

2nd June 2016

Michelle Norman
Secretary to Lord Lisvane's Review
c/o Attorney General's Chambers
3rd Floor
St Mary's Court
Hill Street
Douglas

Review of the Functioning of Tynwald

Dear Michelle Norman
I wish to present a submission for the above review.

Government.

My view is that as we elect a parliament and not a Government, that since the introduction of Ministerial government with collective responsibility, where members are compelled to vote for matters put forward by the majority of the Council of Ministers, our government has become undemocratic.

If a majority of Comin, being 5 members, agree on a certain action then the remaining 4 members along with the other members of the department promoting the measure will have to vote for it. This amounts to a number of members being told how they are to vote if they are to retain their positions.

Great efforts have been made recently to change constituency borders to ensure as much as possible the voting power is fairly equal throughout the Island. However, once the election is over this equality is dispensed with as all the power is given to the 9 elected to Comin with the remaining House of Keys members being reduced to observing back benchers only permitted to asking questions, in spite of all being elected equally. A large department such as the DED with many members plus the 9 from Comin amounts to a powerful group that can approve anything that they want. Even the smaller departments can have sufficient support within to ensure approval and as this is likely then the remaining members tend to give their support as they are aware that to vote against would achieve nothing so a unanimous vote may not represent the true views of all members individually.

My view is that the house of Keys should become the Government with a free vote on all matters. This, of course, would result in the responsibility as well as the power being vested in all members of the House of Keys. I feel that the absence of all members being responsible has meant that vital issues that needed to be dealt with over the last ten years have not been progressed which has put the financial future of the Island in jeopardy. This would also engage the voting public better as we would have direct contact into Government by all elected members.

Scrutiny Structure

The Policy Review Committees were set up after the last general election as a means of checking and scrutiny but as the membership of these committees can be members of government departments, they lack the independence that is needed. Also, the membership can change from time to time so not all members are present to complete a review and the PRV may not have the expertise on the subject and so can be led by the Department under

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investigation. I was heavily involved in the Environment and Infrastructure Policy Review into the Countryside Care Scheme and enclose some submissions that I made that may be of interest to you to understand how the review operated and some issues of concern in my submissions are as follows. My main issue of concern was the reduction in production by disconnecting the subsidies from production in 2008 but still making the same payments to us as farmers.

The Department claimed that the amount of meat produced in 2013 was higher than in 2003 with their figures including exported animals and animals lost in the snowstorm. As some of these animals could be aged cows and breeding ewes and as the main part of their production would have occurred up to ten years earlier for cows and seven years earlier for the ewes, clearly their production would not have occurred in 2013 so the weight of meat produced in 2013 would not have been able to be accessed due to the variation in animal type if it included live exports. Even if cows and ewes were processed through the meat plant then the age would still have to be taken into account to calculate meat produced as the numbers of various ages could vary from year to year.

As my main request to the Committee was for the recoupling of support from the CCS to slaughter payments at the meat plant similar to what had been recommended by Anderson Consultants in 2007, the Department made a case against this.

The Department sited the production of Special Young Bull beef production in May and June, when the subsidy payments were at their highest as a reason to change the system, whereas these animals naturally come to market at that time. As most suckled calves are born in the spring and as SYBs are to be marketed at under 16 months of age to qualify, then many will reach this age in May and June irrespective of any slaughter subsidies. The slaughter subsidies were at their highest at that time to encourage production at the time of usual low supply to provide for the higher requirement for the TT period. It was up to the Department if they wanted to exclude SYBs from the subsidy payment rather than making it a reason to decouple these payments.

I trust that my submission is useful for your review and although it is now after time for a meeting, I will be able to attend for clarification if required.

Yours sincerely

David Moore
NDA. SDA. AAT.

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31st July 2013

To Members of the Policy Review Committee

For Environment Food and Agriculture

Gentlemen

Tynwald Resolution for a Review of Countryside Care Scheme

I wish to make this submission for your review of the Countryside Care Scheme which was introduced in 2009 and which was intended to make changes to the subsidy system of Agricultural financial support in line with EU policy. This amounted to decoupling the support from payments to farmers which were related to our agricultural production and making payments under the Single Farm Payment Scheme which were not related to any production. By decoupling and not removing subsidies, we as farmers would still receive production support, referred to as Pillar 1 in the EU, so that large price increases to consumers would be avoided but at the same time the EU would be able to comply with WTO requirements on subsidies and also avoid the substantial increase in funds that would be required to pay production subsidies in the enlarging EU.

Therefore, it was accepted that some form of decoupling would be necessary for the Isle of Man to comply and Mr John Rimington as Minister suggested a 25% decoupling at a farmers meeting in 2003/4. However, this was not progressed as it was recognised that decoupling could lead to reduced production and we needed to maintain our present production to support our single processing plants. As it was accepted that some form of decoupling was necessary, it is the system of decoupling that the Department introduced in 2009 that has caused the divisions within the farming community, reduced production by around 25%, created a much disliked live animal export trade and caused major problems for our processing plants which have required additional Government subvention.

A significant factor in these damaging changes having been accepted by farmers was that the system had been either incorrectly presented by the Department or misunderstood by farmers as subsidy removal, with farmers believing that they would still receive the same revenue for their products as they had done and would receive the CCS receipts as additional income. This was endorsed by the Minister's recent reply to a Tynwald question when he quoted Andersons at 6.4 as "some farmers will be able to reduce or cease production altogether and use their Single Payment in effect as a retirement pension". The Department claimed that this would provide opportunities for new farmers to take on these farms and farm profitably without subsidies. Some farmers felt that they would be able to save up their CCS receipts to pay for building themselves a house. Clearly the CCS receipts were not additional money because even at present some 75% of the decoupled CAP payments are made under Pillar 1 (Appendix 1) as production support in the UK and as our producer prices are based on UK prices, then it follows that a similar amount is required from the CCS receipts to supplement market returns to pay production costs. As the total amount of CCS receipts required to pay production costs is dependent on the levels of production it follows that to lower production will reduce the amount of CCS receipts that are required to pay production costs and so increase farm profitability.

The effect of this is shown in the EBLEX Business Pointers English farms costings based on market returns which are available on their website. For the combined suckler/rearer producing suckled reared calves and carrying them through to marketing as prime beef animals at two years old, the results for the average sample amounted to losses in all years being 2009 loss £307, 2010 loss £330, 2011 loss £445, 2012 loss £369. For the lowland lamb production the losses per Ewe were 2009 loss £35, 2010 loss £31, 2011 loss £32,

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2012 loss £26. As these losses have been covered by the Single Farm Payment Pillar 1 receipts and on the Island by the CCS receipts, it shows that while there has been decoupling, production is still subsidised (Appendix 2) as the wholesale meat buyers have taken Pillar1 subsidy into account in arriving at the prices that they pay. (I consider that the EBLEX average results are the best that we could expect on the Island as we receive 90% and 95% of the Britain's market prices and our production costs are higher).

It is therefore not surprising that there has been quite a dramatic reduction in production as by doing so has enabled farmers to retain more of the CCS receipts and Single Farm receipts in the UK. In a recent edition of Farmers Weekly, a regular contributor has set out these effects on the UK balance of payments in food and drink. Comparing 2001 with 2011 there has been a steady growth in exports from £12bn to £18bn while during the same period there has been an increase in imports from £25bn to £37bn mainly as a huge increase in imports of dairy products, red meat and fresh produce that used to be grown in the UK but no longer is and so he raises the question, "have we gone too far with decoupling"?

In the Island we have experienced an equally serious reduction in production. As the Department ceased carrying out an annual farm census after 2011 and the figures collected on the CCS application forms have not been made available, so to compare with 2008 we have to use a combination of 2011 and 2012 data to assess the effect. From the beef calf births in 2012 there has been a reduction of 2,163 being a reduction of 24% worth over £2mill when ready for sale as finished beef. Dairy calf births have reduced by 1,194 being a reduction of 28% and with the likelihood of half being male calves worth almost £0.5mill as finished beef. The reduction in 1,194 in dairy cows could result in a loss of up to 9 mill litres worth £2.5 to £3mill, however if some of the male dairy calves had gone to the cull without being tagged due to being uneconomic since decoupling, then the dairy cow numbers would not have been reduced by that number but without an annual census we will not know.

In spite of some farmers moving out of cattle and into sheep, sheep numbers have also fallen. By taking the 2011 census figures compared with 2008 there was a fall in the numbers of breeding ewes of 5,926 which at 1.5 lambs each would be worth in excess of £0.5mill. Between 2008 and 2011 there was a reduction of 1,852 acres of cereals grown being a fall of 16% which could be worth almost £1mill but as these cereals would probably be required for the beef and dairy animals if they had been produced, this amount will already be accounted for. This reduction in cereals grown could also be responsible for the increased live export of beef animals.

Also taking 2011, being the latest results and comparing with 2008, total horticulture reduced by 25 acres being a fall of 26% and total poultry reduced by 5,595 being a fall of 30%.

Clearly these figures do not support the contention that the system up to 2008 was not working, nor, that agriculture up to that time had been in decline for over 40 years. What has been in decline during my lifetime in farming is the reduction in man hours required to perform tasks and produce farm products due to improved efficiency as a result of new advances in production and larger equipment.. Because many of us have not been able to gain further land to take up our full time due to this improved efficiency, as families tend to continue the family farm, many of us have sought work outside the farm to fill in our unused

time as we cannot expect to be paid for time when not productively working but this does not imply that farming was in decline.

As mentioned earlier, decoupling discouraged farmers from producing and lower output resulted and this also applied throughout the UK. However in the Island there was the additional factor of decoupling by the removal of the headage slaughter payments on animals entering the meat plant leading to live exports which would affect the viability of the Plant and reduce the availability of manx slaughtered meat for the local retail trade.

Andersons at 11.4 commented "to protect the throughput of the Abattoir it will be necessary to recouple a large part of the Beef Quality Headage and Sheep Premiums. Together with the decision already made to recouple the Pig Premium, the throughput of the Abattoir has a good chance of being secured".

