime? Basically, we have an absolute concern in the area around the border. I could go for a half an hour about the impact.

**The Co-Chairman (Mr Frank Feighan TD):**

You will not.

**Joe O'Reilly TD:**

I would go on for a half hour about the impact but we will take that as read. Chief Constable and Commissioner, I just would like to know what would enhance your potential to deal with this. What is not there? I take the point that extra resources have gone in now but, apart from an input of resources, what other structural help like a corridor or a task force or whatever would assist you to get on top of this that you do not have now?

**Seán Rodgers MLA:**

I welcome both the Chief Constable and the Commissioner and thank them for keeping everything safe for us, North and South, but coming from a constituency just across the lough from Omeath, my sympathies and that of my constituents go out to the families of Garda Tony Golden and Adrian Donohoe. It is a bit like the last question in terms of Adrian Donohoe. Reports at that time talked about the Garda being unable to pursue criminal elements and suspects across the border, but also in terms of the Tony Golden death, the Commissioner put more resources into north Louth. That is fine. Was that reciprocated on the northern side by the Chief Constable to put more resources into that border area? With the new restructuring – and we understand the financial constraints and so on - will the Chief Constable comment on the impact it will have on community policing?

**Ms Nóirín O'Sullivan:**

Thank you, Chair. I will just make sure this microphone is working.

I will deal with the question the Senator asked about resources first. I am sure everybody, including all the Assembly Members, will appreciate the terrible impact that two murders of colleagues in a very small area like Dundalk and, in particular, Omeath, has on the operational resilience of the police service in that area. There were temporary people moved into Dundalk to provide that operational resilience. It is a temporary measure. At the same time as doing that, we put a very dedicated, specific operation in place all along the border counties, including our emergency response unit and our regional support unit so it in no way takes resources away from the Cavan-Monaghan area, in particular, which I know was quite topical at the time.

Certainly, the permanent allocation of resources will be a matter that will be addressed in January because, thankfully, for the first time in six years, recruitment has started again to An Garda Síochána. By next week, we will have 550 people in training this year, with 600 coming into the college next year so by the end of next year, we will have 1,150 people. The first of those permanent allocations will happen in January of next year and those areas will be addressed as part of our overall workforce planning. To give the reassurance the Senator has asked for, certainly that will be addressed in January.

But by way of reassurance as well, there is a dedicated operation in place right across the border counties. I suppose on the significance of that, you will have seen recently in Donegal, for example, the arrest of three people immediately after a robbery in a filling station, and also in Carrickmacross, the arrest and apprehension of an individual and the recovery of property that had been stolen in a savage attack at another filling station with an ATM removed from a wall in Northern Ireland just outside of Newry. That operation is Operation Thor and it will remain in place. Already, even though it is very early days yet, that operation has seen over 30 arrests in just over ten days. That is indicative, albeit early, of the successes we are hoping to achieve out of that. So, Senator, I hope that answers your question and gives you the reassurance that you require.

In terms of the Deputy's question, particularly around what could be helpful, anything that can enhance co-operation is very helpful. Our focus in terms of ensuring that our policing operations are there is to make sure that our members are out there engaging with the community, providing reassurance to the community, and making sure that they are in the places that they are most needed. Anything that will enhance the excellent levels of co-operation that are there we are very happy to engage with.

I am very conscious of the talks going on in Stormont at the moment and, certainly, any proposals emanating from those talks or, indeed, this Assembly, we will certainly fully participate in. There was some speculation over the weekend in terms of the corridor. Certainly, I know from my own experience working in the border area but also, particularly in the wake of the two murders that we just mentioned, the co-operation there and the levels of engagement with our colleagues in the police service helps.

*3.15 pm*

The corridor, I suppose, throws up a number of issues. What would be most helpful is something that would respect and acknowledge the jurisdictional differences because one of the issues around creating a corridor is actually people having powers in either jurisdiction, so members of An Garda Síochána having powers in Northern Ireland or members of the PSNI having powers in the South. That is something we would have to work through the practical and pragmatic approaches of how that could happen.

I suppose also in terms of the oversight and accountability mechanisms that are there, at the moment members of An Garda Síochána are accountable to myself as Commissioner but also, for example, in the case of any suggestion or allegations of wrongdoing, they are overseen by the ombudsman and the soon-to-be policing authority and I know there are similar arrangements in Northern Ireland. A question would arise as to what the oversight and accountability arrangements would be in respect of individuals operating on either side of the border. But certainly anything that can enhance the co-operation that is already there, we have considered that very deeply and closely.

George mentioned in his opening address our cross-border policing, which is a good mechanism to co-ordinate efforts. I would suggest something such as a strategic oversight committee that would actually be focused on co-ordinating and directing joint operations—it may be very beneficial—and obviously reporting to both Ministers, North and South. That could be particularly helpful and that would be there to make sure there was the oversight and co-ordination required to ensure joint operations are focused on the right priorities. Deputy, I hope that answers your question in terms of the task forces.

I could see the two task forces that are there—the task force on tobacco smuggling and the task force on fuel laundering—potentially being subsumed into some overarching body as well so there would be complete co-ordinated activity.

To pick up your point about the environmental damage, pollution and the harm caused to communities, north and south of the border, any task force could take cognisance of the multi-agency response required. The primacy for smuggling rests with the revenue and customs services both sides of the border and with the environment bodies for the environmental crime.

**George Hamilton QPM:**

Chair, I am not sure how much I have to add to that. There were specific questions from Deputy O'Reilly and from Mr Rogers regarding the ability to surge resources to border areas when necessary. We do that on a regular basis. There are mechanisms for doing that. A lot of it is invisible and cannot be publicly acknowledged, especially with regard to our efforts to keep people safe from the violent dissident republican threat. The briefings that I receive several times a week rely on co-operation between the two police services. It gives me a great deal of reassurance and then the Commissioner and I and the senior team are in contact on a regular basis so I think Members should be reassured by that.

There is also, I think, a broader point to make around the demand for investigations and crime prevention and how it is changing that influences this. The whole piece around how we tackle cybercrime, human trafficking, child sexual exploitation, other forms of economic crime, especially in cyberspace, means we have to deploy resources and expertise—certainly in the North and I would assume it is no different in the South—into areas that are less visible but are actually hugely effective in tackling threat, risk and harm. That is just something that as practitioners we are very aware of but perhaps people looking on will see less visible policing and sometimes that will be necessary. How we go about prioritising resources and where we put them is based on what threat, risk and harm is posed.

Certainly in the aftermath of the sad murder of Garda Golden, there was a significant surge of resources on the northern side of the border in terms of air support through helicopters. The ANPR system was staffed to a maximum. There was ongoing co-operation right down at an operational level. This did not come through Nóirín's office and mine; things just happened because it is the norm for the two organisations together closely, especially when an emergency situation like that arises.

On Deputy O'Reilly's question around the corridor and so on and the task force, I do not have much to add beyond what the Commissioner has said. Of course, as police officers involved in prevention and law enforcement, anything that can be offered to add to the scope of the toolbox is always welcomed but there also needs to be a practical and a pragmatic outworking

of that. The accountability issue that Nóirín has mentioned is a real one. One of the things in the North that has I think brought policing through the period of transition to a place where it is now much more broadly accepted than it was even 15 years ago is the stringent accountability mechanisms.

Some of the challenge that some of the parties rightly brought to the debate in the North about operationalising the National Crime Agency in that jurisdiction was a valid challenge around police accountability. Who is responsible for what and if the Chief Constable is the primary authority around law enforcement and policing in the North, then how does this other law enforcement body become relevant, held to account and not seen as undermining public confidence in policing?

I know that all sorts of practical co-operation go on between the PSNI and An Garda Síochána that I welcome. We can always do more. I am happy to be challenged around that. The corridor itself, in principle, sounds like a sensible idea but in pragmatic, practical terms, there are legislative and accountability issues, which, if you law makers can sort out between themselves, would be great. That is not a matter for policing but there are policy and legislative issues that would need to be addressed. We welcome the concept but need to be mindful of the pragmatic outworking of it.

Finally, in response to Mr Roger's question, we are constantly having to be agile and flexible around how we deploy the resources and significant restructuring has been going on recently in the North around the creation of local policing teams and neighbourhood policing teams, taking the ethos of neighbourhood policing where the officers have an ownership and a commitment to an area. We are actually trying with less resources to expand that way of thinking and ethos right across everybody involved in front-end service delivery, whether it is the detective going to the robbery at the corner shop or the local policing officer. We previously would have called this "response" but we wanted to leave that mentality behind so that everything is viewed through the community policing prism.

It is early days and it is anecdotal but that has been hugely successful at the moment and I think the success has been because of the leadership shown at that local leaders' level. Our superintendents in Newry, Mourne, south Armagh, Armagh, Banbridge, Craigavon have absolutely bought the dream and are driving this. It is as much about cultural change as it is about structural change. I think that is really important as the money shrinks – and at best we will be able to hold our own on the numbers in the North - it will be increasingly challenging but we need to do things differently to maintain the ground we have taken on public confidence over the last decade or so.

#### **The Co-Chairman (Mr Frank Feighan TD):**

Thank you very much, George and Nóirín. We have huge interest in this session and we will need to just change around to get everybody in. I will ask for a little vocal brevity, which we are not used to as politicians, and maybe just pose questions. More than 10 want to get in so I want questions instead of a bit of a ramble.

#### **Dinny McGinley TD:**

First, I want to thank the Commissioner and the Chief Constable for your contributions. It is reassuring from someone like me representing a border constituency that there is such a level

of co-operation between the two forces. As the Commissioner alluded to in her contribution, in my own constituency last Friday, three people came from Northern Ireland into Killybegs and robbed the station there. Two were apprehended in Donegal town and the third hailed a taxi but was apprehended in Kesh. It was great work and it shows the co-operation. It is part and parcel of rural crime, but the incursions, of course, seem to be from the North into the South rather than from the South into the North for some reason or other.

So that it is what we would call rural crime but then the organised crime is of such concern to us all and it is costing the exchequer, both North and South, so much and, indeed, the damage being caused to the environment. We had a report on that in the last plenary. A number of reputable commentators at home maintain that there might be an acceptable level of tolerance towards this sort of activity. I would hate to think that that is how it is. What are your views on that? Secondly, is there anything we can do anything to wipe that out? Surely, with modern communications and the way we can see things from space and all that, we should be able to wipe that out in a small area once and for all.

The second question I want to ask relates to the drugs problem. There is a drug problem in every town and village in Ireland now. We have a huge coastline. We have the customs and excise agency in our country and you have, I am sure, something similar in Northern Ireland. Is there co-operation between the two forces to try and at least keep some of these drugs that are harming so many communities out?

**The Co-Chairman (Mr Frank Feighan TD):**

Next is Deputy Noel Coonan. Brevity, please.

**Noel Coonan TD:**

As always, Co-Chair.

First, I welcome the Chief Constable, the Commissioner and their teams and I thank them for sharing their thoughts with us. I wish Nóirín every success in the job. She is heading up a new team and I particularly thank her for putting new life back into the Garda College, one of the finest police academies in Europe.

I would like to concentrate on a few issues. Resources, cutbacks and so on have been mentioned by both sides. How do both forces compare in the number of police per head of population and the number of police stations in both jurisdictions?

Fuel laundering is a big, complex operation. Both police groups mentioned intelligence gathering. People cannot understand why these fuel laundering plants cannot be weeded out and then they pose the question: is there some reason for this? Is there something underhand? Is somebody in high places making money out of them?

The Chief Constable said, in particular, he was worried about threats from dissident republicans. Are there not threats from other groups such as loyalists? The attack in Paris is of huge concern to people. On that basis, what is the likelihood of an ISIS-associated attack in the Republic of Ireland or in the North of Ireland? Do both officers share concerns about the mass influx of migrants from the Middle East? Are there difficulties and unfortunate situation being used by groups like ISIS to take up positions in both our countries?

I compliment the Commissioner on the work she has done to date on rural crime. What co-operation is taking place between both forces? We had personal experience of a robbery and we are told by the police force a couple of hours later: "They are in Northern Ireland now". It does not make sense that somebody can come down from the North of Ireland, travel through the Republic, carry out a raid and get back into the North without being apprehended.

*3.30 pm*

**The Co-Chairman (Mr Frank Feighan TD):**

Next we have Senator Paul Coghlan. I would love to see brevity again.

**Senator Paul Coghlan:**

Absolutely, Chairman.

I am grateful to the Chief Constable and the Garda Commissioner for coming here to talk to us today and I salute totally the co-operation they have outlined that they exist. I was going to ask what further they believed we could, or should, be doing to assist them and their members in allowing them the maximum flexibility, particularly along the length of the border, to strengthen their combined efforts, and I accept that was partly answered following Deputy O'Reilly's question.

Perhaps, as they have suggested, the strategic oversight committee or overarching structure would assist a pragmatic outworking. Do they believe something will flow from the Stormont talks, which, please God, will be successful and will conclude this week? Can we hope about that or is there something further we should do, say, on this Body, to assist them?

**William Powell AM:**

I thank the Chief Constable and the Commissioner for your presentations and for giving us insights into the type of work you have been carrying out. As you may be aware, in England and Wales there has been a lot of controversy recently around changes to air support in the NPAS system of support via helicopter and so on. It has been a particular concern in my own region of Mid & West Wales regarding the loss of the Forces helicopter. Could I have some insights from yourselves as to the role of air support in the carrying out of duties in your force's areas and the level of reliance on helicopters? Fixed wing aircraft appear to be increasingly popular among some of the police forces in England and Wales. I would like some comments on that.

**Senator Cáit Keane:**

I welcome Commissioner O'Sullivan and Chief Constable Hamilton and I thank them for coming. My question is on automatic number plate recognition because roads have no boundaries and borders. It would be a good way of detecting who is moving where and when quickly. There are 120 cameras on our motorway network in the South and I am sure there are nearly as many in the North. I understand they are used for road traffic offences and not to counter terrorism or robberies. The National Roads Authority is not linked to the Garda system. I do not know if automatic number plate recognition is used by the roads authority in

the North. This should automatically happen and there is nothing in data protection legislation to stop this happening. Thieves and terrorists jump into cars and get away. Anybody can co-operate with anybody, North or South, but these people are often gone. There is very often one road out of somewhere leading to a motorway.

Mr Hamilton mentioned that North-South co-operation is good but I refer to job sharing involving officers, be they chief superintendents, superintendents or gardaí. It does not happen because if somebody wishes to transfer to the PSNI, they must resign from the Garda first or *vice versa*. There should be a transfer arrangement where officers would not lose their pensions. People transfer up and down every year-----

**The Co-Chairman (Mr Frank Feighan TD):**

Senator, I need questions.

**Senator Cáit Keane:**

When is real transfer of job sharing going to happen? The first question on automatic number plate recognition is important.

**Barry McElduff MLA:**

I will be brief, Co-Chairs. Essentially my question is: what is the ask of the Chief Constable and the Commissioner of politicians and legislators at this time in respect of the fight against armed gangs and criminality?

**The Co-Chairman (Mr Frank Feighan TD):**

Thank you, Barry. Thank you for being brief as well.

**Senator Jim Walsh:**

I noted that Chief Constable said dissident gang crime is the greatest threat. That contrasts with what his predecessor told us at this Assembly over the past two years.

*(Inaudible—Microphone not working)*

Second, what progress has been made in relation to the shocking murder of Paul Quinn in the border area in 2012?

*(Inaudible – Microphone not working)*

That does not serve the cause of peace or, indeed, of proper policing.

*(Inaudible – Microphone not working)*

**John Griffiths AM:**

It was good to hear the Chief Constable speak of improvements in community and neighbourhood policing because I think most of us in the British Isles will be familiar with that community policing model, which builds co-operation and partnership between the police

and communities for the prevention and detection of crime and, very often, the communities become the eyes and ears of the police which obviously makes the job much easier. I was wondering if the Chief Constable could say a little in terms of how that progress might be built on and if there any obvious major steps that could now be taken to strengthen that model.

**Senator Mary Moran:**

I, too, would like to welcome the Chief Constable and Commissioner O'Sullivan and I also welcome their comments on their close co-operation and on the tragic murders that occurred of Garda Tony Golden and Adrian Donohoe in recent years. I would like to put on record, as someone who lives in the same village as the late Garda Golden, the community was devastated as well as the gardaí to be hit like this twice in the space of a short time.

I welcome the additional recruitment. I was going to ask whether this is a temporary or permanent measure. I urge that everything be done to make sure that in rural areas such as mine along the border, there is maximum protection for the people living there if we have any hope of stopping some of this cross-border criminal activity.

Like Senator Walsh, I would like to ask about the ongoing investigation into Paul Quinn's murder but I would also like to ask about the investigation into Adrian Donohoe's murder and where that stands at the moment. I know additional gardaí were put on the case initially, but are the same numbers of gardaí still working on the case? Are the same resources there to support them to apprehend these criminals? To think that people know who these killers are and they are still at large is devastating. It is also devastating for the PSNI, the Garda and communities to know that their hands are tied.

