

**16.&52. Environment and Infrastructure Policy Review Committee –  
The Meat Plant –  
Third Report for 2020-21; tender process –  
Debate commenced**

The Chairman of the Environment and Infrastructure Policy Review Committee (Mrs Barber) to move:

*16. That the Environment and Infrastructure Policy Review Committee's Third Report for the Session 2020-2021: The Meat Plant [PP No 2021/0150] be received.*

The Hon. Member for Douglas East (Mrs Barber) to move:

*52. That Tynwald notes that, in the course of the inquiry by the Environment and Infrastructure Policy Review Committee into the Meat Plant, the Department admitted that it had lost papers relating to a tender; and Tynwald requests an explanation from the Minister for Environment, Food and Agriculture as to the circumstances of the failure.*

**The President:** We shall restart and we are moving on to Item 16 and I believe the mover has indicated the wish to move 52 together and have them voted on separately. I believe both are effectively motions from the same Committee and they cover overlapping issues, and I am minded to allow this. So may I ask is the Court content to move them together and vote separately?  
3375 (Members: Agreed.)

I call on the Hon. Member for Douglas East, Mrs Barber.

3380 **The Chairman of the Environment and Infrastructure Policy Review Committee (Mrs Barber):** Thank you, Mr President.

I would like to thank the Hon. Court for permitting us to move Items 16 and 52 together, which we hope makes some sense, or will by the end of my talking! (*Laughter*)

3385 I would like to start by emphasising that this Committee recognises the value of the Meat Plant for the Isle of Man. The abattoir should be considered to be a strategic asset. It is important for our food security. It underpins the agricultural economy and it contributes to better animal welfare for livestock that would otherwise be exported to the UK.

3390 That is why we have serious concerns about the current model for operating and regulating the Meat Plant. We have been troubled by many of our findings during this inquiry. We are concerned that the tender process to find a new operator of the Plant was cancelled and that key documents that would explain that decision appear to have been lost. Hon. Members will have noticed that I have tabled a separate motion that we will vote on together on this serious failure that has also inhibited the role of the Scrutiny Committee to effectively scrutinise.

3395 We are concerned that a decision has been taken to nationalise the Meat Plant without the necessary groundwork and without the opportunity for scrutiny by this Hon. Court. We have not been provided with any evidence that explains this decision, except in one mention of municipalisation in a strategy. In fact, until the autumn of 2017, the preferred option was to find a private operator of the Plant, and nationalisation had not been considered in any detail.

3400 We are concerned that a £2 million subvention is being paid to Isle of Man Meats each year only for the majority of Manx meat to end up being sold at wholesale prices in the UK. We are not convinced that this represents value for the taxpayer or recognises the true value of Manx meat.

3405 We are concerned that the governance structure of Isle of Man Meats does not meet the standards required of a Government-owned enterprise. There is too much political interference in what is supposed to be an arm's-length company. We are very concerned that a Government Department is involved in both operating and regulating the Meat Plant, as well as promoting the Island's food sector. And we are also concerned that Isle of Man Meats' business strategy, which

relies on wholesale export, is not viable in the long term and fails to address the impending risk presented by new trade agreements and import markets for lamb from New Zealand, among other places.

3410 We have decided to lay this report without recommendations so that this Hon. Court would be able to debate these concerns at the earliest opportunity. If we had made recommendations, they would have fallen along the following lines.

We think that the Council of Ministers should develop a formal, transparent policy on Government ownership of enterprises. This would help to guide any future decisions to nationalise an industry and avoid the mistakes that appear to have been made when putting Isle of Man Meats into Government ownership.

3415 We suggest that all aspects of the financing of Isle of Man Meats should stand referred to the Auditor General, who we hope will be appointed soon in line with the comments we heard just yesterday. We question both the size of the subvention, which is being used to cover operating costs, and its value for money for the taxpayer, since the majority of Manx meat is being sold off-Island.

We urge the Council of Ministers to revise the governance structure of the company as a matter of urgency. It is international best practice to minimise political interference in the boards of government-owned companies, and so serving Members of Tynwald should not be appointed as directors on the board. The DEFA Minister should also not be responsible for the appointment of directors as this lacks transparency and risks instability on the board. DEFA's dominance on the board should also be addressed. We suggest that ownership should be transferred to the Treasury, as is the case with other Government-owned companies, as this would provide more independent oversight of the company.

3425 As this Hon. Court debated earlier with regard to our report on milk regulation, we do not think that DEFA should be involved in both regulating and operating the Meat Plant. This situation does not meet modern standards for the separation of powers and risks too many potential and perceived conflicts of interest. We are particularly concerned that this structure makes it difficult for employees to have the confidence to whistleblow. As discussed earlier in this sitting, we therefore welcome the proposals for a separate regulatory authority and we hope that this is implemented with some urgency.

3430 Finally, we think that Isle of Man Meats needs to revise its strategy to take into account the challenges and opportunities presented by post-Brexit UK trade deals with countries like New Zealand, Australia and the United States. There also needs to be a clearer strategy to add value to the meat and develop markets for by-products. Mr President, these ideas are not radical or new. As you can see from the evidence in our Report, it has been recommended time and again that the operator of the Meat Plant should not focus on wholesale, as it does not enjoy the throughput or economies of scale that would make this profitable. The company should be doing all it can to increase profitability so that the subvention can be lowered.

3445 Most importantly, more should be done to ensure that the majority of Manx meat remains on Island to be consumed locally. At the moment only 20%-30% of the meat processed by Isle of Man Meats remains on Island. Mr President, the subvention is essentially subsidising the off-Island market, with little tangible benefit for the taxpayer. We do not see how this supports DEFA's strategy to, 'achieve a reliable, sustainable and self-reliant Manx food chain that profitably produces a diverse range of products and staple foods to feed the Manx nation'.

3450 The Council of Ministers should consider all levers necessary to ensure that there can be a vibrant market for Manx meat on the Island. Looking to the successful example of the Island's dairy industry, we might have to accept that this needs to include forms of market control.

We recognise that effective scrutiny is an invaluable element of parliamentary function. Most often this occurs after something has gone wrong or where concerns have been raised, allowing a review of a given event or function, with evidence taken from knowledgeable stakeholders, evidence gathered pertaining to the circumstances in hand and a report being formed with

conclusions and often recommendations. Mrs Poole-Wilson talked just in the motion before this one about the importance of competent scrutiny.

3460 As an MHK it has been an honour to sit on a number of Select Committees, such as the PAC and chairing the Environment and Infrastructure Policy Review Committee. All of these roles are reliant on robust, transparent processes of data collection and information sharing. Scrutiny Committees allow emergent policy to be scrutinised and provide the benefit of external oversight outside of departmental influence and with the aim of improving outcomes and reducing waste within Government. They should not be seen as an opposition, but as a valuable tool to improving our governance and processes across all areas of Government. I remind myself frequently that we all came into politics to make the Island a better place and this is best done working together. Embracing scrutiny is an integral part of policy prioritisation, development, implementation and review.

3470 However, if we do not have access to relevant documents the scrutiny process is rendered impotent. The loss of the matrix documents pertaining to the tender process is most worrying and we are requesting an explanation of this from the Minister for the Department of Environment, Food and Agriculture.

3475 Mr President, I would like to end by saying that we are troubled by the culture of fear that surrounds the Meat Plant. As we note in our Report, we took evidence from several individuals who asked to remain anonymous as they feared reprisals from individuals at the Meat Plant or from DEFA. We have also been contacted by people who did not even feel comfortable giving evidence in private to us. We have also been encouraged by the Minister not to scrutinise the Meat Plant for fear of damaging its reputation.

3480 As I said at the beginning, we fully recognise that many people's livelihoods rely on the Meat Plant. That is why we want it to succeed. Our scrutiny should not be viewed as a threat, but as an opportunity to build on successes to date, make improvements and move the industry forward. It is vital that the culture of fear and oppression that exists, whether perceived or in reality, within the Meat Plant and the wider agricultural sector must change and we hope the information in this Report might allow us to start on the journey to achieving this.

3485 Mr President, I beg to move.

**The President:** I call upon the Hon. Member for Douglas East, Mr Robertshaw.

3490 **Mr Robertshaw:** Thank you, Mr President.

I have been on an awful lot of committees in my time in this Hon. Court and this Hon. House; I have never ever come across anything quite like this. It has *very* few redeeming features.

3495 I want to expand on four points, which the Chairman of the Committee has already indicated were areas of concern for us – *real* concern – namely: the way the company was formed in the first instance; the governance thereof of that company; the way the regulations interact with it; and, finally, the strategy and marketing that that company engages in.

3500 I want to start then on company formation and the Hon. Court has had clear indications from the Chairman of the company that it is an arm's-length company. It is nothing of the sort! (**A Member:** Hear, hear.) It is a nationalised company. What I would like to start with is just to compare and contrast the difference in process that this Court went through with regard to the two nationalisations that have occurred during the time that this House has sat; and obviously the other one is the Isle of Man Steam Packet.

3505 The Isle of Man Steam Packet process was extraordinarily detailed, included full analysis from a range of external consultants on the finance structures, on its plant and equipment, on its market conditions, on its finances – everything. The Treasury Minister then brought all of that to Members in a presentation upstairs at least once, maybe twice, I cannot remember. Then finally, with all that huge amount of information, this Hon. Court was asked to make a decision as to whether we should go ahead and effectively nationalise the company, and this Hon. Court chose to do that. I want you to bear in mind that that nationalisation process was linked to a company

3510 that outside of the current circumstances, the COVID crisis, is a profitable organisation. The detail we went through was significant.

Now compare that to the nationalisation that took place of the Isle of Man Meats company where you were not even told that it was a nationalisation. You have been given the distinct and clear impression that this is an arm's-length company upon which we should not dwell too much and we will just slip the very broad-based accounts into the Government accounts.

3515 Well, let's look at the process. Personally, subjectively, I believe that the DEFA Department has been hell-bent since 2010 to nationalise the Meat Plant. I only came to that conclusion towards the end, because every action since 2010 that has been taken has remorselessly moved us towards the process of getting to the point where DEFA control the Meat Plant. In fact, in an interview with Paul Moulton in 2019 the current Chairman, Member for Ayre and Michael, Mr Baker, made it absolutely clear that he had told the Chief Minister that he wanted to sort the abattoir out; that was his political aim, that was his intention. It was then inevitable, and understandable, that he would end up ultimately as a member of DEFA, not the Minister but DEFA.

3520 What then happened was that DEFA then progressed into the process of looking at what the future of the abattoir should effectively look like, and during that process it transpired that an organisation came forward and said, 'Well, you know we would like to run the abattoir. We recognise it is not a profit-making organisation but we think we can bring something significant to the party.' That resulted, I think – and it is again a subjective opinion – against the better view of those directly involved in DEFA that that put them in a position where they had to enter into a tender process, which they then subsequently did.

3530 The PIN was put out and two organisations put their proposals forward, their tender documents forward. The Committee looked at these two tender documents in great detail. There were really close comparisons between the two. They were different, but there were many similarities; and they spoke to the Committee in a way that gave us real confidence that there was a future in what they were saying, that there was enormous opportunity in the ideas coming forward from both those tender documents that we, the Committee, took the view that a real sound future could be put together for the company.

3535 What then happened was the tender process was simply stopped in its tracks, and we were surprised by this. We asked DEFA what the circumstances around that ceasing of the process were and all we ultimately got was an understanding that the two tender groups got as the reasoning behind why the tender process had stopped. We captured that understanding as sitting on two principles: one, that – it is a colloquialism, forgive me – but the first one was that the two organisations did not propose to put any skin in the game; and secondly, that the amount of subvention that was required on both parties was too much.

3545 It is then more than ironic that later on what comes out of all this is that DEFA runs the company itself with no skin in its neck in the game itself, other than taxpayers' subsidy, and that the subsidies have effectively gone up and beyond anything that was proposed in the two tender documents.

3550 We then looked for the reasoning behind the rejection of the two tender documents. In other words, the matrix that they used to assess and examine why these two tender documents did not meet the appropriate standard or level that DEFA was looking for. The tender documents, according to DEFA were supposed to be measured on the basis of a number of one to five, and five was extremely good, three was acceptable and below that was not. Effectively, there is no matrix, there is no measurement, there was no deliberate consideration and careful professional examination of those tender documents. It is almost as if, subjectively, DEFA came to the conclusion, 'Well, they are just no good' and it was brushed aside.

3555 Then that put DEFA in the position that they wanted to be all along, which was to run the abattoir themselves and they did so, constructing a company ... I find this just extraordinary! They constructed a company with directors who were actually one and the same people who had been the assessment panel looking at the tender documents in the first place. Is this sort of thing really going on?

3565 When the Committee asked the now Chairman of the abattoir about this he could not even remember that he led the assessment panel. He could not remember. At that point I had to say to him, 'Well, look, for the purposes of this discussion, we have documentation to show that you were and therefore we will take it that you were leading the assessment panel and we will ask you questions on that afterwards.' The other person accompanying him also appeared not to be part of the assessment panel, when in fact we know that he did contribute significantly to it.

3570 So what these people actually did was, as the assessment panel representing DEFA, they examined two sound and objective tender documents which we, the Committee, believe had a real future, brushed that to one side and placed themselves in charge of the new company. I mean that *alone* is not the way that Government or politicians should behave – just simply not acceptable! For those outside, if ever I have seen anything that looks like 'jobs for the boys' that is it, and that is not how we should behave. So it was a botched tender process.

3575 The board self-selected itself and then the exchanges that happened between the farming community and others is detailed, but none of it came here. Proposals were not considered by us. We did not go through the same process that we did with the Steam Packet. We were not asked to establish whether or not we wanted to nationalise the abattoir. None of that happened. It happened by sleight of hand by the back door, with a board that was the assessment panel of the tenders who then put themselves in charge. I think that is breath-taking.

3580 I want to go on to the issue of governance. When I am talking about governance here I am talking about the relationship between the company that actually operates the abattoir, the board, DEFA and the regulators. I have been involved all my life in concerns related to companies that have been managed and their relationship with the board, and the importance of data interaction between those two is of the highest importance in the sense that a board cannot function unless it has a detailed understanding, a proper reporting process that identifies all the key areas that the company is delivering on and then as a board be aware of potential weaknesses.

3585 As part of our detailed investigation, we called for the board meeting minutes. I have never seen anything like it. I will repeat that: I have *never* seen anything like it, in terms of poverty of information, paucity of information. It is absolutely disgraceful. The Managing Director of the abattoir was asked why key information was not manifest in the reporting minutes, and the answer was in one particular area, 'It would only be reported if it hit crisis point.' The point of a board structure and how it runs is that it has got to be aware of crises before they start happening and they see the key indicators moving and saying, 'We must act there.' There was none of that, there was just none of it.

3595 At that stage we were so dumbfounded that we thought, well, we had better just double check this to make sure that we are not, as it were, losing our minds and we reached out to the Creamery and we said, 'Can we please see examples of your reporting processes between the operating company and the board?' and we got it and that delivered exactly the sort of thing you would expect to see. All the key indicators were there; and the graph, the profile of those key indicators month-on-month would show a clear path and direction that the company was taking and enable the board to function.

3600 Then we have the incestuous problem, particularly with regard to the abattoir, which is a very important facility for us on the Island, which has echoes of the earlier report we had on the dairy and how the regulators interact. There are a number of regulators: there is the vet who must be concerned with a whole range of things, including animal welfare; there is Health and Safety; there is the establishment of the lab results. There is a whole range of them. The point is that those regulators report not to the board, they report to the operating company. (**The Chairman of Isle of Man Meats (Mr Baker):** Absolute garbage!) They report to the operating company. I am being challenged there at an inappropriate time, but that is the information that we were given. That information was not, and cannot in certain circumstances, be transmitted to the board unless the management of the company actually provide that opportunity and that opportunity was not provided.

3615 But effectively, you have a board of directors, all bar one – all bar one – appointed by the Minister of DEFA. All bar one! The regulators are employed by DEFA who submit reports to the operating company who have failed to transmit the appropriate information to the board. We have never, I have never seen anything worse than that in my entire life.

3620 When we asked, ‘Okay, so what, for example, if there was an issue of hygiene, when would that get reported to the board?’ we were told by the Managing Director that would get reported only if the product was removed from the market. In other words, the crisis has already happened and then, we were told, it would be reported. But there was a duty of care in those circumstances for the management to report key indicators to the board in a way that they would pick it up before the crisis actually happened, and that did not happen.