Under the implemented decoupled system, the headage slaughter payments were tapered down to nil over just two and a half years. As this progressed, live exports occurred as farmers were then free to opt out of the local processing charges. In an attempt to overcome this loss of trade the Meat Plant increased the payments to producers to 95% of the UK price for beef and 90% of the UK price for lamb which required a subvention from Government to implement. The need for this additional funding has occurred as a requirement to help offset the deficit that is run up by the meat plant as it pays out more than it can afford to attract animals for processing in competition with processing plants in the UK, since the de-coupling of the slaughter payments. This deficit had not existed for the 50+ years prior to decoupling the government head payments that were made on qualifying animals that entered the plant, as during that period the plant only paid out to producers the revenue from sales that was left after expenses had been paid. Clearly the price paid by the IOM plant from market returns was less than that paid by UK plants, which is the cause of the live exports of meat animals since decoupling the head payments. The main reasons for our lower prices are due to higher operating costs as a result of lower throughput, a multi species plant, some production has to be exported and higher local energy cost, however, an aspect that is often overlooked is that there is no comparable system in the UK as our unique system is that of a service provider. Our local system was devised by the late Deemster Johnson and enables us as farmers to concentrate on our farming by only having to telephone the stock that we wish to sell and then attend to assisting the loading all of the animals when the lorry comes. The plant then obviously incurs an additional marketing cost as it has just the one week between booking in and receiving the stock, to organise the marketing of this previously unknown quantity. It is essential that we continue with this system as we are too far away from prime livestock auctions to balance our individual production. This system on the Island conflicts with operations in the UK where the procedure is more of that of seeking out customers and then buying in and processing only that which is required to fulfil those orders and in so doing calculating its selling price which could include a profit item. The local marketing operation has therefore changed from being one where the selling price was fixed by the being related to the UK market price and the purchase payments amounted to that which could be paid from that revenue, to the current system where both the purchase and selling prices are related to UK with no consideration being given to local operating costs.

Because our co-operative has additional Island cost issues it cannot pay similar prices to UK operators from market returns and as a result does not produce profit in its own right and any reference to profit or loss is misleading, as the current deficits occur from a deliberate action of paying out more that can be afforded in an attempt to attract stock in competition with exports. If we consider the original Scheme where the local pricing was the average UK price and the export was obviously less than that due to export costs, then the average return to farmers was never going to be equivalent to UK farmers but as we farm on an Island it was surely the best that could be achieved unless the local consumers were to pay

more than average UK prices and that was out of the question. Many farmers were prepared to go along with the de-coupling due to the Department line that producers would receive equivalent prices to UK producers, in spite of this requiring substantial government funds on a permanent basis, although the support from the Government Development fund was only intended to support for three years.

For the year ended 31 December 2011, the deficit was £650,000 but only £80,000 government funds had been received for the 2011 year by 31 December 2011. A further £130,000 was received for the 2011 year by March 2012. The 31 December 2011 accounts could not be signed off as a going concern until October 2012 when more government funds were received, however, none of this amount was to be for the 2011 year. This meant that the remaining £440,000 had to be taken from the co-operative's reserves. It has to be understood that the reserves of the co-operative are not accumulated out of profits, as mentioned earlier, but are funds retained from producers to provide sufficient capital to operate and pay redundancy if required. In the original scheme the amount that could be retained was restricted. The reserves are therefore more of a loan from producers rather than profit generated from trading. Clearly, if this was the system that was to operate then the government funds needed to be lodged on a monthly basis so that they are available to be paid out to producers when stock are paid for. Alternatively, an interim payment from market returns should have been made to producers with the final being paid only when funds were received from government. This system of deliberately running up a deficit in the hope of receiving funds is an unacceptable method of trading, which I understand was the main reason why the original directors felt that they could no longer continue.

As the local and UK systems are different with different operating costs, there has arisen an attraction of some farmers to opt out of their responsibility of their share of the local marketing costs by exporting to the UK, some of their stock as live exports, while still expecting other farmers to keep the local plant operating for them to use as and when they wish. As these exports lower the throughput for the local plant with a saving in variable costs by reducing staff levels, there will have been an increase in overheads per animal as there have been fewer animals to spread these costs over. Also, if there is a situation when beef had to be imported by IOM Meats due to insufficient local animals going through the plant, then this has implications for the industry in our claim that everything sold from the plant is Manx produced and was a main concern during the decoupling consultation.

The per head payments made to us for qualifying animals that entered the meat plant have been accused by some of encouraging inefficiencies but I consider that this is unlikely as we have had some very astute businessmen on the committee and as they would be significantly affected if better prices could be paid, I have been confident that they were doing all that they could. The decision to produce retail packs, which have been suspended by the current directors, could have been a decision to retain that market for the local production and I recall that in Government calls have been made to support local, even if it is slightly more expensive. It also has to be accepted that the management were operating a marketing scheme under which there were advantages but also obligations. The Scheme restricted importing to just the Abattoir when local supplies were insufficient for local demand but the obligations were that the Abattoir had to supply all the requirements of the local trade at average UK prices and they themselves were prevented from engaging in retailing.

Some of us tried to retain the head slaughter payments and not transfer them to Countryside Care Payments, as we could foresee these problems with exports and Mr Maudant of Andersons also advised retaining 80% initially with a gradual removal if circumstances

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enabled it. I suggest that slaughter payments be introduced again with funds from the Countryside Care Scheme, although a payment of pence per kilogramme dcw would be a fairer system.

The Department did not conduct an agricultural census in 2012, although I had understood that a census report is required to be presented to Tynwald annually. However using the 2011 figures we have 8,200 cattle under 1 year old but there were 7,800 beef cows and 4,000 dairy cows of which half of their calves could be male for beef giving a total of 9,800 so about 9,000 could be a fair figure. I would suggest using 80% of the original Beef quality Headage Payment Scheme system, (a copy of the grid is enclosed at Appendix 3), as recommended by Andersons, converted to p/Kg dcw by using an average carcass weight of 330 Kg. This should be sufficient to stop live exports and encourage suckler beef production again. It could also help to make pure bred dairy beef from male calves viable as it could result in a payment of about £100 for a 250Kg O- 3 grade.

Three years ago, farmers could be forgiven for thinking that lamb production would soon be able to produce profits without the £20 government support as this was a lower proportion of total than that for beef. As a result many farmers sold off their beef cows but kept their sheep. However, lamb prices last year were lower than they had been for three years with anticipated losses of £26 per lamb being reported. In these circumstances consideration should be given to also transferring some CCS funds to a lamb headage again. This could be quite critical for some as some new farmers may have taken the departments advice and taken on farming sheep without CCS payments and will now be finding it very difficult and possibly forces them to export live in an attempt to reduce losses. As lamb weights are not as wide as for beef animals it may not be necessary to convert to pence per kilogramme so 80% of the £20 would help. These low lamb prices will also impact on the rearing of orphan lambs, which rarely ever paid their way, but were reared as the alternative of putting them down at birth was unacceptable, however, the low prices will mean that they will have to join the male dairy calves in being a waste of resources due to decoupling.

The total cost of the beef payments could be 9,000 @ £160 gives £1,440,000 and for lamb would be 60,000 @ £16 gives £960,000, giving a total of £2,500,000 which still leaves £5,000,000 as CCS payments. As the Minister has hinted that there may be a cut in the CCS payment it would be more appropriate to make a cut to this £5,000,000, as a proportion of this will be going to those who are no longer farming while the genuine farmers would be protected with the slaughter payments. There would also be the subvention saving and a more efficient meat plant operation with more employment due to increased throughput. An additional effect would be a much reduced live meat animal export which many feel uneasy about. However, figures produced by the Meat Plant for 2012 show only 5,000 clean cattle and 40,000 lambs which reduce a total cost of reinstating the headage payments from £2,500,000 to £1,440,000 which would leave over £6,000,000 as CCS payments. This £1,440,000 represents 20% of the total and as the EU is permitting 13% coupling under the new CAP deal for 2013 to 2020 and in some cases a higher rate may be possible, it should be possible to negotiate this for our small Island and as the EU do not provide these funds

As the decoupled payments are shown to be still necessary to pay production costs, the imminent transfer of CCS payments to acreage payments could cause additional problems for productive farmers. A 200 acre lowland productive farm on good soil could be receiving £30,000 historic CCS payment but when they go on to acreage that farmer will receiver £17,000 even without cuts, which may not be sufficient to pay the shortfall in production costs. A 500 acre hill farm with low output land below the mountain line could also be receiving £30,000 historic CCS payment but this will increase to £42,500 on acreage.

There was a view expressed to farmers by MHK's that full decoupling was required if we were to continue to be allowed to export. As many EU countries have immense problems of

their own, I feel sure that we should have been able to explain that some coupled support was required to maintain our small Island economy and in any event, as many EU countries have only partially decoupled and with Scotland being permitted to recouple a calf rearing subsidy, it must be very unlikely that our exports would be stopped at short notice

The Department's decoupling system was promoted as a means of changing the industry to produce more local food. Clearly food processing is out of the question as the amounts are too small. We are unable to print our own newspapers on the Island because of the small operation. As far as the marketing of primary production goes, this was carried out many years ago by Agrimark Ltd which was set up by the Marketing Society and contracted for vegetables and supplied a good range of local foods including processing canned steak and frozen chips. However, the contraction of the tourist industry made this difficult and certainly the more recent demise of the small grocery shops would have made matters even worse. There is no doubt that more local food could be produced but it would need the return of import controls and price fixing to make it work in any significant way and it is unlikely that these would be acceptable today, 'except on the days when the boat does not sail'. Even if we were to go for maximum local food production it would only affect a small number of farms that would be suitable and be required for that quantity. It would not be a panacea for all agriculture, so most of us are restricted to beef, lamb and milk products from our grasslands. Carrot growers in the UK grow 1,000 acres on a single farm.

I have yet to meet any member of the general public who has noticed any improvement in the appearance of the countryside since the CCS but it is almost universally accepted by farmers that there has been a substantial deterioration. This is as a result of it being more profitable to leave pastures to fill up with dead looking natural weed grasses rather than incur the costs to renew with specially bred productive grasses, as the bottom line of the requirement to receive the CCS receipts is that the land only has to be capable of being brought back into production in the following calendar year.