**Rt Hon Conor McGinn MP:**

Can I thank the Chief Constable and the Commissioner for their presentations? Can I also thank them, as a Merseyside Member of Parliament, for their condolences on the murder of PC David Phillips? It is fair to say that the community and the police family on Merseyside were devastated by his death and it brought home to us the threats that your officers face every day.

It seems to me that over the last number of days, certainly, and over the last number of years, we have learned that tackling global terrorism requires co-operation across borders of geography and sovereignty. In that case, can I ask the Chief Constable what the level of co-operation is between the PSNI and other UK forces in working together to address that threat? Can I ask the Commissioner what co-operation is like between the Garda and UK agencies such as the National Crime Agency and the security services here?

Could I ask you both your assessments of the provisions that are in place to stop Northern Ireland, in particular, being used as a conduit through to Britain for organised crime and global terrorism?

**The Baroness Blood:**

I am a woman so I will follow the Co-Chair's instructions. Just a simple question: when there are restricted resources, what gives? Is it community policing? What has to fall when there are restricted resources?

**Robin Swann MLA:**

I just want out point out that paramilitary activity is not just a border problem; it is a problem across the entire island. The Chief Constable and Commissioner have both stressed the involvement of community being crucial. The Chief Constable said his task was to target the individual, not the group. Communities see the group, not the individual, as it is the group that has been terrorising them for years. The faces of the individuals may change but the group does not, should they be dissident republican, loyalist or Provisional IRA. Can I ask in your assessment are the communities now more likely to come forward with information than they were in the past? What more can be done as the front page of today's *Belfast Telegraph* actively states that paramilitaries are now recruiting young people in Northern Ireland who have no collective memory of pre-1998 or what it actually was like before the cease-fires?

**The Co-Chairman (Mr Frank Feighan TD):**

Thank you very much, Robin. I tried to get in as many Members in as possible. I might congratulate and thank the Members who happen to come from north of the Border for being brief. Perhaps my own colleagues could learn a little from them. Over to you, Nóirín and George.

**Ms NÓIRÍN O'SULLIVAN:**

Maybe I will start with Deputy McGinley's question and then try to work them. There are overlaps in the questions so I will deal with them in that way.

Deputy McGinley asked was there a tolerance level in terms of organised crime. I assure the Assembly that there is no tolerance level for crime in any form, let that be volume crime, which hurts the community most, such as domestic burglaries, let that be roads policing in terms of the Senator's question about denying criminals the use of our road network; or let that be organised criminality. There is absolutely no tolerance and our commitment is resolute, as is the Chief Constable's, in terms of tackling criminality and terrorism in all its forms, irrespective of who the perpetrators of that are. We will follow that through without fear or favour and we will follow the evidence.

Just indicative of that and how we measure our successes is that this year alone An Garda Síochána has seized more than €40 million worth of drugs. Speaking to the Deputy's question about drugs, they are pervasive. As you say, they are in every community right around the length and breadth the country so our efforts are very determined in that regard. Overall, we have seized more than €40 million worth of drugs, we have taken more than 500 firearms off the street and we have seized more than €1.5 million in cash, and that will continue. We recently reorganised our drugs and organised crime bureau, we tackle drugs both at street level and at transnational level and we work closely with other agencies.

You asked specifically about the coastline. We work closely with the Revenue customs service, the coast guard and the Irish Navy and there have been significant seizures. Last year, there was over €385 million worth of drugs seized in a shipment off the coast of Cork. We continue that work every single day so that is something we are focused on.

Deputies Coonan and McGinley asked about rural crime. That is something we are focused on. The statistics would say that extent of the problem is not as depicted in some of the national coverage. Nevertheless, I do not think we should rely on statistics. One victim is a victim too many, and, particularly coming into these long winter nights, we are conscious of the fear of crime around the country and what that means in terms of individuals living in rural, isolated areas.

*3.45 pm*

That is why the operation I mentioned earlier, Operation Thor, which we launched on 2 November, is focused on making sure criminals are denied the use of the roads. I will come to the ANPR in a moment. We use all the technology and tools at our disposal to do that but we are focused on crime prevention, and working with the likes of Muintir na Tire, Neighbourhood Watch, the IFA and other rural and urban bodies.

What is particularly successful, which may go some way to speak to the Baroness's question, is the level of community engagement through joint policing committees and local policing fora. Working in partnership with the community to look at ways to reduce opportunities for crime is proving successful and it is something that, I think, we have to increasingly focus on. Deputy Coonan asked about resources. I am delighted that resources have started coming into the Garda College again. As I said, by this time next year, we will have 11,150 new people within the system and a commitment that the Garda College will not close again.

To go to the question in relation to what is the "ask". In terms of my "ask", it is that there is a shared understanding of the fact that policing is a resource intensive activity. A number of Assembly Members have raised the changing landscape and the emerging trends and patterns of crime, including cyber criminality and the international terrorist threat, and that requires agility and responsiveness. I think if we can, we should create a shared understanding and a balanced but robust debate around what that means in terms of policing needs and the resilience that must be there to make sure we tackle in all its form.

Deputy Coonan also asked about ISIS. Last Friday in Paris and further afield in Beirut, Lebanon, Sousse—the terrible attacks on the beach in Tunisia, Copenhagen and Brussels, all remind us that this type of an attack can happen any time, any place. That is the unfortunate reality. It is important in terms of the sharing of information and intelligence. From An Garda Síochána's point of view, we work closely with our international partners, not only at European level but in the wider international policing and intelligence community to make sure our response levels are commensurate with the threat. That is a key focus for us. In terms of capacity and capability to do that, that means continued resourcing of the policing and security service and the intelligence infrastructure. That is something that would be very helpful to us.

Senator Coghlan asked specifically about the overarching structure and looking at how we can gain the maximum flexibility from that and what can be further done. The overarching structure would greatly help us to define and identify the priorities but to also ensure there is accountability to both Ministries in terms of what is happening and, indeed, to bodies such as this. We would certainly fully participate and co-operate with any suggestion of anything can be done by this Assembly or through the ongoing talks that can help to enhance the already excellent levels of co-operation.

Mr Powell asked about the air support unit and ANPS. While I am not specifically familiar with the issues going in the UK, air support capability is a useful tool for us from both an intelligence and a policing perspective. It is costly in terms of resources but actually the return on it is excellent from both a policing and an intelligence perspective. It is something we are focused on keeping in our capability.

Senator Keane asked about the motorways and the ANPR. Again, what is indicative of the level of co-operation, automated number plate technology is used by both us and the PSNI and there are regular uploads every 15 minutes between our two services and that proves useful in terms of intelligence. The Chief Constable in his opening address mentioned the deployment of an under car booby trap in the North but the information was shared so quickly that the interception of those individuals happened on the southern side of the border in real time, which is significant evidence of its success. It is excellent. In terms of the National Roads Authority, we are always looking for ways to expand our intelligence and information gathering capability. We have ongoing discussions with the NRA within the data protection constraints that are there, which is important as well. We are looking at ways to share more information.

The Chief Constable might touch on the job sharing as well. The secondments and exchanges between the two police services have proved useful over the years. For the first time ever, a PSNI superintendent applied in a competition to become a Garda superintendent and I am pleased to day he was successful in an open competition. He is now deployed full time with us in our protected services bureau as a detective superintendent having transferred from the PSNI to An Garda Síochána so he is a full member of An Garda Síochána. However, we have regular secondments and exchanges of personnel in terms of training and learning from each other and I know the Chief Constable will talk about specific exchanges that are under way at the moment.

I am sorry if I forgot some Members' questions but I am happy to come back to them.

Mr McElduff asked what is the "ask" and for me, it is an understanding of what policing is about and what it means to resource a policing and security service, but, from our perspective, we must be realistic in our ask as well and that is something we are very focused on. At the moment, An Garda Síochána is going through a huge transformational programme. We have mapped it out for the next five years. Interestingly, we have called it Policing and Security with Trust, trust being what the fundamental ethos of community policing and engagement is all about. But in our case, the five strands are taking care of our communities, renewing our culture, ensuring unified governance and leadership, supporting our people and then enabling it all with technology. In terms of articulating the need for resources in that to the Government, we have tremendous support in resourcing the programme and it will transform An Garda Síochána, but the focus is on trust and partnership with the community and making sure that we are working with the community.

Senator Walsh had a question on the Paul Quinn murder and I also refer to Senator Moran's question about the Paul Quinn and Adrian Donohoe murders. They are both ongoing live investigations so we are constrained in what we have to say. There have been a significant number of arrests in both. There is also significant co-operation, not just North and South, but also international co-operation. They are ongoing investigations and we are resolute in our commitment to bring the perpetrators of those murders to justice and that will not stop.

Senator Walsh asked as well about the threat from dissident republicans. The terrorist threat is certainly from dissident groups in the South. This year alone, we have had 22 significant disruptions which have resulted in significant seizures of firearms, explosives and component parts of explosives and we have made 35 arrests. That is just on the dissident side. I mentioned earlier that translating intelligence into evidence can be complicated and complex both in murder and terrorist investigations, but we have transmitted evidence to our colleagues in the PSNI. As well as the 35 people arrested in the south, five people were arrested in the North and brought before the courts with intelligence and evidence provided from the South. Again, our commitment remains there and the same response applies to Deputy McGinley's question on organised crime and the evidence of seizures.

Mr Griffiths's question was specifically to the Chief Constable in terms of improvements in community policy and co-operation and partnership is the key to that but I will let the Chief Constable answer that in terms of Northern Ireland. From a southern perspective, we are conscious of the need to not be complacent in terms of the levels of support we have from the community. An Garda Síochána has gone through a difficult time. In April 2014, a public attitudes survey was run by the *Irish Times*. Confidence in An Garda Síochána had dropped to an all-time low of 67%. I am pleased to report to the Assembly that in the last three months we have commissioned public attitudes surveys through Amárach Research, an independent research company, and confidence and trust in An Garda Síochána has reached an all-time high of 85%. That is consistent over the three quarters with a sample population base of 6,000. It is something that we are focused on. We do not take it for granted and we work hard on keeping that level of engagement and partnership with the community. That will remain part of our core ethos, even during our transformation programme.

What has sustained An Garda Síochána through the years is the confidence of, and the relationship with, the community because we have found over several decades dealing with and targeting terrorism in all its forms and, indeed, crime in all its forms, the information and support comes from that relationship with the community and that is where we see the reward for the hard work for the men and women of An Garda Síochána. Our purpose is to serve the community and to work with, and for, the community and we very much pride ourselves on that.

Senator Moran asked about the two murders. We are resolute in our commitment to bring those people to justice, particularly in relation to the murder of Detective Garda Donohoe. Significant resources are still deployed and we are working closely not just with our colleagues in the PSNI but also with other international partners in ensuring the perpetrators are found and brought to justice.

Mr McGinn referred to the murder of PC Phillips, which brings into close focus again an officer just out doing normal routine police work. Tracking global terrorism is a key focus for all policing and intelligence agencies at the moment. With our dual mandate of policing and security, An Garda Síochána is focused on this. As I mentioned earlier, we are fortunate that we have a network of liaison officers throughout embassies across Europe. We also have trusted relationships with other policing and security agencies and we keep our assessments under constant review. We keep our counterterrorism strategies commensurate with that level of threat but, unfortunately, it can happen any place, any time and I think vigilance, awareness and engagement with the community, without striking fear into the heart of the community, is important.

You asked specifically about the National Crime Agency and what the relationship is like with the UK police forces. Again, we have close working relationships. The relationship with our colleagues in the PSNI is unique, but we have excellent working relationships with both polices forces right across the UK and the National Crime Agency. We have a liaison officer from the NCA based in the embassy in Dublin and we have regular, ongoing contact with him. We have sought support or co-operation from the agency. We do a number of joint operations together, particularly around child protection and other issues, and also networking and learning from each other. We keep that very much focused.

Baroness Blood asked what gives in the context of restricted resources. It is something that is a challenge for police services to continuously prioritise and re-prioritise and to maintain the agility and the flexibility we mentioned earlier to be able to do that and to have the adaptability and resilience there. That comes back to the question of creating a parliamentary understanding that there is a need for resilience within police services.

I think that covers most of the questions.

**The Co-Chairman (Mr Frank Feighan TD):**

Thank you very much, Nóirín. Next I will ask George Hamilton to respond.

**Mr George Hamilton:**

Nóirín has comprehensively addressed most of the questions, which is great for me but I will make a couple of comments on some of the themes and I will maybe only pick up on an individual's question if it was specifically posed to me rather than giving largely a similar view repackaged in a northern accent. If that is agreeable, Chair, that is probably a way to make best use of the time.

Deputy McGinley asked whether there is a culture or an acceptance that there will be a certain level of criminality - absolutely not. I joined the police to keep people safe and to lock up bad people. None of it is acceptable and, under my watch and leadership in the PSNI, we will continuously pursue people involved in organised criminality, who are scourge on our societies North and South of the border, and bring the full force of the law against them. I want to be absolutely unequivocal on that.

*4 pm*

However, I mentioned this in respect of the earlier set of questions. Organised crime is changing. Lots of it is facilitated by the internet in a way that we have not seen previously. Organised criminals are normally after two things, regardless of what the commodity is – whether it is firearms, drugs, prostitution, human trafficking in some other form – what they are after at the core is money and power and they want to achieve both with minimal risk to themselves. The internet provides a new place for them to do that and, therefore, we need to be agile, adaptable and flexible to tackle that threat from organised criminality in a way that we have not done previously.

That sort of links with the resourcing challenge that came from a number of Members because resources have to be deployed in a way that meets the threat and that does not necessarily mean that it is always the most visible. When I talk about cybercrime, cyber-enabled crime

and the internet as a new place for committing crime, I say to my own senior leaders , “Look, we are going to have to get comfortable with people who look, feel and think differently to us – diversity at its best”. Maybe we need more 22 year olds in scruffy jeans with long ponytails to help us around some of the cyberspace and the cyber-enabled crime. Forgive my stereotyping in that answer but I think there is something about us having to get away from the “Dixon of Dock Green” sort of cop mentality and to be responsive to what the real risk and challenges are in tackling crime today as it becomes more sophisticated and more cyber-based.

There was a good challenge around the threat level and consistency of message between us all and current and previous chiefs and commissioners. We need to be clear. The threat of serious harm, of violent extremism is largely coming only from one category of groups and that is violent dissident republicans. That does not mean that individuals within some of the loyalist groupings are not prepared to use violence to impose paramilitary brutality and some sort of perverse justice within the communities. Of course, there are things like that happening but the only group of organisations that we assess to be actively involved in violent extremism to try to bring about some sort of perverse political ideology is violent dissident republicans.

That said, we do not mean that there is no harm emanating from some of the loyalist groups, in particular, and, of course, we will tackle that. We have had large successes in doing that. Even in this calendar year, we have had more than 140 arrests under the Terrorism Act and that includes people who still use these paramilitary groups as a flag of convenience. We are staying active around all of that but we are also going to go whether the evidence and the intelligence take us.

On recruitment, Mr Swann raised the valid challenge around the *Belfast Telegraph* headline. We laboured in providing the Secretary of State with the assessment of paramilitary groups for many weeks and then we were the subject of scrutiny by three wise people who had access lots of the material that lay behind it. That assessment says that the only groups still recruiting are the loyalist paramilitary groups and the INLA, and the INLA largely for criminal purposes in that their ceasefire regarding pursuit of violence for a political agenda is being left behind as they simply become effectively an organised crime group and not a particularly good one at that. Regardless of the headline running in the *Belfast Telegraph*, we have what I think is a credible assessment, scrutinised by three independent, clever people, that supports our assessment of who is recruiting and who is not.

A good challenge came from Mr McGinn around the ICT, the international counterterrorism threat, and the porous border between the North and South being a gateway into GB. Those are valid concerns that we share and that we are working on with security agencies and police services across the islands to make sure that we keep our guard up around that. Without saying too much in this semi-public arena, some of the work we have done after Paris, for example, we are well plugged into the CT network across the UK and we have seen over the weekend, for example, several actions coming out of the central co-ordinating function around hardening up our monitoring of sea and airports and so on, but I think there is a valid issue around making sure we are all mindful of that threat of an open, porous border, which, in terms of friendly neighbours, we like to see, but it presents an opportunity for some of these violent extremists from international settings to exploit. We will try our best to keep on top of that.

There were other questions on resourcing, community policing, investment in air frame and ANPR and all the rest of it. I need to be very honest with you. We cannot do everything to the same extent that we did before, so we need to invest in our ability to tackle cybercrime and in what we know works and is efficient around helicopters, air fleet, ANPR, and use of technology more generally. We will keep doing that. All of this comes at a financial cost and that means we need to be cleverer about how we deploy some of the reassurance and the visible resources. When we talk about community policing, I want all my officers across all specialisms to have that community policing ethos, to treat people, whether they are victims, witnesses, suspects, sources of sensitive information, in the same way that they would like their loved one, significant other, mother, father, brother or sister to be treated. I think this is as much as about mind-set whilst also recognising that we cannot actually have the same number of yellow coats out providing reassurance policing as we did in the past because we need to divert the reducing resource base into more technical aspects to tackle the threat of harm.