3625 All I will say at this stage is that we have left a whole panoply of information down in the reading room for any Member who wants to go and read it and see themselves some of the reports that should have been fully in front of the board and the board should have noted their responses and they should have sought ways of making sure that there was an improvement to show that that data was improving. We saw none of that evidence at all. None of it!

3630 Then there is the issue of strategy and marketing. Your Committee is not professionals in terms of strategy and marketing with regard to meat, but what we have done is taken the best advice we could and looked at recommendations that we have seen in both tender documents and another report, that I think we have circulated to Members, that came to us quite late in the day. All three said exactly the same thing: that we, the Isle of Man, needed to make sure that we created a situation where we had added value. All three reports said the same thing: we had to build added value; we had to build on brand awareness. In other words – and here we go again –  
3635 we do the same with the Meat Plant as has happened at the Creamery, where the Creamery has built value in establishing itself in the market with a high-quality product – not possible with all the products that come out of the abattoir, but certainly sufficient to seriously move and adjust the value per unit and also would enhance Isle of Man sales. But we saw absolutely nothing of that at all.

3640 What do they do? They rely on an organisation in the UK called Northgate and they just take their carcasses, effectively, and they dump them on Northgate in the UK. (**Mr Baker:** Absolute garbage!) That is what actually happens and the Manx product, which should leave the Isle of Man as a finished product and presented in the same way as the Creamery do with their products, ends up on the market in the UK; pretty well, as far as we can establish, it loses its identity and becomes  
3645 simply a commodity on a broad-based market with no identity. This is not what the leaders in the industry are doing. One of the tenderers referred to the work that the Welsh have done to raise the brand profile of Welsh beef and Welsh lamb, and there are examples in Scotland.

3650 Goodness me, we are a biosphere! Our animals live outside on fresh grass. We have a wonderful opportunity to do with meat, in the same way as the Creamery have acted on milk, and yet we have not done it. The threats that exist to us because of this non-strategy, this dumping of the product onto Northgate in the UK, just leads us, frankly – and I am sorry to use such emotive language – it leads us down a road of ruin. Because in terms of international commodity, meat commodity, Members will be well aware of the fact, for example, that the UK has opened the market to Australian beef from 5,000 tonnes to 350,000 tonnes, and they are now negotiating  
3655 with New Zealand. New Zealand have migrated over to a greater amount of beef, as well as the lamb that they produce. And who knows where else the UK will open up to.

3660 If we do not convert to high-quality branded products there is no future. That is what the two tender documents said, that is what the earlier report said, which was circulated later to Hon. Members, and yet we sit subject to the whims of the general market when we are a tiny player in a huge market, leaving ourselves open to the susceptible and dangerous oscillations of the market; which currently are okay, but as far as the Committee is concerned, are just as easily capable of going in another direction.

I remember on one occasion the Chairman of the company said that he was very pleased that sales had gone up. What he did not tell you was the cost of sales and there are occasions when

3665 items going to the UK are sold at a lower price than then goes to the farmer. So effectively, you  
can always sell more products if you are selling one pound for 50 pence, because that is what they  
have been doing from time to time. Is that the future of high-quality Manx beef? Mr President, I  
put it to you it is absolutely not.

3670 One of the final questions that I recall asking the Chairman of the plant was: 'So what happens  
then if you do not get re-elected?' and he said, 'Well, it will not be down to me as to whether I  
remain the Chairman of the meat company, it will be down to the then Minister of DEFA.' But I  
put it to this Hon. Court that the Chairman of the Meat Plant needs to, as a politician, think very  
carefully as to how he really should conduct himself here, because in a sense he is conflicted now  
if he really genuinely believes that if he does not get re-elected, he can then be employed by the  
3675 Meat Plant, and then presumably at that stage it will be a paid role.

We are in a mess. This is a train crash! You will get indicators; for example, there was a one-  
day inspection recently about hygiene; somebody came over and gave a reasonable report. Well,  
let me tell you, as an extremely long-serving hotelier, the last thing you got was an announced  
inspection. Part of the whole process was that they were *unannounced*. That is where the value  
3680 lay, because they saw the true product that you were providing, and it was a great opportunity  
for a hotelier to interact with that inspector to know how the outside truly saw their business. I  
had four inspections a year and I then compared and contrasted the four unannounced  
inspections to see whether I was performing with my company properly and whether the  
inspections were in the right place. Yet DEFA announced, effectively, that they had this inspection  
3685 paid for, pre-announced and it was okay. They also say that they passed another inspection, but  
that inspection was not a live, on-site inspection of all the information and all the detail, it was  
done online during the COVID crisis, so it was more than arm's length, it was a lot more distant  
than that.

3690 So where is this all going to go if we do not stop, think again and go back to square one and say  
what do we really want about governance, about marketing strategy, about the structure of the  
organisation and about how the regulator is completely independent from the Department? It  
requires that we do start again, because if we do not the current subvention is around about  
£2 million and just above it per annum, in the opinion of the Committee: there are no indications  
we have whatsoever that that is going to do anything else than go further north; there is no surety  
3695 in the quality of our product in the market, and that is going to also go the wrong way; we have  
conflicted regulators who are employed by the organisation that owns the company that appoints  
the directors, that fails to transmit information properly between the operating side and the  
board. I think this is a recipe for disaster and unless we can get this resolved as soon as absolutely  
possible then it will push the meat sector on the Isle of Man, which is incredibly important to us,  
3700 into further and deeper crisis.

Thank you, Mr President.

**The President:** I call upon the Hon. Member for Glenfaba and Peel, Mr Boot.

3705 **The Minister for Environment, Food and Agriculture (Mr Boot):** Thank you very much,  
Mr President.

Well, I am finding it very difficult to contain myself, but I have a speech and I will stick to it, and  
I shall add to it a little as I go through.

3710 First of all, I would like to begin by thanking the Committee for their opening paragraph of the  
Report. The Meat Plant is indeed a significant strategic asset for the Isle of Man and the ability to  
slaughter and process livestock on the Island is very important for our food security, the  
agricultural economy and animal welfare.

3715 Is that a surprise? No, it is something I have been telling the industry and fellow  
parliamentarians for the last five years and prior to that as a Member for DEFA. That is where it  
stops as far as I am concerned. That is the only good thing I can see, really, but I am going to have  
to go through it.

The vital significance of the Meat Plant is why I am going to take some time now to share my thoughts on the Report that has been produced by the Environment and Infrastructure Policy Review Committee and is moved to be received today.

3720 Ordinarily, I would be doing this through the Council of Ministers as part of a formal Government response. However, in this instance it seems we are not following that process for this Report and my opportunity to respond to the Report is merely within this speech. It is vital at this point that I stress that I *do* welcome any legitimate and effective scrutiny into the Meat Plant and, indeed, any other areas of my Department and Government. The scrutiny role undertaken by Committees of this Court is central to good government, and I believe that effective scrutiny is  
3725 fundamental to the effectiveness of the parliamentary system.

However, upon reviewing the Report, I am not clear that this is a good example of valuable or effective scrutiny. It is apparent that the Report before this Court today is incomplete and the process to bring it to the Court is rushed. There is a considerable amount of information missing, not just the alleged scoring matrix; there are significant gaps and a lack of evidence requested or  
3730 included in the Report. It would be normal practice for a draft report to be circulated in advance of publication to the relevant parties who have given evidence, providing the opportunity for my Department particularly to provide further information and, if required, give further evidence to the Committee to address any specific areas of concern.

The Committee rather unfairly have raised concerns in their Report but have not allowed time for us to respond and where we would have been able to provide further information, that was  
3735 not asked for and therefore was not known to be relevant. In fact, the Committee have expressed concern about several aspects which they did not ask myself or the CEO about in person when we gave evidence. They did not ask about the procurement arrangements; tenders; cancellation or existence, or not, of a scoring matrix; the organisational structure and why DEFA, in their view,  
3740 'nationalised' the business – which, incidentally, we did not; we are just one shareholder – or the scope of Treasury ownership; the role of DEFA as a regulator and industry promoter; the level of political involvement and the appropriateness of the political Chair.

Surely these are highly political questions and should have been asked of a Minister, not just discussed with individual officers who are not the owners of policy, and then popped into report  
3745 as grave concerns and dropped into Tynwald with no recommendations and no time to allow Council of Ministers to respond.

We note that the Manx National Farmers' Union, who are by far the largest representative group of farmers on the Island, submitted evidence. As working relationships have progressed, the MNFU, DEFA and Isle of Man Meats have been working better together than they have done  
3750 for many years. This evidence seems to have been ignored, yet the Committee took evidence from unnamed individuals on a private basis and also evidence from individuals who were directly involved in the tenders, and these did seem to influence the summary discussions.

In my experience, any organisation will have dissatisfied customers and disgruntled ex-members of staff. I am sure, Mr Robertshaw, the Sefton Hotel suffered from that as well. This does  
3755 not feel like good governance to me, in the same way that expressing grave concerns yet making no recommendations to address them does not feel like a comprehensive report. This is not the first report on the Meat Plant and nor, at our invitation, will it be the last. It has been a hot topic for many years.

I am going to make no apology for taking a moment to add some background as to where we have come from and where we are in terms of the agricultural sector.  
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When I took over as Minister, I made commitments to overall agricultural support and link it with the environment. Then, bearing in mind the tenuous state of the Meat Plant and its precarious future – I well remember calls for it to be closed down – I pledged to give it a future, as I thought it was strategically important to both agricultural farming and the general Isle of Man  
3765 environment. The Meat Plant is a strategic asset to the Isle of Man and has seen substantial development over the last five years; growth in sales and turnover, both on and off Island, increased export sales and volumes and prices.



3770 There has also been the establishment of a strategic partnership expansion of throughput  
without increasing subvention, which in itself is an indication of improved efficiency. It is not  
insignificant that Isle of Man Meats last year purchased from our farmers over £8 million worth of  
stock and that they saw meat sales grow by 8% against the previous year; much of that provenance  
supplied as high quality to the local market. With a combined top-up to local customers,  
3775 purchasing more than £1 million worth of local meat a year, if we do not support the Meat Plant,  
then it is not just the Meat Plant that is affected, but a large number of Island businesses will also  
be affected.

There was always going to be a requirement for ongoing subvention. Bearing in mind this is a  
meat plant that puts through in a year what a large UK plant would put through in a week. The  
Report totally ignores the circular economy and the value added in terms of all the periphery,  
3780 businesses and our environment, but majors on subvention subsidising meat exports.

The Report suggests that the Meat Plant is not value for money. Let me remind you that the  
Meat Plant enables us to have a thriving pig industry on the Island, farmers are able to sell directly  
to their customers and have access to a home market. We are able to have a very special artisanal  
product with authentic Manx provenance. Additionally, our restaurant and retail trade benefit  
3785 substantially from this provenance. The Meat Plant also means farming of the Island's own iconic  
sheep, the Loaghtan, is a sustainable business thanks to the ability to slaughter on Island.  
Importantly, the successful development of the Meat Plant avoids a situation where hundreds of  
vehicles with live exports cross the Irish Sea every year.

So do I believe subvention is value for money? Yes. Could the Meat Plant be more efficient?  
Maybe. But this is a Report that does not go anywhere near that. It is actually back to the future.  
3790 Does the Committee not think that, in the report that we commissioned at the beginning of the  
administration, we did not consider all the options? I call them the old chestnuts: a smaller Meat  
Plant; a mobile abattoir; live exports; reintroduction of derogation. Yes, they were all considered  
and had we been given the opportunity to respond to the Report, there is clearly a huge amount  
of material that the Committee has not considered and that we could have provided, but instead  
3795 the Committee seemed to have concentrated on the lack of a scoring matrix.

I would like to note here the focus on the scoring matrix is misleading. Department officers not  
involved in the tender process were asked to find a completed scoring matrix by the Committee,  
so went out to search for one. They reported they could not find any record of a completed matrix  
to the Committee. At no point were we asked about that, just officers. At no point had the  
3800 Department said there was a completed matrix or admitted that we had lost papers relating to a  
tender. We have no record of there being a matrix because one does not exist. Had the Committee  
approached the Attorney General's Chambers, who co-ordinated the procurement process, to  
request the information that they hold, the Committee would have seen the appraisal report,  
which, in essence, is a summary and concluding note of the tender process. Had the Committee  
3805 read this report they would have been –

**The President:** Mr Boot, I have an interjection. Would you accept that from Miss August-  
Hanson?

3810 **Mr Boot:** No, not really, not at this stage. She has an opportunity later.

**The President:** Please continue.

3815 **Mr Boot:** In essence, had the Committee read this report, they would have been clearly able  
to see that the procurement process had been followed appropriately and accurately.

Mr Robertshaw alluded to the members of the procurement board/committee, call it what you  
will – if I can find it, I will tell you – it took me two minutes searching online to find out who those  
members were. Excuse me as I put my glasses on. 'The internal assessors have been approached  
by DEFA, Peter McEvoy, John Harrison, Tim Baker MHK, Richard Lole; DOI, Deborah Reeve and

3820 Brett Woods; DED, David Tarpi; and Treasury, Carl Hawker; and recognising the impact of external parties' pre-tender involvement included Agricultural Marketing Society and the Manx National Farmers' Union.' This was not a decision made just in-house. It involved other Departments and external resource.

3825 In understanding this full process, it is clear that the absence of a completed matrix is to be expected as neither of the tenders met the basic minimum criteria. A matrix is used to make a decision between viable tenders to provide evidence why one tender is awarded to one party over the other. In this instance, no tender was awarded as no tender met the minimum requirements and the tender was cancelled. There is no missing matrix as there is no completed matrix. I did a little research; both tenders wanted ... one wanted £2.5 million in the first year and the other  
3830 wanted £2 million in subvention in the first year.

It is most disappointing with this Report, though, that it has no conclusions or recommendations. It highlights grave concerns. It has been publicly labelled as damning, yet the Committee provides no recommendations. Indeed, I checked the Report again following the Manx Radio interview by the Chair of the Committee just hours after the Report was released – we did  
3835 not see it prior to its release – to say 'The recommendations talk for themselves'. Well, this Report has no recommendations in it! There was criticism over nationalisation by the Chair on Manx Radio. This is also unfounded.

In the Memorandum of Association of the Isle of Man Meat Company Limited as set out under the Companies Registry Act 1931 to 2004, the name of the company is 'Isle of Man Meat Company  
3840 Limited' and the company is a private company. Is the Committee seriously comparing the acquisition of the Steam Packet to the Meat Plant? No one really wanted the Meat Plant. It was a failing asset – we had no assets, really. The Steam Packet was an organisation, it was a strategic transport link that involved hundreds of millions of pounds. The two just do not sit together. The Government are simply one of the shareholders and the provider of subvention. This is definitively  
3845 not a nationalised company.

The criticism over a political Chair is also misleading, as the position of Chair is not required to be a political Member. It is by chance that Tim Baker is an MHK and not that he is appointed because he is a politician. The articles of association do not set out any qualification criteria for who the Chairman may be. And speaking of the criticism, the fact that I or DEFA have the ability  
3850 to appoint the directors, wouldn't you think that was good governance, as we are providing the main form of subvention, that we have some control over the board structure and how it operates?

There is a supposition that Treasury would be better placed as a shareholder. Let us explore this. At every Agricultural Directorate meeting, we have from five to eight reports from the Meat  
3855 Plant. We track their performance, cash flow, their interaction with their partner in the UK, and we question their future strategies and in-house we have the relevant expertise to do that. We have officers on the board with the necessary skill sets, and the Chairman has worked without remuneration since the time when we had no viable Chair. He comes from an accountancy background with business turnaround experience and has been able to quickly understand the  
3860 problems and challenges and establish an increasingly commercial business, and it should be noted that he has not been in the Department for the last 18 months.

As for jobs for the boys, Mr Baker receives no remuneration; neither do any of the directors on the board that are sponsored by DEFA. I do not think that is jobs for the boys. I think we should thank Mr Baker for taking on a thankless task and sitting in this Court this afternoon, hearing  
3865 unfounded criticism.

For some reason, the Committee think that DEFA's involvement is negative. Are they suggesting that Treasury holding the shares would somehow add value or improve the situation? *(Interjection and laughter)* They have no embedded expertise in agriculture. This is like saying that Manx Care should be transferred to DfE. It is as silly as that!

3870 I am not sure what the rationale is for rushing this Report out without giving the Department the right to reply, Council of Ministers time to respond, seeking further evidence or even taking

the time to make some recommendations. Mr President, I for one will not be voting to receive this Report and I would implore Members to do the same. It is not fit for purpose, it is premature, it lacks engagement with the Department and even within the last 48 hours more evidence has  
3875 been posted for Members to examine, evidence that we have not seen.

