

## CCBS – LEGISLATIVE AFFAIRS

09/02/2015-18/02/2015



Northern Ireland  
Assembly

Plenary Chamber

Tuesday 10 Feb 2015

### Oral Answers to Questions to the Enterprise, Trade and Investment Minister

#### Air Carriers: Incentives

Mr Ó Muilleoir asked the Minister of Enterprise, Trade and Investment how her Department intends to incentivise transatlantic carriers to introduce new routes to Belfast International Airport.

Mrs Foster (The Minister of Enterprise, Trade and Investment): *My Department works closely with Belfast International Airport to encourage new transatlantic routes with business and inbound tourism potential. **That support is provided in a number of ways. For example, Tourism Ireland cooperative marketing support is available for transatlantic services.** We also provide practical support for Belfast International Airport and our other airports by taking a stand at the annual World Routes conference. Another important factor in encouraging transatlantic connectivity has been the decisive action by the Executive to eliminate air passenger duty (APD) on direct long-haul flights.*

Mr Ó Muilleoir: *Go raibh maith agat a Aire. Thank you, Minister. I recently spoke to the chief executive of Belfast International Airport. I also met the owners of the airport in Toronto and I met Massport, which owns Logan Airport in Boston. There is definitely interest in a transatlantic flight, but we are falling down at the minute because there are none out of Belfast*

***Does the Minister agree that now is the time for a concerted and united push by the new owners of the airport, Tourism Ireland, Belfast International Airport and our many ambassadors to try to bring in the number of transatlantic visitors that we would like? That is especially the case given the success of Dublin Airport.*** *As the Minister knows, the road is a big help, but it goes both ways.*

Mrs Foster: *I thank the Member for his question. In his supplementary question, he acknowledged the importance of connectivity for us in Northern Ireland and the fact that we need more international flights. We are pleased that the Newark flight continues to be a success, although we were disappointed last year, when the flight was dropped to 10 months a year from 12. I*

acknowledge that much work needs to be done, and I hope to meet representatives of some Canadian airlines again later this year. **However, we are in direct competition with Dublin Airport. It now has four direct flights to Canada, and that is causing us difficulties in trying to achieve more connectivity, particularly with North America.** I welcome the increased connectivity with Europe and, if things go according to plan, that will increase again this year. I am very pleased about that, but we need to increase the connectivity with North America, in particular, and I would welcome any offers of help that would help us try to achieve that

#### **Corporation Tax: Block Grant Cost**

Mrs Overend: **Does the Minister recognise that the issue is not just about matching or undercutting the Republic's rate?** Rather, does the Minister agree that there is a need to ensure that Northern Ireland has a full basket of measures to accompany the lower rate of corporation tax, including a super-skilled workforce and a major expansion of A-grade office accommodation?

Mrs Foster: *I thank the Member for her question. **I have never indicated that it is corporate tax alone that will bring a more sustainable economy and give us the growth of 10% to 12% that we will believe will happen if we have a lower rate of corporation tax.** That will only happen if we have the correct infrastructure in place, be that telecoms, hard infrastructure — road infrastructure, in other words — or the softer infrastructure that we need, by which I mean skills. We also need to have the appropriate messaging going out as well because we want to send out a very positive message about Northern Ireland as a place to invest in and to do business in. Whilst we have always had a very talented workforce here in Northern Ireland, as I said on many occasions, we now have the tax proposition as well, so we have tax and talent. We must concentrate on that messaging and get it out across the world.*

**Monday 16 February 2015**

#### **Tourism: Air Passenger Duty**

Mr McKay (The Chairperson of the Committee for Finance and Personnel): *I was looking at last June's debate about APD and the air connectivity report that we were waiting for at the time from the Finance and Enterprise Ministers. I do not think that we have moved any further on APD, which remains, for me, a no-brainer. The current APD is damaging to tourism. If we maintain the position of waiting until Westminster addresses it, we could be waiting five or 10 years and missing out on economic opportunities, guaranteeing only that more tourists arrive in Dublin and fewer in Belfast and Derry. **We want a level playing field across the island. We want more opportunities for our tourism sector, including bed and breakfasts, and for developing hotels in urban and rural parts of the North. Of course, Scotland is now to get APD. I argue that this institution needs it more, because we are on an island, and the South has now abolished any tax associated with people coming to the island. We need, therefore, to address that disadvantage, and it is a matter of concern that the Executive do not yet have a collective approach.***