My final point is a direct response to Mr McElduff's question about what is our "ask". A tidy up could be done around as far as possible as we go into the future dealing with as similar a legislative and policy framework, North and South, as we can possibly achieve. I think that would enable better law enforcement, better prevention activity and make it easier to have an exchange of resources. On that point, we lost a fine detective superintendent to An Garda Síochána. Our loss was their gain but actually for the greater good, it is something to be welcomed and we are glad to have been able to release that person to follow a career south of the border. Today, there are four officers – two going south and two coming north – on more short-term exchanges to share experiences to understand how things are done in a neighbouring but slightly different jurisdiction. On Barry's question, as far as possible, if we can get policy and legislation aligned between North and South, it will make for easier impact.

With regard to organised criminality, paramilitarism and so on, we await with interest what will come out of the current Stormont House talks because a joined-up, single strategy that in practice is working through but to have that in place with overt political support—and with political support comes accountability and with accountability comes very targeted, focused action—will be a healthy thing for us. Those are probably the two big things.

There is also something in seeing this as just beyond the police service into other agencies. For example, the customs agencies on both sides of the border need to be fully engaged in partnership with the governments and the police services around tackling things like fuel laundering, which was also mentioned.

If I can be a bit selfish on probably a more northern-specific ask of what I am looking from this Assembly is advocacy for policing. That does not need to be unconditional or unqualified. Hold us to account by all means, but, for goodness' sake, take a look at where we were 20 years ago. Compared with where we are now, we are accountable and we are scrutinised. I welcome that, even when it is uncomfortable for us. And why do we do that? Because we want the community to have confidence in us and the next stage in the community's confidence is getting the PSNI, in particular, to be more representative of the community that it serves. What I am asking for, I suppose, is support and advocacy at a community level so that young people from nationalist-republican communities, in particular,

do not feel it is some sort of a betrayal or a strange thing to do to be a cop in the northern jurisdiction. We welcome that.

We want the service to be representative. Likewise, in loyalist, working class areas, we see low academic achievement. We have a low threshold at the moment for what it takes to just get yourself into the competition. Even with that, we see young people from loyalist, working class backgrounds as well seeing themselves at some sort of a distance from the police and it being a strange thing to do to consider a career in policing. Actually, whenever you get talking to smaller groups from those different polarised communities, they use the same language and they say the same thing. We need the police service to be representative of the community it servers. Whatever advocating, encouraging or nudging or holding to account of us that Members can do to promote that and to make us more representative would be most welcome.

I could probably talk all day but, Chairs, I think I will leave at that for day.

**The Co-Chairman (Mr Frank Feighan TD):**

Thank you very much, Chief Constable Hamilton and Garda Commissioner, Nóirín O'Sullivan. It has been a great honour and privilege to have you and your colleagues here today. Garda O'Sullivan wants to add something.

**Ms NÓIRÍN O'SULLIVAN:**

Sorry, Chairman, there is one question that we did not cover and, thankfully, my colleagues on my left picked up on it. Deputy Coonan asked a specific question about the migration issue, which is topical. I think it would be dangerous to conflate the migration and terrorism issues. However, we have to be mindful of the potential threat. We do a lot of work on the migration side. Our officers go overseas to do some screening in so far as it can possibly be done. It is also important that while there is no specific information or intelligence regarding a threat to us or to our country, I think that we have to be mindful that is posed around Europe and across the globe at the moment and that is something that we have to stay focused on, but it is dangerous to conflate the two issues at this point in time.

**The Co-Chairman (Mr Frank Feighan TD):**

I thank Commissioner O'Sullivan. It has been an interesting discussion and I thank all my colleagues and yourselves for coming here today. We are encouraged by the work you do and we wish you every success in maintaining law and order in our communities. Once again, thank you very much. We will adjourn for five minutes to address our audio difficulties.

*Sitting suspended at 4.13 pm.*

## **IRELAND, THE UK AND THE EUROPEAN UNION**

4.23 pm

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

The last session ran on because it was so interesting. The Minister is going to speak to us now. I will take a brief item of business at 4.50 pm from Committee A because it cannot be presented tomorrow. We will finish at 5 pm because we are on a tight time schedule and we will run this important debate into tomorrow morning. If anyone objects, please say so now, but I do not see that there is any alternative.

We are delighted to be joined by Dominic Hannigan TD, who is Chairman of the Oireachtas Joint EU Affairs Committee, who will tell us about his Committee's report *UK/EU Future Relationship: Implications for Ireland*, which was published earlier this year. Minister, I am terribly sorry about the delay, but you are very welcome. Thank you for joining us; the floor is yours.

**Dominic Hannigan TD:**

Thank you and good afternoon. I am very pleased to be here this afternoon as Chairman of the Irish Parliament's Committee on European Union affairs. As the Co-Chair mentioned, in June of this year my Committee carried out a report to look at the impact on Ireland of a withdrawal from the European Union of the United Kingdom. From the outset, I have to say that Irish parliamentarians completely and totally respect the right of the UK people to decide on their own EU destiny. However, our Committee believes that the upcoming referendum is of vital importance not only to the UK but to Ireland as well. So today I am going to outline the conclusions and recommendations that we reached, and I will explain why we are so concerned about withdrawal.

Last week Prime Minister Cameron outlined in his Chatham House speech exactly what he wants to see in a changed and reformed Europe. It built on his thoughts contained in the Bloomberg speech of 2013 and in subsequent papers, articles and speeches since then. Now I know that earlier today the Minister for Europe, David Lidington, was in front of you, and I imagine that he outlined exactly what the position is. I do not want to repeat what he said, but, in summary, the Prime Minister would like to see reform and change in four key areas. First, on competitiveness, he wants to see a single digital market, completion of the capital markets union and further trade agreements, such as TTIP, the proposed US-EU trade agreement.

Secondly, on economic governance, he is looking for legally binding principles that recognise the fact that there is more than one currency in the European Union, that there should not be discrimination for businesses operating under a different currency and that issues such as banking union should be voluntary and not compulsory.

Thirdly, on sovereignty, he's looking for a greater role for national parliaments. That is something that many other parliaments want and discussion is ongoing in relation to subsidiarity and in relation to a series of cards: the yellow card, the green card and the red card, each of which relates to the powers and roles of national parliaments. The yellow card refers to strengthening: how national parliaments can come together to amend existing legislation. There is a lot of support for that across the Union. The introduction of a green card would be a new way for national parliaments to come together to propose new legislation at European level. Many countries are willing to test this in a pilot project. Then there is the bringing in of a red card, which would allow national parliaments to work together to stop legislation. That is a more contentious issue.

The fourth area where the Prime Minister wants to see reform is of course immigration. That is most likely to be where the difficulty will rest in the renegotiation process. Many people across Europe are worried about any impact on the freedom of movement of people.

While these negotiations are taking place around Europe at the moment, here in Britain preparations are already under way for the referendum, and we have already seen questions about the age of the electorate, whether or not people from outside the UK should have a vote if they are living here, and whether or not UK citizens living abroad should have a vote. We have also had a debate on the form of the question itself. The EU in turn is considering the UK question in earnest. President Juncker has recently appointed Mr Jonathan Faull, a Briton, as the chief negotiator in the renegotiation process.

But even if the outcome of these negotiations is seen as broadly successful, there is still a very real possibility that the referendum result might come down in favour of a Brexit. That was what drove my Committee to look at this issue. So over four months, we held Committee meetings on the issue. We met with politicians from home and abroad, academics and business leaders. We met people in the UK, in Ireland and on the continent, and we listened to what they thought the impact on Ireland and Europe would be.

First, Ireland would suffer very much because of a changed European Union. Our report suggests that an exit would have a negative impact on the EU itself. Throughout the 40 years of membership of the Union, the UK has helped to shape the development of the European Union. Of course, the UK has always been a very vocal member state during this time, and, of course, the debates at times have been very fraught. Martin Schulz, the President of the European Parliament, has compared the UK-EU relationship to a rollercoaster ride. But throughout Europe, the feeling is that the EU is greater with the UK at its core, and that economically, politically and in terms of world influence, the European Union would be diminished without the UK.

Strategically, the European Union would become weaker as a global player without the UK. The UK is a G7 nation, an important world actor and a large member state with economic and diplomatic weight. Of course, the withdrawal of the UK population of 64 million people would mean a shrinkage of the European Union, and that would mean a shift in power among the remaining states. We would expect to see the larger member states—France and Germany—benefiting most from this. The European Parliament would look different. There would be fewer members of the S&D if the UK Labour Party left, and the European People's Party would lose a potential ally in the Conservatives.

The eurozone would become relatively more important. At the moment, one in every three European citizens lives outside the eurozone. That would go down to one in four if the UK withdrew. Other impacts could include a shift in policy priorities, with less focus on completion of the single market and trade, less focus on the need to drive efficiency across the Union and less focus on the need for reform within the Union. So we believe that the European Union without the UK would suffer, and that there would be a direct bearing on Ireland: economically, politically, socially and culturally.

Ireland and the UK have a deep-rooted economic interdependence. Geographically, the UK is physically Ireland's closest neighbour and its closest market. We all know that the UK is one of Ireland's most important economic partners, but less often highlighted is the fact that

Ireland is also one of the UK's most important markets. Together, we trade more than €1 billion-worth of goods and services in every single week. Some 200,000 Irish jobs depend on this trade: that is 10% of our workforce. Both of our economies trade under the common umbrella of the EU's single market, and any change to this would of course impact both countries.

*4.30 pm*

At the moment, we have a flourishing tourist market between our islands. Three million UK citizens visited Ireland last year and 2.4 million Irish citizens visited the UK. We have a higher level of investment between our islands than ever before. Last year \$65 billion was invested by Irish companies in the UK and \$69 billion was invested by UK companies in Ireland. And of course we have deep historical and social ties that bind us together. We watch the same television shows, we listen to the same music, we support the same football teams and we go to the same racing festivals. We are like a family of siblings who are bound together through our millennia of interaction.

We all enjoy the free movement between our two countries that exists under the Common Travel Area agreement, which reflects the shared historical and social bonds between our countries. There are 400,000 Irish citizens living in the UK at the moment and more than 100,000 UK citizens living in Ireland. You might be surprised to learn that the Dublin-London air route is the second-busiest international air route in the world. So, understandably, Ireland wants the free movement of trade, of tourism, of investment and of people to continue. A change in the UK's relationship with the European Union could create problems here.

It could create other problems, too, particularly in relation to Northern Ireland. The prospect of the Northern Ireland-Republic border becoming an external European Union border would create a host of practical difficulties. Apart from the cessation of violence in Northern Ireland, one of the greatest successes of the Northern Ireland peace process was the effective dismantling of the physical border between the North and South. It is a tangible benefit of the peace process, and indeed, we just heard from the Commissioner and the Chief Constable about their priorities and how they work together. That would not have been possible without the improvement in relations and the removal of the border between the two parts of the island.

At a practical level, the European Union for peace and cross-border projects. It assisted with the setting up of the North-South implementation bodies, INTERREG and peace funding, which amounts to about £200 million at the moment. This funding could be threatened, as could the existence of the bodies themselves. Of course, there is no doubt that this in turn could destabilise the peace process. So it is our contention that the UK question affects Ireland more acutely than any other member state in the European Union.

The report of our Committee contains 24 recommendations, which set out how best to secure Ireland's strategic interests. Four key recommendations are: that any negotiated exit must respect the special status of the Irish-UK relationship; that all UK-Ireland bilateral relationships are maintained, including citizenship arrangements, unrestricted travel, trade arrangements and unhindered borders; that the Common Travel Area is protected; and that we engage with Irish people living in the UK and with UK and Irish businesses that depend on trade links to make sure that they are aware of the impact of a withdrawal.

In relation to Northern Ireland, we have four specific recommendations. First, the Irish Government should have a voice in relation to the future of Northern Ireland and that they should feature in negotiations with the United Kingdom. Secondly, the UK and the EU should recognise that Northern Ireland has a special place in the UK in relation to the Good Friday agreement. Thirdly, the Irish and UK Governments should work together to make sure that contingency arrangements are put in place to address any funding shortfall for bodies that might be impacted by withdrawal. And fourthly, Governments should work together, particularly in the areas of tourism and agriculture, to make sure that those areas do not suffer because of an exit.

Ireland and the UK joined the European Union on the same day in 1973, some 40 years ago. Our relationship within the EU has always been a very close one. As trading nations, we share many common goals in areas such as the single market. We think it would be a huge blow for Ireland and the European Union no longer to have the questioning and contrary voice taking its seat at the table in Brussels. And at a time of great uncertainty around the world, we believe that it is more important than ever for the UK to remain part of the European Union.

Four months ago, we all worried about the potential Greek exit from the euro. Thankfully, due to the actions of many European leaders, we recognised that the departure of Greece would have not just economic impacts but geopolitical implications. Europe took a deep breath and did what was needed to keep Greece on board. In Ireland, we believe that Governments across the Union have to show the same energy to keep the UK in. So we will be telling other Governments that Europe has to listen to the concerns of the citizens of the UK, and that we need to work together to deliver reforms and improve the functioning of the European Union. We remain hopeful that both the EU and the UK will go the extra mile to construct a new, changed Europe that mirrors the desires of all our citizens. Thank you.

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

Thank you very much indeed, Minister. I am sorry that we are very short of time. Andrew Rosindell, the Chairman of Committee B (European Affairs) will now propose the Motion:

*That this Assembly has considered the matter of future relations by the UK and Ireland following the UK referendum on its membership of the EU.*

We will take Paul Coghlan after that and then we will adjourn until tomorrow, when there will be plenty of opportunity for Members to come in. Andrew, over to you.

**Andrew Rosindell MP:**

Thank you, Co-Chairs, for inviting me to propose the Motion this afternoon that the Plenary takes note of the report *UK/EU Future Relationship: Implications for Ireland*. Members know that an intense debate is taking place in the United Kingdom on the subject at this moment in time. This is born out of the fact that most people in the United Kingdom believe that we should be part of Europe—but for trade and co-operation, not for political union.

Most British people have never supported the concept of political union, and we have never had a referendum on it—we have never been asked if a political union is what we want to be part of. Our history—and, indeed, the history of the people of Ireland—is that of a global, trading, outward-looking, seafaring nation. So for us to be locked into a political union which

has never had the legitimacy of the people supporting it has led to the situation whereby most British people are now frustrated and have lost patience with the EU as it stands today.

I believe that the British people want to stay part of Europe—but that does not mean that we want to be part of a political union. It also means that we need to regain control of certain things that we have given away. For example, the United Kingdom is not able to sign its own trading arrangements with countries with whom we have most in common. Last week, the Prime Minister of India visited the United Kingdom. We cannot sign a trade agreement with India on our own; that would not be allowed under EU rules. It has taken nine years for the EU to discuss the possibility of a trading agreement with India, but it has failed to secure one. It is only just starting to talk about having a trading agreement with Australia and New Zealand. These are countries where the people of England, Scotland, Ireland and Wales visited, created colonies and laid foundations and roots. Today they are independent countries and emerging markets. So not to be able to have a much easier route to trade with these countries is, most people think, a mistake.

The other thing is of course the situation with regard to immigration. There is no greater issue facing Britain at the moment. The British people are deeply concerned about the policy of open borders with free movement. No one is against immigration—or, at least, very few people are. What most people are concerned about is the policy of uncontrolled immigration, which happens because of our membership of the European Union. We defend completely everything that has been stated this afternoon in the recommendations of the report. We want to see those relations with Ireland continue as strong as ever. However, what we do not want to do is to give away our right to make our own laws, control our own borders and trade with countries around the world with whom we have had long-standing historical and trading relationships.

The European Union was created originally as a common market: that is how the British people saw it. Britain and Ireland joined on the same day, along with Denmark. It then became a European Economic Community, then a European Community and then a European Union, without any referendum or consultation of the British people. So we have reached a stage now where it is no longer acceptable to most British people to carry on as we are. This is not a game; this is quite serious. The British people are no longer prepared to continue with the current arrangements, and our Prime Minister has laid out some of the concerns that the British people have, which we discussed earlier today when David Lidington was present.

We need to think where we want to be in the next 20, 30, 40 or 50 years. Is our future market the continent of Europe, or is it the emerging markets that we are seeing growing up across the world? I personally believe that Britain—together, I hope, with Ireland—can help to lead Europe in a different direction. Our history is different; we are island nations. It is possible to be bold and make a change in the way the whole of Europe develops, and I believe that, because we as nations are based on an outward, free-trading ambition, if we are bold today, we will be thanked in years to come when Europe, instead of being an enclosed, protectionist bloc of countries, will reach out and lead the world in global trade—because it is trade that brings prosperity to all our people.

In closing, perhaps I may say one final thing. It is possible for parts of the British Isles to be part of the single market but not of a political union: I am thinking here of the Crown dependencies. Jersey, Guernsey and the Isle of Man are not part of the European Union and I dare say that they would not choose to be part of the European Union. I will not speak for

them, but my guess is that none of them would even contemplate joining a political union, but they do have access to the single market. They have co-operation and bilateral relations. Switzerland is another example of a country that could not be closer to the heart of Europe and which has a series of bilateral relations to suit it.