Partial Implementation - Andersons set out the options available on page 20.

Those of us who opposed the Departments system preferred a partial decoupling system which applied in some form right across Europe. Andersons recommended a recoupling of 80% of the slaughter headage payments for beef and sheep which would reduce to 53% for 2012 and 27% for 2013. This would amount to an average beef animal headage payment of £54 for this year and as the EU under its current review for 2013 to 2020 has approved the principle of coupling, it may have been possible to have retained it at a higher level. Also, at 12.8 Andersons intended holding a review in 2011 when the recoupling of headage slaughter payments would be in its final phase and at that stage the live export trade would be known and so further recoupling could have been implemented. On Full Decoupling Andersons comment on EU plans on page 18, "the (EU) objective is also to remove remaining beef and sheep re-coupled support, but no timetable is mentioned and there is a hint that suckler cow premium could remain re-coupled in less favoured areas to maintain an agricultural presence". They further comment that production support will probably be phased out completely by 2020. Again, in line with the 2013 review with more flexibility for member countries for 2013 to 2020 that has just been agreed, the Island would not have been out of line if it had retained more production support to retain its agricultural production.

CAP reform for 2013 to 2020 just agreed by the EU Commission, EU Parliament and EU Farm Ministers.

A number of copies of comments from publications are included at Appendix 4.

The agreement deals more with general principles, with the details to be worked out by December.

I feel that the most important issue is the ability of individual member states to be able to implement many of the proposals to suit their individual needs.

Up to 15% of Pillar 1 can be modulated to Pillar 2 but also, up to 15% can be transferred in the opposite direction. This must mean that in some countries the production support will increase which is likely to keep market prices down. Fortunately, the UK is likely to reduce Pillar 1 with the hope that market prices will increase. There is also to be a requirement to implement greening measures for farmers to receive 30% of the Pillar1, however, it will not be clear for some time if the market prices increase as a result of this greening requirement. It will depend on if the trade still regard this 30% as production support. I feel that the sooner that Pillar 1 is either fully modulated to Pillar 2 or coupled to productions will be the sooner that we will return to sensible commercial production. At present we have the ludicrous position where we know that we will make a loss from our activities and will have to voluntarily regard funds received under CCS as a subsidy to make up the losses. Would any other industry be prepared to operate in such a strange way? As the Island does not receive funds from the EU I cannot understand why we had not retained Pillar 1 as coupled support and only decouple as Pillar 1 is reduced.

Coupled support is permitted to levels of 13% and higher in some cases should enable the Island to modify the CCS.

An additional 25% top up payment to young farmers is to be welcomed and a grant of up to 70,000 euros will help them start. While this may appear unfair to those of us that have made our own way, we have to recognise that future farmers may have to come from a non farming background and will in many cases be starting from scratch and so £50,000 will go some way to provide the £100,000 minimum required to start.

30% of Pillar 2 is to go to agri-environment schemes which on the Island must mean an increase from the current £250,000 for that Scheme. I had understood that the Department was working on a scheme that would move away from total farm requirement to the protection of a greater number of specific high value habitats and so the transfer of funds to agri-environment schemes will help this. Clearly it is wasteful if good productive land is restricted by environment concerns when we only have 12% of the Island in arable production.

I trust that these comments are helpful to your investigations and hope that recommendations to improve the situation will be approved as the present system has resulted in a stagnation of our last remaining significant indigenous industry at a time when we should be fully utilising all our assets to the maximum to earn revenue for the Island and create employment. Unless changes are made soon, the deterioration of the pastureland will be gone too far to currently economically reverse.

Yours sincerely

David Moore NDA, SDA.

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26th September 2013
Marie Lambden
Third Clerk of Tynwald
Legislative Buildings
Douglas
Isle of Man

Dear Marie Lambden

Environment and Infrastructure Policy Review Committee - Countryside Care Scheme

Thank you for your letter of 4th September regarding the possible publication of my submission to the above Committee.

I had written it with publication in mind, however, the paragraph on page 4 commencing "For the year ended 31 December 2011", the FMA deficit of £650,000 and corresponding reserves contribution of £440,000 are figures from the FMA accounts and as this information is restricted to FMA members, these two figures should be removed before publication. The subvention figures are already in the public domain as the Minister has given this information in Keys or Tynwald questions. Also Mr Downie, on his retirement from your Committee questioned where £400,000 had gone which I suspect was the FMA reserves contribution.

I felt that it was important that the Committee received this information and can now add the worsening position for the 2012 year. On the 17th September 2013 we received the 31 December 2012 accounts which had only recently been approved by the directors. The deficit for 2012 has increased by over £100,000 on the previous year to £767,358. During 2013 £176,595 had been received from Government for 2012 year which still left £40,000 to come for our reserves for the 2012 year.

At 17 September we were informed that no subvention had been received for the 2013 year and as the year was three quarters gone and trading was similar to 2012, around £500,000 would have been used from reserves until 2013 funding is received from government which must be leaving the company in an uncertain position.

Clearly the Minister's line that subvention from the Agricultural Development Fund would only be needed for three years transition is not holding good in spite of a reduction in staff by 30 and other restructuring measures as it is expected, which is no surprise, that subvention of around £1 mill will be required annually to support UK pricing with the reduced throughput.

In addition to the 30 lost jobs at the Meat Plant there must be also some job losses from the Creamery as well as in the goods and services supply businesses to farming. These job losses along with farmers looking for more spare time work will have aggravated the unemployment benefit costs for the Island.

The Department's decoupling policy, which has reduced production and required a considerable subvention for the Meat Plant, has been part of an overall policy to reduce the agricultural significance which has been a disaster both for the industry and the Island, although some individual farmers may have benefitted. Others include, the closure of Knockaloe, instead of using it as a training ground for future farmers from a non-farming background, amending the tenancy laws to allow short term tenancies which favour larger established farmers and work against new and younger farmers who need the security of the 1969 Act to set up in farming and the weak attempt to retain the EU derogation on meat import control, although, due to the current reduced throughput at

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the Meat Plant, importing would now be required in any event, which would have made the implementation of import controls which restricted importing to the FMA as untenable.

I trust that this deals with the issue of publication as set out in your letter and that similar FMA accounts information contained in this letter will also not be published.

Yours sincerely

David Moore

000247

22 November 2013
Mrs Marie Lambden
Secretary Environment Food and Agriculture
Policy Review Committee
Legislative Buildings
Douglas

Dear Mrs Lambden

Re- Countryside Care Scheme Review

As I have referred to the EBLEX Business Pointers enterprise costings in my submission, I enclose herewith the latest report to 31 March 2013, newly named the Stocktake Report, which I trust will be of interest to the Committee. While there has been an improvement with the deficit on the Combined rearer / finisher beef reduced from £369 in 2012 to £314.50 in 2013 and the deficit for the average Lowland breeding flock reduced from £26 in 2012 to £12.65 per ewe in 2013, production still requires the Pillar 1 receipts in the UK and CCS receipts in the IOM to support production.

Combined Rearer/Finisher Page 20

It is more useful to use these figures as shown on page 20 as it shows the complete picture and while finishers may show better results as they are more in control of their costs, it means that they have passed more of the deficit down to the breeder/rearers who sell weaned calves. The Gross output figure of £949.13 may appear rather low but we see on page 21 that animals sold compared to cows put to the bull was 85%. Taking the average herd size of 119 cows means that 101 cattle were sold which gave an average return of £1,128. ($119 \times £949$ divide by 101). As we receive 95% of the average UK price then our Gross output will be £60 to £70 less per animal sold.

Lowland Breeding Flocks Page 36

The Gross output per ewe is given as £104.60 but as we see on page 37 that the percentage of lambs sold per ewe is 1.45 which gives an average sale price per lamb of £72. As we receive 90% of the UK price we receive £7.20 less per lamb amounting to £10.44 less per Ewe at their 1.45 per cent sales per ewe. This will increase the deficit to £23 per ewe for the average results and considerably reduce the positive margin of £18.34 for the Top Third results.

This is not a complaint about the lower profitability of farming on the IOM as this is something that we have had to manage by living and farming here throughout our lives and accept that position as there are many advantages of living on this Island. However, as there are no local farm costings of the scale of the EBLEX report, I feel that we should be able to use them provided that they are amended to take account of local returns and hope that this is helpful to the committee.

Yours sincerely

David Moore

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31st December 2013

Mrs Marie Lambden
Secretary Agriculture
Policy Review Committee
Legislative Buildings
Government Office
Douglas

Countryside Care Scheme Review

Dear Mrs Lambden

I attach various copies of items from the Farmers Weekly on agricultural policy issues which may be of help to the committee members in understanding this complex issue. The main concern of UK farmers is the movement of some of Pillar 1 of the CCS equivalent receipts, confirming that the receipts are necessary for productive farming.

Having attended the open meeting and read the verbatim report of the meeting on the 22 November when the Minister and Mr Lole gave oral evidence, I wish to take this opportunity to comment on their answers given, from a farmers view.

The Minister again reiterated that the CCS payments were made to farmers to comply with the requirements of the CC Scheme being statutory management requirements and standards of good agricultural practice. He made no reference to the payments supporting production as indeed the Scheme does not either. Clearly if that was the case then that would also have to be the case in the UK which set our returns from market prices and if that was the case in the UK then there would not be any problems with tenants not receiving the CCS payments or the conversion to flat rate acreage payments as productive farming would be supported entirely from market returns.

However, we know from the EBLEX farm costings to 31 March 2013 in the UK that even 10 years after they decoupled, large amounts of the CCS equivalent payments to farmers are required to cover production costs. The main reason for this is that the UK and EU system splits the payment into Pillar 1 which is direct payments to farmers and Pillar 2 which is for rural development and environment requirements with the purchasing of agricultural products trade still regarding Pillar 1, which amounts to 75% of their CCS equivalent payments, as production support.