I would suggest that we send it back to the Committee as there are legitimate lines of scrutiny and let the next reincarnation of the Committee work with the Department, Council of Ministers and the industry to produce a comprehensive report that reflects the reality and provides a coherent set of recommendations that can be supported by robust evidence.

3880 Thank you very much, Mr President.

**The President:** I call upon the Hon. Member for Ayre and Michael, Mr Baker.

**The Chairman of Isle of Man Meats (Mr Baker):** Thank you very much and may I completely  
3885 associate myself with everything that the Hon. Member for Peel and Glenfaba has said and I thank him for speaking for long enough to allow himself to calm down after the absolute drivel and rubbish spoken by the soon-to-be departing Member for Douglas East. He seems to see conspiracy in every situation and I put it to Hon. Members that you see things the way that you are. If you are basically honest, you see things as honest and if you are not, you do not. I will leave that  
3890 thought there.

**The Speaker:** Point of order!

**The President:** Please, point of order. (*Interjections*)  
3895 Mr Baker, would you like to withdraw that comment?

**Mr Baker:** If you believe that I should, Mr President, I am happy to do so.

**The President:** Yes, I believe so.  
3900

**Mr Baker:** As made clear by Minister Boot, this process by the Scrutiny Committee is not how a Scrutiny Committee should work. I and I know the Minister value effective and proper scrutiny. This is not it.

The Committee says it has had a watching brief since 2016, yet it has got no recommendations  
3905 nearly five years later. If it was so concerned about the nationalisation, why did it not scrutinise it in 2018, 2019, 2020 or even 2021? How come the Chair was on the radio talking about recommendations for a report that has no recommendations? And I understood that Scrutiny Committees were not supposed to appear on the media until the Report had been in front of this Hon. Court.

3910 There was no ability for either the Department or for the company to respond. Additional evidence was published as late as last Friday and it looks, from correspondence from Mr Thomas, that there may be a very specific amendment coming forward on the back of a report that has no recommendations. How did that happen? I wonder.

The evidence base, Mr President, has been *carefully* ploughed by the Committee. They have  
3915 taken evidence from a range of different people, but they have listened to the ones that fitted with their preconceived ideas of what the story really was here.

The Committee recorded its thanks to Miles Macpherson, who was previously employed by the Fatstock Marketing Association as an interim on a day rate. He was largely based in the UK at the time I came to know the plant. He was connected to one of the failed bids and his services  
3920 ceased once Isle of Man Meats' management team was appointed. Did he have an impartial perspective? I suspect not.

The Fatstock Marketing Association were the previous operator, a failed bidder, and they are also a current shareholder. Again, they are not an impartial witness.

3925 Mr Kerruish, a retired hill farmer. He even referred in his own written evidence as hearsay. It was actually inaccurate as well, but he described it as hearsay. He is thinking like a shareholder, which he was, as I understand it, in the Fatstock Marketing Association. As a producer, he has a relationship with Isle of Man Meats, but he is not a shareholder. Most businesses that I know, and I have experienced plenty, do not disclose commercially confidential information to producers, to suppliers. He was quoted at great length in the Report.

3930 Mr Robin Bromley-Martin, who was one of the initial independent directors, is quoted, and that may be where the Committee felt that there were eight directors that were reduced down to six. There were not; there has only ever been six appointed directors on the board. Mr Martin played a useful role as the business went through its initial transition stage, where his skills and experience were valuable, but once we decided to integrate the executive management team into the board, his services were no longer required and the decision was to keep the board to its same size, and he was in agreement with that. Again, not an impartial witness.

3935 The Manx National Farmers' Union: *hardly* mentioned by the Committee. You have to really look in their Report to see any reference to the Manx National Farmers' Union. Their evidence has been completely ignored. No reference to its perspective other than on the attractive pricing that farmers have enjoyed under this structure of Isle of Man Meats. I put it to you, Hon. Members, their perspective has been ignored because it contains inconvenient truths that do not fit the narrative of the Committee.

3940 Included in their evidence, which is around about page 300-and-something of the Report, includes the note that in 2016 the Fatstock Marketing Association directors resigned and declared the FMA 'not fit for purpose as a company structure'. They clearly state that all options 'were investigated thoroughly' and that 'the tender exercise failed'. On page 306, they describe Isle of Man Meats as acting 'in a professional and commercial manner with regards to sales & marketing' – hardly fits with the story articulated by Mr Robertshaw.

3950 They clearly state there is not enough volume to fill the premium niche for UK supermarkets. They also make a clear statement that if you get a premium price for the premium cut of fillet steak, and similar lines, you are not guaranteed any premium price for the rest of the carcass. They understand the meat industry; the Committee does not.

3955 The Manx National Farmers' Union are the pre-eminent body in Manx farming. They undertook a survey of 150 members via a member survey which is published with their evidence – again, no reference to that in the Committee's Report. Unhelpfully for the Committee, the Manx National Farmers' Union make it clear that the regulation of Isle of Man Meats is done professionally and independently, irrespective of the fact that it is sitting in DEFA. *(Laughter)* **(Mr Robertshaw: Voila!)** They make a statement that:

The Manx NFU do not believe we would see an increase in ... service levels if regulation ... moved to a non-ministerial office –

3960 – separate from Manx Government. Unfortunately, that does not fit with the narrative that Mr Robertshaw's Committee wishes to advocate.

3965 However, the narrative does fit that they have adopted with the other things, independent regulation, separation of strategy and operations, and single legal entity. Sadly, in its haste, the Committee has missed that Isle of Man Meats is actually a pilot of a proper arm's-length entity and one which could have been an excellent case study to support some of the thoughts about how public service might be delivered in future. It has an independent board, which consists of the two executive directors and four non-executive directors. It has control of its own support services. It does not need to rely on Government shared services. It can control its own recruitment, its own terms and conditions, its IT and its communications. It has an informed shareholder with established governance processes, including monthly reporting and approvals of key decisions. It has industry representation on the board. That could have been a real case study and a catalyst for future change, but the Committee has not picked up on that.

3975 The Committee, Mr President, has very little understanding of the business or its context. They refer to the Committee having visited the Meat Plant back a couple of years ago. Now, I cannot recall which Members. I know Mrs Barber did participate in that visit; I am not sure whether any other Members, other than the Clerk, did. Maybe Mrs Barber could answer that in her response. But the context of the business is important.

3980 What Isle of Man Meats has done is continued the transition and the development of Manx agriculture in line with DEFA's strategy of trying to make Manx agriculture market led rather than rather than producer led. Not everyone has adapted well to that transition or got what they wanted out of the new arrangements. Isle of Man Meats provides a core service of effectively buying the animals and slaughtering them and selling them, and it also provides a service to business kill providers and to home kill, and there is a little bit of tension in there. Mr Kerruish, who has been quoted a great length, he does not farm but his family does and they are very much in the niche part of that mix.

3985 The Committee has not understood the importance of both the UK and the Isle of Man market, that both are important; you cannot have one without the other. Yes, the Committee is right that Isle of Man Meats needs to increase its sale of local product. They are right because that is one of the four pillars of the strategy that is in the documents that the Committee have! So all they have done is replayed what the company is already doing. But you cannot do that in isolation. When you process an animal, you get prime cuts, you get lots of other cuts. You need to sell all of those. There is not a market in the Isle of Man for everything and it has to be sold through and converted back into cash. You could not operate without a route to market in the UK. There is no recognition of the 26% sales growth achieved last year and the overall growth of 9%. And to deal with the assertion that we are selling a pound for 50p that is frankly preposterous.

3995 Isle of Man Meats works because it looks at the business through four dimensions. Clearly, it has to look through the financial lens; it would be naive not to look at that. But financial performance is not the overall end, key performance indicator. It is one of them, but it is not the only one.

4000 Isle of Man Meats focuses on its impact on the farm supply chain. It also is acutely aware of the need to offer a distinctive product into the local marketplace, not only for consumers, through its wholesale and distribution and retail partners, because of course Isle of Man Meats does not trade direct to the Manx public and will not, does not intend to do so. But that is a distinctive part of the business. Also, the impact on live shipping, and Minister Boot touched on the volume of animals which would be live shipped without the operation of the Meat Plant. So every decision is weighed in terms of all of those dimensions.

4005 The business's strategy is to widen its routes to market through strategic partnerships, not through wholesalers, as the Committee refer to them, but through, in particular, Northgate Foods, who are a pan-European food speciality business who distribute across the whole of Europe. They are a strategic partner. They are not a wholesaler, we are not *dumping* product, with the emotive language which Mr Robertshaw used earlier.

4010 So the first plank of the strategy is to widen the routes to market through strategic partnerships. The second is to increase the local market. The third is to add more value. Again, Mr Robertshaw said we should be doing that – we are doing that. We are in the middle of investing in a mince and diced production in order to grow the market with the major multiple retailers on the Isle of Man. And the fourth part of strategy is to improve our funding security. Those all hold true, Mr President.

4020 In terms of marketing, the business does market. It has a 'buy local' campaign, it produces newsletters, it has got a good social media presence, it has got clear and professional branding through a partnership with a private sector marketing company, MMC, who do a very good job. It will be present at all the agricultural shows and it focuses on the producers. But it is not selling direct to the public. It is a manufacturer, effectively.

The Committee's Report, sadly, contains a number of factual errors, which if either the company or DEFA had been given a chance to look at it would have quite helpfully corrected for

4025 the Committee. So they talk about eight directors. There were never eight, there was always a maximum of six. There is a character called 'Simon Baker' who appears in the Report. There is no such person ever been involved in the Meat Plant in certainly the time I have been involved. There was Scott Baker, who was an independent consultant, and there is myself.

4030 Northgate are described as a wholesaler; they are not. They are a strategic partner, they are an outsourced, virtual UK sales function. They provide all the UK sales function that the business needs, instead of having an employee or somebody on a retained basis, like Mr Macpherson was, that is a full 365 days a year service, and they are doing a great job in developing that UK market, which is essential, Mr President, to the success of Isle of Man Meats.

4035 They make comments in the Report about the deductions that are charged to producers offsetting the better prices – completely factually untrue. They are just repeating comments that have been made to them without any testing, without any weighing, and without any evidence to back it up.

4040 The comment about a lack of financial transparency: all accounts have been laid before this Hon. Court. Yes, there was a slight hiccup in the most recent year because there was a slight crossed communication between Isle of Man Meats and other parts of Government in terms of that process. But they have all been laid before. The accounts are consolidated into Government Accounts because Isle of Man Government believe that is the appropriate thing to do. Treasury are fully engaged around funding. DEFA have the full reporting process on a monthly basis and are involved in the big decisions. There are clear terms of reference for the Chair, memorandum and articles of association and the company register.

4045 The Committee has talked about the microbiological tests. They have been concerned by the results without having a full understanding of them. These are part of a normal food production process. This is *raw* food. It is not indicative of any underlying issues. Any product of Isle of Man Meats is safe to eat; and, of course, it is a cooked product. Nobody eats raw meat.

4050 The company's response has been tabled in the reading room. We were asked to provide it by this sitting of Tynwald and we have done. It talks about the independent specialist audit approach who describes Isle of Man Meats having a comprehensive food safety management system. It highlights the full accreditations to Red Tractor and BRC Grade A, which is the global standard for food safety. Yes, some of the examinations have had to be done remotely. Of course they have! We have been going through a pandemic. Even the Committee must have spotted that. These things have to be done and maintained, and they cannot be done in the normal way. There is a compliance process with an in-house technical team. The vets are present and there is internal testing and external inspections, and we are investing to improve things on a continuous basis.

4060 I think the Minister has covered the tender process. The Committee have seen a conspiracy in that. The reality was – I was part of the process – DEFA wanted it to succeed. There was no conspiracy. There was no desire, as Mr Robertshaw seems to have interpreted, of a 10-year plan to get control of the running of the Meat Plant. That is absolutely unfounded. The Department was left in a difficult position. It was already in a difficult position because the Department was already fully funding the Plant. All the money was coming out of the Department to fund the Meat Plant when it was being run by the Fatstock Marketing Association. But there was no confidence in the way it was being run, it was delivering very poor outcomes for Manx agriculture. It was in the worst of all worlds. It was not satisfying DEFA, it was not satisfying the farmer. Prices were being driven down, farmers were suffering and DEFA was already footing the bill.

4070 The private bids, I will tell you, were not credible or robust. The belief of myself and the other people involved was clearly if we had gone with either of those, which the Committee seem to believe were great – I tell you, it shows they do not understand what they are looking at – the absolute view of the people involved in the tender process was that we would have been back in trouble, we would have given a load of money to a private business who were putting nothing into it, and we would have ended up continuing to subvent, and indeed their initial subvention levels were in line with current. So we would have been in a real mess.

4075 The Committee talks about the level of political involvement to be inappropriate. I disagree  
with that. I think DEFA got this right, and it is right that political Members, as I was at the time,  
were involved in this process. It was not just left to officers. This was critical to the future of Manx  
agriculture. And that the right solution happened in the end because it was the only deliverable  
4080 solution. Since 2018, look at the progress that has been made, despite the absolute weaving of a  
story from Mr Robertshaw. The company has performed well. It performed outstandingly through  
COVID. I pay tribute to the management team and the employees who have kept the business  
going. It has an effective board, it has got the confidence of the industry and it is investing for the  
future.

I turn now to the personal attacks and criticism which run right through this. I do not know the  
4085 motivation of Mr Robertshaw and his Committee for this, but I seem to be being criticised for  
saying to the Chief Minister that I wanted to sort the Meat Plant out. Yes, I did want to sort the  
Meat Plant out! I said that right from the start, because when I went round my constituency, I  
could see what a mess Manx agriculture was in and you could only sort it out if you sorted out the  
Meat Plant. I said to the Chief Minister, 'This needs sorting out, I'm the man to go and do it',  
4090 because I had the right skills and the enthusiasm to go and do it. And, Mr President, if we are not  
here to make a difference, why are we here? Mr Robertshaw and his Committee seem to think  
that that is what we should not be doing – it is the opposite. We are here to make a difference.

I have had *nothing* for everything that I have done for Isle of Man Meats in the time I have  
4095 been in it. Remuneration, zero. A huge amount of work. And as for the suggestion that it is a  
contrived plan for me to get some sort of non-executive appointment if and when I am no longer  
elected, that is complete balderdash, and to be honest, I would work for nothing. So that deals  
with that.

My appointment is non-political, although others have politicised it, and indeed the first  
4100 concern from the industry, when myself and the Chief Executive of DEFA went round to  
communicate what was happening, was, 'What happens if Mr Baker becomes a Minister or is no  
longer in DEFA? Is he going to be taken away from this role?'; because they were desperate for  
stability. There had been no stability in the Meat Plant.

All I have endeavoured to do, Mr President, is make a positive difference for the Island. No  
4105 remuneration, a huge amount of hard work, and have applied my skills and experience. The Meat  
Plant has improved unrecognisably over the past three years, and I and the team together have  
delivered that. If that is objectionable to the Committee, then I am happy to be guilty as charged.  
My mantra has simply been to serve the Island, and I will continue to do that in whatever way I  
am asked, whether I am a Member of this Hon. Court or not.

So in summary, Mr President, the Committee has picked up some relevant points. It has  
4110 acknowledged the strategic importance and highlighted the essential nature that we have a viable  
meat plant. It has highlighted the need for long-term funding. A meat plant run at arm's length by  
a board in a separate legal entity struggles with being reliant on short-term funding, because it  
has got to be able to pay its debts as they fall due, and that is not always easy with the way Isle of  
Man Government does its budgeting. But we accept that that is how it is, but it would benefit, as  
4115 the Committee has said, from some long-term funding. Stability of the board is important, and it  
has got stability, and adding value and investment and local sales; they have got that right.

However, they have got a lot wrong. DEFA is an informed shareholder which can add value in  
4120 a way that Treasury, with the best will in the world, cannot. Also, if Treasury was the shareholder  
and it set subvention for its own business that would bring other conflicts. So they are changing  
one conflict for another. This business is better in the hands of a knowledgeable shareholder and  
that is what it has got with DEFA. It fits perfectly with DEFA's ownership of Manx agricultural  
policy, which it needs to do. DEFA has got non-executive board representation, as also the  
Fatstock Marketing Association have. There is an independent agricultural expert, plus the two  
4125 executive management and an independent chair. I think that is an entirely reasonable, and  
actually it is a very low cost, structure.

The Committee is advocating a return to derogation; unlikely to be deliverable or accepted by the wider Manx population. Stopping people buying what they want from Manx supermarkets is hardly likely to go down well; and interestingly, I would be grateful for the Committee's views on how that fits with the Competition Bill when they are talking about derogation and price control.