We have to realise that it is possible to do things differently. It is so easy to say that we have to stick with what we have got. Britain's entire history is one of not sticking with what we have got but fighting for what we believe to be right. That is why I and many others in the UK Parliament and across the United Kingdom are fighting very hard to see the fundamental change that our Prime Minister promised in the first place. If we can achieve that, it will be good not only for the people of the United Kingdom but for Ireland and the whole of Europe. Thank you very much indeed.

*4.45 pm*

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

Thank you very much, Andrew. As I said, I will now suspend this discussion until tomorrow, when we will have a bit more time for everybody to contribute. Now, because Senator Paul Coghlan cannot be here tomorrow to present his report, I have agreed that he should do so now. Again, if there is further debate on the report, we will have to take it tomorrow. Paul, over to you.

**PROGRESS REPORT FROM COMMITTEE A (SOVEREIGN MATTERS)**

**Senator Paul Coghlan:**

Thank you, Co-Chairman, for giving me the floor. I would like to take this opportunity to thank you and our British hosts for your hard work and hospitality.

The Committee has issued some additional comments and recommendations by way of an addendum to its report of February. This addendum has been circulated to members and obviously should be read in conjunction with the original report. The report from Committee A, *Cross-border Police Cooperation and Illicit Trade*, was adopted by the British-Irish Parliamentary Assembly at its Plenary meeting on 23 February 2015. The Committee received substantive responses from HM Revenue and Customs, HM Treasury, the Department of Finance, the Department of Justice and Equality, the Revenue Commissioners and the Department of Justice of Northern Ireland. The Committee met in London on 20 October to follow up on the findings of its report, meeting with the Parliamentary Under-Secretary of State for Northern Ireland, Mr Ben Wallace, whom we heard from again today, as well as with representatives of the National Crime Agency and HM Revenue and Customs. The Committee wishes to express its thanks to all those who have assisted with this inquiry and the subsequent follow-up.

The Committee records its finding that cross-border co-operation between justice and law enforcement officials and agencies is excellent and reiterates its acknowledgement of those involved for their courage in tackling cross-border crime.

Even greater determination is required to tackle ongoing criminality. The Committee is predictably concerned about the border area. The Committee notes with concern recent

assessments carried out by the British Government and An Garda Síochána. The Committee agrees that criminality, and especially organised crime associated with the legacy of paramilitarism, cannot be tolerated in a democratic society, and underlines the importance of cross-border police co-operation in tackling this scourge on both sides of the border. The Committee recommends that such co-operation be reinforced and scaled up through bolstering the deployment of additional officers in border areas and exploring further ways in which inter-agency and cross-border policing co-operation and its effectiveness could be enhanced.

In this regard, the Committee recalls the recommendation in its report for a full-time task force dedicated to eliminating the activities of organised crime gangs involved in cross-border illicit trade. The Committee is concerned that the existence of unofficial community alert notices purporting to be official public security notices and observed by the Committee in some public spaces in South Armagh during the course of the inquiry undermines the culture of lawfulness and respect for the rule of law, and recommends that appropriate steps be taken to expedite their removal.

The Committee notes the challenge posed to law enforcement officers, in particular with regard to resources, by the concentration of border crossings within a short distance in some regions. The Committee recommends that measures aimed at optimising the capacity of law enforcement officers to operate as effectively and efficiently as possible in such areas be taken.

The Committee notes the publication by HM Revenue and Customs of a six-month evaluation of the new fuel marker introduced in March 2015 and its finding that, while it is early in the evaluation process and the data are inconclusive at this point, relevant indicators appear to point to a shift in the right direction. The Committee also notes that the HMRC report does not address any change of regulatory attitude and the Committee may decide to explore further why the level of prosecutions continues to be so low. I commend this short addendum for adoption by the Plenary. Thank you, Co-Chairman.

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

Thank you very much indeed. As I said, we will take any further contributions on that and on the debate about the UK and Ireland tomorrow. I will suspend the Plenary for now and see everybody later. Thank you very much.

*Plenary adjourned at 4.50 pm.*

**Tuesday 17 November 2015**

**IRELAND, THE UNITED KINGDOM AND THE EUROPEAN UNION  
(CONTINUED)**

*10.01 am*

**The Co-Chairman (Mr Frank Feighan TD):**

I call the session to order. Our first item is a resumed debate on the European Union. Mr Rosindell, Chair of Committee B, introduced the debate yesterday by moving on behalf of the steering committee the Motion:

*That the Assembly has considered the matter of future relations between the UK and Ireland following the UK referendum on its membership of the EU.*

We have other items of business this morning, so I urge all Members to keep their contributions brief.

I now invite contributions from Members. Alf Dubs is first.

**The Lord Dubs:**

Thank you, Co-Chair. I shall be very brief.

I know that Andrew Rosindell talked in measured and balanced terms when he spoke to the motion yesterday. However, I still have to take a different view. I believe that it is not in Britain's interests to leave the EU. Specifically, as far as we are concerned, I believe that a British departure from the EU would have a damaging effect on relationships between Britain and Ireland. As was said yesterday, to have the border of the EU as the border between Northern Ireland and the Republic of Ireland when all of us have spent years getting rid of that border would be a retrograde step and would have a very damaging effect. Britain's economy is so tied up with the Irish economy and vice versa that there could not but be a distance and a breakdown of that closeness. I am very hopeful that we will stay in the EU, because that will keep our relations with Ireland as good as they have been.

That was very brief. There are other things to be said, but I will make one last comment. Andrew Rosindell spoke in measured terms and referred to many people in Britain. I do not believe that what he said is the case. At worst, there is a very balanced view in Britain at the moment. With a bit of luck, we will come out in favour of staying in the EU.

**The Co-Chairman (Mr Frank Feighan TD):**

Thank you, Lord Dubs. Next is Dave Anderson.

**Mr David Anderson MP:**

Thanks very much, Co-Chair. We cannot help but admire Andrew Rosindell's position of speaking on behalf of the British people, but as I pointed out yesterday to the Minister, he is not speaking on behalf of a lot of the people I represent. There is not even consensus on the Prime Minister's negotiating position in his own party, let alone in the rest of the country.

There are huge worries for me and for people I work with about the implications of the desire to remove more red tape. Red tape in Europe has helped to protect British working people from some of the excesses of Government policy over the past 30 years. The Transfer of Undertakings (Protection of Employment) Regulations, the protection of temporary and agency workers, the increase in holiday entitlement, increased maternity leave, the working time directive and the workplace temperature directive have all, although they were limited, given protection to workers.

In my part of the world, we have seen the development of companies such as Nissan because of the positive influence of European integration. That has meant that, despite all the economic problems that the north-east of England faces, we have the best trade balance in the United Kingdom with the rest of the world, apart from London and the south-east.

We should, in the past 40 years, have learned from the positive way the Republic of Ireland has engaged with Europe. From day 1, the British view seemed to be, “We’ll join your club, but we don’t really want to engage with you to the extent that we should.”

The reality is that, when the debate starts, it will not be about increasing political union. It will be a dog whistle debate that the xenophobes and the racists, coming out of their holes, will use to try to frighten people into voting to come out of Europe. If that is where we end up, it will not just damage relations within the United Kingdom. Somebody asked yesterday whether the devolved nations could carry on in Europe. The answer is probably no from a bureaucratic and technical point of view, but I think that that will have a damaging effect on our efforts to keep the Union together within the United Kingdom.

Also, in every discussion I have had with people from the Republic of Ireland on the matter, it has been very clear that, if we in the United Kingdom walk away from Europe, it will have a devastating impact on the Republic of Ireland. Last night, I had a really good discussion with the ambassador about how positive the economic situation of the Republic is. We should all be really glad that it has turned the corner from where it was just a few short years ago.

If we—I will not use unparliamentary language—decide to walk away, it will not just have an impact on our people; it will also have a detrimental impact on the Republic. We should be aware of that in everything that we do.

**The Co-Chairman (Mr Frank Feighan TD):**

Thank you, Dave. Next, we have Willie Coffey.

**Mr Willie Coffey MSP:**

Thank you, Co-Chair. I, too, want to distance myself from the comments that Mr Rosindell made and the sentiments that he expressed yesterday. He claimed to speak for the people of Britain, but he does not speak for me or for the people of Scotland, and neither does his party, which has one solitary MP out of 59 in Scotland after the election in May.

On a day such as today, when Scotland welcomes with open arms the first 100 Syrian refugees to our country, Mr Rosindell’s and his Government’s priority seems to be to shut the door and opt out of their humanitarian responsibilities while the rest of Europe takes on that burden. Sadly, the UK has signed up to take only 20,000 of those refugees over the next five years, while the city of Munich managed to take in that number over a weekend.

The UK Government has the audacity to run to Europe with a basket of demands for reform and, at the same time, to slither out of its responsibilities while the greatest humanitarian disaster since the second world war unfolds in front of our eyes in the Mediterranean.

Scotland has a close, warm and inclusive relationship with Europe today, and that relationship stretches back as far as the middle ages, when we struck up an alliance with France—an alliance and a bond that are still strong today. The most recent poll, when the don’t knows are excluded, shows that 66 per cent of Scots are in favour of maintaining Scotland’s membership of the EU, even without Mr Cameron’s basket of demands.

Our country and our Government welcome closer ties with Europe, and I look forward to a positive vote in Scotland to remain in the European Union after the referendum.

**The Co-Chairman (Mr Frank Feighan TD):**

Thank you, Willie. Next we have Senator Paschal Mooney.

**Senator Paschal Mooney:**

Go raibh maith agat, Co-Chair. Thank you, Co-Chair. It is very instructive for those of us from Ireland to hear the divergent views of our British colleagues across the United Kingdom. I have to put myself on the side of those who would not agree with much of what Andrew Rosindell said. I appreciate where he is coming from and what his ideological position is. However, I think that his idea of the origins of today's European Union is somewhat flawed.

The European Union, or the Common Market as it was referred to, was started primarily to guarantee the peace of Europe. It was not necessarily about economic issues as such. It was to ensure that the economies of France and Germany would be so integrated that they would never have a need to go to war again, so Europe is about peace. From an Irish perspective, what has been done and what continues to be done in that area should not be underestimated.

The other aspect of the European Union is the concept of subsidiarity. I hope that Andrew Rosindell and his colleagues who are against the notion of Britain staying in Europe will be honest during the campaign and will tell the people honestly that any decisions that are taken at the European Council level involve the active participation of his own United Kingdom Government. Nobody is dictating. The Commission is the servant of the Council. It is not the other way round.

Having said all that, I agree with Prime Minister Cameron's approach. The Irish Prime Minister, Enda Kenny—the Taoiseach—has indicated that we would support meaningful reform. For the benefit of my British colleagues—I think that my Irish colleagues would agree with this point—I should say that although Ireland has been seen as a good European over the past number of decades, that view has become somewhat tarnished in recent years. That has been reflected in the vote of the Irish electorate, particularly in the recent European elections, when significant numbers voted for those who were seen to be anti-Europe or at least not proactively supportive of the various referenda through the years.

The gloss has been taken off the idea of Ireland being a good European, particularly because of the increasing view in Ireland that there has been interference from European level in the day-to-day operations of people's lives. For example, in the west of Ireland, where I come from, there has been a major issue about the habitats directive. For generations, people have traditionally cut peat turf, but that is now denied to them. Such things have impacted on the view that now exists in Ireland about Europe. Having said that, though, I think that there is no anti-European sentiment in the sense that we would ever vote ourselves out of Europe.

Lord Dubs and others have touched on the question of what will happen if Britain exits the European Union. First, what will happen to British-Irish relations? Secondly, what will happen in practical terms between the North and South of Ireland? How are you going to square that circle? It would not just be about the imposition of border controls because Britain would be out of Europe; it would be about the end of tax and customs union, with different rates of taxation and different rates of excise. I cannot see anything working in practice other than the reimposition of something that we worked for a generation to get rid of, which is the distinctive difference in crossing from North to South. For those reasons, if no other, I would not see, from an Irish perspective, that there would be any practical options for that working.

Finally, I believe that there would be a loss of influence from Britain exiting the EU. I am strongly European, but I am also very strongly of the view that Britain, because of its long history and tradition, should be and should have been a much more proactive member of the

EU rather than kicking against it, in order to lessen the dominant influence of the French-German axis. There would be a definite loss of influence if Britain left.

Andrew Rosindell referred yesterday to Switzerland as a country outside the EU, but there was no mention of Norway, which has twice tried to enter the EU but has failed because of—I know this from talking to people in Norway—the view that Norwegians have from their history of what they call federation. Norway is in the worst possible world. Although it has engaged in a great deal of bilateral agreements with the European Union, it has absolutely no influence on the EU's policy-making decisions. So, Norway sits outside the EU but would like to be in. Switzerland would be in a similar situation. Andrew Rosindell is right that Switzerland has had loads of bilaterals with the EU, but it has no influence. That is the position that the UK would be in if it left the EU: it would have no influence in what is one of the largest trading blocs in the world.

As I said at the outset, I hope that in spite of the varying views that exist—Andrew Rosindell represents a particular but significant view in the UK—there will be an honest debate and the people of Britain will not be led astray by all sorts of myths about bendy bananas and everything else that we have been listening to with growing derision over the past number of years. Be honest with the people and tell them exactly what is the case, but go for meaningful reform, which the European Union definitely needs. I believe that it would be detrimental for the UK to seriously consider coming out of the EU, not just for Irish interests but for UK interests in particular.

**The Co-Chairman (Mr Frank Feighan TD):**

Thank you, Paschal. Next we have Gordon MacDonald.

**Mr Gordon MacDonald MSP:**

Thanks very much, Co-Chair. First, on Andrew Rosindell's comments yesterday, the Conservative Party has a 12 per cent share of the vote for the Holyrood Parliament—that is consistently the level of support that it has had in Scotland for the past 16 years—and has only one MP in Scotland, so it certainly does not speak for the people of Scotland.

Secondly, Scotland, unlike the rest of the UK, has a trade surplus with the world, which supports a lot of jobs in Scotland.

We must remember that the European Union has more than 50 trade agreements with many countries in central America, such as Chile, and with South Africa. Who will renegotiate them and what will happen to the jobs while the renegotiation takes place?

We also have hundreds of thousands of EU citizens who support our public services. What will happen to them if they think that the UK is going to leave Europe? Will they go back home? What will happen to our public services?

David Cameron has asked for the national Parliament to have a greater say in the EU. Scotland has its own Government and its own Parliament. The Conservative Party does not speak for the Scottish people; the Scottish Parliament and the Scottish Government do, and they should be at the top table when it comes to negotiations.

10.15 am

**The Co-Chairman (Mr Frank Feighan TD):**

Thank you, Gordon. Next we have Mr Robin Swann MLA.

**Mr Robin Swann MLA:**

Thank you, Co-Chairman. I hear from around the devolved regions that Andrew Rosindell MP is getting a bit of a hard time.

On a different narrative, I would like to raise a concern about what has come forward from the Joint Committee at the Oireachtas. As a Unionist, I was concerned when I heard that the Irish Government was prepared to take on the right to speak for Northern Ireland at the European level. I believe that that is completely contrary to anything that was agreed in the Belfast Agreement. Unless the Irish Government is going to reinstate articles 2 and 3 of the Constitution of Ireland, which were removed, I do not see how, in any dealings inside or outside Europe, it can assume those responsibilities.

I urge the Irish politicians to be careful when they talk about the benefits for Northern Ireland of the United Kingdom staying in Europe. It takes the argument away from being about whether we should be inside or outside of Europe and feeds the narrative that the Irish Government is starting to meddle again in Northern Ireland political affairs. Unfortunately, in our political climate, that is a dangerous narrative that can be played on by the minorities that we are trying to bring into a progressive political situation.

**The Co-Chairman (Mr Frank Feighan TD):**

Thank you, Robin. Next we have Mrs Joyce Watson AM.

**Mrs Joyce Watson AM:**

Thank you. I will speak for Wales, and about the opinions expressed by the Labour Party and the First Minister about Wales's place in Europe. I will set that in some context.

Wales receives around £2 billion in EU structural funds from the cohesion policy, for programmes that cover west Wales and the valleys. I represent that area. By 2019, common agricultural policy payments to Welsh farmers will be around €320 million a year. On top of that, Wales receives €355 million for its rural development plans for 2014 to 2020, and it has been estimated that the CAP provides around 80 to 90 per cent of basic farm incomes in Wales. In addition to those two main sources of EU finance, organisations in Wales are eligible to participate in a range of EU funding programmes that support a number of EU policy goals. As a result of those, 47,000 people have been moved into work, 128,000 people have gained qualifications, 5,000 new enterprises have been set up and 18,000 jobs have been created. It is quite clear that when we talk about leaving the EU, Wales has much to lose and very little to gain.

The other issues surrounding that are fairly obvious. At a time when public spending is being completely annihilated by this Government, under the assumption that public is bad and private is good, there is clearly no taste in the economy to replace all the things that I just mentioned.