When the Minister at 1150 states that "we all signed up to it", he is saying that it was his presentation of farmers receiving CCS receipts for complying with the requirements of the Scheme that was signed up, indicating that production would be fully supported by market returns, so it is not surprising that the Milk Association and others are changing their minds as they are now faced with the reality of production still requiring a large portion of the CCS receipts. Even if the UK goes for a 15% movement from Pillar 1 to Pillar 2 in the current CAP reform, which is for the period 2015 to 2020, production is likely to be subsidised from CCS receipts for some considerable time to come.

The requirement to comply with statutory management requirements was required of farmers prior to the introduction of the CCS and would continue to apply to those farmers who are not claiming under the CCS. So that would mean that the only requirements of the CCS are as the Minister said, at 160, to keep the land in good agricultural condition. At 1025 the Minister confirms that there is no need to fertilise and as there is no requirement to apply lime or renew worn out pasture as the bottom line of requirements is that the land only has to

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be capable of being brought back into production in the following calendar year. This was the system that was sold to the industry and as the Minister mentioned at 1160 that all signed up to it.

The CCS therefore did not deal with production or subsidy as the payments were purely to comply with the CCS. For many this amounted to money for nothing as the subsidy previously paid on production was understood to be replaced by an increase in market returns so it is not surprising that landlords feel that they can claim the CCS payments.

Q1

Partial decoupling was put forward as an alternative with decoupling only to be increased if and when market prices rose so that production continued to remain viable during the transition to prevent any drop in production.

Government controlling food production should not be viewed as a crime and with the climate changing and as food production is vital, more government intervention may be required which may be why the EU is now permitting more coupled support under the current CAP review.

The red meat derogation had little to do with what we produced whereas removing of production support has affected the quantity.

The claim that farmers were subsidising the Meat Plant did not mean that it was inefficient and the Minister confirms this at line 790 which shows a conflict of presentation.

Q4

The Minister appears to question the role of policy review committees.

During the three years of consultation there had not been a postal ballot of farmers held.

Q7

As the Scheme that was presented by the Department did not refer to the requirement of the payments for production support, landowners probably felt that they could retain it as the tenants would farm profitably from market returns alone.

I circulated the EBLEX report to 31 March 2008 to all Tynwald members for the December 2008 final Tynwald debate and approval of the Scheme, explaining that in spite of the UK decoupling in 2003, large losses were still being made from market returns alone by livestock enterprises and these losses were being paid from their equivalent CCS receipts. However the Department's advisory service at Knockaloe produced predictions for the Tynwald debate for the current year which showed an improving picture but when the next EBLEX report to 31 March 2009 came out this was not the case. The Department reproduced what they claimed to be the EBLEX results to 31 March 2009 in their December 2009 Advisory document to farmers and claimed that the results to March 2009 had confirmed the predictions that they made to Tynwald in December 2008. However, when I checked the figures with the EBLEX report I found that certain costs had been omitted from some enterprises which made their claim invalid. After lengthy correspondence with the Department, they published the correct figures in the next edition of ASQ but to date the Department has not adequately explained how a government department was not capable of copying a few figures from one published report to their own published advisory document which was advising farmers and endorsing a document provided to Tynwald.

Q9 to Q13

I am not aware of the large costs of complying with the requirements of the Scheme. Normal low input extensive farming enables the grass to be grazed and conserved for winter feeding which is confirmed by the much lower output from the industry. With the ceiling of £300 per acre from historic subsidies it is very unlikely that this can be accommodated in rent adjustment. If the payment is for just for CCS requirements, where is the EBLEX deficit on production to be paid from?

Before decoupling young and new farmers were usually prepared to offer more for rent and stock purchases, accepting that they would need to work hard and maybe have a reduced

income just to become started. They would have taken the view that if someone else could pay that amount then they could also as it was a relatively level playing field. However, they may take that same view since decoupling but it is no longer level as some could have CCS receipts to support their production while they may not have.

Q14

If the Department predicted that "throughput would go down quite a bit" then they should have modified the change to ensure that this did not happen as increasing breeding stock to recover numbers is such a long term project. With the prospect of market returns eventually improving due to increasing world demand, the Island would have been in a stronger position to supply rather than reducing production to a level to "feed the manx nation" (CCS).

Q15

It is not just small family farms but even larger more intensive ones that will find it difficult when the move to flat rate acreage payments is completed. This difficulty again stems from the department line that the payments were for countryside care but now farmers realise that they are for production support and are due to continue that way until at least 2020. With new technology and the use of contractors with large more efficient equipment, it is not just small family farms that no longer provide sufficient man hours of work to justify a fulltime wage for the farmer. However, until more families decide not to continue farming and release their farms by going off into new areas, the number of part time farms will continue to increase but this is not unique to the Island. The main concern has to be the agricultural industry as a whole and this is endorsed within the EU at line 1355 but the Minister lamented at the prospect of some farmers not continuing if he had not brought in the CCS. Clearly this is a progression that will continue but it is the industry that is important as the number of farmers and farm size will resolve itself over time depending on how many wish to continue as part time farmers as technological advances occur into the future.

Q23

This issue only arises because it is production support and not for countryside care.

Q26

The Minister correctly recognises that there would only be difficulties if, producers that do not continue, are "not replaced" but this conflicts with his main assertion that if the CCS has not been brought in then some farmers would not have been able to continue.

Q28

We are restricted to beef, lamb and milk products so "producing what the market wants" is what we have been doing all the time.

Q29

Coupled payments are to be permitted.

Q30

Most farmers have undoubtedly benefited as more profit can be realised from producing less but it has been at the expense of the industry. The MNFU is there to represent its members, which in this case may not align with the benefit of the industry.

Q32

The subvention would achieve more if paid as a slaughter payment as it could encourage more throughput, rather than being used it to write off losses due to low throughput.

Q33 Q34

I feel that the £1.4 million of so called efficiency savings are more likely to be reduced costs due to much lower throughput and the ending of retail pack production.

The Meat Plant has recently reduced the beef payments to 92% of UK and 86% for lamb which must be no better, if it as good, as that which we received before decoupling. In addition government will be required to give a subvention of £575,000 a year, we are no longer producing retail packs and 28 positions have been lost. Clearly this cannot be regarded as a success.

In my original submission, I suggested that the slaughter payments should be re-introduced from the CCS fund but should be converted to pence per kilogramme using an average weight as the headage payments were a flat rate payment per animal and favoured the lighter weights.

Q37 Q40

I feel that the committee have already expressed doubt on the Minister's claim during the meeting with the processors.

Q39

What evidence does the Minister have for saying that "farmers across the Island unanimously agreed that the old system was failing" when everything was going on as it had always done with good levels of production and all land fully utilised. "The old system was failing" is a completely erroneous but emotive statement.

Q41

"We are trying to get the plants to run as profitable businesses" but then said "I suspect that we never can". So has this been some kind of experiment that has wrecked the industry in the process?

Q42

"Production support which we know has failed in the past". The evidence is that the CCS system of change is what has failed. A more moderate system of gradual change could have prevented this.

Q43

I do not understand the Chairman's comment that "EU farmers are supported directly which we, not being part of the EU, cannot actually do so". The term direct refers to Pillar1 which is described as direct payments to farmers which the purchasing trade appear to regard as subsidy for production even though it is a decoupled payment and cross compliance requirements have to be adhered to. Under the proposed current CAP reform, individual countries have been given greater freedom to act which has been reported that the CAP becoming less common that it has ever been. My view would be that as we as an Island provide all the finance for agricultural support, we should be in an even stronger position to modify the system to suit our own particular needs. Scotland has always had coupled support and intends to continue it.

Q44

Mr Lole appeared to divert the issue of EU introducing coupled subsidy support by referring to the transfer to flat rate acreage payments

Q45

The CCS has reduced the agricultural industry and not "saved some sort of agricultural industry".

Q46

As we know of quite considerable increases in activities of some farmers prior to it being announced is a widely held belief that some farmers did know about the reference years and that they could increase their historic receipts by artificially increasing their production.

Q47

When the slaughter payments were being paid, a portion would have been passed down to the rearers in the price paid to them by the finishers. If some slaughter payments had continued then the rearers would have not been left out.

Q48

The requirement is that the land only has to be capable of being brought back into production in the following calendar year.

Q62

As a large amount of the CCS receipts is for production support, it is unlikely to be possible to place a cap on it as there could be a large farmer carrying a large number of stock and on the EBLEX costings in England to 31 March 2013, it would require over £300 subsidy from the CCS receipts for the combined suckler/finisher per suckler cow in the herd, to cover the losses after market returns have been taken into account. However, if they are just doing basic countryside care then they could afford a cap which could be implemented if slaughter payments were there to cover production costs while they are needed.

I was quite relieved at the comments from Mr Macleod at the processors meeting on the 5 December 2013 at Q116 and Mr Hall's Q118. I have never met Mr Macleod nor spoken to him but as the CCS changes are a far reaching technical matter that has affected the whole Island, I fully endorse an enquiry by an independent experienced authority for the reasons as set down from the MMA board at Q116.

I trust that these comments are helpful.
Yours sincerely

David Moore NDA SDA

000253

27 January 2014
Mrs Marie Lambden
Secretary Environment Food and Agriculture
Policy Review Committee
Legislative Buildings
Douglas

Dear Mrs Lambden

After reading the recently published Briefing Papers for 22 November 2013 and 3 January 2014 meetings with the Minister and Chief Executive, I wish to make the following comments to the committee.

Graph 1 Page 3

In view of the large reduction in calf births and breeding flock that I set down in my original submission, which were taken from the Department's website, I was quite amazed by Mr Lole's statement that the meat **produced** in 2013 was higher than that in 2003.

On examining the graph it shows that 25% of the 2013 total is from live exports and this is stated as Kg of meat equivalent. As these are live animals of varying live weights and ages, there is no indication of assumptions that have made in arriving at that figure or the conversion to Kg deadweight. Also, due to the improved payments from the meat plant in 2013, it is likely that a significant number of the exports in 2013 are breeding cows and ewes. As cows can be 10 years old or more, it would clearly not be accurate to say that they had been produced in 2013. Most of the production of a cow would occur in the first two years of life when being reared so some exported in 2013 could have been produced in 2003 or any other year since then. Similarly with ewes, which can be 8 years old or more and as most of the production occurs in the first 18 months of life when being reared, they could have been produced in 2005 or any other year since. What criteria have been used to arrive at a figure of Kg of meat produced in 2013 from the live export of animals of varying ages?