#### **Corporation Tax: Border Area**

Mr Eastwood: *I have big fears around some of the arguments that we are having now. In principle, I agree that the rate of corporation tax should be brought down to the same level as that in the Twenty-six Counties, but the difficulty with corporation tax being brought down to 12.5% without*

*investing in infrastructure and skills is that we end up with no advantage whatsoever. I know, because I live in a place called Derry. We have a border at the edge of our city in three different directions, so we have a 12.5% rate of corporation tax. Businesses could come and set up in Bridgend if corporation tax were the sole attraction, but what we do not have is a university providing the right kinds of courses with the right numbers and the transport Monday 16 February 2015 19 infrastructure to connect the city to the rest of the island. That is why lower corporation tax on its own does not work. Ask the people of north-east Donegal, who have had corporation tax at a very low level for a long number of years. They have seen no impact from it, because the roads were not invested in at that end of the country and there was no investment in higher education to the proper level to attract the inward investment that we require. Whilst we can discuss the Budget, and we have, we need to be investing to save in the upcoming CSR period. We need to be investing in infrastructure, particularly in the north-west, and skills.*

### **VAT: Hospitality Sector**

Mr Hilditch asked the Minister of Finance and Personnel what support he has afforded to the Pubs of Ulster campaign, which is calling on the Chancellor to reduce the rate of VAT for the hospitality sector.

Mr Hamilton: *When I was on the Back Benches, not that long ago, I tabled a motion calling on the Chancellor of the Exchequer to reduce the VAT rate for the hospitality sector, Monday 16 February 2015 36 as he is permitted to do under EU law. That would mirror the experience of the Irish Republic, where the VAT rate for the hospitality sector was reduced very successfully. My predecessor Mr Wilson followed that up with the Treasury about two years ago, and, in the last number of weeks, I have written again to the Financial Secretary to the Treasury, David Gauke, building on the campaign that the Member has highlighted, which is led by Pubs of Ulster but is backed by many other hospitality sector bodies in Northern Ireland and beyond, for the VAT rate for the hospitality sector to be reduced. One of the points I made to the Treasury Minister was that my counterpart, the Irish Finance Minister, Michael Noonan, in his Budget in October, confirmed that VAT for certain parts of the hospitality sector in the Irish Republic would be cut indefinitely. The reason he took that decision was that an independent evaluation showed that the reduced rate of VAT for the hospitality sector in the Republic, where it is down at 9% for some categories, has increased employment through the creation of 30,000 new jobs and brought a benefit to the Irish Exchequer of €165 million. It is because of that compelling case that I want to back Pubs of Ulster, and the other organisations that are pushing for this cut, to see the same thing happen across the UK.*

Mr Hilditch: I thank the Minister for his answer. Given that, are you hopeful that the rate of VAT for the hospitality sector will be reduced?

Mr Hamilton: There is now a broad campaign across the whole of the United Kingdom. We are not permitted to reduce VAT within regions of a member state; you can do it across the whole of a member state in the EU and specifically within the hospitality sector. The fact that there is now a broad-based campaign across the UK is helpful. **We have evidence from our near neighbours in the Irish Republic of how successful it can be, not just in boosting tourism numbers but in boosting employment and bringing a net benefit to the Irish Exchequer. That is the point that I would labour with the Treasury.** Yes, you will have a reduction in VAT revenue because you will have

reduced the rate. However, because of the increase in employment, PAYE receipts, National Insurance contributions, and the profits that companies in the hospitality sector will make and the tax they will pay on those profits over time, it can yield a net benefit for the Exchequer. Clearly, this is something that the UK Government will have to consider in the round of the pressures they are facing in public spending, just as we are facing pressures. **I sympathise with my Treasury colleagues in having to take those sorts of decisions, but the fact that we now have good, strong evidence from the Irish Republic that the policy, when pursued, can work and can work substantially well, means that there is no reason why it should not happen across the UK.**

#### **Budget Bill: North/South Language Bodies and Waterways Ireland**

Mr McCausland (The Chairperson of the Committee for Culture, Arts and Leisure):