When we talk about competitiveness, what exactly are we talking about, under the present Government's thinking? It seems fairly obvious to me that we are talking about cheap wages, zero-hours contracts and not signing up to the living wage but increasing the minimum wage.

When we talk about competitiveness, we have to talk about skills and if we are, at this stage, saying that Wales can manage to pay for the skills that will be needed in all the major projects that are coming into Wales, it is not going to happen, according to the private sector. I am chair and founding member of the Cross-Party Group on Construction and I work closely with the Institution of Civil Engineers, which says that there is a massive skills gap. Part of that training is paid for by European funding, not least the massive investment that has just been made in Swansea by the European Investment Bank to ensure that Swansea University has a state-of-the-art facility to train apprentices in the new skills that will be needed to lift Wales out of its poverty.

Within the themes of competitiveness and barriers, we also talk about bringing inward investment. We have seen major announcements by the UK Government, not least with regard to China and India. It is fairly clear that those countries bring significant risks to the table in relation to the security around their information technology systems. They have already been under cyberattack. I do not feel very comfortable or confident that those things have been sorted out in the rush to bring inward investment rather than grow what we have.

Part of growing what we have is, in my opinion, being part of the massive trading bloc that is the European Union. Let us sort out anything that needs sorting out, but to say that we can leave is certainly a really retrograde step. However, let us assume that that is what the Tories get; it is clearly what they want. I have not heard anybody mention anything whatsoever about an exit strategy. I have not heard anybody mention anything about involving the devolved nations in those talks—never mind the fact that they are not involving the devolved nations in the current talks.

There are far too many issues around the table that do not convince those people within the industries that I have just mentioned—and I have spent a long time talking to them—as regards delivering a vibrant economy that is Wales.

#### **The Co-Chairman (Mr Frank Feighan TD):**

Thank you, Joyce. The next speaker is Roger Perrot.

#### **Deputy Roger Perrot:**

I approach this with my usual modest diffidence because I am from Guernsey and we are not a member of the EU. However, I can see the way that the debate is going and my heart is going out to Andrew Rosindell, because I can see that he is not exactly winning the debate.

I am stung into responding to something that was said by Mr Mooney. Mr Mooney said that the EU was formed to keep Europe safe. That may be what the architects of the old Common Market had in mind in France and Germany, but it is certainly not how it was sold to your country—I am talking about the UK now—when you entered the Common Market. Certainly when your Geoffrey Rippon came to Guernsey to explain to the States of Guernsey the implications of joining the Common Market, it was nothing to do with whether Europe was going to be safer or not; it was all to do with there being a Common Market.

Now all of that seems to have changed. As someone once said, it is rather like having joined a tennis club when you suddenly find that they have changed the rules and it is no longer a tennis club and they play rugby union football.

As far as Guernsey is concerned, Europe has done us no favours. I will not bore the meeting with all the various difficulties that we have had with Europe, but they have been pretty

severe. For my part, even though I am not in a country that is a member of the EU, I shall be supporting Andrew Rosindell.

**The Co-Chairman (Mr Frank Feighan TD):**

Thank you, Roger. Next we have John Paul Phelan.

**Mr John Paul Phelan TD:**

Thank you, Co-Chairman. I do not know whether it was designed to have this debate this morning, but I felt in much better form somehow yesterday evening—I blame Andrew Rosindell.

I do not want to pile in on the anti-Andrew sentiment, but I will nonetheless.

**The Co-Chairman (Mr Frank Feighan TD):**

That kind of attitude is why they win loads of hurling championships.

**Mr John Paul Phelan TD:**

I will even pile in on the anti-Roger sentiment as well.

Although the EU undoubtedly started out as a coal and steel union, which led to the beginnings of a common market, it has developed into the most successful peace process that the world has ever seen. That is the basis on which I have an affinity for the EU, that is why I have studied it and have a knowledge of it, and that is why I support it.

I think that there is a huge danger in politicians from outside Britain telling British people and British politicians what they should do in the referendum—that is a matter for the British people to make their own mind up on—but we want to say, “We love you, Andrew, we want you to remain in the European Union, and we think that Britain has a vital role to play.”

I look at the Prime Minister’s letter and the four principal points that he has raised for discussion. To be perfectly honest, I do not find a lot to argue with as regards the issues that he wants to be renegotiated. In fact, it could be said that two or three of them are largely covered in the operations of the Union, even if they might not be written into the treaties.

I was struck by one of the comments that Andrew made yesterday—I tried to write it down when he made it. He posed the question, “Is our future market the growing markets of the east or is it Europe?” I would have thought that, for a British businessperson, employer or exporter, their future market is both, and they will not give up what they have for the prospect of what might happen in the future with regard to export markets in the east.

Particularly if we look at what has happened in Europe over the past four or five days, the case for the Union and for British membership of it is stronger than it has ever been, and I hope that when people in the UK consider the question, they will realise that their interests are best served by remaining an integral part of the Union; they can by all means renegotiate, and I would favour most of the areas that have been suggested for renegotiation.

**The Co-Chairman (Mr Frank Feighan TD):**

Thank you, John Paul. The next speaker is John Scott.

**Mr John Scott MSP:**

Thank you, Co-Chair. I very much endorse what Mr Phelan has just said. I think that the mood in Scotland is certainly in favour of remaining part of the European Union. In the recent referendum, 55 per cent of the people of Scotland voted to stay part of the UK, and it is important to note that even more than that would want the UK to remain part of the EU. It has consistently been the view of the people of Scotland that when we work together, the total is greater than the sum of the parts.

*10.30 am*

As far as the debate is concerned, I think that a Brexit would be bad for Ireland and therefore share Irish concerns in that respect. It would also be bad for Britain in the long run, so, to paraphrase what others have been saying, I wish David Cameron well in his renegotiations. The four key points of competitiveness, governance, sovereignty and freedom of movement that were outlined yesterday all need to be updated. When the treaty was first drawn up, times were different, and it is vital that we now move forward into a different and more modern world in terms of competitiveness, the transatlantic trade and investment partnership and so on.

Joyce Watson's comments about the devolved countries not being consulted are not accurate. They are being consulted; in fact, David Lidington drew our attention to that yesterday, and I made particular note of it. He said more than once that the door was always open to the devolved countries to speak to him at any time—and they do so. As recently as last week, he was in Edinburgh, speaking to our cabinet secretary Fiona Hyslop on this subject.

My personal view, which I believe to be the view of the people of Scotland, is that we start these negotiations with the position that we would like to continue in Europe, and I also believe that all the nations represented in this room would benefit from the UK remaining in Europe.

**The Co-Chairman (Mr Frank Feighan TD):**

Thank you, John. The next speaker is David Melding.

**Mr David Melding AM:**

Thank you, Co-Chair. I am that rare bird—a pro-EU Tory. I think that our Irish colleagues need to realise that probably 30 or 40 per cent of the Tory party still leans towards Europe and that perhaps a quarter have a degree of enthusiasm in seeing our destiny as being in part to shape Europe-wide politics, not to be shaped by them.

I want to put a couple of things on record. About 18 months or two years ago, the British Government published the most extensive review of competences on a European scale that has been carried out by any EU state, and it broadly found those competences to be properly aligned. I find it interesting that that review of competences does not form part of our renegotiation negotiations, but I think that the Prime Minister's requests are balanced and would benefit Europe as well as furthering the likelihood of the UK remaining part of the European Union. Some of the voices urging withdrawal should look at the review of

competences and, if they so wish, argue that it is flawed, but it seems to me that it was conducted in a very objective spirit and is a useful document.

The other thing that those who want to leave must face—and the issue that I think will probably determine the result of the referendum—is the question whether we want to stay in the single market. The UK drove the single market in the 1980s, especially under Commissioner Cockfield, and it is a great achievement. Some people who want to withdraw have said that we would still have access to the single market, while others have said that we would not need it, because we would be trading with or pursuing opportunities in the rest of the world. Incidentally, there is nothing wrong with pursuing opportunities on a global scale, but Europe is still our main partner in terms of proximity and likely development of trade and economic opportunities.

There is no doubt that, in order to stay in the single market, we would have to obey its rules. It is preposterous to think that we could have its advantages without obeying its rules, and I would find it strange if it were decided that we should stay in the market but not help to form those rules. I also point out that Norway and Switzerland have by proportion more EU citizens working in their labour markets than the UK does, and I think that there are some sober messages to take account of in that respect.

The real crisis in the EU—it is undoubtedly an organisation in crisis—has been caused by the euro and by many states joining the euro that would have been better advised not to do so. I am concerned that the euro structure will overwhelm the EU institutions, and that is probably the most important part of the Prime Minister's call for reform. The EU institutions must have primacy. Although some euro mechanisms will have to be tightened up and there will be real political integration there, we, in the UK, are never likely to be part of that in the foreseeable future. I say to Irish colleagues that we need to reflect on that, because that is at the heart of the British negotiation.

There is a crisis of legitimacy, with many citizens feeling distant from the European institutions. Someone spoke about TTIP, and I get an awful lot of emails from people asking where the debate is, how they can influence it and whether it will affect the national health service. Among citizens, there is a sense of disassociation from the European institutions largely because those institutions are driven by intergovernmental processes. However, parliamentarianism is a way forward. I welcome the strengthening of the European Parliament—the treaty of Lisbon is flawed, with the one notable exception that it has given a greater role to the European Parliament, which is valuable. National Governments also need a greater role and must spend much more time looking at European matters. We may have been in a better position to deal with some of the humanitarian issues that are spilling out of the middle east, which have been brewing for 20 years, had we had that involvement.

My final point is on Unionism. Philosophically, as a Unionist, I think that it is difficult to argue that Wales and Scotland can flourish as nations in a British union but Britain cannot flourish as a state within the European Union. That is a very difficult argument to run.

#### **The Co-Chairman (Mr Frank Feighan TD):**

Thank you, David. The next speaker is Joe O'Reilly.

#### **Mr Joe O'Reilly TD:**

I am very impressed by David Melding's remarks. He said it all in the last sentence or two.

The Irish position was set out by our Taoiseach, Enda Kenny, in London recently. Fundamentally, it is this: we will not make any attempt to interfere in the internal affairs of the UK but, at an institutional level, we will be supportive of Britain's efforts to renegotiate. We have significant influence within the European People's Party group and, indeed, within the socialist groupings in the European Parliament, and we have considerable influence at Commission level that we will use to support an accommodation of the British interest. However, as I say, we will not attempt to interfere in Britain's internal affairs, as that would be counterproductive. There is no question of our campaigning by stealth or otherwise.

Those are our two clear positions. The first is of absolute support for a very friendly neighbour, a major trading partner and a country with which we have extraordinary kinship ties. We will support you on that basis. The second is that we will not interfere with Britain's internal affairs. My friend Robin Swann suggested that we would interfere in the affairs of Northern Ireland, but that is not at issue either. The issue is that we have a legitimate concern, which we will have to articulate and deal with—hopefully with Britain staying within the EU although, in the doomsday scenario of Britain leaving the EU, we would have to deal with it then—about the border, border controls and the implications of the euro versus sterling. That is all that is at issue, and it is a reasonable proposition that we would want to protect that interest.

My colleagues Senator Mooney and Deputy Phelan went to great lengths to correctly identify the European Union project, going right back to the European Coal and Steel Community, as the greatest peace process of our time. There is no question but that that is the case. Whatever economic motives may have been around it, it was fundamentally paralleled by the Council of Europe, of which I am proud to be a member and of which both Senator Mooney and Deputy Phelan are distinguished former members. The Council of Europe and the EU together have successfully maintained the peace in Europe for a very long time, which has made an enormous contribution.

My sense is that, if we did a vox pop on the streets of any country in Europe, God knows, a lot of people would want many of the reforms that the UK is seeking. There is no great conflict on de-bureaucratisation or the issues around expanding markets et cetera, and the issues about the roles of domestic Parliaments can all be accommodated. Obviously, there will be controversy on the welfare issue, but personally I believe that it can be dealt with. The British concerns on that point are understandable.

I believe that the renegotiation can be done. Britain has made an enormous contribution to the EU. It has the financial services in London and a huge trading relationship with Europe. Strategically for Britain, membership of the EU is very valuable and in my view it does not preclude any of the ambitions to broaden trade agreements or to have trade agreements with Australia or the transatlantic trade and investment partnership. I do not think that implicit in the maintenance of EU membership is a negation of those potential trading arrangements, which can parallel it.

The last thing that I would say and that we have to put on the record is that, if Britain left the EU, that would be very adverse to the Irish interest. This Assembly is built on partnership and mutual trust; it is about building mutual trust and openness among our respective parliamentarians and Governments. It would be wrong of us not to say and not to put it clearly and straight to those who intend to campaign for a Brexit that they will be acting in a very adverse way to the Irish domestic interest. There is no nice way of putting that. That is the case, because the Irish interest will greatly suffer.

The EU has been a huge factor in the social and economic progress of our country. It has been revolutionary for the Republic of Ireland. Joyce Watson from Wales mentioned the CAP,

which has been critical to us, too. There are so many things, so I will not chronicle them; I will only say that any person who campaigns actively in the UK for a Brexit is campaigning against the Irish interest, North and South.

**The Co-Chairman (Mr Frank Feighan TD):**

Thank you, Joe. The next speaker is Sean Rogers.

**Mr Seán Rogers MLA:**

When I saw the title of the debate yesterday afternoon and heard Andrew Rosindell beginning to speak, I was particularly concerned, because I thought that it was a Committee report rather than an individual report. I did a wee bit of a google on Andrew and discovered that he is very much campaigning to get out of Europe. That is fine, and I am quite happy with that, but it concerned me that it is a Committee report.

To follow on from Joe O'Reilly's point, I was concerned yesterday that Andrew Rosindell spoke many times about the people of Ireland. I am an Irish man, but I do not live in the Irish Republic and I felt at times that Andrew was really talking about people from the Irish Republic.

On the implications for us in Northern Ireland, almost £300 million comes in through the single farm payment—we really depend on agriculture, which is a major industry—and our Executive has a Going for Growth strategy that would absolutely fall apart without the funding that we get from Europe.

Andrew Rosindell talked about control. I looked at his website, where he talks about, "the two ... issues of political sovereignty and control of ... borders".

We are on the very cusp of an agreement in Northern Ireland today. In Northern Ireland, no matter what side people come from, we are trying to break down the borders in people's minds. If we put up physical borders again, it will just be disastrous. So my plea to Andrew Rosindell is not for sympathy from the Conservatives—I am quite happy with the renegotiation—but just for a wee bit of empathy and the realisation that, in Northern Ireland, we have worked hard over the years to bring down the borders in people's minds. We are getting there slowly and surely. To put up physical borders again or a trade border would be absolutely disastrous for Northern Ireland.

*10.45 am*

**The Co-Chairman (Mr Frank Feighan TD):**

Thank you, Seán. The next speaker is Danny Kinahan.

**Mr Danny Kinahan MP:**

Thank you very much. I apologise for not being here yesterday, so I do not know what Andrew Rosindell said, although I have got a good taste from what has been said today.

It is particularly important that we have all parts of the islands here giving their input, because the message that I get from the doors is that one of the greatest concerns is that the Union is falling apart at the moment. I am talking about Scotland, Wales and everyone else slowly

falling apart. The EU debate is very much part of that. I am a great one for believing that we are all better together and for breaking down all the barriers that lie between us. When we look at the debate, it is essential that we look at it from all other angles. Scotland tends to look at it from a purely Scottish land mass point of view, but there are masses of Scottish people in Northern Ireland. We are all mixed together and that is how we should be looking at it.

What concerned me when I was at the All-Party Group on Universities was that I heard the exit campaign saying that it can get more than Europe gives us. We need the facts and figures and to make sure that we know the exact details of how an exit would affect Ireland, Northern Ireland and the countries working together. We need the details and an honest debate with everyone having their say. We also need to look at, if we pull out, what the consequences will be for all the other agreements and deals that we will have to work through. There is so much more to it.

That is all that I really wanted to say; we should make sure that we look at all aspects of the Union.

**The Co-Chairman (Mr Frank Feighan TD):**

Thank you, Danny. Our next speaker is Robin Walker.

**Mr Robin Walker MP:**

In these debates and discussions, there is a danger that we all sit in our comfort zones and talk about what politicians are obsessed by, but we have to remember that there is a general public out there that has strong views on these issues. Although there has been a lot of disagreement with Andrew Rosindell, he articulates very well the feelings of an awful lot of people who I have met on the doorsteps over the years, and we need to recognise that.

There is a crucial decision to be taken, clearly. We are going to have this referendum, just as Ireland has had referendums on the issue of Europe in the past. I welcome the statement from the Minister and others who have spoken in this debate that Ireland will seek to help Britain to achieve its renegotiation objectives. That is important.

A point that is often put to me on the doorsteps is that the deal that we have with Europe is not the one that we signed up for. As Andrew Rosindell articulated in his comments, people in Britain particularly believe that we were sold the idea of a common market primarily for trade co-operation, but that has evolved into a state and they want to see that changed. I am quite optimistic about that. We are living in an era in which Europe has developed into a multispeed Europe, which we used to be told was impossible, and a multilevel Europe, which has countries inside the eurozone and outside it. David Cameron's negotiations are about making that work properly.