As there was a considerable increase in beef cows during the reference years 2005 to 2007, heifers would have been taken from production in those years, so artificially reducing production in those years. These new cows would have given increased beef from their calves in the following years and also increased exports of cows after the CCS was approved when many farmers sold out their cows as they were to receive £240 per head, irrespective of whether they had any cows on their farms, which would further distort a comparison. Also, as the beef headage payments were still being paid on a reducing level, it is unlikely that any significant clean beef produced in the years 2008 to 2010 would have been exported live, making most of the live exports being cows. Also, any young store animals exported in 2013 may need adjustment to arrive at Kgs of meat produced.

Has the Department taken into account the age and type of animal and are they individually weighed and what was system of conversion to deadweight used to work out the weight of meat equivalent of live exports and if they have where is the criteria that they have used in those calculations. If they have not, with the figure being based on total live weight of animals exported, then the graph and associated claims are meaningless.

Clearly a comparison of this nature is a very strange way of going about assessing the effect of the CCS. A more valid way would be to use the calf births, as I had used in my original submission, but of course the Department would not use that data as it would not show the effect that they wanted to portray.

With the assumed lost production due to the March snow which accounts for 9.5% of total production, again there is no indication of assumptions made. If they were cows and ewes then they could not be regarded as being produced in 2013 due to the likely varying ages. Also assumptions had to be made as to the anticipated marketable weight of the animals when live and deadweight conversion. For lambs lost, were they grossed up to finished live

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weight and what weights were used, as according to the FMA price list, these can vary from 7Kg to 21Kg dead weight and would vary depending on breed and age at usual sale time. Clearly there would have to be considerable guesswork involved in these calculations which may be useful as a matter of interest but would not be of sufficient accuracy to include in a definite figure of production, especially if it was to be compared with other years to provide evidence to your committee.

Graph 3 page 7

To consider this we have to go back to before the introduction of slaughter headage payments which were paid under the Variable Beef Premium Scheme which was introduced in 1980-1981.

We as farmers have to make a decision at cattle housing time in October or November each year, as to which animals we intend finishing while housed with the last being sold in the following April. The decision of which will be finished indoors and those that will be let out in the spring for grass finishing will depend on various factors. The age, size and condition of the animals at that time, available correct quality feed and likely availability of spring grass, as grass finishing is much cheaper than indoor finishing. To help cover the much higher cost of finishing animals after a long housing period to sell in April was to be covered by increased market price at that time. The animals to be let out to grass in the spring were carried over the winter on a low cost plane of nutrition to save costs and then finish on grass. The problem with this was that there very low availability of beef in May and June as the supply from yarded cattle finished in April and grass cattle would not be ready until July. This was accommodated in other countries as a seasonal shortfall, however on the Island this period coincided with the highest demand due to the many TT visitors requiring beef products. The late Dr Edgar Mann addressed this by introducing the Variable Beef Premium Scheme as he recognised that by basing our prices on the UK market price alone was not able to address the extra costs of producing yarded cattle on into May and to bring grass cattle earlier than July, which the IOM needed. It was introduced as a Variable Premium subsidy payment with the amounts paid being varied throughout the year to manage the supply to meet the required IOM demand with the payments peaking in May and June. This was to encourage farmers to carry yarded cattle on for sale in May and encourage grass feeders to step up feeding of their store cattle in March and April so that they would go out to grass in April in better condition and by fertilising their grass earlier could have them ready for slaughter earlier, in June. The other end of the scale was that there was usually an oversupply at the end of the summer as farmers would try to off load finished cattle off grass to avoid housing as animals generally go back slightly with the changeover. By having lower Variable Premium at this time was to encourage farmers to house some of these animals so that they could be finished later in the winter and to even out supply. The payments were also varied according to grade of animal, initially as three bands, (Appendix 1) but around 1992 it was changed to the Beef Quality Headage Scheme which varied the payments according to the classification of the carcasses, (Appendix 2) to fit in with market requirements.

Sometime after the introduction of the Scheme, a new form of production emerged being that of leaving the male suckled calves uncastrated, as by being left in this condition the animals grew much faster, were of better conformation than steers by carrying more muscle and had much better food conversion rates. As there was concern among the meat trade that this was bull beef production, a stipulation in most EU countries was that these animals had to be slaughtered by 15 months of age to qualify as clean beef and receive premium payments, otherwise they would be regarded as mature bulls and realise a very low price. Most beef suckler cows calve in late winter/early spring to be ready to produce milk for their growing calves during the summer grazing season. This means that they calve in March and April with slaughter of any SYBs required before they are 16 months in the following year which would be May and June, which happened to coincided with the shortage TT period and the highest Variable Premium payments. "Graph 3 statement of the distorting effect of headage payments on the seasonality of SYB production" is completely erroneous as those

that engaged in SYB production would have had to sell them in May and June irrespective of any Premium payments being made as to sell later would have suffered a substantial price penalty as they would be graded as mature bulls. To calve earlier in the winter is not practical either as freshly calved beef cows are best turned out to grass shortly after calving otherwise disease problems can occur and this is not possible before March due to weather. Farmers would make the decision not to castrate their male calves for a number of reasons. Farmers on hill and marginal land found that they could now finish their calves as they did not need acres of good grass, which they would need for steers, as the main feed for these SYBs was feed barley, fed indoors, which they could buy in and with the improved feed conversion, growth rates and grades, it is not clear what, if any, impact the headage payment had on their decision to produce SYBs.

As the Headage Payments could be varied, was only paid on good quality carcasses and as it was the responsibility of the Department to manage this funding on behalf of the taxpayer, clearly it was within their remit to either reduce or not pay at all, the premium payments on SYBs if as they say on page 7, "the carcasses produced were of a type not attractive to most supermarkets and local retailers, they most had to be exported into the UK wholesale markets for limited returns". That comment is not correct as the FMA are currently only deducting a 15p/Kg for SYBs so they must have a good market for them and the EBLEX GB price table from the current edition of Farmers Weekly, (Appendix 3) which shows a price penalty of only 38 p/k deadweight for SYBs over steers and heifers, which would amount to just over £100 less for a 300 Kg deadweight SYB or a 10% reduction which can easily be made up from the superior performance of SYBs over steers. Also, as SYBs produce a higher grade than they would as a steer, there probably would not be any penalty on a particular calf. This reduction in price from the market, which also occurs in the UK, is likely to be more as a result of the purchasing trade recognising this superior performance giving improved margins, which the trade want a slice of. The Departments claim is also mentioned on page 19 where it says "that SYB production was only viable due to attractive support measures" which is also wrong as the headage payments for SYBs was the same amounts as that paid on steers and heifers and although the Department could have reduced the headage payment for SYBs, beef from SYBs produced widely throughout Europe is classified as CLEAN beef, along steers and heifers. Therefore the claims made by the Department in an attempt to discredit headage payments, are invalid.

Graph 4 Page 8

At the bottom of page 7 it is stated that "the headage had influenced the timing of the SYBs being ready for slaughter" which is incorrect due to the under 16 month age rule as already described. It goes on, "IOM Meats reduced their payments during this period to reduce supply which is shown at Graph 4". This is also incorrect.

I set out in the enclosures, copies of the FMA price lists and GB prices for steers, heifer and SYBs including a table for easy reference for the end of May/ beginning of June 2004 and 2005, (Appendix 4) to coincide with the dates used in the Departments graph. It will be seen that the price variation for SYBs, steers and heifers paid by the FMA compare well with the price variations for the three in GB, so there was no additional price reduction of SYB price by FMA at that time. At the bottom of Page 7, "In effect the market and the subsidy were giving different messages and the support payments were having more effect than the market demand". Clearly this was the intention as by basing our prices on the GB market prices, which were based on supply and demand there, did not match the demand in May and June in the IOM, so the higher subsidy was brought in specifically to increase production which the market price alone was not able to do so.

I am not engaged in this type of production but I am not prepared to allow the Headage Payment system to be discredited by incorrect presentations. I enclose the Farmers Weekly page 48 of 19 April 2013 where Sam Chesney, who was Farmers Weekly Beef Farmer of the year for 2011 and was the DEFA speaker at the Glen Helen meeting recently, describes his production of SYBs from his 120 cow beef herd. I also enclose page 58 of the Farmers Weekly dated 20 December 2013 where a feed lot that has been started up in England and

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which is currently finishing 250 SYBs, is featured. Clearly this is not an inferior form of production that is sold for "limited returns" as the Department is claiming.

Item 9 Page 14 Meat Plant

The problems set out in the first paragraph could have been avoided by taking the advice of Andersons who recommended retaining 80% of headage payments for 2009 to 2011, 53% for 2012, 27% for 2013 and 0% for 2014, (Andersons 11.6 Page 52). They also recommended a review in 2011 (12.8 Page 58) when changes could be made if there was compelling need after seeing if the Derogation had been retained and the effect of the recoupling would be known. The Department itself conducted a review but it was rather pointless as the recoupling had not been implemented.

Statement "The actual impact had been greater"

It is unlikely that there is sufficient product now to supply all the Islands need, therefore the loss of derogation is of little importance as it would have been unworkable if IOM Meats had to import significant quantities to supply local customers.

(Not for publication, at the last IOM Meats AGM the question was raised as to if there was going to be any effort to bring Tesco back as a customer when it was stated that they would not as they would be unable to supply all of their needs throughout the year due to shortage of product).

The claim that the potential meat production is higher than it was 10 years ago has already been dealt with in my earlier comments.

The claim that £1.4 million of efficiency savings have been made at the plant is questioned as it is more likely to be a cost reduction as cattle throughput has reduced by 36% in 2011 from 2008 and sheep have reduced by 35% in 2011 from 2008 (Appendix 5) and so it would be expected that there would be a similar reduction in direct costs. However, as the fixed costs have been spread over fewer animals there has been little benefit to producers. If you refer again to the my table (Appendix 4) comparing IOM prices with GB prices in 2004 and 2005, it shows that IOM was paying 92% of GB prices for beef in 2004 and 2005. IOM Meats are currently paying 92% of GB prices for beef but to achieve that there is a Government subvention of over £500,000 a year and 30 fewer people are employed at the plant. Clearly there has been an enormous cost the IOM in not following Anderson's advice.