4130 Some of their views in this Report are the polar opposite of what they have actually advocated in the Item on the dairy industry. They have got to at least have some consistency between the two Reports.

4135 So Mr President, I am concerned, I am very concerned by this, by the way the Committee have gone about this, about the impact on a business which has got staff, customers, producers that are all reliant on the viability of this. This is damaging and the Committee have been irresponsible. They have subverted the established Committee process by the way they have brought the Report through. The Report is poor and unbalanced. Receiving the Report would give it unwarranted credibility. It is really important that this Hon. Court sends a message out, because this Report has been picked up, it is on page 4 of the *Examiner*, headline: 'Damning report on meat plant'. There are no recommendations. This has been spun in a way that suited the Committee's agenda. This  
4140 Hon. Court needs to set down a marker that this is not acceptable, that we are not in any way endorsing or accepting the Committee's comments.

4145 More work is required; it needs to be turned into a finished product. There is some value in it. If the Committee had done the proper process, all this could have been discussed and a more balanced report produced. It was not, I cannot support it, and in closing, Mr President, who scrutinises the scrutineers? I would hope that the Standing Orders Committee will reflect on this behaviour in the new administration and make the appropriate changes.

4150 **The President:** I call upon the Hon. Member for Middle, Mr Shimmins.

**Mr Shimmins:** Thank you, Mr President.

There are clearly some very diametrically different views here, and I am just being emailed by people who are listening to this debate who are really questioning some of the facts that have been represented by the Department and the Meat Plant.

4155 I am not an expert on meat plants, but I have actually tried to look at this and I have read the Report, and I am grateful to the Committee for doing the Report. I have tried to look at this through a kind of corporate governance standards lens, and I think the Report raises lots of concerns about the approach that has been taken. For me, there seems to be a complete failure to grasp the importance of managing conflicts of interest, and that is really dangerous I think in the small Island that we operate. So I think that is at the heart of this whole issue.

4160 There is lots of detail, and we have heard lots of detail and different viewpoints being bandied about, but I have to tell you I am *very* concerned about the way that the tender was handled, and the way that it was subsequently withdrawn. I have read through some of the information and I was interested in certainly the DEFA view that, actually, these were not good options to follow.  
4165 But if I look at the headline numbers that were provided by one of the bidders to take this on and link it in with expertise to other proven businesses, you have to think there has got to be some credibility, I would not just dismiss it the way it has been dismissed as non-credible. I am not an expert, but that seems to me a reasonable option for anything of that scale, to try and partner with someone who does have that expertise, and other organisations.

4170 So to a degree that is kind of what the Meat Plant has subsequently done with Northgate. I think there is a debate about whether that is a good partner, is it a premium provider, and all of that sort of stuff. But that basic concept probably makes sense, it is just finding that best outcome. So if I look at the tender submission from the Manx Meat Company, which was one of the private sector bidders, they were looking at a turnover of £12.5 million and a Government subvention of  
4175 £557,000. They also were undertaking to provide a 6.5% increase in prices paid to the producers, the Isle of Man Farmers, which is a key component. I think that is one of the reasons why the Creamery works quite well here, and I think most people would say it *has*, because they have



increased not only the volumes in terms of product that is exported off Island, because we are only ever going to have a finite market *on* Island, but they have moved into a premium arena.

4180 So like I say, I am not an expert, but that feels like quite a good concept, and I think that is kind of where many people were going. Currently, the Meat Plant gets nowhere near that turnover and gets a subvention, the taxpayer subsidy of £2.1 million – and that has doubled, okay, since we started five years ago. So it kind of makes the Manx Meat Company bid look quite credible to me. Now, there was another bid – and I do not want to get bogged down into the aspect of, well, 4185 would that have been better than this? I think it is certainly worth exploring.

What really concerns me is that the Manx Meat Company was subject to quite a lot of probing questions from the committee in DEFA which was set up to look at this and they responded, but then they asked for additional information from DEFA to help them respond to the questions. DEFA point-blank refused and said, ‘We’re not giving you that!’ And I just thought, ‘Wow! You are 4190 trying to run a tender and you are not giving people information?’

**Mr Boot:** Point of order, please, Mr President.

**The President:** Yes, point of order.

4195

**Mr Boot:** DEFA did *not* refuse.  
Thank you very much.

**The Speaker:** That is not a point of order.

4200

**The President:** It is an interjection.

**Mr Shimmins:** That is absolutely categorically not the case, and we have got evidence for that. So, I do not think that is a point of order, but I absolutely would dispute that and this kind of approach *really* concerns me. 4205

So if we look at the subvention at the moment, we are £2.1 million. I would suggest that is likely to go up as the Meat Plant continues to explore other avenues of Government funding. It is haemorrhaging cash, absolutely haemorrhaging cash, let’s be clear about that. And, when the Manx Meat Company then presented their strategy to the tender evaluation committee, the committee of six contained four DEFA members. So in addition to the Chief Executive of DEFA, Mr Baker, Member of DEFA who chaired the Committee; Andrew Lees, senior officer in DEFA, was on the Committee; and Peter McEvoy was at that time a senior officer in DEFA. So it does not feel a very impartial committee to me, when you have a look at that. 4210

One month after that presentation DEFA wrote to Procurement Services – because, remember, any tender procurement is run by the Attorney General’s Office. But actually DEFA did not want it to run its course, they *cancelled* the procurement. Now, shortly after that, the DEFA in-house Meat Plant option was progressed, it did not come to this Hon. Court, it just kind of happened below the radar. Not in a very transparent way, I would suggest. 4215

Mr Robertshaw talks about the Steam Packet. A very different process was followed there. There were votes. There was information provided. That did not happen. And of course Mr Baker was appointed the Chairman of the Meat Plant board, and just remember he was also the chairman of the tender evaluation committee; Andrew Lees was appointed a director of the Meat Plant board, and just remember, he was also the key DEFA member on the tender evaluation committee; and Peter McEvoy was also appointed director of the new Meat Plant board, and he was also a key DEFA member of the tender evaluation committee. And we have now heard that DEFA cannot provide the tender matrix scoring, because we are told this never took place. 4220 4225

Really? Is that the way that Isle of Man Government does business? This stinks! This absolutely stinks to high heaven, Hon. Members. (**A Member:** Hear, hear.) Is it any wonder that the Manx

4230 public is concerned about corruption in the Isle of Man Government when you see this chain of events?

**The President:** Mr Shimmins.

4235 **Mr Shimmins:** Yes?

**The President:** Would you wish to withdraw that remark?

**Mr Boot:** Yes!

4240 **Mr Shimmins:** I am just explaining that many people feel that this –

**The President:** It is an accusation.

4245 **Mr Shimmins:** – this is a *very* ... I am happy to withdraw it, Mr President, on the basis it is either corruption (*Interjections*) or it is absolute incompetence. It is wilful incompetence or corruption.

**The President:** Hon. Members, one moment, please. Resume your seat, please, Mr Shimmins. Please resume your seat for one second.

4250 I fully accept this has got two major views from both sides, but we do need to be very careful about the language that is stated in this Court. We must respect this Court and respect the individuals, too.

So, please resume.

**Mr Shimmins:** Thank you, Mr President.

4255 I guess, for me, DEFA needs to serve the public, not itself. The Minister said this Report is not fit for purpose. I am really of the opinion that the Minister is not fit for purpose, and I am very troubled by the culture of fear in DEFA. We heard from the Chairman of the Committee the need for private hearings, the fear of reprisals. Do we want that? I do not think that is acceptable.

4260 I think we heard that the Minister was trying to deflect this Committee. This is breathtakingly bad, Hon. Members. I am sorry if I have used incorrect words, but this is breathtakingly bad. If this was a private company, disciplinary action would be taken. It seems that DEFA is untouchable. What a mess this is!

I will sit down now, thank you.

4265 **The President:** I call upon the Hon. Member for Douglas Central, Mr Thomas.

**Mr Thomas:** Thank you, Mr President.

4270 All I would say before starting a small contribution – which I hope is an important contribution, despite being small – on Item 16, is that in terms of the later Item to do with the explanation, I am not going to contribute on that beyond to say that we have heard the explanation from the Minister of Food and Agriculture as to the circumstances of the failure. So to me that is an important contribution and we will vote accordingly.

In terms of Item 16, I beg to move the amendment that appears in my name that was circulated at the beginning of this debate:

*To add at the end the words: 'and that Tynwald is of the opinion that:*

*(a) the Meat Plant is a significant strategic asset for the Isle of Man which has been severely affected by a number of changes in agricultural policies and external legislative pressures over the last 15 years;*

- (b) putting any commercial enterprise into Government ownership is a major policy decision which should be scrutinised and voted on by Tynwald;*  
*(c) the Council of Ministers should develop a policy on government ownership for consideration in Tynwald in November 2021;*  
*(d) the equity in Isle of Man Meats Company held by Department of Environment, Food and Agriculture should be transferred to Treasury urgently; and*  
*(e) Meat Plant Governance, management, regulation, strategy and operations should be reviewed and reformed as soon as is practical.'*

4275 Before I do that, I just wanted to address the wonderment of Minister Baker about why I would be involved in the sort of intimation that in some senses this was set up and stitched up. I just want to put on record that I am a long-term reluctant person who has been involved in agriculture and issues around this. So I did have the privilege to serve in the Department of Environment, Food and Agriculture between 2014 ... and late on in my 2014-16 term I worked quite closely with  
4280 the officers on the Agriculture Strategy. As part of the Chair of the Conservation Forum, I looked at the Biodiversity Strategy that feeds into Agriculture. I looked at the Food Safety Strategy because that was directly under my delegation. So I have a long interest.

I also have quite a wide range of networks and there have been people talking to me about this issue for quite a number of years and although I am very reluctant and hesitant to get  
4285 involved – as a town representative – in these issues, I do end up somehow getting involved. Members will give me credit for the Questions that I have been putting down in this place, and they will remember my joke a while back to the Chair of the Isle of Man Meats, following Questions I put down to the Chair of the Isle of Man Meats – because, coincidentally, the Chair of Isle of Man Meats is actually a politician. You will remember that at one point I offered the Isle of Man Post  
4290 Office Board and management to the Isle of Man Meat Company, if that might be helpful to turn around the situation. So I have been reluctantly involved in this.

So, where am I now? Basically, we have got a report that makes for incredible reading; and I thank the Committee for wrestling with this, alongside other issues to do with agriculture, but also to do with road transport and taxis, and so much more. It is incredibly hard with a small amount  
4295 of staff in the Tynwald administration, and all the conflicting interests, to actually complete these things; and, warts and all, this Report to me makes for important reading and on that basis I have read it quite closely.

Second to that, though, I do just want to show some respect for the points made by Minister Boot in the right way, and in similar points made by Mr Baker slightly more aggressively, when he  
4300 talked about things like 'irresponsible' and 'subverted' and 'unbalanced'. Basically, the good points that Minister Boot made are that we should not be deciding things beyond basic principles on the floor of Tynwald. We need time to consider them, we need to reflect on them properly, we need to weigh up the balances – and that is what my amendment tries to achieve. It tries to acknowledge the importance, the significance, the magnitude and the urgency of the situation we  
4305 are in, and actually create the opportunity for a reasonable analysis and a reasonable approach as soon as is practical to the situation to get to a better place. It might be that the Isle of Man Meat Board is completely vindicated, it might not even be necessary to think of a word like 'vindicated'. It might just be that the strategy is right and the finances are the best that they could possibly be – but it might not. And, as a reasonable person, I want to create the opportunity for that  
4310 consideration to take place.

That is why I worked this morning to put together this amendment as is drafted. What I have done is, I have taken some key words as I see in the summary of the report and put them on this Order Paper.

So the first one is that:

- (a) the Meat Plant is a significant strategic asset for the Isle of Man which has been severely affected by a number of changes in agricultural policies and external legislative pressures over the last 15 years;

4315 That is a summary of paragraphs 1 and 2 in the Report. I think Minister Boot has already agreed  
it in effect, except that I think he did not stress so much the concept of *significant* strategic asset,  
because in a way he diminished the Meat Plant relative to the Steam Packet. And I see our Meat  
Plant at the heart of our agriculture, and the heart of our countryside, and the heart of our land  
4320 use as being significant in the same way that the Steam Packet is significant for off-Island  
transport.

The second part of the motion in front of you is that:

(b) putting any commercial enterprise into Government ownership –

– whether it be an arm’s-length company, or whether it be nationalised –

is a major policy decision which should be scrutinised and voted on by Tynwald;

4325 – as suggested in paragraph 4 of the Report.

(c) the Council of Ministers should develop a policy on government ownership for consideration in Tynwald in  
November 2021;

So, in other words, the guidelines for this process and how it has gone about should be put  
down and should come to this Tynwald for debate. Again, I have got form in this. When the Post  
Office was being considered for corporatisation in the last administration, I got a Private  
4330 Member’s Bill through the House of Keys to address this very point. There should be guidelines  
about the regulation and the financial aspects and the ownership of how the management is  
structured and how the board is appointed. So I do think that is a good call from the Committee  
and I have decided to put that down as a matter of principle, the detail of which can be worked  
on later.

4335 In terms of the points of substance in terms of the merits of the Report, I am trying to not get  
dragged into settling this one way or the other. I am just trying to put down inside this amendment  
the process by which these questions can be answered and the arguments settled.

So, for instance, in part (d):

(d) the equity in Isle of Man Meats Company held by Department of Environment, Food and Agriculture should be  
transferred to Treasury urgently;

4340 That does not presuppose that the Department of Environment, Food and Agriculture and the  
Agricultural Division, or the Manx NFU and so on, will not be involved. Remember with the Steam  
Packet we have the User Agreement wrapped around the shareholding from Treasury. That seems  
to me a perfectly reasonable parallel to draw at the point when I am making the case for my  
amendment (d).

4345 And finally, essentially today, although it has been characterised in terms of capability and  
finances and culture and allegations of all sorts, in essence what we are discussing is the  
governance, the management, the regulation, the strategy and the operations of a very important  
significant strategic asset, the Meat Plant. I think already we have got a consensus that we need  
a review, we probably need reform and we need to do it as soon as is practical.

4350 We had some bad news in that respect relative to what the Committee has written because  
the Committee talked about using the Auditor General, which they described as the ‘soon-to-be-  
appointed Auditor General’. Obviously we learned today that soon-to-be-appointed is months –  
so immediately it is not already in place. So to me the reason I have ‘as soon as is practical’ is to  
address the fact that it needs to be done as soon as is practical. We need to find a way of doing it.  
We need to bring the parties together – as described by Minister Baker and Minister Boot, as well  
4355 as the Committee – to actually sort out the process as soon as is practical to get better  
arrangements for all of these things.

4360 What would be a real shame is if, by accident, we fell into a situation that the MEA must have fallen in nearly 20 years ago, when we ended up with having to spend 20 years looking at allegations of unauthorised loans, and people trading when they knew that they were on the verge of insolvency, and when people were talking about public health issues and so on – and we, categorically, in this Court and in the wider Manx public know we want to avoid that situation. So therefore, I hope that out of this debate today can come a period of calm and reflection and we can urgently and immediately make sure we are in the right place and we are going in the right direction.

4365 On the floor of the Court today is not the right place. Obviously, the Committee was forced to report at this stage, and I am sure it would respect the fact that there needs to be time for this process to unwind. So I hope that the Chair will do justice to that in her summing up, and I do hope that the whole of this Court can support the amendment as I have just drafted and prepared and proposed and moved in good faith.

4370 Thank you, Mr President.

**The President:** I call upon the Hon. Member for Garff, Mrs Caine.

**Mrs Caine:** Thank you, Mr President.

4375 I rise to second the amendment from the Hon. Member for Douglas Central, Mr Thomas. If the situation in relation to our dairies is a complete Horlicks, then the Meat Plant is a dog's dinner.

I thank the Committee for their Report, but I strongly support the amendment in order to force some change (*Interjection*) and further review. The debate today, as the Hon. Member for Middle, Mr Shimmins observed, seems to be taking place in diametrically opposed sides of the room. 4380 There is Planet DEFA, and the rest of us down on Earth, and neither side seems to be able to see the other's perspective.