*The North/South language bodies and Waterways Ireland, while outside the scope of this budget reduction exercise, will see their budgets fall by over £1 million collectively, as agreed at the relevant North/South Ministerial Council (NSMC) meetings.*

#### **Budget Bill: North/South Bodies**

Mr Allister: *Of course, it is no surprise that tucked within the Budget are the now standard levels of squander on "North/Southery", propping up institutions for the sake of calling them institutions that, frankly, bring nothing that a Skype phone call or a phone call could not bring in terms of North/South cooperation — oh no. For the sake of it, because someone else is paying, we need to have all these North/South institutions, not because they deliver anything for anyone but because they are essential to the political infrastructure. So, let us pour millions upon millions of pounds, year on year, into them. Then, when we get to the point of needing to top up welfare and everything else, let us just cut the money for our schools, our vital services and our hospitals because the priorities that must be met from Sinn Féin are those that are, to them, far more important than making government work.*



Dáil Éireann

Tuesday, 10 February 2015

**Waterways Issues**

**Deputy Aengus Ó Snodaigh** asked the **Minister for Arts, Heritage and the Gaeltacht** the position on the development of the Ulster canal, in view of the fact that the Department of Culture, Arts and Leisure in the North is awaiting approval from this State to proceed with works on the first phase of the project, which would restore the line of the canal as far as Castle Saunderson at a cost of approximately €2 to €2.5 million, with the Department of Culture, Arts and Leisure in the North

meeting 100% of the capital cost; and the reason there has been such a delay in granting the approval necessary for preliminary works to commence.

**Deputy Aengus Ó Snodaigh:** *My question is to find out the reason for the delay in progressing approval for the works on the first stage of the restoration programme for the Lough Erne to Clones stretch of the Ulster Canal, which is to be done at no cost to this State. I ask why we are now awaiting the grant for the first phase.*

**Deputy Heather Humphreys:** *At the outset, I should make it clear to the Deputy that, contrary to the suggestion in his question, the Department of Culture, Arts and Leisure in Northern Ireland is neither awaiting approval for, nor proposing to meet, the capital cost of the first phase of the Ulster Canal project. The facts are that in July 2007 the North-South Ministerial Council agreed to a proposal with the then Irish Government to proceed with the restoration of the Ulster Canal between Clones and Upper Lough Erne and, in that context, the Government agreed to cover the full capital costs of the project, estimated at that time to be of the order of €35 million.*

*Planning approval for the project has been secured from the relevant authorities in the two jurisdictions - namely, Cavan County Council, what was Clones Town Council, Monaghan County Council and the Northern Ireland planning service. An updated business case was recently completed for my Department, and options for progressing the project within the current fiscal constraints are being explored. This includes the option of enabling access from Upper Lough Erne to the International Scout Centre at Castle Saunderson near Belturbet in County Cavan at an estimated cost of some €2.5 million, including VAT as appropriate. I hope to be in a position to bring the matter forward for further consideration by the Government in the coming weeks.*

**Deputy Aengus Ó Snodaigh:** *I thank the Minister for the clarification and correction of what was stated in my question. However, that does not deal with why we are still awaiting physical progress on a decision that was taken in 2007 - that is, the proposal to reopen the Lough Erne to Clones section of what was a 73 km canal that went from Lough Erne to Lough Neagh. **The project has potential in terms of the development of tourism and leisure activities, not just in Cavan and Monaghan but also in Fermanagh, Tyrone and Armagh, an area that has often been starved of funding and tourism.** How quickly can we see progress on the section to Castle Saunderson, if it is to proceed? What about the overall proposal to deliver a restored canal to Clones?*

**Deputy Heather Humphreys:** *I want to assure the Deputy that I am very familiar with this project, especially given the fact that it is in my constituency. My predecessor, Deputy Deenihan, did a lot of work on progressing this important proposal and I consider this project to be a priority for me. **Planning approvals have been received for the project from the relevant authorities, as I said, in both jurisdictions. An updated business case will be completed very shortly.***

*I hope to bring the matter to the Cabinet in the coming weeks. **I have had a number of discussions with my counterpart in Northern Ireland, Ms Carál Ní Chuilín, MLA, the Northern Ireland Minister for Culture, Arts and Leisure. We both want very much to progress this project, because it is so important to the area that work on the canal be started. The first phase is to Castle Saunderson.***

#### **Commemorative Events**

**153. Deputy Sandra McLellan** asked the **Minister for Arts, Heritage and the Gaeltacht** if she will inform the Irish people, both at home and abroad, when she will announce the date for the Ulster 2015 National Famine Memorial Day to remember all the victims of An Gorta Mór; and if she will make a statement on the matter.