Item 13 Page 17

Some have been adversely affected as there has not been a level system. Young and new farmers without SFP are trying to compete for land and stock with those which do have SFP. This stems from the presentation of decoupling by the Department which gave the understanding that the payments would be for countryside care and that production would be profitable from market returns alone. As over £300 deficit has been required from SFP for beef production the year ended 31 March 2013 (EBLEX), the SFP is essential for production but some are siphoning it out of the industry by taking it and not farming. During the consultation years, comment was made on the transfer to acreage payments when marginal land would receive the same amount as good productive land but the same answer was given, in that the CCS payments were not connected to production. However, as we see the proposals for Scotland, they are likely to have three rates and Wales may have three but the industry wanted four rates and there are concerns that the productive land will be short on income. This illustrates that the contention put forward by then Department was flawed as the present EU system that is going to run through to 2020, production is still going to be subsidised from the SFP for that period. This means that the current IOM proposals for transfer to acreage are going to adversely affect some. A portion of direct support from the CCS fund would overcome this until market prices give the full return. I would contend that many farmers who were producing before CCS and have received their subsidies under the CCS will have been better off if they have cut back their production. If a farmer was carrying 50 suckler cows and taking the calves through to beef at two year old, then on EBLEX 2013 costings he would need to take £15,000 from his CCS receipts to pay production costs. If he reduced his herd to 30 cows then he will only take £9,000 from his CCS receipts, so being

£6,000 better off. Also, as he was carrying fewer animals he would likely be purchasing less fertilisers and any bought in feeds. To put it another way, as the calf payment was £240 and the slaughter headage payment averaged about £200, if a farmer was receiving subsidy payments before decoupling, then in 2013 he would make a margin of £140 per cow on animals that he still produced but would have a margin of £440 on each for those that he had reduced.

Item 17 Page 19

The main concern for those that have gone into new products is that there is not any room for more than 1 farmer because they tend to be of limited demand. Even if more local food was produced, and it would need controls for that to happen, it would only be going to apply to very few farmers. For most of us it will continue to be meat and milk products from our pastures.

Item 6 Page 9

I have difficulty in understanding this question being asked. The confusion probably comes from the name of CCS whereas it is the same as the EU Single Farm Payment Scheme with the same cross compliance requirements. However, by calling it Countryside Care, the Department and Government have avoided the criticism of the general public that they were paying farmers without any need for them to do anything, which other EU countries have had. The term Countryside Care implies caring for the countryside, while the requirements of farmers is to just maintain the land in a condition that it is capable of being brought back into production in the following calendar year. There is no requirement to maintain fertility or quality of pasture.

Item 32, 03/01/14

A neutral review should be undertaken in line with that suggested by the Milk board, to utilise the agricultural support for the benefit of the IOM economy, although that may have been overtaken by the Tynwald vote on 22 January which is to increase the agricultural contribution to the economy. This clearly reverses their vote which approved the CCS in 2008, which reduced agricultural output by at least 25% and amounting to around £8 mill of lost revenue. Has Government anticipated the outcome of your report? The reviews that the Department refer to are their own internal reviews that have tended to support their own policy rather than having the neutrality that the Milk board feel that there is a need for.

There are other matters that could be commented on and if the committee wish for further comment then I will be pleased to provide it.

Yours sincerely

David Moore NDA, SDA

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On the Isle of Man we have a Tricameral System of Government
Legislation Council
House of Keys
And Tynwald when both houses combine to form Tynwald.

The Legislative Council members take a full roll in the governance of the Isle of Man not just having a scrutiny and revising function.

And this is where there is some confusion of its role, it is not the duty of Leg-Co to rewrite legislation or to hold it up unless they are sure the legislation is flawed then and they can not support this legislation, but they can send it back to the Keys with amendments, but in any event Leg-Co does not have the ability to stop legislation that the elected House of Keys has passed indefinitely.

As far as I am aware they have never done this anyway.

It is also alleged that Leg-Co is a place for MHK's who can not be elected by there constituents, this is only that, an allegation, no one can ever know the results of an election, a parliament should be represented as widely as possible of the people and having an un-elected upper house allows us to elect people who have skills that are of benefit to parliament who are outside the world of politics, at the moment there is 3 members of Leg-Co who come from different backgrounds with a widely differing view of the world and working experiences, and this has to be a benefit to how we are governed and to Tynwald debates.

It's a myth that Leg-Co is self perpetuating its just that a myth, when we entrust our MHK's with our vote to elect an MLC who they think will serve the island the best, not the government of the day the best, but the island the best in the parliamentary process.

Leg-Co members can also look at issues in a difficult way, free from constituency matters and can also help anyone from any part of the island.

In a small jurisdiction without party policies a unicameral System would be much worse for democracy than we have now.

At the moment Co-min have to get the Leg-Co convinced of the efficacy of their programmes to ensure its legislative progress through the branches of parliament this is the benefit of our tricamural system without party politics.

Groups and individuals can lobby 3 times to get legislation processed that is best for the island and its people.

I would like to see a change in the way Leg-Co is elected and that would be to limit the number of times the keys can elect MLC to Leg-Co to 2 terms to stop MLC being there for ever as un-elected parliamentary members.

This will provide for senior politicians who can give their experience and knowledge to Leg-Co.

Allow non politicians to be elected who can be of use to parliament yet limit the time they can be elected by the House of Keys to 2 terms in Leg-Co if they wished to remain in politics then after 2 terms they could seek the popular vote at a general election.

When the House of Keys Acts as an Electoral College The voting should be public so that the constituents can see who there MHK voted for.

The Lord Bishop in Leg-Co

The Lord Bishops position in my view is perfectly acceptable as we have an established church within the state.

Therefore it is right that the church exercise its right to express its opinion in the parliamentary debates on crafting laws that we all live by and by debating legislation both in Tynwald and Legislative Council.

The wider questions about the role of the church should the Church of England be established.

Should it be given a right to sit in Parliament.

Should the number of clerics be increased to represent other faiths.

Should there be no clerics at all.

These are all questions that would be the format for an enquiry all on its own.

That ultimately should be discussed by a single question asked of the people.

Do you support clerics in Parliament.

Untill that is decided, in my view the role of the Bishop of Sodor and Man sitting in Tynwald is a settled matter.

Stephen E. Moore

HOUSE OF KEYS

We Elect 24 members of The House of Keys, all with different manifestos, even those that claim to represent parties are unwipped so can in reality vote on any issue on any way they want.

They (the MHK's) then go on to elect a Chief Minister who they feel they can support who is closest to their political views or manifesto pledges.

In the UK I am led to believe that in the months leading up to a general election the senior civil servants talk to the opposition parties to discuss how the manifesto pledges can be implemented from my view on the Isle of Man after a general election the MHK's are appointed to departments and told what the policy is and given the option to support the policy and join the department or not as the case may be. They are then expected to support this policy as it makes its progress through the legislative branches.

The criticism that comes with this is it is the senior civil servants who implement their policy rather than elected politicians.

Various Departments can say that they can judge what the island needs by way of policy decisions. The danger is that once this policy has started it can be very hard to stop if not supported by the people.

There is then often public opposition to those ideas. Sometimes this opposition effect changes most times it does not.

There is a view that in most government consultations the settled view has already been taken.

The changes that I would like to be considered are:

1. Public leader debates for the post of Chief Minister after the candidates have been announced
2. Less members of Departments and the post of junior ministers created.
3. More use of Parliamentary committees to consider legislation.
4. A higher pay scale for all MHK's who may not be appointed to departments but may work on committees.
5. In the absence of political parties we will have to continue with consultations and parliamentary committees to ensure legislation that is introduced but well tested and has the support of the people that it is produced for.

In summary since the start of the world wide banking crash all governments that are party based have been punished at the ballot box, on the Isle of Man where we do not have political parties to punish it is the system of government that has this criticism. Resulting in calls for Leg-Co to be popularly voted in and claims that Leg-Co has not been good enough in its scrutiny rolls, I think most of these critics wanted Leg-Co to be amended or stop this legislation completely.

It is not the role of Leg-Co to reject the legislation that is presented to it.

But to make it workable if it were to do this we would soon end up in a situation similar to what has been proposed in the latest Queens Speech, to stop the House of

Lords vetoing legislation, I would suggest our problems are more to do with the House of keys and how everyone is in government of some description where legislation is nodded through.

I have read on many occasions in the local press where there is reports of members asking questions only to be told you voted for this legislation 6 months ago.

I would suggest it is the House of Keys that needs reform so that not everyone is in government but instead takes on more committee roles to examine legislation and government department policies.

This would ensure these policies have the support and scrutiny especially when they have not been formed by parties or been supported by the population at the ballet box.

Tynwald the third part of our trycamor system of government.

Tynwald is where the polices of the government is debated and the money to support these policies is voted upon.

Leg-Co Members have a vote in Tynwald equal to a House of Keys Member, I support this system in its entirety.

The House of Keys is an amalgamation of different views without being able to hold the view of the people one way or the other, I as a member of the public have the ability to have my grievances heard in Tynwald by both an MLC or MHK and this is a good thing, my main worry about not having a Tynwald of both branches is that a small legislator could more easily be corrupted and the policies could be passed by a relatively small number of people and the money voted by the same number.

Having Leg-Co and the Bishop to vote in Tynwald ensures it is more difficult to be corrupted and when the representation in Leg-Co are not just from the political class. This in my view helps protect the legislator and parliament from being corrupted.

Let us evolve out own systems of parliament not change them so we are just like other places.