The information contained in the Report, and the additional information in the reading room, seem to demonstrate to me that there *is* something terribly wrong. A maverick Department going off doing its own thing and saying everything is great, when it is not – or that is not the perception amongst the agricultural community as a whole. It was worrying to learn that papers relating to the tender process were lost. But they were *not* lost, they just did not bother completing the tender; and we were advised that the business case put forward was too expensive, they did not have skin in the game. They needed a better proposition. 4385

So the officers who carried out that tender process, and Mr Baker, thought they could do a better job for the same amount, and that would be better for the Island. How? So instead of having a company with a load of expertise, we leave it to the officers and in-house in DEFA. But that effectively, to my mind, *did* nationalise the Meat Plant, taking it away from what it had been, or an arm's-length company. But whichever it is, it could have done with greater clarity, more openness and transparency about that decision-making and policy. 4390

Along with the subvention – that is several times higher than the previous support for the Meat Plant – the distribution charge is still concerning. I am told this charge is *not* a standard industry practice, despite the plant manager's comment to the Committee that it is. The charge is seen as a clawback of money from the industry, dressed up as a legitimate charge. So the reality is: is it a subvention from the *producers* which generates around £400,000 on top of the £2 million from the taxpayer, giving a total subvention now of around £2.4 million annually? The only conclusion I came to was that the plant is being run very inefficiently and, more importantly, they are not returning a gross profit. 4400

The other point was the incomplete audited accounts and the late publication of the previous year, when the Minister said they were not going to be published, they would be consolidated into Government's accounts. But it seems they are going to be published as and when they can be. But it should be remembered that the FMA system operated for over 50 years without any subvention, nor made losses, but then we had a derogation ... (*Interjections*) This is what they tell me, the agricultural community! 4405

4410 But if Manx meat is to be expanded, the best quality meat, increasing the market for that, how  
is that going to be achieved with the current system? We hear of some increases, but 80% of high-  
quality – we think – produce from the Isle of Man not being dumped but being shipped away and  
used as basic level meat? What? Pet food? Basic unbranded meat? (*Interjection by Mr Boot*) Well,  
what is it? It is not getting a very good return, and how was it of benefit for the Isle of Man to  
produce more than the Isle of Man can consume and get a very low return for that? (*Interjection*)

4415 Although times change, I do not feel that the Meat Plant operation, the current grants available  
to farmers is supporting the industry in the best way we should, as befitting a biosphere status  
and considering climate change and the food demands of the future. Surely, for the total sum of  
all agricultural grants, the Meat Plant subvention – also considering forthcoming possible  
4420 restrictions on live exports by the UK – surely we could manage a better countryside and  
agricultural policy that makes better use of these essential facilities, aligns meat production with  
demand for a premium product, keeping the consideration of environmental concerns *and* gives  
farmers a fair return. And, of course, any major policy debate should come before this Hon. Court.

Supporting what the Member of Council, Miss August-Hanson said earlier, DEFA seems  
overdue for a review, internal or external, that can establish a separate regulatory body for food  
4425 production and with Department officers working with the industry to best support food  
production and the environment. I wonder even if Agriculture should be added to the Department  
for Enterprise remit given that it is after all one small, albeit important, sector of our economy?

4430 Given the comments that were going on before about corruption, I do not think in any way  
that Mr Baker, or the officers, or Minister Boot would be in any way corrupt over this; but I think  
it is the way that they took it over, feeling that they could do a better job, that gives rise to a  
suggestion institutional corruption, even if it was for the best intentions.

**Several Members:** Oh!

4435 **Mr Boot:** For God's sake!

**The President:** I have said before, for all of us here, to be very careful with language. Would  
you like to withdraw that?

4440 **Mrs Caine:** I think it is a perception. I do not think it is there.

**The President:** I believe you should withdraw it. I ask you again.

**Mrs Caine:** I withdraw it.

4445

**The President:** Thank you.

**Mrs Caine:** I think the need for a fundamental review of how food producers and countryside  
custodians are supported is overdue. But, most of all, I think the actions and operations and  
4450 governance of DEFA – the way they approved the board, DEFA's regulatory enforcement checks –  
we need a separate regulatory body. But, first, we need to examine exactly what is happening  
with the Meat Plant.

I can fully support the amendment, which puts the general principles and the further review  
that I think that the Minister and former Member of the Department said was needed.

4455 Thank you, Mr President.

**The President:** I call upon the Chief Minister.

4460 **The Chief Minister (Mr Quayle):** Thank you, Mr President, and I thank all Hon. Members for  
their comments.

I was going to keep out of this debate, Mr President, because as the ex-President of the Farmers' Union, as an ex-beef producer and an ex-sheep producer, it could be said that I have a conflict or I had a conflict; but I no longer produce any meat put into the Meat Plant or have any animals.

4465 So I think having declared that, I can say I just wanted to set the scene, which I think sadly had we had this debate maybe 10 years ago, there would be more Members who would have had an understanding of what happens in agriculture. Sadly, with some of the comments that I have heard today, I felt I had to stand up and tell the Hon. Members who have listened to some of these comments why some of these Hon. Members have not got a clue what they are talking about, 4470 really, which is sad that they have made some of the comments – and quite unpleasant comments, innuendos of dishonesty, etc. which I think is very disappointing.

Anyway, first of all, I would like to ask the Committee – maybe they can give me a nod – did they ever look at Orkney Gold when they did their report? By the blank looks on their faces, I take that as no.

4475

**Mrs Caine:** It is in the papers.

**The Chief Minister:** Fourteen years ago, I flew with the Farmers' Union and Government to Orkney, because Orkney is a small Island like the Isle of Man and it had one meat plant, and it was 4480 felt we needed to see what they were doing. Could we learn from what was happening in Orkney because they had the economies of scale, they had to ship all their stock six to eight hours to Scotland and therefore they have a meat plant. Millions were pumped in from the European Union into the Scottish Executive into Orkney, and it was called Orkney Gold and every one sold it as a fantastic marketing business and how really good it was. We went over there and we were very 4485 impressed with how they promoted the quality product, the grass-fed, similar things like us. Within a short period of time it was bankrupt! Shut! And it was state of the art. It had submarine doors, which we could only dream of on the Isle of Man. A submarine door is when you drive your vehicle in, the door shuts and then you can download your meat without any ... from a hygiene point of view it had everything and we did not. So we went over there and we had a look at it – 4490 bankrupt.

If you are doing a report, you do not compare the Isle of Man with somewhere in the UK or Australia or New Zealand; you look at a small island to see how did they do it? What happened? Orkney went bankrupt.

We have had various comments, and business models are fine but you are not comparing apples with apples. Comparing the Creamery with the Meat Plant is the equivalent to saying Mr Moorhouse and Mr Robertshaw are the same type of people; they are totally different! 4495 *(Laughter)* Comparing the Steam Packet to the Meat Plant shows a lack of understanding. I think we paid a pound for the Meat Plant to take a share because it was a basket case. It has been a basket case for 50 years and more. All my life the Meat Plant has been a problem to the 4500 agricultural community.

You have got two options with the Meat Plant: you either shut it and ship all the animals live; or you subvent it or you do the Countryside Care Scheme. In the old days it was a headage, we paid a headage. So to say we did not give a subsidy to farmers was probably incorrect; you had to produce into the Meat Plant and for that, if you got a certain grade you got £200 to £300 per 4505 animal from the Government dependent on the grade of the animal. That is what happened until we lost the red meat derogation with the European Union, and we had to look at a new way of ensuring we had agriculture in the community.

So the Meat Plant has been a company that should have been – I think my colleague, Mr Shimmins, came out with concerns and if there are concerns we need to have that 4510 investigated, we need to have the report done properly. But if it was a private company, which he mentioned, then you would have shut it years ago. No one in their right mind would run the Meat Plant to make a profit and to make a living from. Why do we have the Meat Plant? We have the

Meat Plant because we need to support the countryside. The UNESCO Biosphere – we have a fantastic Island, it does not just suddenly appear like that; it is because the Island is farmed by our farmers.

4515

If we allow our farmers to ship everything – I have shipped pedigree livestock – you are at the mercy of the weather, you are at the mercy of buyers across who think you have got to sell and therefore will not bid and then they will come up to you afterwards and say, ‘Oh, you did not sell that animal but I will give you this,’ and it is a really insulting price, but they feel you have got to take it because where do you put the animals after. Also, what happens with animal welfare if you do not have a meat plant and you have got an animal that is hurt – all these issues. Shipping old animals on the boat – do we want that?

4520

So that is why a decision was made that we would support a meat plant, because from an Isle of Man point of view, it made sense, it made sense to protect our countryside, food security, countryside jobs. We either carry on with doing that or we shut it. If anyone thinks we are going to make a profit from the Meat Plant then they are living in cuckooland. Can we get value for money and get the best value for our taxpayers? I absolutely agree, yes, we should be investigating, and constantly committees should be scrutinising to make sure that the money the taxpayer has put in is value for money. I cannot disagree with that, but I cannot support the Report because it has not given the Department the opportunity to respond, it has not given the Council of Ministers the chance to look at the Report and say, ‘With these recommendations we agree or disagree, or we want to do an amendment’. It is highly irregular, so therefore I cannot support this. I cannot support the amendment.

4530

I would like to see the Committee revisited, take evidence, ask the questions, allow DEFA and the Meat Plant to be able to answer some of the concerns, and then if you are still not happy with the evidence you have been given then do a report, show what has happened.

4535

I just wanted to clear the air on one thing I thought was important: ‘jobs for the boys’ and I think someone said about Minister Baker wanting the job, because clearly he is wanting to look after himself. We have already clarified he does not get a penny for this. He does this extra and gets nothing. He did come to me and wanted it because he comes from a highly rural constituency. It was in a mess and he wanted to do his best to help. So I think any innuendo that it is ‘jobs for the boys’ and some sort of sleight of hand or dodgy deals is pretty poor and most regrettable.

4540

I was surprised Mr Baker wanted to do the Meat Plant and I tell you for why. If you can imagine the worst poisoned chalice job in Tynwald you would probably say maybe it is the Health Minister’s job, maybe it is the Chairman of Planning; well, if you put those two jobs together, times it by a thousand, then maybe you are just about getting to the level of the Meat Plant. Anyone connected with it ... It has been a poisoned chalice, a disaster zone, a damaging of good people’s reputations who have given their time to try to turn it around and failed. And they have failed because we have not got the economies of scale.

4545

If you want to sell a top product and get a top return, you have to have a 52 weeks of the year flow of that product, you cannot just say to a top London restaurant, ‘I can give it you in May and I can give it you in June-July, but I cannot give it you in other months,’ they are just going to laugh and you are not going to get the product. So we have to accept that because of the economies of scale the Meat Plant is not going to be able to get the very best prices.

4550

Allying itself with another business had personally always been a view I had, but I did not get involved with this and if the Minister said the bids were not right and there was a better way forward then I am happy to accept that. We have a scrutinising committee who can look into this and advise us, but you have not gone through the proper processes, you have not asked the questions, you have not enabled the other side to come back and give their view, which I am surprised, I am really disappointed that this is what has happened, because normally reports are there ... All of us in this Court want to see the Meat Plant improve to give a better return to our farmers – who doesn’t? – so therefore, a good report and if it finds fault I am happy with that, I am disappointed but I am happy that it has found faults and there are ways to improve, because none of us are perfect. But it has not delivered on that.

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4560



4565 I wanted to set the scene because trying to sell the Meat Plant as a potential business that is  
going to be profitable and wipe its face and be a success, for the past 50 years people have tried  
and failed miserably. Government has a choice, it either supports the Meat Plant, whilst ensuring  
it does get value for money for the money it puts in or it says, 'Right, farmers, we will pay the  
4570 shipping of your livestock off the Island,' and some farmers would like to see that; they would like  
to take their own destiny and ship. And that is the argument, but having gone through all the  
problems, as someone who has done that on a regular basis, I feel from a food security point of  
view, animal welfare and our countryside, we are best having a meat plant. It is a problem area. I  
am not trying to hide it.

I think I have said enough. This meat plant should have been shut down 50 years ago if we look  
4575 upon it as a business, but it is not. It is a business, it has to be run properly, it has to have all the  
right rules and regulations, but if we expect a profit then we are living in cuckoo land. We need to  
ensure that our hard-working farmers get a return on their work, that they make a profit.  
Historically, they have been getting less than their UK counterparts for when they put meat into  
the Meat Plant and yet the costs on the Isle of Man are greater. So therefore you need more than  
4580 their UK counterpart just to be on a level playing field with the UK farmers.

Minister Baker and Minister Boot have been doing their best to try and get a profit. It might be  
a dirty word to some, but if you do not have profit, you cannot pay the bills, you cannot put food  
on the table, you cannot pay your mortgage, and that is why we have had to put a subvention in  
to give that extra price per kilo to help our farmers. Is it perfect? Absolutely not! But what I am  
4585 trying to say is for the last 50 years people have tried to come up with a solution and have not  
done that well, sadly, and I have got an awful lot of respect for people who have tried.

So I have set the scene. If there are genuine problems and things could have been done better,  
then I am more than happy to listen to that from a committee, and I look forward to the  
Committee coming up with ways of improving, but accepting that there is a problem that is never  
4590 going to be fixed from a profitability point of view, but getting value for money for the taxpayer.  
So I would like the Committee to go away and give the Meat Plant the opportunity to answer  
questions, give the Department of Environment, Food and Agriculture the opportunity to respond  
to some of the allegations and then let's have a debate where everyone can say both sides of the  
stories have been explained and then we move forward. But I am afraid this is, to me, sadly, is a  
4595 very disappointing report into a problem area that I care passionately about, because if we do not  
have an agricultural community we have a ruined countryside, we have no food security. We have  
just gone through COVID; if we had not had food security when the boat could not sail and food  
was in dire supply we would have been in real trouble. So with that I will sit down.

Thank you.

4600

**The President:** I call upon the Hon. Member of Council, Mr Mercer.

**Mr Mercer:** Thank you, Mr President.

I just have a brief contribution, but I would like to comment on Minister Baker's earlier  
4605 suggestion about the motivation of the Committee. Since being voted onto this Committee, my  
observation is that it has worked and acted with integrity, diligence and attention to detail. I think  
that some of his remarks are a case of: if you do not like the contents of a report attack the  
Committee. I would reflect that the earlier report at Item 14 from this same Committee was  
received and unanimously accepted by this Hon. Court, and I refute the suggestion that this  
4610 Committee has acted in bad faith on this matter.

Thank you, Mr President.

**The President:** I call on the Hon. Member for Ramsey, Mr Hooper.

4615 **Mr Hooper:** Thank you very much, Mr President.

4620 The situation we are in seems to me that we have an issue here where there are systemic and strategic influences, which are perfectly legal, perfectly ethical, but that are undermining this institution's effectiveness by diverting it from its main purpose, or its ability to achieve that purpose, I suppose, partly through the governance model, partly through weakening the trust that the public, this Court, the producers have in the model, and that is the core of this issue. We all accept there is a subvention and it is going to be expensive to support agriculture on the Isle of Man. We spend in the region of £8 million a year supporting agriculture on the Isle of Man. That is more money than we spend on every other economic sector combined in terms of financial support. That is not going to go away, and we accept that because agriculture is important.

4625 But what I am quite surprised to see as part of the evidence here – and unlike the Chief Minister, I am not an ex-farmer, I really cannot talk with any authority about that, but I can talk about governance, I can talk about some of the information that has been shared around whether this is an independent company or not – but in terms of the finances, Mr Baker made a comment in his remarks that profit was not the only thing they were looking at; it was not the core determinant when they looked at the tenders. But actually it seems to me that it was. Actually reading through the information we have, the overwhelming justification given, not only in the evidence in the Report but also on the floor today, for getting rid of that tender process was that it still needed too significant a subvention and that the proposals did not have any skin in the game, so surely they are financial reasons. So it definitely was a financial reason that this was done.

4635 That is why I find it quite surprising that the Department does not have a scoring matrix of some sort, anything that evidences how they came to that conclusion. I do not mind if it is a formal scoring matrix or minutes from a meeting. I am quite surprised that when the Department identified, 'No, sorry, you have asked for the wrong document,' why couldn't they just go, 'Here's the right one'? Why has it come to the floor of this Hon. Court with the Department going nuclear, I suppose, is the phrase I would use, on the Committee, instead of just saying, 'Sorry, yes, you asked for the wrong piece of information. Here is all the information that you should have asked for'? We have not had that.

4640 The Minister has openly admitted that the Department has information that would have been beneficial that the Committee did not know existed. How is the Committee going to ask for information they do not know exists. We have seen this from Public Accounts when we have asked the Departments, 'Can we have copies of everything?' and they say, 'We have given you everything? Oh, sorry, apart from that, yes, and apart from this and apart from the other.' Departments have a duty here, I think, to actually think a little bit when engaging with committees and not play these games, 'Well, you didn't ask me for page 7, so I did not give you page 7. It's your own fault for not knowing what I had.' I just find that a particularly bizarre situation for us to be in.