If the Republic of Ireland and other countries can help us to achieve an EU in which the British people feel comfortable, we will be closer to getting what we want, which is a vote for Britain to stay in Europe.

However, there is a real danger that politicians can easily be seen to be stitching things up between themselves, and the British public are deeply concerned that what they have seen for the past 30 years is the politicians taking them in a direction that they never signed up to. We have to respect the people in this process. It is important that we listen to the concerns that have been articulated and take them up. I welcome what I have heard from the Irish politicians here; it shows that they respect the right of the British people to decide on this.

**The Co-Chairman (Mr Frank Feighan TD):**

Thank you, Robin. The second to last speaker is Mary Scanlon.

**Ms Mary Scanlon MSP:**

I very much welcome the debate. It has been open, honest, thorough and democratic. As a member of the Conservative Party, I have some sympathy with what Andrew Rosindell said, but if I was asked to vote tomorrow, I would very much be in favour of David Cameron's renegotiations and of staying in.

I also want to put it on the record that I am proud to be in a party that has a debate on all sides. Our party has been quite divided on Europe but we have had a robust debate. I hope that every political party, whether in the United Kingdom or wherever, can have that debate.

I have to say that the independence referendum in Scotland was not pleasant and was highly divisive. I regret that my two Nationalist colleagues said that, because of where the Conservatives are in the polls, we do not speak for Scotland and so on. Whether you want to stay in Europe or renegotiate is not about whether you are a Conservative, a Labour, a Lib Dem or a Nationalist politician, because there is a wide range of views in all the parties. Therefore, I welcome today's debate.

Like many in the Conservative Party, I have always been in favour of the free trade area, but I am not in favour of a common defence policy. I have always been in favour of keeping the pound rather than joining the single currency. The prophets of doom and gloom said that if we stayed out of the euro, we would be lost, we would simply not be a player and we would be bankrupt and begging for money from countries throughout the world. We made the right decision then.

Given the events of the past few days, we need to get better at not only working together—not to have, as I said, a common defence policy—but sharing intelligence and information. The events have brought us together with a better common understanding that what happened in Paris could happen on any of our streets.

I agree with Danny Kinahan that we are better together not just in a United Kingdom, but in a united Europe. The last thing that I would want to see is a debate that falls on party lines. It may be very uncomfortable for the Nationalists in Scotland, because it was the Labour, Conservative, and Lib Dem parties and people of no party who stood together to remain in the United Kingdom while they wanted independence. I have very bad news for my two colleagues, Gordon MacDonald and Willie Coffey, because they might find that I am on the same side as them. I know that that is uncomfortable for them to hear, but it is incumbent on every party not to crack the whip and say, "We're for staying in," or "We're for coming out." In that way, we can have people such as Andrew Rosindell, John Scott and me, who have a range of honest and democratic views, in every party. We should respect that range of views in different parties.

**The Co-Chairman (Mr Frank Feighan TD):**

Thank you. I call Arthur Spring.

**Mr Arthur Spring TD:**

I will be brief. Ireland has a unique position in the European Union, because our constitution means that the treaties must be presented to the people of Ireland. On a number of occasions, the people have rejected those treaties—not on the basis that the treaties were not doing enough for people or that the European Union was not a meaningful part of their day-to-day lives, but on the basis that they feared and had problems with parts of the European Union.

It is so much more difficult from my experience of campaigning on behalf of treaties to convince people of the European Union's merit. In 1973, we joined the European Economic Community. Today, we are part of the European Union. They are not the same. I am one of those people who will tell you that the European Union of 2015 is a far superior organisation to the EEC of 1973.

We have a difficult task ahead of us throughout Europe on so many fronts, whether they be economic, social, demographic or terrorist related. We must have a cohesive approach in political parties and unities, such as the social democrats within Europe. Many of my colleagues from that group are here.

I will give you a live example from last night, which is a bit of bar stool brilliance, about people's biggest problem with the European Union. I was hoping that the soccer match would come on television, so we were sitting in the bar waiting for that to happen. A lady sitting beside us was engaged in our conversation. She was on a building society's works do in the hotel. She asked us what we were doing and we talked about what we were debating. She said, "Oh, the European Union—I'm afraid that it has gone too far." When you ask people to elaborate on such views, and there is not the level of depth that we in politics are all immersed in, they have a fear. You need to be very careful about what you wish for. We need to have an open and transparent but fair debate in order to get a proper result, whatever way it goes.

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

I thank everybody who has contributed to the debate. I confess that, some while ago, I got rather bored with the British-Irish Parliamentary Assembly. When Frank Feighan was elected as Co-Chairman, we agreed that we would have proper debates, and we have had good debates on Northern Ireland, Europe and future relations between the UK and Ireland. I hope that you all agree that that is what BIPA should be doing. Even though we do not agree—a range of views are represented here today—it is only right, in a democratic society and in an Assembly such as this, that we are given the opportunity to express those views.

I thank the Minister, Dominic Hannigan, for appearing yesterday and putting forward a very good point of view. I am sorry that, because of the timetabling, we did not have the chance to question him. I also thank Andrew Rosindell for putting forward his views. My recollection is that he did not actually call for us to leave the EU but discussed the kind of EU that we might want to belong to.

We have had a very good debate this morning, and I thank everybody for contributing.

#### **Senator Paschal Mooney:**

Co-Chair, just for the record, I say to our colleagues from the UK that, despite any remarks that we made about the forthcoming referendum, we absolutely respect their sovereignty.

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

That point was made clearly last night and has been made again today. I remind Members of the Motion:

*That the Assembly has considered the matter of future relations between the UK and Ireland following the UK referendum on its membership of the EU.*

*Motion agreed.*

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

I apologise to those who are here for the next debate that we had to let the EU debate overspill into this morning.

## **RELATIONSHIP BETWEEN THE CROWN DEPENDENCIES AND THE UNITED KINGDOM**

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

The next item is a joint presentation from Guernsey, Jersey and the Isle of Man on the relationship between the Crown dependencies and the United Kingdom. Representatives of the High Court of Tynwald and the states of Guernsey and Jersey have sat in this Assembly since 2001, but I think that this is the first time that such an item has featured on our agenda, so we are very much looking forward to what you have to say.

Deputy John Le Fondré will begin the presentation on behalf of Jersey and will be followed by Deputy Roger Perrot and the Speaker of the House of Keys, Stephen Rodan.

**Deputy John Le Fondré:**

Good morning. I am delighted to welcome you all to a slightly later presentation from the Crown dependencies of Jersey, Guernsey and the Isle of Man. I know from experience that not all Members are aware of our status or our constitutional position, so we thought that it would be useful to enhance your understanding. This presentation has been in gestation for a while—Deputy Roger Perrot suggested it a couple of years ago.

The three islands have broadly similar constitutional arrangements with the UK, Europe and the world today, but the journeys to this point have been somewhat different and, for us, understanding where we have come from is important to understanding who we are now. I will begin with Jersey.

Jersey is the most southerly of the British Isles, lying 14 miles from the French coast—we can see it on the horizon most days. The island is 9 miles by 5 miles across and it is today home to around 100,000 people. We were not always separated from France by water. The island has a number of neolithic and palaeolithic sites that date back over 190,000 years and has literally thousands of Neanderthal stone tools. There have also been Celtic finds, a golden torc from the bronze age that was made from Irish gold—it is one of the largest of its type—and various hordes including one that was discovered recently that contained approximately 70,000 coins, making it the world's largest Celtic horde discovered to date.

Later came the Vikings, the men from the north or the Norsemen, from whom Normandy takes its name. It is around then—900AD to 1,000AD—that we can start to make a link

between the Channel Islands and what was to become the United Kingdom. Jersey and Guernsey were part of Normandy and its Viking heritage. Guernsey will be covered a bit later, in Roger Perrot's own particular style. However, most of you will know that, in 1066, the Duke of Normandy, William the Conqueror, successfully invaded England. The kings of England eventually lost their French possessions and, thereafter, for the next 600 years, the Channel Islands were part of the front line in the various wars with France. On the screen are two examples of raids by the French. The island was, over time, very heavily fortified against France.

*11 am*

In the 13th century, King John I granted certain privileges to the Channel Islands that increased their level of independence and which have lasted to this day. The islands retained their own laws and customs—based, for obvious reasons in those days, on Norman law—some of which continue to remain relevant now. For example, in the States Assembly, we vote “pour”, “contre” or “abstention”.

One of the differences between Jersey and Guernsey is that much later, during the English civil war, Jersey supported the king and Guernsey, the Parliament. Sufficeth to say that the son of Charles I fled England to Jersey and thence to France. He was proclaimed king by Jersey on the execution of his father, and returned one further time to us before eventually becoming king in 1660. He was crowned almost a year later.

*[A brief video was shown on Charles II's gift of a royal mace to Jersey.]*

### **Deputy John Le Fondré:**

We recently celebrated the 350th anniversary of the royal mace, which remains an important symbol of Jersey's ancient links with the Crown and the special independent status of the island. Charles II also gifted the island a piece of land in the colonies, which was named New Jersey—yes, we used to own it, which is always difficult to explain to Americans when we meet them.

Relationships with France waxed and waned. We were one of the places where the Huguenots sought refuge in their exodus from France; and there was one last invasion attempt by France in 1781.

I am going to skip forward through the years up to the 20th century. The island had a very successful fishing industry and very strong communities were established in Canada, particularly in an area called Gaspé, where we were part of what was called the cod triangle. In agriculture, the Jersey cow and the Jersey potato were particularly important and remain so. In addition, we were one of the largest and most important ship-building centres in the British Isles until the advent of steam boats and steel hulls.

We arrive at the early 1900s, and the islands, like many places, were far from immune from the impact of world war one. Jersey contributed some 6,000 men to the British forces, with a further 2,300 joining the French armies, and all suffered heavy losses. The island raised a Jersey company that initially formed part of the 7th battalion of the Royal Irish Rifles.

The second world war brought more direct contact with the enemy when the Channel Islands became the only part of the British Isles to be occupied by the Nazis, from 1940 to 1945. The final months of the occupation—from D day to May 1945—were particularly difficult as the

islands were cut off from supplies. We have a huge debt of gratitude to the Red Cross ship SS Vega, which brought life-saving aid to all the Channel Islands. The island was liberated on 9 May 1945, which is celebrated each year as a national holiday.

Reforms just after world war two set the foundations for the system of government that we have today. Our on-island Government has two levels: an all-island Administration and a community level. The Parliament traces itself back to the 1400s, when an assembly known as Les Etats emerged, which was the precursor to what we now call the States of Jersey.

Nowadays, the islands do not generally have any system of party politics, but that varies. However, they each have their own Government and institutions, and we raise our own taxes and spend our own money. Relatively recently, Jersey changed to a ministerial system of government with collective responsibility for the Council of Ministers.

Our relationship with England, and then the United Kingdom, has always been conducted through the Crown. Officially, we still refer to Queen Elizabeth II as “La Reine, Notre Duc,” which is “The Queen, Our Duke.” That is basically why we are called Crown dependencies.

Jersey is divided into 12 parishes that form very strong links with the community. They are headed by elected “Connétables”, which are almost the equivalent of a French mayor. Parish assemblies ensure the democratic management of each parish.

A key feature of Jersey is its honorary police force, which dates back several hundred years. As well as the full-time, professional States Police that is the equivalent of a UK constabulary and deals with serious crime, each parish operates its own honorary force, which has members elected by parishioners and full policing powers. All offenders must be charged by a centenier, the most senior officer of the honorary police force.

An interesting point to note is that the parish system also administers its own type of justice through what is called the parish hall inquiry, which means that minor offences can be dealt with without a formal court hearing. The system has been held out by experts as one that could be usefully applied in other jurisdictions because it avoids criminalising youngsters in particular who have simply made a mistake.

Our economy has moved from one dominated by agriculture to one dominated by financial services—I will touch on them in a second—with a booming tourist trade. While finance is the dominant industry, tourism remains key, having diversified with, for example, short stays, spas and event-led and sport-based tourism. The Jersey international air display is a key example, but this year Jersey also hosted the biannual island games, which brought over 3,000 athletes and accompanying officials to Jersey. As an aside, the number of competitors apparently made it the biggest sporting event held anywhere in the world this year.

Agriculture continues to play a part in our economy through the famous Jersey cow and the Jersey new potato. However, we are also working to keep up with global developments through the installation of fibre-optic broadband throughout the island and the promotion of an emerging digital industry.

Our finance industry is approximately 40 per cent of our economy, supporting around 12,500 jobs directly and many more in other sectors. It is crucial to our economic wellbeing, and we believe that it provides benefits to the rest of the United Kingdom and plays a key part in the global financial system. Recent independent research has shown that the finance industry in Jersey alone has the following benefits for the United Kingdom: provision of liquidity; a conduit for over £0.5 trillion of investment into the UK; and support for 180,000 jobs in the UK. If we take the worst-case scenario on tax evasion, aggressive tax avoidance and all that

sort of stuff, which we do not believe to be the case, we believe that the net tax position is in favour of the United Kingdom to the tune of £2 billion per annum.

I am going to move away from money and touch briefly on another aspect of the island's interaction with the global community: its contribution to overseas aid. While that is mainly done through grants to UK relief agencies, there is also a more unique aspect whereby teams of local volunteers undertake specific aid projects overseas. Overseas aid also supports other Jersey organisations, such as the Durrell Wildlife Conservation Trust in its work with indigenous populations in Madagascar to improve their quality of life, which has consequent benefits for wildlife preservation.

I will refer briefly to another organisation that mainly looks after the purity of the Jersey breed of cow. It has developed links with Rwanda, and through training and the use of island genetics, it has worked to increase the amount of milk that an individual cow can produce. We have gone from an African cow that can produce one or two litres of milk a day to one crossed with a Jersey cow that can produce 16 litres a day. The impact on Rwanda's milk production has been huge, having gone from 130 million litres in 2006 to 472 million litres in 2012, with a projected 730 million litres in 2017. As I understand it, that is mainly from the programme that is being operated from our island. Obviously, that has a huge impact for Rwanda. There is also another significant project working directly with poorer families, which is proving very beneficial.

On the international front, Jersey belongs to various Commonwealth forums in our own right, as well as the British-Irish Council, the British-Irish Parliamentary Association and the Assemblée Parlementaire de la Francophonie, for which we just hosted the 2015 European regional conference. Jersey now has its own representative office in London promoting key relationships with the UK Government, Parliament and business community. The Channel Islands have offices in Brussels and Normandy as part of a long-term plan to ensure that we work together as closely as possible in the international sphere.

Our relationship with the European Union is governed by protocol 3 to the 1972 UK treaty of accession, which from our perspective has stood the test of time. In essence, we are members of the customs union but otherwise remain outside the European Union. In addition, Jersey has often sought third-country equivalence with the EU—for example, in data protection legislation, the alternative investment fund managers directive and anti-money laundering standards.

In 2007, agreement was reached whereby the UK Government recognised that all three Crown dependencies had international interests and that each had a distinct international personality. However, there will always be UK policy issues that could have an impact on the Crown dependencies. Obviously, one of those issues, which we are closely following, is the EU renegotiation. Although that is clearly a matter for the United Kingdom, the outcome of the renegotiations and of the subsequent in/out referendum might profoundly impact on our interests, as our relationship with the EU, which we have no plans at present to change, is established under protocol 3.

The Crown dependencies are recognised as jurisdictions with an excellent record of compliance with international standards on financial regulation, anti-money laundering and transparency and information exchange for tax purposes. One can get hideously technical about that area but, in short, we are all at the top end of regulation and reputation; and if ever things need to improve, we always undertake to comply with the best in international standards.

To return to the UK, our link with the UK Government today is provided through the UK Ministry of Justice. The UK Government, always acting through the Crown, maintains responsibility for our defence and, to some extent, foreign affairs. Our domestic legislation is still subject to approval by the Privy Council.

Basically, over time the Channel Islands have slowly gained the level of independence that they possess today. It is not through accident and is not recent but is from something like 1,000 years of history, and also loyalty to the Crown.

I am going to wrap up now, but I hope that that brief presentation has told you a little bit about us—we have tried to keep it at a very simple level—and left you with an impression of an island that is flexible and adaptable, has a long history and is of benefit to the United Kingdom and its other neighbours.

I shall stop now. I am going to hand over to Deputy Roger Perrot of Guernsey, who in his own inimitable style is going to give a Guernsey perspective. Thank you.

**Deputy Roger Perrot:**

I am not going to be doing anything today because there is a little animated film that will come up in a moment. They gave me a budget of £1.50 and that finished last week.

Unfortunately, I was not able to work with John to have an integrated presentation, but the islands cooperate quite a bit. We are often portrayed as engaging in rivalry, mainly by the English, whom we conquered in 1066. There is, I suppose, friendly rivalry between the islands. The English joke is that a Guernseyman is a Jerseyman who has learned to walk upright.