**Minister for Arts, Heritage and the Gaeltacht (Deputy Heather Humphreys):** While there has been a degree of continuity in the format and scheduling of the annual National Famine Commemoration ceremony, the date of the ceremony, as well as the artistic and cultural elements, may change from year to year. Although it has proved possible in most years to schedule the commemoration on the second Sunday in May, it has not been considered desirable to fix the same date each year, given the factors that may need to be considered, such as the site selection process, the availability of the lead person to officiate at the ceremony and the general arrangements at community level.

**A primary objective of the National Famine Commemoration Committee is to ensure that the 2015 ceremony will be a fitting tribute to those who perished in Ulster during the Great Famine and my Department continues to work with the key stakeholders, North and South, within that framework. I hope to be in a position to announce details of the date and venue of the 2015 National Commemoration in the coming weeks.**

#### **Household Benefits Scheme**

**167. Deputy Michael Colreavy** asked the **Tánaiste and Minister for Social Protection** to outline her views **on providing free television licences for pensioners from the North who have homes here and contribute positively to the economy here, in line with pensioners from here, who are currently exempt from paying for the licence.**

**Tánaiste and Minister for Social Protection (Deputy Joan Burton):** The Department will spend approximately €227 million this year on the household benefits package, including more than €54 million for the free television licence scheme, for approximately 415,000 customers.

**Free television licences are available as part of the household benefits package for people who are permanently resident within this jurisdiction and who are over 70 or in receipt of a qualifying payment. People from Northern Ireland who live within this jurisdiction on a permanent basis are entitled to apply for the household benefits package.**

**The package is not available, however, in respect of houses which are not an applicant's principal residence. I have no plans to amend the scheme to provide for free television licences for holiday homes**

#### **Live Exports**

**288. Deputy Éamon Ó Cuív** asked the **Minister for Agriculture, Food and the Marine** the action he will take to remove the barriers on labelling at processing and retail level, that are impeding the live export trade to Britain and Northern Ireland; and if he will make a statement on the matter. [5809/15]

**Minister for Agriculture, Food and the Marine (Deputy Simon Coveney):** I attach substantial importance to the live export trade and my Department has been very proactive during my time as

***Minister in facilitating both the cross border live trade and shipments abroad.*** Live exports serve a dual purpose as a means of satisfying market demand for live animals and providing alternative market outlets for cattle farmers in Ireland. Total live exports for 2014 were 237,000 head, of which over 72,000 went to the UK - a 10% increase over 2013. ***Specifically, over 54,000 head were exported to Northern Ireland, which is comparable with the 2013 figure. I should make it clear that Ireland has been a proponent of mandatory origin labelling for beef, which requires the place of birth, rearing and slaughter to be shown on beef labels. The longstanding policy of UK retailers, who buy large quantities of Irish beef, is to market British and Irish beef separately. This means that beef must be sourced from animals originating in one country or the other, so that they can be labelled as born, reared and slaughtered in the same country. In addition, logistical difficulties can arise when a small number of Irish-born animals are slaughtered in a UK meat plant. Under mandatory EU labelling rules, these carcasses have to be deboned in a separate batch, and packaged and labelled accordingly, thereby incurring additional costs for the processor. These issues are a matter of commercial preference, both of slaughter plants in Britain, and of British retailers.***

While Bord Bia has repeatedly raised this issue with British retailers over the years, they are unlikely to reverse their marketing policy in the short term and face other demands from UK stakeholders to stock more British beef. Nevertheless Bord Bia, in its ongoing interactions with British customers, will continue to pursue all opportunities to maximise the full potential of the beef and livestock trade with our largest trading partner. In addition, Bord Bia actively supports the development of the live export trade through the provision of market information, developing market access and promotional activity.