4655 It was mentioned as well about the evidence that is in there from the NFU, that was not referred to at all by the Committee, but again the Department talking about that, presented it in an entirely positive light, they only pick the bits that were relevant to them. There is a line in that evidence which was quite striking to me: the NFU talk about the significant amount of live export that still goes on on the Island and the reason they give for that, and I will quote their phrase, 'Poor prices paid.' But there is an acknowledgement, even in the relatively supportive evidence that the NFU gave, that there are problems at the Meat Plant with the pricing structure, with the way things are happening. The Chief Minister acknowledged that. He said, 'Actually there may very well be problems. We should be looking at those.' I did not hear that from either of the two Members from DEFA and the Infrastructure Minister, the Chairman of the Meat Plant. I did not hear any acknowledgement that there may still be problems. Everything is rosy in the sunny uplands of DEFA and the Meat Plant. Everyone else seems to be willing to acknowledge that this might not be the perfect solution. Why can't we at least get that acknowledgement from the people actually involved in running it? This might not be working. I have not heard that, not from the Members involved, I have heard it from everybody else, which is again totally bizarre.

4670 This claim as well that the Meat Plant has not been nationalised: this was explained by Minister Boot as because it is a private limited company under the 1931 Companies Act. So is nearly every company. In fact, we have about 20,000 of them on the Isle of Man, I think – a good number of which are owned by the Isle of Man Government; the Treasury is the shareholder for most of them. The Steam Packet is a private limited company, it is owned by the Isle of Man Government, it has been nationalised.

4675 **A Member:** You can see the consolidated accounts.

**Mr Hooper:** This is a nationalised entity, whichever way you look at it.

4680 The argument that it has got more than one shareholder so it cannot be nationalised: actually, if you look at the M&As of the company, which I would encourage Members to do before they start talking about this stuff, it is very clear, actually, the two classes of shares that exist. The Fatstock Association, the A shareholders, have literally no rights. They are not entitled to a copy of the accounts – it is written in the M&As! Their only ability to do anything is to appoint a director. They cannot vote at meetings. They have got no rights to a dividend or a profit share. They are literally just along for the ride.

4685 As for this being an independent board, there is a list of things inside those articles that explicitly state the board cannot undertake these actions without explicit consent from the shareholder, one of which, you will be amused to learn, is setting up a sub-committee of the directors. This independent board cannot even set up a sub-committee of itself without consent from its shareholder. This is not an independent board. By any way you look at it, it is not independent. (**A Member:** Hear, hear.) It is six people appointed predominantly by the Department of Environment, Food and Agriculture. It has a Government Minister sitting as its Chair. There is no world in which anybody can claim this is an independent board when it is not allowed to act and operate entirely independently. (**Two Members:** Hear, hear.) I am sorry those are facts. Anyone can go on the Companies Registry and get a copy of this stuff, it is all public.

4695 This brings me on to the last argument as to why this is truly an independent board and why this was a better model other than tenders, that there is no skin in the game from those tenders, they were not going to put any of their own money into it. Well, actually neither have the current board. I am not aware that any of the current directors have put any –

4700 **Mr Baker:** Would the Member give way?

**Mr Hooper:** Of course.

4705 **Mr Baker:** I would just like to clarify this because this is something that the Committee did pick up on and it is the distinction between the shareholders, who you would expect to put money in to a business and get the economic rewards, and the directors – directors are just on the board, they have got no financial stake in the business, and so that is the situation.

4710 The problem in the tenders was that we were effectively putting a private company in place, the funding was going to have to come from DEFA and the upside, the economic value, would go to a private owner and the risk would still sit with DEFA if the business fails.

Thank you.

4715 **Mr Hooper:** I would like to thank the Hon. Member for making the exact point I was in the middle of making, actually. (*Laughter*) That is exactly my point: that we are providing the subvention either way. So the fact that these directors from a private firm were not going to put in their own money is no different to the situation we are in now. (**Mr Robertshaw:** Exactly.) The current directors are not the shareholders, they have not put their own money in – I would not expect them to. But equally that is no different to the tender situation.

4720 The difference is if you look at some of the numbers that were being described even by DEFA  
when they were talking about going out to tender, the various options they had, they were talking  
about option 1, which was going to save us £800,000 a year, option 2 that was going to reduce it  
to £400,000, option 3 was going to turn a profit, actually. So we are now at a situation where  
because DEFA are controlling the organisation we have a subsidy of just over £2 million, but  
4725 actually under the private models that we have seen, in the private models that DEFA were talking  
about in their own options appraisal, that subvention could be a heck of a lot less, actually.

So whilst, yes, the risk would have been borne by the Department, the Department was  
predicting that even bearing that risk the subvention would have dropped to a quarter of what it  
is now. So actually, from the taxpayer's perspective, who is better off there? Yes, we would bear  
the risk, because it is still taxpayers' money, but actually, it is a heck of a lot less taxpayers' money.  
4730 That is the reality of the situation when you compare the forecasts that were put together in that  
options appraisal to where we are today.

Again, all this information is there in that report, and so to my mind there are a lot of questions  
to be answered here around the governance model, around the tender process, around why that  
was pulled, around the logic, but really, the main one for me is this understanding that the  
4735 Department seems to completely lack around the concept of an arm's-length company. If this is  
the model of an arm's-length company, like we were told it is earlier on today, then ... that is a fair  
point, Mr Speaker, absolutely. This is not arm's length and if this is the model that Ministers think  
we are going to go down for arm's length, we are not going have arm's-length companies. We are  
going to have an extra layer of management in place where Government is still controlling and  
4740 pulling all the strings (**Mr Robertshaw:** Hear, hear.) of these organisations. That is not arm's  
length, right? That is absolutely not.

So to my mind, I will be supporting the Report being received. I am a bit nervous about  
supporting recommendations that have appeared on the floor, but to my mind they are actually  
quite sensible ones, so I do not see any harm in supporting those either. But the main concern I  
4745 have really is the Department ... I understand their anger, I understand their position, but them  
being completely unwilling to accept that there may be issues – completely unwilling to accept  
some of the facts on the ground around this structure and how it has been set up and how it is  
designed and just seemingly completely unable to accept why people have concerns about how  
we have got to where we got to. That is the biggest problem here, because you are never going  
4750 to resolve these issues until you accept there are issues in the first place.

Scrutiny is good when you can be a critical friend, when you can sit on the Department's  
shoulder and say, 'This is how it might work better.' Scrutiny is hard and much less effective when  
you are combative, when you are trying to hammer at a door that is being repeatedly closed, and  
that is where I feel the Committee are with this – if the Committee does not agree, feel free to say  
4755 so – but to my mind it feels that they are trying to help, and actually that help is not being gratefully  
received. It is not being received at all. It is not even being acknowledged, I think, and that is  
problematic.

So Hon. Members, I would encourage you to support the Report being received and even to  
support Mr Thomas's quite sensible recommendations, but please, when you do so, do not go  
4760 away from this thinking that actually this is a model to be replicated. Do not go away from this  
thinking that everything the Department said is valid and has a valid basis. And equally, do not go  
away from this thinking that everything the Committee is saying is valid. I think the truth is  
probably somewhere in the middle, but on balance, I am more than happy to support the  
Committee today.

4765 Thank you, Mr President.

**The President:** I call upon the Hon. Member for Arbory, Castletown and Malew, Mr Cregeen.

**Mr Cregeen:** Thank you, Mr President.

4770 I was just recalling many years ago when I first stood for election in 2006. My manifesto did not actually have anything about farming and fishing. So when I was elected, what did happen? I managed to get myself into the Department of Agriculture, Fisheries and Forestry! A Department where I had said I had nothing in my manifesto. The thing is, my uncles were farmers, my other uncles were fishermen, and when I spoke to them, *they* did not know the direction of their industry. So for me to put something in my manifesto at the time, when the people in the industry did not know where it was going, I thought was a bit pointless. So I did not put anything in there and then I got put into the Department to see what we can do.

4780 Over the 15 years I have had the honour of being in this Court, I have seen many reports come here and there has usually been a response to it. And, like I said previously, I have had positive engagement with the Hon. Member for Douglas East, Mr Robertshaw, from my position as Minister for Justice and Home Affairs and I would hope somewhere along the line the Committee and the Department and the Meat Plant could actually sit round the table and we could actually have a report that comes back and has a balance in there.

4785 So Mr President, that is why I have got an amendment, if the Clerk could have that circulated, please, and what I am asking Members to do is to refer the Report back to the Committee so they can continue their dialogue with the Department and the Meat Plant, so we can see a way forward. Plus, I am also putting in the amendments, most of them, that Mr Thomas, Hon. Member for Douglas Central, has put forward, because I think it acknowledges that there is difficulty in this industry. It acknowledges that it needs to be worked forward.

4790 The part that I have taken out from Mr Thomas's is:

the equity in Isle of Man Meats Company held by Department of Environment, Food and Agriculture should be transferred to Treasury urgently;

I believe that should be part of what will be now (d), the 'Meat Plant Governance, management, regulation, strategy and operations should be reviewed' as soon as practicable, which will include where that should probably sit.

4795 I think one of the knee-jerk reactions is, 'Oh, let's go and put it there', well, let's see where the right place is for this.

So with that, Mr President, I hope Hon. Members will support this. It is a way forward and I hope the Committee will actually work on it because (**Mr Robertshaw:** Rubbish.) I am sure between ... I am disappointed in Mr Robertshaw. We have had a good relationship working together, and I would hope that you –

4800 **Mr Robertshaw:** Rubbish! (*Laughter*) Rubbish!

**Mr Cregeen:** It is worth trying!

4805 **The Chief Minister:** Hear, hear.

**Mr Robertshaw:** It's rubbish!

4810 **Mr Cregeen:** It is worth trying. The thing is, if you are not going to see the balance in there ... So with that, Mr President, I beg to move:

*To leave out the words 'be received' and add at the end the words: 'be referred back to the Committee; and that Tynwald is of the opinion that:*

*(a) the Meat Plant is a significant strategic asset for the Isle of Man which has been severely affected by a number of changes in agricultural policies and external legislative pressures over the last 15 years;*

(b) putting any commercial enterprise into Government ownership is a major policy decision which should be scrutinised and voted on by Tynwald;  
(c) the Council of Ministers should develop a policy on Government ownership for consideration in Tynwald in November 2021; and  
(d) Meat Plant governance, management, regulation, strategy and operations should be reviewed as soon as is practical.'

**Mr Robertshaw:** Good.

**The President:** Thank you, Mr Cregeen.

**Suspension of Standing Orders to complete Items 16 and 52;  
and to start at 9.30 a.m. on Thursday –  
Motions lost**

4815 **The President:** We have now reached the allotted hour. I can inform Hon. Members that there are three Members who still wish to contribute to this Item.

**Mr Cregeen:** Mr President?

4820 **The President:** Mr Cregeen, you wish –

**Mr Cregeen:** Can I beg to move that we sit to the end of this Item, so we come to a conclusion.

**The President:** Is that seconded, Chief Minister?

4825 **The Chief Minister (Mr Quayle):** I would like to second, Mr President. I think if you look at the massive agenda, we are going to be lucky if we get this finished in four days. So at least we can get this topic put to bed.

Thank you. (*Interjection by Mr Callister*)

4830 **The President:** I am content to go straight to a vote, so 22 needed.

**The Speaker:** Reset the mood tomorrow morning ...

4835 **Mr Callister:** Yes!

**Mr Robertshaw:** What is the vote, Mr President?

**The President:** Sorry, apologies. The vote is to finish this Item. (*Interjections*)

*A division was called for and electronic voting resulted as follows:*

*In Tynwald – Ayes 20, Noes 11*

**FOR**

Dr Allinson  
Mr Ashford  
Mr Baker  
Mrs Barber  
Mr Boot

**AGAINST**

Miss August-Hanson  
Mr Henderson  
Mr Hooper  
The Lord Bishop  
Mrs Lord-Brennan

Mrs Caine	Mrs Maska
Mr Callister	Mr Mercer
Mr Cannan	Mr Peake
Mrs Christian	Mr Quine
Mrs Corlett	Mrs Sharpe
Mr Cregeen	Mr Shimmins
Mr Greenhill	
Mr Harmer	
Mr Moorhouse	
Mr Perkins	
Mrs Poole-Wilson	
Mr Quayle	
Mr Robertshaw	
Mr Speaker	
Mr Thomas	

4840 **The President:** That is 20 for, 11 against. I am afraid the motion fails. Therefore, we will be back tomorrow at 10.30.

I just remind Members, on the Order Paper there are 58 Items, we are currently at Item 16, and we do have Supplementary Order Papers too. So ...

4845 **Mr Shimmins:** Mr President, could we start earlier tomorrow?

**Several Members:** Hear, hear.

**Two Members:** No.

4850

**The President:** Do I have a motion? Is there a Standing Order for that motion?

**Mr Shimmins:** Could we start at half past nine? (*Interjections*)

4855

**The President:** Apologies, do I have a motion and what time?

**Mr Shimmins:** Half past nine tomorrow morning.

**The President:** I have a motion for half past nine. Does anyone wish to second?

4860

**Mr Callister:** Yes, I am happy to second that, Mr President.

**The President:** Am I right in thinking it is 22 ...?

4865

**The Deputy Clerk:** It is a suspension of Standing Orders, so it needs 16 and 6.

**The President:** Okay, Hon. Members, we have a motion to start at 9.30 tomorrow, that has been seconded and this is a suspension of Standing Orders. Therefore, we need 16 in Keys and 6 in Legislative Council. So I will now call for that vote.

*A division was called for and electronic voting resulted as follows:*

*In the Keys – Ayes 11, Noes 11*

**FOR**

Mr Ashford  
Mrs Barber  
Mrs Caine

**AGAINST**

Dr Allinson  
Mr Baker  
Mr Boot

Mr Callister	Mr Cannan
Mrs Christian	Mr Harmer
Mrs Corlett	Mr Moorhouse
Mr Cregeen	Mr Peake
Mr Hooper	Mr Perkins
Mr Robertshaw	Mr Quayle
Mr Shimmins	Mr Quine
Mr Thomas	Mr Speaker

4870 **The Speaker:** Mr President, in the House of Keys, 11 votes for, 11 against.

*In the Council – Ayes 9, Noes 0*

<b>FOR</b>	<b>AGAINST</b>
Miss August-Hanson	None
Mr Greenhill	
Mr Henderson	
The Lord Bishop	
Mrs Lord-Brennan	
Mrs Maska	
Mr Mercer	
Mrs Poole-Wilson	
Mrs Sharpe	

**The President:** In Legislative Council, 9 for, none against. Therefore, the motion fails. So we are back here at 10.30 a.m. tomorrow.

*The Court adjourned at 8.05 p.m.*



**16.&52. Environment and Infrastructure Policy Review Committee –  
The Meat Plant –  
Debate continued –  
Item 16, amended motion carried; Item 52, motion carried**

20 **The President:** So, Hon. Members, we shall resume our proceedings and we are on Items 16 with 52, and next up I will call on the Hon. Member for Ramsey, Dr Allinson.

**Dr Allinson:** Thank you very much, Mr President.

Picking up from where we left off yesterday, I would like to second the amendment under the name of the Hon. Member for Arbory, Castletown and Malew, Mr Cregeen.

Thank you.

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**The President:** I call upon the Member for Glenfaba and Peel, Mr Boot.

**The Minister for Environment, Food and Agriculture (Mr Boot):** Thank you, Mr President.

30 I thank you for that reflection on proceedings last night, I found them ... I will not reiterate or go back to where we were, but I found it very distasteful, the way that some Members conducted themselves. I will be brief. I said a lot in my initial speech.

35 With regard to Mr Thomas's amendment, really, that is putting in the recommendations that were not in the Report, but without proper reflection or taking further evidence, so I cannot support that. However, I can support the amendment brought by Mr Cregeen. I think it actually brings some clarity and also allows progress because there is ... I have said time and time again that we do not believe the Meat Plant is perfect, and we are quite happy to give further evidence and work with the Committee to ensure that there is a proper, reasoned report at the end of the day. So I will leave it at that and say that I will support Mr Cregeen's amendment.

Thank you.

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**The President:** I call upon the Hon. Member for Douglas North, Mr Peake.

**Mr Peake:** Thank you very much, Mr President.

45 Taking on board your words, I think it is great to have a fresh start, a clear head; and things did get quite heated yesterday. But I think if we just look at the facts of what we heard yesterday from Hon. Members, obviously the taxpayer has got quite a stake in this. We have heard that the taxpayer is now funding this to the tune of £2.1 million, and what does the taxpayer get back from that? Quality Manx meat.