Interestingly, there is no constitutional connection between Guernsey and Jersey, although we share exactly the same history. So, I am afraid that in my little cartoon, which is coming up, the tenor of John's slides will appear.

This is Guernsey. We do things on the cheap there, so do forgive this little cartoon that is coming up. I hope that you enjoy it.

*11.15 am*

*[Members watched a video presentation.]*

**Deputy Roger Perrot:**

I hope you enjoyed that, but it had nothing of the professionalism of the Jersey presentation.

I must say that the islands do work together. One interesting thing, which you will not have picked up from the film, is that for those of us who are lawyers in the jurisdiction, because of our history, we still have to qualify at the University of Caen. So, after I became an English barrister, I had to go to Caen and take a special certificate there before doing pupillage in Guernsey and taking the Guernsey Bar exam. We do that to this day. There we are. We have, now, the Speaker of the House of Keys, so I will hand over to Stephen Rodan.  
*[Applause.]*

**Hon Stephen Rodan SHK:**

Thank you very much, indeed. I remember, at school, an English master telling the assembled boys, "We're here to push back the frontiers of ignorance". Well, it is not quite like that this morning, but we do hope that we can clear up some misconceptions and perhaps gaps in knowledge of what the Crown dependencies are and what we stand for.

Many will wonder how it is that three islands in the British Isles are not part of the United Kingdom or European Union. Why would a community of 85,000 on the Isle of Man not simply send one MP to Westminster, as the Isle of Wight does? The answer is the course of history and the happy accident of history that has, over the centuries, given us in the Channel Islands and the Isle of Man our own distinctive place.

In the case of the Isle of Man, the Norse invaders, who we have already heard about, came on the scene 1,000 years ago. Wherever the Norse settled, they set up systems of representation and assemblies. The Norse for assembly field is "Pingvøllr", and it is from that that the

Icelandic Parliament derives its name: the Alþingi. Tynwald is a derivation of that Norse word. So it is that the Isle of Man has, in Tynwald, the world's oldest continuous parliament — the Alþingi may be older, slightly, but it is not continuous — and it is something that we are proud of, and we celebrated our millennium in 1979.

The Isle of Man was the centre of a Norse maritime kingdom, which included the Western Isles of Scotland and the Hebrides. Representatives served in Tynwald at that time. Representatives from Islay, and Lewis and Harris came to the Isle of Man as members of the House of Keys in Tynwald. “Keys” is nothing to do with the things in your pocket; it comes from the Norse word “kjósa”, meaning “chosen ones”.

When the Norse kingdom was overthrown in the 13th century, the Western Isles became part of the kingdom of Scotland. For a period, the Isle of Man came under the King of Scotland also. A hundred years or so later, the King of England took control of the Isle of Man and appointed a feudal Lord, first known as the King of Mann and then the Lord of Mann, in the shape of the Earl of Derby. His family successively ruled the Isle of Man for several hundred years until 1765, when the British Government, in an effort to stamp out illicit trade, loss of excise revenues and smuggling, purchased forcibly the Isle of Man from the Duke of Atholl, who was the successor to the Earls of Derby and appointed a Lieutenant Governor, who continued to hold executive authority for many years thereafter, notwithstanding the continuing existence of Tynwald and our legislature.

Tynwald is in a unique position, being the world's only tricameral Parliament. We have three Chambers. We have the elected House of Keys, which has 24 Members elected on a fixed five-year term. We have the Legislative Council, which is a revising chamber of eight Members, who are elected by the House of Keys every five years, and which serves as an electoral college. Its job is to process primary legislation. Once a month, it sits jointly for secondary legislation in Tynwald Court. So, that is the position.

The Isle of Man is not an independent or sovereign state. It is an internally self-governing and self-financing dependency of the Crown. We have our own Government, Parliament, legal system and distinct cultural and national identity. We make our own laws, which are proposed by the Executive, in the shape of the Council of Ministers, enacted by our Parliament, the Tynwald, and enforced by our judiciary, known as the Deemsters. The Ministers are appointed by a Lieutenant Governor in the name of Her Majesty, and the laws are subject to Royal Assent. The judgements of the court can be appealed in the UK Supreme Court.

As we have heard from Jersey and Guernsey, the position constitutionally is that we sit outside the EU, but, through a protocol attached to the UK's treaty of accession, we are part of the customs territory of the EU and, therefore, can trade freely in agricultural and manufactured goods throughout Europe.

While maintaining our separate political identity and internal autonomy, all external matters affecting the Isle of Man have historically been handled by the UK, but several decades of constitutional evolution have seen the transfer of considerable powers from the Lieutenant Governor, who was, in fact, the Chancellor and the Government of the Isle of Man, to Tynwald Court and to the Council of Ministers. Since 1986, we have had a ministerial system—a cabinet of Ministers—and we govern in that way.

*11.30 am*

Our constitution is not written. We have a relationship with the UK that is not set out in statute, and it is, as we have heard, the British Crown, acting through the Privy Council, who retains ultimate responsibility for the Isle of Man's external relations, defence and good government. Official communication channels are through the Ministry of Justice, and so the Lord Chancellor has particular responsibility for advising on island affairs.

The Isle of Man is not represented politically in the UK, nor are the Channel Islands, and nor do we wish to be. We do not receive from or contribute to the UK any funds other than an annual contribution made to the United Kingdom in recognition of defence, spending and other common services such as consular representation abroad, a contribution once quaintly known as the "Imperial Contribution". It is, I think, our legislative capacity to be independent as a Crown dependency that has given us considerable freedom of action over the years.

For example, in 1881, the Isle of Man was the first national legislature anywhere to give women the vote, 37 years before the UK fully gave the franchise to women. That is a fact often overlooked or unknown. New Zealand claims to be the first to have done so in 1893, but it was actually the Isle of Man. In 1907, the Tynwald enacted provisions to close the public roads for competitive road racing, and thus the TT was born. That would not have been possible—it simply could not have been done—in the UK. In the 1920s, the Isle of Man pioneered comprehensive education. The first comprehensive school was opened in Ramsey in the Isle of Man, in 1922. In 2006, we became one of the very first places to enact giving the vote to 16- and 17-year-olds. I happen to be the Member who moved that measure at that time. Incidentally, we also gave the right to vote to convicted prisoners in the same year.

However, it is really our legislative and fiscal freedom that has been exploited to try to build a strong and resilient economy for the benefit of the Manx people. For many years, the Isle of Man was a comparatively poor community. Our export was people to the sugar beet fields of East Anglia, right up until the 1960s. We had terrific seasonal unemployment and emigration, but we have, over the past 30 years, enjoyed continuous economic growth because of the decisions of earlier Isle of Man Governments to concentrate on attracting international business and investment in order to create jobs and stimulate growth.

Because of our proximity to global markets and the City of London, we have, as my Jersey and Guernsey colleagues clearly explained, been obliged and most willing to comply with the highest standards of global financial regulation, to the extent that the Isle of Man is recognised by the Organisation for Economic Co-operation and Development (OECD) and the International Monetary Fund (IMF) as being in the top drawer of jurisdictions for countering tax evasion and for tax information exchange, something that the Isle of Man pioneered. We have signed over 60 international tax-information-exchange agreements or double-taxation treaties with other countries, and so we are seen, as are our friendly competitors in the Channel Islands, to be absolutely above board in our financial dealings. We are known nowadays as an international finance and business centre with fund management banking, captive insurance life and pension management and so on.

I think that where we do stand apart slightly from our friends in the Channel Islands is with the very successful diversification of our economy into manufacturing. I will give one or two examples. For 60 years, we have had food and drink and general manufacturing but also high-precision engineering and, in recent years particularly, aerospace. We have the Isle of

Man aerospace cluster, which has 23 firms, employing approximately 1,000 staff. It is very much linked into the north-west of England aerospace cluster. As such, we provide an important manufacturing base as part of the UK supply chain, supplying such companies as Boeing, Airbus and Rolls Royce. NASA is one of our clients to the extent that Manx-manufactured components can be found on the Mars lander spacecraft. There is hardly an airline in the world that does not have Manx parts in its engines.

For the last five years, we have had a very fast-growing aircraft registry and corporate jet register, and we are a global hub for the management of high-quality business jets. We have a large shipping register and an international yacht register, and we provide global marine management services.

Nowadays, no less than 25% of our economy is thanks to ICT, e-business and e-gaming, with some of the world's biggest players registered in the Isle of Man. That is a tremendous source of high-quality and high-paid jobs. As far as the space industry is concerned, we rank only behind the US and UK satellite filings, and the top 10 satellite firms are based and registered in the Isle of Man. As such, it can be said that the Isle of Man's registered satellites provide broadband services to a billion people in the world.

Our historic sectors of agriculture, fishing and tourism are still there but to a much lesser extent, particularly tourism and the TT, which attracts 40,000 people each June and reaches a global TV audience of over 30 million. I know that some of you have had the opportunity to visit the Isle of Man and attend our Tynwald Day celebrations, where we have an open-air parliamentary sitting to mark a thousand years of our parliamentary tradition.

I hope that this little lecture that I have given and the hugely more entertaining presentations of my colleagues have given you a flavour of how much Crown dependencies actually contribute to the well-being of the United Kingdom and Irish economies and how all of this economic activity in the middle of the Irish Sea, of all places, benefits everyone in this room. Thank you very much. We will be open to questions, ladies and gentlemen.

**The Co-Chairman (Mr Frank Feighan TD):**

I thank our colleagues from the Crown dependencies very much for their contribution this morning, and I think that we are very much better informed as a result. Thank you very much indeed. I have learned a lot about two of the three. Maybe we can open it for questions from a few Members.

**Mr Andrew Rosindell MP:**

Thank you very much for those excellent presentations. I think that it is really important that we hear about the Crown dependencies and that they are not overlooked as part of the family of nations and territories in the islands that we share, so thank you for your contribution. I have two very quick questions. I wonder whether Roger could say a little bit more about Alderney and Sark. They are separate entities, with their own Parliaments; they are not actually a part of Guernsey as such. They may be under the Bailiwick of Guernsey but they are separate in many ways. One thing is puzzling me, based on the previous debate. How on earth have the three of you managed to survive without being part of the European Union?

**Deputy Roger Perrot:**

Given the reaction to what I said earlier about the EU, I had probably better say nothing at all about it. Alderney and Sark have their own Parliaments—the States of Alderney and the Chief Pleas of Sark. There is fiscal union between Guernsey and Alderney, but, at the moment, Alderney is not doing very well at all. It is suffering from quite serious depopulation, which is attracting the very close concern of the States of Guernsey. Not only are we in fiscal union with them but, if something bad happens to Alderney, Guernsey suffers reputationally.

Sark is another matter entirely. It is also not doing brilliantly. I am afraid that there is a great divide in Sark. Some quite wealthy people bought up a number of the hotels in Sark and closed them down. That means that Sark, at the moment, financially speaking, is struggling very hard to make ends meet. There is no fiscal union at all between Guernsey and Sark. I do not know how that is going to pan out. Sark is an utterly charming place but financially, it has its problems.

Is that enough for you, Andrew?

**Andrew Rosindell MP:**

Yes, thank you very much.

**Hon Stephen Rodan SHK:**

As far as the EU is concerned, we have what can be described as an arm's-length relationship. The UK treaty of accession contains a protocol that defines the relationship for the Crown dependencies. Essentially, legislation that is applicable under the protocol that can have direct or indirect legal effect must be applied by law in the Isle of Man. We have to comply with any directives concerning manufacturing standards, for example, if we are to hope to trade with the UK, never mind the EU.

There are several policy areas where, because of bilateral agreements with the UK, such as in customs and excise and VAT, the EU rules are applied in order to stay in step with the UK. There are also voluntary issues where, for example, when it comes to environmental standards or water bathing quality, we choose to apply EU standards as best practice. We are not obliged to apply them, but we elect to do so.

In many senses, the relationship is a limited one. We have to allow free movement of persons, and we must treat everyone in the EU equally because of our relationship with the UK. EU citizens are free to move and to reside in the Isle of Man, but in order to work, they need a work permit. That form of discrimination is applied across the board. When I first went to the Isle of Man, 27 years ago, I needed a work permit, so that is the position.

**Deputy John Le Fondré:**

All I would add is that, as we said, how we got there was about understanding the history of all the islands. Where we are now is about making sure that we are seen to be responsible and to have good reputations and that we make sure that we engage with as many people as possible to tell that story. If we can demonstrate that we have maintained that good reputation that we are of benefit not only to the UK but elsewhere, hopefully, we can maintain that

position. We are not alone. There are various other small states. Obviously, Luxembourg is not the biggest country in the world, yet it is a fully-fledged member. Malta is in the EU. Andorra is in a slightly different position. Population-wise, it is actually smaller than us. Fundamentally, it is about trade and reputation.

**The Co-Chairman (Mr Frank Feighan TD):**

Thank you, John. I am going to take two questions. The first is from Lord Dubs.

*11.45 am*

**The Lord Dubs:**

Thank you for the presentations. It is lovely and romantic. I am going to choose my words very carefully because I want to stay friends. First, if Britain left the EU, what would you do? Would you try to find a different relationship with the EU, or would you just exit with us? Secondly, one of the accusations made is that you are a tax haven. Can you rebut that? Thirdly, what is your immigration policy? I was told some years ago that I could not possibly move to the Channel Islands because I do not have enough money to be allowed to buy housing. Is that true or not?

**The Lord Glentoran:**

I have been a frequent visitor, by sea mostly, to all the islands that you talked to us about, and I was slightly disappointed that you did not make comment about your tourism industry and the very successful means of access to the islands. The bigger islands of Alderney, Jersey and Guernsey have their own airports, but there are still very good ferries in between the Channel Islands. The Isle of Man has its own airport, and it has very good ferry services and harbours etc. I think that that is well worth everybody taking on board because, on the map, you may look inaccessible, but I can assure colleagues that you are not in any way inaccessible.

Secondly, the Isle of Man has a big and successful casino. I wonder what your gambling laws come under.

**Senator Paschal Mooney:**

That was an excellent presentation from all three of you. As the Co-Chair has said, it was very informative. I came to the Channel Islands and the Isle of Man as a young stamp collector, and I have often wondered whether that generates significant income for you. It always felt that it did. Your postage stamps were always very attractive.

On the other aspect of the presentation for Jersey, there is, I understand, a flourishing Gaelic football club on the island of Jersey, which takes part in international competitions, but my question is somewhat related to that from Alf Dubs. Do you have any concerns at all, because of the strength of your financial services industry in Guernsey, Jersey and the Isle of Man, that if the UK leaves the European Union, there could be a withdrawal of financial services because of your strong links with London? Although I did not raise it earlier, I believe that it is a question for the UK about what will happen to London as a financial services centre. For example, companies are already leaving London and relocating to Dublin because of the tax situation and the growing fears that maybe the UK could leave the EU. So, in the overall

context of the financial services industry, my question to all three of you is this: is there any debate or any concern at all about the impact that it may have if the UK were to leave?

**Mr Barry McElduff MLA:**

I thank John, Stephen and Roger for the presentations. My question might be mundane-ish, but John made reference to broadband. I am just wondering about the quality of broadband roll-out on each of the three islands.

**Deputy Roger Perrot:**

Sorry, I have to leave to catch a train, alas, but I just wanted to seize the opportunity of responding to my old friend Lord Dubs, who, 35 years ago, came to Guernsey and suggested that we become part of the United Kingdom and send an MP to Westminster. His suggestion at that time did not go down terribly well. I nurtured a grievance for many years after that, until I met him again at a British-Irish Parliamentary Assembly (BIPA) conference in Glasgow, and we were able to kiss and make up.

I have to go, but I will say a couple of things. If the UK leaves Europe, as far as Guernsey is concerned, our position is, “Well, okay, so what?”. We negotiate bilateral treaties with Europe and various countries in Europe. We have done it in relation to tax disclosure and fund administration. What we do not like is something being imposed on the UK, which then tries to bully Guernsey into something. We like to create our own treaty.

As far as being a tax haven is concerned, shame on you, Alf. You know perfectly well that we are not tax havens. We—

**The Lord Dubs:**

I said that you—

**Deputy Roger Perrot:**

Just a moment, Alf. I am talking now, not you. We—

**The Co-Chairman (Mr Frank Feighan TD):**

I am with Roger here.

**Deputy Roger Perrot:**

We raise taxes to meet our expenditure. We have balanced budgets; we do not go in, as you do in the United Kingdom, for deficit financing. The result of all that is that we have a tax rate of 20%, which is something that you are perfectly happy with in the UK.

As far as wealth as a qualification for coming into the islands is concerned, that is not necessarily so. We give licences to people who occupy essential employment in Guernsey, and they can rent or buy any house on the market. However, if you are coming over simply to not work and just retire, you would have to buy one of the more expensive open-market houses.

I would like to say much more, Alf, but I am afraid that I have to go.

**Deputy John Le Fondré:**

I will carry on with Lord Dubs's query with some more technical stuff. We have worked long and hard to move well away from any allegations or labels of tax havens for very many years. Speaking as a chartered accountant who has worked in the industry at varying times, I am very confident in and happy with the level of regulation that we have. The whole ethos of the business is very professional.