Stephen Moore
A member of the public

Document 3

An Outline of the Evidence by Mr Peter Murcott to Lord Lisvane's Review of the Functioning of Tynwald

1: THE CONSULTATION PROCESS

- 1.1: Reference is made to Document One, "The Code of Practice on Consultation".
- 1.2: The Code has six consultation criteria of which the first specifies a six-week minimum period for a written consultation (see: page 2).
- 1.3: Paragraph 1.5 (page 4) sets out the circumstances where there could be a reduction.
- 1.4: Generally speaking, the period is observed. However, a situation arose recently where the consultation was reduced to five weeks (see: Document 1a).
- 1.5: The reasons given did not appear to constitute "some other urgent requirement for the introduction of new measures" (see: Document One, page 4, paragraph 1.5).
- 1.6: A written request that the full 6 week process should be restored was not acceded to.
- 1.7: **The incident revealed that there is no mechanism for an appeal against a time-period reduction to go to an independent person.**
- 1.8: Regrettably, an announcement, early in January, 2016 (the Consultation had ended in the previous November) that the Bill in question would go ahead preceded the publication of the results of the consultation to which an unusually large number of people responded. This tends to impair public confidence in the Consultation process.

2: THE SCRUTINY OF PARLIAMENTARY BILLS

- 2.1: Parliamentary Bills follow a similar procedure to that in the United Kingdom of Three Readings in the House of Keys, and Three Readings in the Legislative Council.
- 2.2: Unlike the United Kingdom, Bills are not generally referred to a Committee, followed by the Report Stage.
- 2.3: The Clauses are considered by the whole House, effectively sitting as a Committee.
- 2.4: Although this can occur at Westminster, the system in the Isle of Man is generally the opposite to that of Westminster: the norm is for the whole House to act as a Committee; the exception is to establish a Select Committee.
- 2.5: The referring of a Bill to a Committee is dealt with by Standing Order 4.10 (see: Document Two).
- 2.6: The outcome is that: -
 - (a) Bills often go through the Clauses Stage fairly briskly;
 - (b) the only way in which representations may be made by the public is either to contact one's own Member of the House of Keys, or to write to the whole House.

3: THE SUSPENSION OF STANDING ORDERS

- 3.1: Both Branches of Tynwald have a provision for the suspension of Standing Orders.
- 3.2: In the Legislative Council, from my occasional attendances in the public gallery, there has been more than one instance of the Second and Third Readings of a Bill being taken together.
- 3.3: An expression of concern by one of the Members of the Council has given the impression that this is not an entirely rare occurrence.
- 3.4: Beyond the issue of the voting requirement for the suspension of Standing Orders, there do not appear to be any specific criteria that need to be established before more than one Reading of a Bill can be taken in a single session. This reduces the opportunity for a concerned party to make representations between the Readings.

4: THE IMPLICATIONS OF THE CORONATION OATH ACT 1688 FOR LEGISLATION

- 4.1: This issue is not confined to the Tynwald.
- 4.2: It arises where any proposed legislation impacts upon the Christian faith.
- 4.3: A recent instance is the Marriage (Same Sex Couples) Bill (which has not yet received the Royal Assent).
- 4.4: It is often said that the Queen, as a constitutional Monarch, should never refuse the Royal Assent to any Bill, passed by Parliament.
- 4.5: This view is accompanied by a reference to a Parliamentary Convention; though it is true to say that conventions are not laws.
- 4.6: Any evaluation requires a consideration of the 1688 constitutional settlement, which included the passing of the Coronation Oath Act. This sets out the oath in a statutory form. In section 3, it requires the Monarch solemnly to swear "to the utmost of (her) power to maintain the Laws of God and the True Profession of the Gospel".
- 4.7: The statute extends to the Isle of Man.
- 4.8: Statutes do not go out of date, and every word is deemed to have a meaning. Given that this was part and parcel of the establishment of constitutional monarchy, it is relevant to how a constitutional monarch acts.
- 4.9: It creates a statutory duty. Its reference to the "Laws of God" alludes to the criteria for the granting or the refusal of the Royal Assent.
- 4.10: The 1688 Bill of Rights declares that the suspending or the dispensing of an Act of Parliament is null and void.
- 4.11: Therefore the Coronation Oath Act 1688 cannot be ignored, nor can its operation be dispensed with or suspended by a convention.
- 4.12: Yet, the refusal of the Royal Assent would create a major political crisis.
- 4.13: Therefore the question is this: -
"Before a Bill is introduced that is, or may be, contrary to the Laws of God, ought not consideration first be given as to whether it could infringe the Queen's Coronation Oath?"
- 4.14: Given that every Bill has to include a statement of opinion by the mover that it is Human Rights Act compliant, isn't there a far greater case for a statement of opinion to be given that a Bill is Coronation Oath Act compliant?

Review of Tynwald 2016

Introduction

1. *This is a contribution to the "Review of the functioning of the branches of Tynwald and to consider options for reform" which was set up in June 2015.*
2. *I attach as an appendix my experience of the workings of Tynwald, together with my experience of the workings of the House of Commons at Westminster.*
3. *The Review has been asked to*
 - *Examine the functions of the branches of Tynwald*
 - *Assess their efficacy*
 - *Consider the scrutiny structure required by the parliament*
 - *Recommend any options for reform*
4. *I have set out in this note some weaknesses I have observed in present Tynwald procedures over a limited number of topics and made suggestions for improvement.*

Fundamental Issues facing small jurisdictions

5. *In my opinion, based on some experience of both Westminster and Tynwald, small jurisdictions – such as the Isle of Man - face a very difficult challenge of how to cope with the high volume of legislative change required in our modern world. Small jurisdictions, by definition, are substantially short of the resources to apply the vast amount of desirable and necessary legislation adopted by larger, better resourced jurisdictions.*
6. *Small jurisdictions, with a relatively small number of citizens, also have to contend with a smaller pool of talent and expertise from which to draw candidates aspiring to become politicians. There will be gaps in the expertise available within the 30 or so Tynwald members compared with the expertise available from the hundreds of politicians available in larger jurisdictions.*
7. *In the Island, with only limited contributions from political parties, there is also a lack of research and lobbying machinery to support and inform Tynwald members compared with the resources available to politicians in some larger jurisdictions.*
8. *There are similar problems with resources and expertise in addressing the task of scrutiny. In my view, Tynwald should be able to periodically review most if not all functions of Government. This is a substantial and difficult task, probably inadequately performed at present.*
9. *A further difficulty for Tynwald in facing up to the task of considering draft legislation and revising existing legislation is the availability and pressure on those required to draft legislation. The review might wish to consider how far the shortage of drafting resources is a contributing factor to a more effective performance by Tynwald.*

Examples of apparent inadequate scrutiny performance from Tynwald

10. *Examples of the difficulties I have observed are the apparent total lack of Tynwald scrutiny of annual reports of both the Surveillance Commissioner and the Road Transport Licencing Committee (RTLCL). These reports are laid before Tynwald each year. There may be a similar apparent lack of Tynwald scrutiny of other annual reports produced by public bodies or officials on the Island. On Surveillance, at present there are important developments in the UK about issues of privacy and surveillance; I see no evidence of these vital changes yet being considered by Tynwald as a prelude to possible legislative changes in the Island. Similarly, the RTLCL has raised issues of ingrained illegality in every annual report to Tynwald since 2008 without any apparent follow up action or discussion of these annual reports in Tynwald. Inevitably, those compiling such reports ask if these documents are read by politicians and if not, do such reports serve any purpose?*
11. *From my reading of Hansard, I have also observed a lack of knowledge apparent from the contribution of some Tynwald members during debates. Given the wide range of subjects on which Tynwald members require some knowledge, this review should therefore include recommendations to assist Tynwald members handle issues where some expertise is required. There may also be issues about the sheer volume of work and current methods of handling the work.*

Example of an apparent inability of Tynwald to resolve issues

12. *In 2001, Tynwald passed the Road Transport Act (RTA). This was intended to deregulate the Ply for Hire taxi trade, a development at the time common to a number of jurisdictions. Tynwald decided to place a temporary "hold" on implementing the Act – hence the "transitional provision" inserted into the Act as Schedule Two. However, despite the fact that the temporary "hold" was to be for five years, Tynwald has been unwilling to remove the transitional provision. So 14 years after the Act came into effect, Schedule Two "transitional provision" is still in place. The effect of failing to fully implement the Act is to allow the continuation of the illegal "trading" in Ply for Hire licence plates together with the illegal "renting" of licence plates. Other significant related issues such as the failure to require the drivers of Public Passenger Vehicles (PPVs) to report convictions and the lack of standards about maximum age and mileage for PPVs – missing from the original legislation - have not yet been addressed. This despite eight annual reports of the RTLCL having been laid before Tynwald all reporting continuing illegality, a threat to public safety. A failure to address illegality also carries with it the wider danger of undermining respect for the rule of law.*

13. The original 2001 legislation also made provision for Heavy Goods Vehicles (HGVs) to be licenced under the RTA. However, regulations were not brought before Tynwald and the Act does not yet apply to HGV's on the Island, fourteen years after the Act came into force. Consequently, necessary checks on the maintenance of HGVs are not yet in place: there is a danger that the UK Traffic Commissioners will take action against Manx vehicles arriving in the UK with potentially serious economic consequences. On Island there was a serious accident involving an HGV resulting in a young cyclist's death some 10 years ago – a reminder of the importance of this legislation to public safety on the Island.

14. While the PPV and HGVs issues are far from straight forward for politicians, because there is a significant – and powerful - trade lobby to retain the status quo for as long as possible, the failure of Tynwald both to keep these issues under review and to try and resolve them suggests weaknesses in existing procedures.

Suggestions for improvement

15. Faced with the challenges inherent in being a small jurisdiction, the review should consider how to achieve more effective working. How can the tasks of considering new legislation and scrutinising a wide range of reports and Government activity be undertaken in a cost effective and efficient manner?

16. One option is for Tynwald to reduce to only one branch. Is there is convincing evidence of the advantages of such a reform – for example a reduction in duplication? However, the loss of the opportunity to review legislation in a second Branch might have to be balanced by greater opportunities for review in the remaining single branch.

17. I doubt if the public would support any increase in the number and cost of politicians so any change, in my opinion, should be cost neutral and involve abolishing the present legislative council (LegCo). If some replacement political members are seen to be essential, then the number should be kept to the absolute minimum and within a cost neutral framework.