50 Well, unfortunately, the taxpayer is only getting 20% to 30% of Manx meat that seems to be produced, and that does not feel good value to me. That does not feel like a transparent process. We have heard from our esteemed Chief Minister, who has got experience obviously in this area, but we are hearing that it can never make a profit. Well, surely we should not be starting out with that burden. We should be looking to be finding out the facts and defining what transparent information there is about, because there *is* information about. We have been contacted by a number of people in the meat trade, with stories of meat being reimported to the Isle of Man – killed here, exported and reimported at a cheaper price than was currently available from the Meat Plant. These are all things that need to be unearthed, to get to the bottom of and find out transparently so the taxpayer can feel that the process is true and honest.

60 The Meat Plant needs clear direction and this will only be found from the work that the Committee has started to uncover and brought to Tynwald today; and we need to, I believe, support Mr Thomas's amendment, because that then gives us a clear direction and people on both sides can then start to trust. Because that is one of the things the Committee has taken quite a long time to do, to build that trust up so they could start to get some proper facts.

65 So I really do hope that the Court today will support Mr Thomas's amendment that gives us clear direction.

Thank you, Mr President.

**The President:** I call upon the Hon. Member of Council, Mrs Maska.

70 **Mrs Maska:** Thank you, Mr President, and I will also be brief.

I am no expert. I found the Report interesting but quite harrowing reading at times – the Report itself and also the information in the reading room. I would say that this is a matter of strategy, as well. We need to decide in the fullness of time, do we want to retain a Meat Plant on the Isle of Man that can process – I do not like to use that word – but process our animals, but humanely, near to their home? Or do we want to see a situation where we are forced to export all our beasts to other centres in the UK, prolonging any anxiety, the process of travelling, prolonging that unnecessarily in times of bad weather and also actually in times when the boat will not sail? I think this is something, again, that needs to be the subject of further investigation, further review.

80 I would say that Minister Baker, when he took this challenge on, I feel sure he did it with the best of intentions, and I know he has taken on other challenges in that spirit. So maybe the governance as to the process that followed may not have been as good as it might be, but I think I give him credit for that, knowing him as a colleague and working with him.

85 I think that the amendment brought by Minister Cregeen offers a balance in that the Report, as it stands, is such a deep investigation, but I think it is worthy of further review. I would be supporting Mr Cregeen's amendment because I think that is fair to everybody and gives an opportunity to delve more deeply, because that is necessary.

I thank you, Mr President.

90 **The President:** I call upon the Hon. Member for Arbory, Castletown and Malew, Mr Moorhouse.

**Mr Moorhouse:** Thank you, Mr President.

95 I had not expected to contribute to this debate, but having taken the chance to reflect and talk to stakeholders, I believe it is now perhaps the time for an independent review to be considered as soon as is practically possible; and both amendments are pushing in that direction.

This is an incredible Island asset and it must be taken forward. If things are fine, as the Minister and Chairman suggest, that is good. However, if there are issues, appropriate action *can* be taken.

100 Also, I would appreciate clarity on where we are going forward with regard to the subvention. Is it agreed, or are there still question marks over it? That is an important thing going forward and I would like some reflection on that key matter.

Thank you very much, Mr President.

**The President:** I call upon the Hon. Member for Douglas Central, Mr Thomas.

105 **Mr Thomas:** Thank you, Mr President.

Obviously I have spoken, so I am talking to the amendment that has just been put down by Mr Cregeen. There are just a couple of procedural points before that, though.

The first one is: can I ask at this point to have *my* amendment voted on in parts, please?

110 **The President:** Hon. Members, a motion has been made under Standing Order 3.12, that the separate recommendations be debated as one but voted on separately. Does anybody wish to second the motion?

115 **Mr Hooper:** Happy to do that, Mr President.

**The President:** Mr Hooper, seconded.

Is the Court content for this to be done? (**Members:** Agreed.) Agreed.

Thank you, Hon. Members, we will now continue with the debate and when we get to the voting at the end, I will put each part of the recommendation separately.

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**Mr Thomas:** Thank you very much.

I appreciate that decision from the Court because obviously then, now that decision has been made, we can actually achieve the objective of Mr Cregeen's amendment in the terms of my own amendment beforehand, except for the fact that we have separated out the crucial issue. It is about *who* is going to be doing this work. Obviously the Council of Ministers can just vote against receiving the Report now that has been made, and they can just vote against the part that says that the shareholding should be transferred from the Department of Environment, Food and Agriculture to Treasury, if that is what they want to achieve.

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I think my second question, a procedural question if you do not mind, just before I move immediately to the amendment, is it your intention to take my amendment first, or Mr Cregeen's first? Is he using time, or how are you going to treat that?

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**The President:** It is my intention to take your amendment first.

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**Mr Thomas:** Thank you.

I was worried that we were playing games here with amendments and we were trying to become the one that was taken first, so that the other amendments were not in play. I am delighted you will be taking mine first and I thank Mr President for that ruling, that makes it clearer for everybody.

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So, essentially, there are two items on Mr Cregeen's Order Paper. The first one is that rather than the Report being *received* by this Court, it should 'be referred back to the Committee'. The obvious intention of that, as I understand it, and especially given what Mr Boot has said this morning, is the idea being that the Committee's Report in some way is deficient and it needs further work on it. I do not see it as that. 'Received' means that we should have it as a document that is finished and we should move on in the way to achieve exactly the outcome that Mr Moorhouse and Mrs Maska just basically spoke to. We need a better situation, we need a better outcome for everybody involved.

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That is why, myself, I do think the Committee has gone about its work properly, professionally and I do very much hope that the Court will receive the Report rather than referring it back to them, so we can go on to the next stage, which should get it to the better outcome, and moving forward in the interests of the whole of the public of the Isle of Man.

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In terms of deleting the item regarding the transfer of the ownership what has not come up to date, just to bring to people's attention with relevance as you make up your minds whether to vote for that or vote against it – i.e. voting *for* Mr Cregeen's amendment on my amendment, which is closely based differently or exactly based, except for a couple of votes against, differently from what Minister Boot said – is the fact that there is already a corporate company owned in Treasury operating in the agriculture sector, which is not in play. So as far as I can tell from my research overnight, Laxey Glen Mills is exactly in this situation. It is a company owned by Treasury which works really well with DEFA, and it seems to me that is the outcome that we all want.

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Why wouldn't we have the shareholdings of Isle of Man Government-owned enterprises? And basically it is the Chief Financial Officer and the Chief Secretary who seem to be the shareholders, as far as I could tell overnight; it is the Isle of Man Government owning Laxey Glen Mills. Why wouldn't we have all of the shareholdings centred in one place? And then why wouldn't we have the operating arrangements, like the User Agreement with DoI in the sea services space? Like the Laxey Glen Flour Mills arrangements with DEFA in the agriculture space? Why wouldn't we have that worked out? To me, that would have been a much more sensible amendment for Council of

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Ministers to move, to bring in DEFA as the people who know what they are doing in terms of the operational and policy aspects in agriculture, to be involved in it in that way.

170 So I hope that we can get the best out of my amendment and avoid what I believe will be  
perpetuation of the damaging situation we are in, by a vote for Mr Cregeen's amendment.  
Because I think my way actually is to move towards a better outcome in the middle. It is the middle  
ground. There is already the precedent in the agricultural sector of putting together an  
arrangement with the best of Treasury and the best of the Department of Environment, Food and  
Agriculture, and the best of an arm's-length operation that has been going for over a hundred  
175 years.

With that, I thank you for your time, Mr President.

**The President:** I call upon the Hon. Member for Douglas Central, Mrs Corlett.

**Mrs Corlett:** Thank you, Mr President.

180 The Report does not contain any recommendations. I want to ask: what is the Committee's  
intention with it? Is it to collect further evidence? Did the Committee intend for Members to make  
recommendations from the floor? It just does seem incomplete.

The opinions of the directors of the Meat Plant and the opinions of the Committee are poles  
185 apart, and the amendments by Mr Thomas and by Mr Cregeen actually find some middle ground  
to proceed. After all that has been said on record in this Hon. Court, I do not feel that we can just  
receive the Report and leave it there. Accusations, denials, counter-accusations. I do not feel that  
even after all that has been put forward on both sides that I would feel content to let this lie.

Amendments on the floor are concerning, as there is little time to consider them, but we have  
190 had these overnight and after consideration I feel I can support the amendment put forward by  
Mr Thomas, and if that fails the further amendment put forward by Mr Cregeen.

Thank you, Mr President.

**The President:** I call upon the Hon. Member for Glenfaba and Peel, Mr Harmer.

195 **The Minister for Policy and Reform (Mr Harmer):** Thank you, Mr President.

Just really, firstly, on a procedural note to confirm if Mr Thomas's amendment succeeds, then  
does Mr Cregeen's amendment automatically fail?

**The President:** Correct.

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**Mr Harmer:** Yes, thank you.

I wanted to contribute to this debate just on reflection of how things proceeded yesterday. I  
fully endorse the integrity of the Committee and what they have done, but I also fully endorse the  
integrity of the office holders. It is interesting, the difference in debate of how Item 15 was  
205 conducted where there was no question that the person doing the role ... it was not about  
individuals. I know and I echo the context of Mrs Maska who said, basically, Mr Baker takes all the  
tough roles and delivers, and pushes through, where most people would not even dare to tread.  
(**A Member:** Hear, hear.)

I think the things that concern me a little bit with the Report – and it really is around procedure  
210 as well – is to echo Mrs Corlett, Member for Douglas Central. It is very unusual to have a report  
with no recommendations, no conclusions, to be done with almost no real time for reflection.  
I would like the mover to really explain that, because what it has done, I think the difference ...  
because these are not new issues, this is not something that has happened yesterday or today, it  
is not like an urgent question. These are things that are going back two or three years. So the  
215 difference in debate and the difference in the tone of debate was very much of how the report  
was delivered. The other one was laid before.

I would have thought – and this is a question for the mover – why are we not laying this before, allowing that two months of reflection between debates to really understand the issues? Otherwise, it is a dangerous precedent that we are dealing with here because it means every  
220 report will come, half without conclusions and recommendations, and will be done immediately. We may as well change Standing Orders to say well, actually, just bring the reports immediately to Tynwald. The reason why I am saying that is that we are now second-guessing conclusions and recommendations.

Mr Thomas has brought some through which may or may not – in *my* view, I do not think it  
225 covers all of them, there are some bits that do and some bits that do not ... Strategically, I have a lot of empathy with separation of governance, policy and regulation, etc. I think everybody knows where I stand on that.

But the point is what we are not reflecting on is the whole of the agricultural sector and the place that the Meat Plant has in that. That context of the whole sector needs to be considered.  
230 The evidence that I have, and this is what needs further investigation, is how is the meat sector working? Is there more local production? Is there an intention of more local production? We all know about certain supermarkets now stocking Manx meat. How are the farmers working? Is it successful? Is it not successful? How is the export?

Remember there are, I think, as many sheep as there are individuals on the Island. Export is a  
235 key part of the agricultural sector as it is in other sectors. All of these questions are really sort of outstanding and yet here today we are setting a precedent, we are saying, 'Actually, let's not finish; let's not understand what those conclusions and recommendations are; but let's move ahead anyway.'

One of the issues is around whether it is owned by Treasury or not, and maybe the model in  
240 the future works with a User Agreement. But we are doing this on the floor of Tynwald, and that really *deeply* worries me; and we are not taking the whole sector into account. That is what really concerns me, certainly with the way this is proceeding and with the thought that it has to be in Treasury.

So in essence where I am coming from is that I think actually doing things in a different way  
245 would have delivered the results that probably everybody is looking for, but it would have been in a much more considered fashion. On that basis I will be supporting Mr Cregeen's amendment because it gives us time to actually move forward.

And I just reflect on this: there are a lot of comments that say there are stories of this and stories of that. Well, there is an issue where actually any evidence that is presented in this Court  
250 should be circulated prior to the Court. I would just suggest that is a good principle, that all Members have the same information, because there are in some of the speeches people saying there is evidence of this and evidence of that. If it is referenced to some new information that is absolutely fine.

So with that, I will finish; and thank you, Mr President.  
255

**The President:** I call upon the Hon. Member for Douglas South, Mr Quine.

**Mr Quine:** Thank you, Mr President.

I would just like to fully associate myself with the Hon. Member for Peel and Glenfaba,  
260 Mr Harmer's words regarding the personal integrity of my hon. friend, the Member for Ayre and Michael, Mr Baker.

I rise to fully support the amendment as put forward by my hon. friend, the Member for Douglas Central, Mr Thomas, because we could end up with an utter shambles on our hands. And if Hon. Members are perplexed as to why I use such a term I would invite them to look up its  
265 original meaning.

Thank you, Mr President.

**The President:** I call upon the Chief Minister.

270 **The Chief Minister (Mr Quayle):** Thank you, Mr President, and I rise to discuss the amendment by the Hon. Member for Douglas Central, Mr Thomas.

I just want to point out that I think (a) (b) (c) and (d) are virtually identical to the Hon. Member Mr Cregeen's; but there is one key element that is not, which I think is important, and that is item (d) the equity in the Isle of Man Meats.

275 Now, we have agreed, I think the general feeling is that we want more information. We want to go into this further. So if you support (d) you are saying, 'We are not going to listen to any more information, we are going to make a change straightaway to the transfer.' I would urge Hon. Members to not vote for element (d) of Mr Thomas's amendment, because it calls for action change *now*, which is totally wrong, and we would need to compare Laxey Glen Mills, shall we say, 280 which is in Treasury ownership and see how that is gone on. So we need more information before we can support (d). Thank you, Mr President.

Sorry, Mr Thomas, did you want me to give way?

**Mr Thomas:** Just that you started in fact as an experienced person that has, I am sure, been 285 giving lots and lots of advice to Mr Baker, with all of the years of experience in agriculture. I was just wondering whether the Chief Minister could reflect on the success of Laxey Glen Flour Mills and whether it is actually a good arrangement to use in the agriculture sector.

**The President:** Chief Minister, did you wish to?

290

**The Chief Minister:** I think that is for Tynwald Members to agree and review. I think we are all in agreement that we need more meat on the bone (**Several Members:** Oohh!) on this Report. Thank you. (*Laughter*) I did not think it was *too* bad a go! (*Laughter*) Given this is our third day!

295 **A Member:** We certainly need it!

**The Chief Minister:** I just think if we are saying yes to (a) (b) (c) and (d) why are we putting in changes when we have not got the extra information that we are going to review? It seems totally illogical to support '(d) the equity in Isle of Man Meats Company held ... should be transferred'. 300 That may well be the outcome, I am not saying it should not happen, but you are making a decision before you have got the full facts and information, and I do not think that is what this Hon. Court would want to do.

So I just thought I would draw it to everyone's attention that if you support (d) change will happen, irrespective of what you then get back. It may well be you think Treasury have done a 305 fantastic job, and maybe the cereal growers will write to you all saying, yes, they have done a fantastic job in Laxey Glen Mills. But I do not think so, because I know the group of people who grow for the mill, and they do not always agree with themselves.

But that is for Members to decide, once you have the additional information, not to be done before. I just thought I would clarify that.

310 Thank you, Mr President.

**The President:** Hon. Member for Middle, Mr Shimmins.

**Mr Shimmins:** Thank you, Mr President.

315 I just rise to my feet in response to the comments made by my hon. friend, Mr Harmer, about evidence and making points without having first passed the evidence around this Court. I just wanted to comment that actually this is especially difficult in this case, because we have already seen from the Report that a number of people are very wary of providing evidence publicly for fear of reprisals from DEFA. Also we have had to go to the private reading room downstairs and

320 had to sign a non-disclosure agreement because some of the evidence, which I believe was provided by DEFA, is too sensitive to publish.

So in that case it is very difficult to refer to stuff when you have signed that you cannot. I just wanted to make that point on record.

Thank you very much, Mr President.

325

**The President:** I call upon the Hon. Member for Ramsey, Mr Hooper.

**Mr Hooper:** Thank you very much, Mr President.

330 I just really wanted to talk very briefly about Mr Cregeen's amendment in that he removed that section (d) about arm's-length companies. It is quite interesting to me that you look back at all the other arm's-length companies that Government operates or owns, and they are all held, I believe, by Treasury. In fact, the most recent one that was established was the Manx Development Corporation and as part of that process the Development Corporation Team tabled a report for Tynwald to explain the structure. And, actually, this Report that was unanimously endorsed states  
335 in it:

As is usual practice for Government owned companies, the Treasury Minister will be the sole shareholder.