***I have also had several meetings with my Northern counterpart, Minister Michelle O'Neill, on this subject. We agreed to make a joint approach to the three British retailers who stock Irish Beef, accepting that these were commercial matters, but also seeking some flexibility given that this mixed label beef is produced to the exacting standards required by British consumers.***

***Minister O'Neill also approved a voluntary beef label in Northern Ireland for cattle born in the Republic of Ireland, raised in the Republic of Ireland and/or Northern Ireland, and slaughtered in Northern Ireland. This label would facilitate the sale of beef from animals born in the South and slaughtered in the North under a voluntary 'Irish' label, if retailers are willing to stock the product carrying this label. Of course, such a label would be additional to the mandatory origin label. The question of using such a label is now a commercial matter between processors and retailers in Northern Ireland and elsewhere in the UK.***

***Following on from this, I convened a meeting with Minister O'Neill and the Northern Ireland Retail Consortium which took place in October. At this meeting the NIRC made it clear that their beef buyers had a preference for single origin beef, of which they had ample supply, but they would keep the situation under review. I also met separately with Tesco where we had a useful and frank discussion on this and other procurement issues. I will continue to pursue opportunities for exports of beef and live cattle at every opportunity.***

## **Sporting Events**

*Deputy Eoghan Murphy asked the Minister for Transport, Tourism and Sport if he will provide an update on bid preparations for the 2023 Rugby World Cup.*

*Minister for Transport, Tourism and Sport (Deputy Paschal Donohoe): Following on from the report of the working group set up to examine key issues in relation to the possibility of Ireland hosting the Rugby World Cup, the Government and the Northern Ireland Executive announced their support in Armagh on 5th December last for the preparation of a joint bid for the Rugby World Cup by the Irish Rugby Football Union (IRFU). Since then the bid group working in the IRFU has commenced work on compiling the bid, with the support of the two administrations and their agencies. To oversee progress on the bid and guide the bid preparation, an Overview Group will be appointed and I hope to be in a position to announce the details of the group in the near future.*

**Wednesday, 11 February 2015**

## **Bullying in Schools**

**147. Deputy Jonathan O'Brien** asked the **Minister for Education and Skills** her views on the idea of developing an all-Ireland anti-bullying strategy for schools.

**Minister for Education and Skills (Deputy Jan O'Sullivan):** *As the Deputy may be aware, the topic of child protection and e-safety, including measures to combat cyber-bullying were discussed at the most recent Plenary meeting of the North-South Ministerial Council.*

*This topic will be discussed at a future meeting of the Council and the potential for future North-South cooperation in this area will be part of those discussions. The suggestion of an all-Ireland anti-bullying strategy for schools may be considered in that context.*

## Seanad Éireann

**Tuesday, 10 February 2015**

## **Border Tourism**

**Senator Paschal Mooney:** *--- the county library system. It is a shoddy decision by this Government. If there is any compassion left in this Government then the Deputy Leader will accede to my request for a debate on this issue. I wish to table an amendment to the Order of Business to call on the Minister for the Environment, Community and Local Government to come to the House today to discuss the future of library services, as outlined in the strategic report, as well as the adverse impact on the lives of those living in rural Ireland. I ask that such an amendment be put to the House and that the Minister would come before us to explain his actions.*

**Senator Jim D'Arcy:** *Given all of the travails relating to the Narrow Water Bridge, I am very pleased that a recommendation to grant planning permission for a ferry service between Greenore in County Louth and Greencastle in County Down was made at Thursday's meeting of Newry and Mourne District Council. This is a tremendous boost to the area's tourism prospects and provides a much-needed link between two areas of outstanding natural beauty, the Mourne Mountains in County Down and the Cooley Mountains in County Louth it will stretch the tourism trail from Newgrange right up through Dundalk, Carlingford, Omeath, Kilkeel, Warrenpoint and on to Newcastle. This is a game changer.*

**Senator David Cullinane:** Hear, hear.

**Senator Jim D'Arcy:** I am glad of the support of Senator David Cullinane, a great Border man himself. I ask the Deputy Leader to invite the Minister of State with responsibility for tourism, Deputy Michael Ring, to the House to outline how the links between Fáilte Ireland and the Northern Ireland Tourist Board can be recalibrated to reflect this new situation.