I have just grabbed a few little notes. One of the slides contained various organisations that we deal with. For example, the Global Forum was rated as largely compliant, which is a rating that matches Germany, the UK and the US in terms of regulation. We have signed an awful lot of tax information-exchange agreements and double-tax arrangements. We are signed up to the US Foreign Account Tax Compliance Act (FATCA) and the UK FATCA, and we were early adopters of the common reporting standard. The IMF 2009 report rated us as one of the top jurisdictions in the world. The OECD global forum on tax and transparency gave Jersey a largely compliant rating, which puts Jersey amongst the world's top jurisdictions, including, again, the UK and the US.

I made reference to the Assemblée Parlementaire de la Francophonie, which is a regional conference that we hosted back in 2009, when the financial crisis hit or was hitting. We had the issues of grey lists, black lists and white lists. I remember having a conversation with the Swiss at that point, who were on the grey list and were not very happy that Jersey, Guernsey and the Isle of Man were on the white list. That is an indication of where we stand. We also had the Edwards review and the Foot review, which were instigated by, I think, Gordon Brown. Again, those were very favourable in what we do.

As we go on, we know that there are always increasing pressures on regulation. There will always be something that comes through, whether in Jersey, Guernsey, the Isle of Man or even the City of London. The trick is to make sure that we adapt to it, deal with it and make sure that we continue those high standards. We also, hopefully, demonstrate the actual financial and employment benefits that we provide. The figures that I gave are for just Jersey. They are significantly higher, if you bring the three Crown dependencies in.

I will switch to slides on fibre optic. This is purely for Jersey. We have broadband. This is a different project, whereby we are installing fibre optic across the island. By way of background, the telecoms company made a good decision, back in the 1960s, or it might have been the 1970s, and 99% of all of our cabling was ducted and laid underground. We get lots of wind and storms down there, but the system stays up, because you do not get falling trees taking down wires. That means that they are now pulling the old copper out of the ducts. There are some roadworks to do, but not too much digging up. They are putting the new system in the old ducts. There is a cost there, obviously, but it is an infrastructure project, looking ahead.

The project is called Gigabit Island. They are going for speeds of up to one gigabit a second. That is superfast broadband, as I understand it, although I am not a techie guy. I will be connected in about two weeks' time. I know that I am one of the last to be connected. They started with the outlying areas and brought it in. They had teething problems. Somebody

stuck a shed in the wrong place and crushed the ducts, so that slowed it down, but they are getting there. At the moment, according to the telecoms company, we are ranked fourth in the world for connectivity, apparently, per head of household. The idea is that the entire island will be wired up for fibre optic. It is already a standard provision.

**Hon Stephen Rodan SHK:**

The Crown dependencies have worked very hard to dispel the old-fashioned, out-of-date perception that we are tax havens where people hide money. It is quite simply a fact that there is no banking secrecy. There is full transparency. We signed a UK FATCA-style agreement, and did so with the United States. We were one of the first non-EU countries to automatically share bank account information with other EU member states. Furthermore, we have been at the forefront of international compliance, recognising that there is that perception. I suggest that, if we choose and are able to set different rates of personal and company tax, it is perceived by some as a bad thing. If the UK does so, to maintain international competitiveness, it is seen as a good thing. You cannot argue both ways.

I move now to exiting the EU if the UK were to make such a decision. Of course, the Crown dependencies are not in the EU, but we would have to recast our bilateral trading arrangements with the EU, as would the UK. So, we are watching the situation very closely, because there will be implications. However, such is the global nature of our financial business now that we are not as heavily dependent on the UK as we used to be. We have business globally.

Lord Glentoran asked about the casino licence. Yes, in the 1960s, the Isle of Man got the first, I think, public licence for a casino in the UK. There is still only one casino licence in the Isle of Man, so it is not an activity that is particularly popular, unlike the hosting of international gaming businesses, which, as I said in my presentation, is a very important part of our economy and something that requires the highest standards of regulation and compliance against fraud, money laundering, and so on.

With the broadband situation, the Isle of Man is very resilient. There is universal roll-out of broadband. Our fibre-optic connectivity with the UK and beyond is very robust and needs to be for the amount of international business that is done.

*Noon*

Like Paschal Mooney, I was once a stamp collector, and I was introduced to far-flung islands such as the Isle of Man a long, long time ago. We have our philatelic bureau, which has a very good international reputation, but the sad fact is that, nowadays, young people simply do not collect stamps. The average stamp collector is a man in his 60s, I believe. Nonetheless, the philatelic bureau has diversified into coinage and is a valuable source of income.

**Deputy John Le Fondré:**

There is one other matter; it might be worth sowing this seed with individuals. It is the whole argument around transparency. In Jersey, we have effectively a register of beneficial ownership of all entities, which is a private register that the regulators have direct access to. That is quite important because it gives us the regulatory control over who is behind the structures, and, if there is a problem, we can go straight to it. Interestingly enough, the World

Bank considers that to be a model that might be something to emulate elsewhere. The other point in the argument around transparency is that, in the Crown dependencies and other jurisdictions, the game is being elevated. That is right. I am not clear on what, for example, is happening with regard to Delaware in the US, because that is a very important centre of financial activity. It is a case of making sure that their standards have reached ours because, at the moment, as far as we are concerned, we have a lot of focus, we have moved a lot and we have hopefully put that message across. One thing that really does have to happen is that other jurisdictions that have not moved as far must make sure that they come up those standards.

**Mr Paschal Mooney TD:**

John, could you address the issue of financial—*[Inaudible.]* Is it a similar response? Thank you very much.

**The Co-Chairman (Mr Frank Feighan TD):**

I would like to thank John, Stephen and Roger for their contributions, which certainly informed our discussions today. Thank you very much.

## COMMITTEE REPORTS

### **Committee A (Sovereign Matters)**

#### **The Co-Chairman (Mr Frank Feighan TD):**

I am conscious of time. We will proceed to the next agenda item, which is on series reports and progress reports from the four Committees. Yesterday, Senator Paul Coghlan, who is unable to be with us this morning, presented a short addendum to Committee A's report on cross-border policing and illicit trade, which the Assembly adopted at the last plenary. The Motion is that the Assembly has adopted the addendum to Committee A's report on cross-border policing and listed trade. Is that agreed?

*Motion agreed.*

#### **The Co-Chairman (Mr Frank Feighan TD):**

The addendum will be sent by the Assembly secretariat to all respective Governments and Parliaments to seek any comments.

#### **Mr Joe O'Reilly TD:**

I have a brief comment. I made my points yesterday about the cross-border security when the Commissioner and the Chief Constable were here, but I want to put on record, as a border representative, my appreciation of the great work that Senator Coghlan and his group have done. He is absent today, but he did a great job. We and he should be very proud of it.

## **Committee B (European Affairs)**

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

Andrew, the newly elected chairman, has had to leave to go back to London. He asked me to report that the Committee is looking to finish the inquiry into visas and will then not look to start a new inquiry until after the Irish election. I just needed to report that to the Assembly.

## **Committee C (Economic)**

### **The Co-Chairman (Mr Frank Feighan TD):**

The next item on our agenda is the presentation of the report of Committee C, entitled: *Preventing Youth Unemployment through Education and Training*. That will be followed by a progress report on the work of that Committee. Deputy Jack Wall, Chairman of the Committee, is unable to present this morning, so I call on Deputy Arthur Spring to present the report on behalf of Committee C.

### **Mr Arthur Spring TD:**

Good afternoon, everyone. On behalf of the Chair, Jack Wall, who cannot be here today, I would like to present Committee C's report on *Preventing Youth Unemployment through Education and Training*. The Committee launched its inquiry in early 2014, setting out to: examine the scope and prevalence of youth unemployment and the effectiveness of policies to deal with it; review and assess EU initiatives; and make recommendations on a way forward, with regard to the role and status of the British Irish Council.

Over the course of the inquiry, we had meetings and evidence sessions in London, Cardiff, Belfast, Brussels and Dublin. In the process, we talked to over 44 people and organisations. Although we were unable to visit Scotland on this occasion, we sought and received written submissions from the Scottish Government, YouthLink Scotland, Skills Development Scotland and Glasgow City Council.

The report makes a number of recommendations to prevent youth unemployment, which remains high compared to pre-crisis levels, through education and training. The issue continues to be of pressing concern to policymakers across the British Isles. Particularly, all too often, youth unemployment leads to long-term unemployment and bleak futures.

Some of the recommendations are: greater promotion of dual education routes, including a range of traineeships and apprenticeships, as alternatives to the traditional academic route for young people; a consolidated and tailored approach to entrepreneurial education and experimental learning should be a core focus for the levels of education; and enhanced roles for youth, local authorities and employers respectively, through targeted initiatives. Local authorities in particular can play very important roles in enhancing collaboration and coordination efforts among state agencies at local levels. Career guidance was also identified as something that needed to be increased, to bring industry in as part of the knowledge base, and looking forward to how society can develop. Levels of support for disadvantaged and minority youths should be increased, but in a focused way. Those supports need to be effective and targeted and best practice models should be mainstreamed through the islands.

It is incumbent on us all, as legislators, to ensure that our youth are assisted in reaching their full potential. The report is noteworthy because it makes a number of very practical recommendations as to how we can tackle the issue of youth unemployment. It is focused on preventing youth unemployment through a series of progressive education and training measures that accept the fact that one size does not fit all in an educational context.

The report initially identifies the reasons for the prevalence of youth unemployment, as well as examining the damaging effects that it can have on the young unemployed and those in close proximity. Young unemployed people are more likely to experience deskilling, social exclusion, poor health and lower job satisfaction. In order to facilitate a successful transition from education to employment, the fundamental principle that we have identified is that there needs to be a good match between the supply of and demand for specific skills.

Our Committee believes that progressive education and training measures are absolutely vital in reducing youth unemployment levels. That emphasis on education and training includes an improvement in the provision of career guidance, specifically in terms of providing a more holistic education for young people, emphasising alternative and equally positive routes to secure well-paid employment other than academia. Supports must also be provided to ensure that disadvantaged and minority youths do not fall through the cracks and miss out on further and higher education opportunities. There must be a mechanism whereby people can go from practical employment to education, and we cited examples from outside the British and Irish Isles, in Holland and other places. Our Committee has spent a substantial amount of time examining the issues around the multifaceted problem of youth unemployment and how best to address the problem by preventing it in the first place.

We believe that the report has an important contribution to make, in terms of future policy development, throughout Ireland and the UK. We plan to send copies of the report to an Taoiseach, Enda Kenny TD, and the Prime Minister of the United Kingdom, David Cameron MP, for an early response and we request that parliamentary debates be held in both Dáil Éireann and the House of Commons on the report's findings. We also plan to send the report to the relevant Ministers in Ireland and all the national Parliaments and Assemblies of the UK for a detailed policy response.

One of the things I encountered during this was an interesting piece of information from a psychologist, who said that the plasticity of the human brain is virtually set at 26 years of age, and it is very hard to augment it after that. So, in the event that we cannot get people trained and working and developing a sense of purpose, it becomes very difficult after that age. We should really focus as much attention as we can on it.

The other thing that we have noticed is that, particularly in countries like Spain, Ireland and other programme countries where youth unemployment became prevalent, it also became a fairly dysfunctional political atmosphere. If we look at what happened in Northern Ireland we see that, as youth unemployment decreased, peace increased. It had an inverse relationship over time. So, it is a very important group in society and will ultimately be the driving force of the next generation's economic success as well as the social success in society. I commend the report to the Assembly.

**The Co-Chairman (Mr Frank Feighan TD):**

Thank you, Arthur. The Motion is that the Assembly has adopted the report from Committee C on preventing youth unemployment through education and training. Is that agreed?

*Motion agreed.*

**The Co-Chairman (Mr Frank Feighan TD):**

The report will be sent by the Assembly secretariat to all of the respective Governments and Parliaments, seeking their comments. I will hand over now to Co-Chairman Robertson.

**Committee D (Environment and Social)**

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

Thank you. We now come to the report on the Irish community in Scotland, which will be presented by Lord Dubs, chairman of Committee D. Members who were present at our last plenary session in Dublin will recall that there was a discussion on that subject and then, at the end, Committee D was invited to take further evidence and report back to us. That is what they are now about to do.

**The Lord Dubs:**

Thank you, Co-Chair. I shall be very brief, as I know that you have your eye on the clock. We had a second evidence session in Glasgow just a few weeks ago. We saw some new witnesses. We also saw again Pat Bourne, the Consul General of Ireland to Scotland, who was extremely helpful. We met the police, Glasgow City Council, the Orange Order and Paul Wheelhouse, the Minister for Community Safety and Legal Affairs for the Scottish Government, who was very helpful indeed.

The report briefly covers the following points. Discrimination in Scotland against the Irish has become less. There are some important St Patrick's Day festivals in Glasgow and Coatbridge. There are good relationships improving between Ireland and Scotland. The Global Civic Forum in Dublin was quoted as one that the Scottish Government attended. There are some discussions about a famine memorial. I do not want to go into details. It is in the report. We have urged people to be sensitive to local opinion. It is on its way. We commended the advisory group report produced by Duncan Morrow on discrimination, which is a good report. We drew attention to football. We could spend two hours discussing football in Scotland. I do not want to do that, beyond saying that there are some responsibilities on the football clubs. It is still the issue that people most talk about when one refers to any possible problems with the Irish community.

There are two other final points. One is that there is quite a contentious bit of legislation, the Offensive Behaviour at Football and Threatening Communications (Scotland) Act. That is both positively supported and criticised. We have simply urged that there should be a balanced approach to the way it is given effect to. We have not come down on one side or the other, because the Scottish Government have reviewed the working and we think that it should be continually looked at. Lastly, we think that the Scottish Government and the local authorities could be more helpful in indicating to Irish community groups the nature of the

funding streams and what the opportunities are for getting access to funding. There is some misunderstanding about that, and it would not be very difficult to clarify.

May I just refer to two other Committee D points not related to the report, for the sake of time? We have had comments from the Irish and British Governments on our report on Travellers, Gypsies and Roma, and we would like to do a little bit of follow-up, mainly to the British Government, about some of the points in their reply. It would take too long to go into detail. I think it is fairly straightforward. We just want some clarification of the answers they gave us.

Lastly, we are going to do one thing quickly between now and the Irish elections. We are going to update a report that the Committee did about 13 or 14 years ago on Sellafield. We think that is worthwhile having a look to see what has changed since we did that last report.

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

Thank you very much for giving us that presentation. Unless anybody is absolutely bursting to speak on that, I will propose the Motion that the report be agreed.

*Motion agreed.*

**Government Responses to Committee Reports**

**The Co-Chairman (Mr Frank Feighan TD):**

We have received a large number of Government responses to Committee reports since the last plenary session. They have been circulated to members. Given the time constraints, I propose the Motion that Members duly note the responses.

*Motion agreed.*

*12.15 pm*

**ADJOURNMENT DEBATE**

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

I just want to say that we have concluded all of the business. I would like to thank everybody who has attended this BIPA plenary, the speakers, all Members and everyone else. I hope that you have found the setting agreeable. It has certainly been a privilege to me to host everyone in my constituency. I think that the debates have been very interesting. I thought that last night's dinner was something quite special.

I thank our secretariat, Michael, Robin and Amanda, for all the work that they have done, and also all those on the Irish side who have contributed to making this fifty-first plenary as enjoyable and successful as it has been. Indeed, I thank the staff at Cheltenham Racecourse. It is the fifth day running that I have been at the racecourse, but we will perhaps pass over that quickly.

I wish everyone taking part in the Irish elections all the very best, and we look forward to seeing everyone at the next BIPA plenary. Finally, I thank Frank for all the work that he has done. Quite a lot of work goes in behind the scenes , as you will imagine, not only to arranging BIPA plenary meetings but to keeping the whole show on the road during the course of the year. I thank Frank for all his efforts and very much look forward to continuing to work with him.

**The Co-Chairman (Mr Frank Feighan TD):**

Thank you, Laurence. I am delighted to here again today. Laurence and his team have excelled themselves in this wonderful venue and last night was a very special night and very special dinner. The list of speakers and topics that we covered was also exceptional, so to you, Laurence, to Robin, Michael and your team, thank you very much for all the work that you have done. Thank you.

I also thank Tara, Lisa, Jessica, Nuala and Luke from the Irish secretariat for the work that they did and everybody for their work. It has been a wonderful plenary. It has been very interesting, with a great level of debate and I wish you all a safe journey. I call on Joe O'Reilly to move the adjournment.

**Mr Joe O'Reilly TD:**

Co-Chairs, I so move. In doing so, I would just say that we have had an extremely productive and worthwhile couple of days. The debate and interaction have been excellent and this plenary session has really served our objectives very well. Thank you.

**The Co-Chairman (Mr Frank Feighan TD):**

Thank you, Joe. I declare the fifty-first Plenary session of the Assembly closed. We will meet in the next Plenary at Malahide near Dublin in June 2016. The Plenary session stands adjourned.

*Plenary adjourned at 12.16 pm.*