18. Another option is to preserve a second branch but to move away from the present, heavily criticised, method of electing LegCo members by the House of Keys. Any continuing second branch should be elected by the electorate of the Island, perhaps one member for each Keys constituency. There might be other interesting options worth exploring such as having the second branch members elected by the entire Island electorate. That would emphasise that constituency work was the sole responsibility of House of Keys members.

19. The role of the second branch needs to be carefully defined. There are difficult questions about whether a second Branch should have any voting power

on financial matters and on the appointment of a Chief Minister. Should members of any second branch be able to hold Ministerial Office? If the members of the second branch were subject to election by popular vote, I see no reason why a member of the second branch should not be appointed as a Minister.

20. A further option might be to appoint members of a second Branch by virtue of the expertise individuals could offer. I think this is a difficult option, likely to be unpopular because whatever selection procedure is used, the scope for public criticism of selections will be considerable. I prefer some form of election by popular vote.

21. Perhaps the most important improvement needed, in my opinion, is an improved procedure to decide upon and to prioritise what work Tynwald should undertake and what it cannot undertake through lack of resources. Proposals about priorities will need to be scrutinised and approved by Tynwald. The aim should be to achieve an improvement on the current process of settling Tynwald's work programme and priorities. An element of flexibility would need to be built in to take account of the inevitable unexpected events and pressures – however good the planning, prioritisation and work programme. But a bedrock of a work programme is essential to bring greater clarity to Tynwald's priorities.

22. As part of the process of prioritisation, Tynwald should consider whether more work can be undertaken by Committee, properly supported, and reporting back to Tynwald. This may be an effective way of enabling Tynwald members to cover a greater range of issues as Committee work reduces the number of Tynwald members compared with work in one of the branches. Delegating some scrutiny work to Committee may be worth considering as may tasking a Committee to keep under review legislation not fully implemented and legislation subject to a "transitional" arrangement.

23. A more systematic approach to scrutiny might involve agreeing a programme of several years duration, scrutinising some areas only once in perhaps five years. Other areas might require annual scrutiny; some no scrutiny at all. Scrutiny might also involve a closer and more detailed analysis for those activities regarded as especially important. Such a programme should be properly publicised so the public know what work their politicians are giving priority to.

24. The work of the Tynwald members might be aided by a greater use of support staff and expert help to provide improved scrutiny of activities where some expertise is required. I was impressed by the assistance of the shipping expert used during the Tynwald hearings over the Steam Packet in 2009 which seemed to help bring an improved outcome from the scrutiny committee. Similar assistance was not provided to the Tynwald review of "Open Skies" in 2013 and the issues, as a consequence, were not adequately explored in my opinion.

25. The Island does have the advantage of a number of residents with substantial expertise from their careers in a wide variety of fields. Steps to map the extent of the “dormant” expertise potentially available on the Island would be sensible so that opportunities for making use of relevant expertise could be explored. This point could apply to the work of Government generally, not just to the work of Tynwald.

26. The mapping of expertise already available on the Island – referred to in Paragraph 25 above – could be a partial answer to increasing the expertise available to Tynwald members without undue cost implications. Consideration should also be given to the extent that on Island expertise could assist some of the scrutiny work currently probably not done at all. The development of political leadership of scrutiny, assisted by expertise, might be a way for increasing the effectiveness of scrutiny. I suggest pilot schemes be used to test this model of operation followed by a review. On Island expertise would only be a partial answer: off Island expertise would also be required on occasions to cover gaps and to provide the best possible advice.

27. The provision of some research resource for Tynwald members might also be considered if it could be shown to improve efficiency and to make a measurable difference to the way that Tynwald performed. This research facility should be independent of Government to provide Tynwald members – on occasions - with an independent alternative view of an issue under consideration. Perhaps the way forward would be to run a pilot scheme, subject to proper review, to see if the provision of support staff, expert assistance and research delivered improved results.

28 Consideration might also be given to the possibility of sharing the provision of expertise with other small jurisdictions in areas where there are common problems and little conflict of interest. For example, in some areas of transport issues, the Island may have common issues – and little conflict – with Jersey and Guernsey. This could help contain costs and encourage sharing the work of finding solutions to common problems.

29. While it is important to preserve the leadership and independence of politicians, there may be greater scope for Island pressure groups to assist in providing factual briefings for politicians on subjects where the pressure groups have expertise. For example, TravelWatch, the voluntary organisation representing passengers, has provided such briefings on a number of transport topics over the last nine years. If Tynwald acquires a research/support facility then links with organisations such as TravelWatch may be a cost effective way of helping develop briefing papers for Tynwald members.

30. If improvements are made in the support available to politicians, it could be important to ensure training is provided to enable politicians to obtain full advantage from any new opportunities. Any reduction in political numbers would also increase

the pressure for politicians to deliver on a demanding workload. The use of some Tynwald members to head up Scrutiny Committees rather than be Departmental members may be worth exploring.

Conclusion

31. On balance, I favour retaining a second Branch with a small number of elected members, elected by an Island wide vote.

I consider that improvements to present performance could result from:-

- * better prioritisation of Tynwald's work including scrutiny work*
- * greater use of Tynwald committees*
- * additional support for Tynwald members – including independent research facility*
- * Making greater user of on Island expertise*
- * exploring ways of working with other small jurisdictions*

Brendan O'Friel

22 May 2016

000271

Dear Lord Lisvane,

I am writing to give my support to government reform on the Isle of Man.

As a member of the general public, I believe it is right for us to recognise the times in which we live; every element of society has evolved and advanced, yet our system of politics has not changed for decades.

I cannot see any valid reason for keeping the Legislative Council as a governing body other than to preserve cronyism.

I value the principles of a democracy clothed in accountability and transparency. In order for this to be manifest, I believe we need to implement a Swedish style of politics, moving to a unicameral parliament which is independently regulated to ensure accountability to the people of the Isle of Man.

I would rather see the Legislative Council abolished from our system of politics. However, a publicly elected Legislative Council would be satisfactory alongside a publicly elected Chief Minister.

I think the purpose of reform should be one that best serves the public, creating an environment for accountability and transparency. A democracy based on Sweden would ensure the latter.

Yours sincerely

Carl Parker

000272

Review of the Functioning of Tynwald | 2016

My name is **Ralph Peake MHK** and I was elected to represent Douglas North in a By-election on 21st May 2015,

I had no previous political or public experience, although I had run my own business for 23 years, specialising in Architectural lighting and Lighting design.

I have a wife and three boys and had lived in the Douglas North constituency for 19 years.

My reason for offering myself as a candidate to become an MHK was, I was concerned the Isle of Man Government was not responding to the Island's needs, within the global financial difficulties.

I felt bureaucracy was taking over and a clear direction of where the Island should be working towards was missing. I could not see a Government plan. Some of the headline language was right and some was no supportive, there appeared to be an inconsistent message and the Government was neither leading by example nor walking the talk.

Many people said to me I would not get elected on a business ticket, although I felt there was a change in mood of the electorate, I promoted a common sense approach, listen to the concerns, respect for the individual and the position, working together and get on with making decisions.

A year on and my observations are;

Bureaucracy

While the Government does require checks and balances, I believe we are so risk adverse it is difficult to proceed with ideas or hope to deliver within a timeline considered, timely.

It appears to me that efforts go into the functioning of divisions, departments or Government, very little effort is invested into the customer's needs and requirements, let alone wants.

The labyrinth of processes and managers ensures anyone outside Government has difficulty securing answers or gaining information. People use MHK's to navigate this 'soup' to achieve their wishes.

The general talk of financial pressure and constraint, leads to a belief and therefore an initial reaction to one of being under-resourced, which leads to ever increasing workload of busy-ness, not wishing to look for and deliver the efficiencies and effectiveness the Island really needs.

With the AG office growing and producing ever larger contracts, we are moving to a system of tick boxes. Individuals, with the experience and knowledge to make decisions are 'being protected' with a corporate contacts, a belief that somehow this protects the individual. I believe results are the opposite. The length of time taken to do anything attracts fewer and fewer entrepreneurs or individuals, leaving larger companies to dominate, making entry for others harder. Key personal are frustrated that individual responsibility is being taken from them and replaced with a lower set of standards. The removal of risk, or measured risk, can leave outcomes showing little or no improvement.

Remove the department system which is an archaic structure, concealing power and corruption.

000273

Parliament

Being new to politics and more used to business, targets and deadlines and teamwork, I cannot help feeling the parliamentary process are heavy with distractions.

Many of the questions raised in Parliament appear self-promoting, of little merit and could easily be answered by the department.

Scrutiny is often held up as a reason questions are need to be asked in public or motions lead to a committee, I do not see an measure of effectiveness to balance this.

The Island is a small nation, although has international aspirations probably fuelled by the TT and the Financial Centre, yet the roles within Parliament appear to be in tension with national and international issues.

I could see the following roles amended to include;

President of Tynwald - take on more international responsibilities in a proactive way, for example the speech at the Anti-Corruption Summit, instead of the current traditional and chairman type role.

MLC – transform utilising the AG office to offer Legislative advice and scrutiny, with limited or no voting powers.

Chief Minister – to provide strong leadership of the cabinet of Ministers and MHK's, focus on national issues and liaise with the President on international issues.

The Speaker - Chairs the House of Keys and conducts ceremonial business and visiting dignitaries.

Minister – to have political responsibility for said area at a strategic level i.e. Treasury or Health. The Minister is the stakeholder for public interest within this area and along with political support holding the CEO and senior officer accountable for delivery.

MHK – to work within Government as the public representative and to the best of their ability ensure fairness, efficiency and effectiveness are adhered to while holding the officer accountable for delivery of the agreed strategy.

Committee's – formed only as required and delivering a specific outcome for an identified national benefit, within a determined timeline

CEO – This role needs to take more public responsibility for their actions and their officer's actions within the said area. This will include performance of delivery and transparent decision making.

Senior officer – These roles need to be outcome driven and performance measured. Risk and personal responsibility are to be part of one's role, with leadership skills learnt and used. A values based culture and working environment will encourage teamwork, efficiencies and effectiveness.

Workforce – a group of people who want to provide the services of the said area. This will be a mixture of full time, part time, zero hours contact and volunteers, who share the values of the said area with their own. Teamwork and Kaizen.

000274