We accept that is standard practice for Government companies, but for some reason the Meat Plant is special. No one is saying that the Meat Plant should not be regulated by DEFA and overseen by DEFA and the policy sits in DEFA, this is purely a structural question as to actually, how do you separate that shareholder's interest from the regulator's interest, or the production  
340 interest, or the marketing interest? That is all that is being proposed here. So it is very strange that I find the Council of Ministers basically saying, 'We are going to step away from our usual practice, we just want more evidence –'

**The Chief Minister:** Would the Hon. Member give way, just on a point of clarification?

345

**Mr Hooper:** Of course.

**The Chief Minister:** If I could respectfully point out that Laxey Glen Mills are solely owned by the Government through Treasury. Manx Radio is solely owned through the Treasury. The Steam Packet is solely owned. The Meat Plant is *not* solely owned.  
350

There is a significant point there. Government have a *share*, other people have interest. So I just thought I would clarify that. Thank you.

**Mr Hooper:** Thank you for that clarification, although I hesitate to point out to the Chief  
355 Minister that he is almost entirely incorrect.

As I pointed out yesterday in quite some detail, the 'A share' that attaches to the FMA carries with it no rights – no rights to ownership, no rights to distributions, no rights to profit, no voting rights. The only right that attaches to that share is the right to appoint a director, and that is it. No way is the FMA an owner. Our beneficial ownership law actually would be very clear on this. The  
360 FMA would not count as a beneficial owner of that company because they are not entitled to anything to do with it. The Isle of Man Government is the sole beneficial owner of the Meat Plant. That is an unarguable fact, whichever way you decide to try and spin it.

That is what I am struggling to understand here, is why the Council of Ministers is trying to step away from what is, I think, widely accepted as the usual practice. I have not heard a good reason  
365 as to why the shareholding has to sit in DEFA. I have heard lots of good reasons why the regulation should sit there, why the oversight should sit there, but I have not heard any good explanation why the shareholding should sit there. And I also have not heard any explanation why transferring the shareholding out of DEFA into Treasury would cause a problem.

370 I am not aware that Treasury are causing big issues with the Development Corporation or the  
Laxey Glen Flour Mills or the Steam Packet. I will be honest with you, that was not my preferred  
solution for the Steam Packet. I was quite honest about that in this Hon. Court, but it seems to be  
going okay.

375 So I would just urge Members caution: vote whichever way you feel fit, but let's make sure we  
are voting with the facts here and not getting confused by some of the rhetoric that is coming out.

**The President:** I call upon the Hon. Member for Onchan, Ms Edge.

**Ms Edge:** Thank you, Mr President.

380 I just really want to say that I will be supporting the amendment from the Hon. Member for  
Central, Mr Thomas.

385 I did miss some of the debate yesterday, but the parts that I did hear did cause me some alarm  
really. I did see history repeating itself when I heard the Hon. Member for Douglas East,  
Mrs Barber, talking about individuals coming forward and in *fear* of coming forward. How many  
more times in this hon. place are we going to hear of people in fear of coming forward with  
information that is very valuable and needs to be in the hands of the right people? In the hands  
of politicians, so that we can make this a better place for everybody.

390 It actually brought back so many issues that I had heard through the Whistleblowing  
Committee which was set up. We have got major issues in every Department in Government, but  
my biggest concern listening to the bits I did yesterday was with regard to transparency. It is quite  
clear we have had very little transparency.

The Hon. Member for Middle, our Chief Minister said this was going to be the most transparent  
Government that we would ever see! I hope that we will see that, I certainly have not seen it in  
this administration. I can only hope that in the future we will see more transparency. We will see  
people declaring conflicts of interest, hoping they understand them in the first place.

395 But I do feel what the Hon. Member for Ramsey has just said with regard to  
recommendation (d), that it could be transferred to Treasury, I do not understand the fear that  
has been put by the Chief Minister with regard to you wanting more information on that. Why  
couldn't that information be provided to Treasury? What is the difference?

400 I just feel that is a fear factor to not vote for the Hon. Member for Central's amendment and I  
certainly will be supporting it.

Thank you, Mr President.

**The President:** I turn to the Chairman to reply.

405 **The Chairman of the Environment and Infrastructure Policy Review Committee (Mrs Barber):**  
Thank you, Mr President.

410 I would like to thank everyone for their comments to what has at times, I think, been a  
challenging debate. Mr Robertshaw rightly highlighted early on that Northgate have no incentive  
to upsell the quality of Manx meat as they are paid on kilograms sold and better pricing achieved  
is for the benefit of Northgate rather than Isle of Man Meats.

**Mr Baker:** Point of order, Mr –

415 **The President:** Yes.

**Mr Baker:** That is factually incorrect, Mr President.

Northgate get a fixed pence-per-kilo rate. If they get a better price, it benefits the Meat Plant.  
They do not benefit from selling more –

420 **The President:** What is the point of order? Factual –



**Mr Baker:** Factual inaccuracy, sorry. It is an important point because Northgate are not buying from Isle of Man Meats as a wholesaler and selling to the customer; they are acting as an agent, and that is a fundamental point that the Committee has not understood –

425

**The President:** Point taken, I think, please.  
Madam Chairman, please resume.

**Mrs Barber:** Thank you, Mr President.

430

Just to confirm, they are paid *per kilogram*, as opposed to being paid on the price that they achieve for the meat.

435

It is imperative that, with the current structure of buying at retail prices and selling at wholesale prices, there must be a focus on best price return, yet our Committee have not seen comprehensive evidence of this. Mr Robertshaw also drew our attention to the four areas of primary focus: company formation, governance, marketing and future strategy – areas that, in the whole, have not been addressed in the debate.

440

Minister Boot stated he welcomed scrutiny, just not this scrutiny. He criticised our bringing what he described as ‘an unfinished report without recommendations’, yet I am sure he would recognise the challenge that all committees have been under to complete inquiries at the end of the political term. Rolling something of this importance forward did not appear to be an appropriate option to this Committee, so we have presented a comprehensive report that raises questions that need addressing by his Department. I would respectfully request the Minister works with, rather than against, the Committee and explore some of the concerns we have raised, recognising that took a lot of courage for people to talk to us. (**Mr Robertshaw and another Member:** Hear hear.)

445

Minister Boot referred to the issue of the missing scoring matrix. He has stated, ‘There was never a scoring matrix’, and expressed surprise that we would think there was. Silly us! (*Laughter*) We were under the misapprehension that when ‘performance against the scoring matrix’ was referred to in the feedback letters to both tender submissions, there must have been a scoring matrix.

450

To be clear, both letters discussed the scoring against the nine requirements contained within the scoring matrix on a score out of five. The letters highlight that a minimum score of three out of five is required in all areas to progress an application. So I question: if it was never scored, how do they know that either tender could not have proceeded to that formal consideration?

455

Minister Boot went on to question why we did not ask for other documents and only asked for the scoring matrix from the officers. In fact, we addressed our queries to the Chief Executive, which we would argue is normal practice. We cannot comment on why this was not referred to him. Our initial query was for all documents relating to the tender process of the Meat Plant in 2017, so if there are documents we do not have, that raises additional areas of concern.

460

A further email was sent to Mr Lees requesting any documents that explain why the decision was made that the tenders submitted were not considered to meet the requirements set to operate the Meat Plant, including a completed copy of the tender reward matrix. I would hope this was a reasonably clear request, but the response was that it could not be found.

465

Minister Boot challenged the peculiarity of not sharing a report with the Department prior to publication. However, this is only a routine practice if an individual who is criticised within a report will not have the right of reply in this Hon. Court. This is not the case. He went on to talk of the wealth of experience in this industry within DEFA, and yet it is clear from our inquiry that there remain areas of significant concern despite this experience.

470

The Chair of the Meat Plant started with a persistent reference to ‘Mr Robertshaw’s Committee’, seemingly targeted to undermine my position as Chairman of this Committee. I can confirm that there have only been two Chairmen during the inquiry into the Meat Plant: myself and Mr Callister. In fact, I can confirm that I visited the Meat Plant with Mr Callister and our

Committee Clerks. We witnessed the stun line and the process of preparing carcasses. While this was very interesting, it is not the area that the Report is focusing on, so a further visit, although offered, did not appear to be what we needed.

475

Mr Baker argued that there was evidence submitted as late as Friday, leading to the conclusion that this was all too short notice. I acknowledge that the Committee asked for information from him on 8th July. He did not mention, though, the source of the late information was the e-mail that was sent by him on behalf of the Meat Plant in response to that request.

480

Mr Baker referred to an absence of evidence from a different perspective such as the MNFU, but as Mr Hooper highlighted, their paper also confirmed the high export of Manx Meats against the backdrop of demand on Island fulfilled by imported meat. He went on to say that the strategy was not to sell direct to the consumer. However, our inquiry has shown multiple accounts that would suggest the primary way to add sufficient value to the meat would be to move into packaging and a retail offering. Our aim in both the dairy and meat industry is clear governance frameworks to ensure quality products for consumers. **(Mr Robertshaw: Hear hear.)**

485

Mr Shimmins reiterated the concern about the Minister's assertion that the tender documents were insufficiently detailed and emphasised the challenge that one bidder had with accessing further information which they were denied access to. This is a matter of record and can be seen in the documents available in the reading room.

490

Mr Thomas talked of his long-term reluctant involvement in this subject, and we can attest that many of those we spoke to have tried to help in various guises over the years with increasing levels of frustration. He described the challenge of writing reports with a limited resource in an environment that has been challenging, as it has taken time to build trust with people who have been fearful to raise their concerns with anyone. **(Mr Robertshaw: Hear hear.)** Mr Thomas talked of the need for reflection in all areas of Government to ensure we head in the right direction and teased out the main issues in creating an amendment. The Committee are comfortable to support this amendment as drafted, and I will come on to the detail shortly.

495

Mrs Caine described Planet DEFA and the rest of the Earth. In a world of space exploration where the option is DEFA, I will keep my feet firmly on the ground. She talked of the importance of transparency, openness and honesty. Maybe nationalisation was the most appropriate action, but without reference to this Hon. Court and availability of the rationale for that decision, it is simply not possible to know. She described the oddity with consolidating accounts of anything other than a nationalised business into Government accounts.

500

Mrs Caine went on to raise important points about ensuring our agricultural strategy takes account of climate change mitigation and recognition of our Biosphere status. She talked of the importance of perception and requested a review of DEFA, a core that echoed earlier comments in a different report by Miss August-Hanson.

505

The Chief Minister got to his feet and asked about Orkney Gold. I can confirm we have looked at a number of different models of small abattoirs and how they have created markets for high-end product.

510

To be clear, we are not asking for submarine doors and we are not comparing ourselves to big meat plants. We are not advocating for live export, we are also not looking for a big profit, but we are looking for clarity over company formation, clear governance structures, a sustainable future-proof strategy and value for money for the Manx taxpayer. **(Mr Robertshaw: Hear, hear.)** We are not looking to keep revisiting the report until DEFA like it, but as the Chief Minister highlighted, we need food security, and we believe that if we do not fix some of the issues raised within this Report, we will not have food security at all. **(Mr Robertshaw: Hear hear.)**

515

Mr Mercer stressed that the Committee have certainly acted in good faith, a point I would strongly reiterate.

520

Mr Hooper stressed there is an understanding that the Meat Plant will need a subsidy and that agriculture needs support. We certainly do not disagree with those comments. He talked about the difficulty of getting information, and that has been difficult throughout this inquiry from every avenue, I can assure you. He referred again to the Manx National Farmers' Union and talking about

525 pricing structures and live exports and the poor prices still paid to farmers. There is a legitimate concern to farmers around the deductions that are taken in what is a volatile business. He said it might not be working! I think you can all guess where I am going with that!

The FMA are completely limited in terms of their role within the Meat Plant, despite the fact that on paper they hold a share in the Meat Plant operation. Their directors – and I say directors, 530 it is a singular but there have been many of them – are put in a very difficult position in being able to actually fulfil their duties and ensure that the Meat Plant is operating in a way that they believe is effective. **(Mr Robertshaw: Hear hear.)**

There was talk about the tender documents not having skin in the game, and yet there does not appear to have been consideration of a public-private partnership with any of these people 535 who put bids in and put comprehensive work into it.

On talking to both of the tenderers, they were not looking to make profit for themselves. They had skin in the game because they are involved in our agricultural sector. And they lost the cost of preparing comprehensive documents when the tender process was pulled completely with no clear justification, except a matrix that it now appears did not exist. If this is an arm's-length 540 model, we are in a worrying place. I hope that arm's-length models also do not require Members of the political Departments that oversee them to vote in their favour because otherwise again, it becomes very clear it is simply a branch of DEFA.

Minister Cregeen's amendment does not appear to achieve any more or less than Mr Thomas's, except for to say, we refer it back to the Committee and (a), (b), (c) and (e), we are 545 happy to go with. I am uncomfortable with this position because these areas we have highlighted are urgent. We are in a position where it is not a two-month wait, as Mr Harmer suggested – and perhaps we can consider Mr Shimmins' idea of a shorter recess – because, in fact, I think realistically we are looking at about six months before we get a new Committee appointed and are in any sort of position to be able to actually look at this in depth again. We have a long recess. 550 We cannot appoint Committee members until we have appointed Ministers, Chief Minister, Ministers, Members and then we move on. Realistically, this is six months down the line, so I ask Hon. Members to consider how important this is to you to get this right. **(Mr Robertshaw: Absolutely.) (Mr Callister: Hear hear.)**

Mr Moorhouse called for an independent review. I would argue there are lots of reviews that 555 are in our evidence that have not been implemented. There are lots of people who have experience in this field who have commented and provided their input that we have not followed, so I am not sure whether we need another review. We need people to look at the work that has been presented and implement that.

Mrs Maska talked of her concerns having read the information that was available in the reading 560 room and in the Report.

Mrs Corlett highlighted the fact there are no recommendations and, again, we were in a situation whereby, by virtue of the dates we had available to us, we felt it was important to bring this to this sitting for debate. I would say this is not a thing that I certainly do lightly, and there are other reports where we have made a call to just lay them – they will be laid in the next few days, 565 and they will be debated in due course, because there is not the urgency that we feel is attached to *this* Report.

Minister Harmer, I am grateful for you respecting the integrity of the Committee. We are not questioning individual integrity. We are questioning integrity of structures that we believe are fundamentally wrong, and it is absolutely right that we stand up and we speak out. Again, as I said, 570 you have talked about that two months of reflection, but it is not two months; it is going to be six realistically and I think that is a problem when you have something where you can see things are not right.

I am interested that a number of Ministers have talked about the fact that they need the two-month consideration period and perhaps we could all reflect on the fact that when CoMin bring something to Tynwald, we get the standard period of time, which is two and a half weeks, and 575 when they bring in regulations for COVID we get one to four days, if we are lucky. And we have to

look at it, we have to consider it, we have to respond. In a fast-paced society, that is how things are! I think there have been frustrations from us, but that is a reality and I think we have to be able to prioritise our time to fit these things in. I think the rolling register will be a huge help – we will hopefully see that by the beginning of the next administration – but in reality there are times when this will happen, and I think we have to accept that from both sides.

And he agreed; we should separate regulation from operation. He talked about evidence circulated prior to the Report and I am confident that all the evidence that has been talked about was in the reading room for those Members who took the opportunity to go and have a look at it; there were not many.

Mr Quine said he would support Mr Thomas's amendment and called this a 'shambles'. I think that there are certainly areas where we are very, very concerned and that is why we have brought this to you, Hon. Members.

The Chief Minister highlighted that (a), (b), (c) and (e) are identical, and I agree, and we have the opportunity to vote on each item separately. He talked about why we would move it to Treasury? I do not think we need to fear Treasury. We have left them in charge of some other quite big stuff and certainly they have sought to liaise with Members, but what it does do is it ensures separation of powers. It ensures there is another person sitting at that table with independent thought and oversight, and surely that is a helpful thing given the concerns that this Committee has raised.

Mr Shimmins –

**The Chief Minister:** Would the Hon. Member give way on a minor point, please?  
**(Mrs Barber:** Yes.)

I did not say no to it going ahead. I said Tynwald should have all the facts and then decide. That was the clarification. A change is being made when we have not seen all the facts. The Meat Plant have not been able to go back to some of your comments, and I thought it important that before we agree to make a change that all the evidence is before Tynwald Members and then if they want to do that, that is the way forward.

I just wanted to clarify. I was not saying no.

**Mrs Barber:** Thank you for that clarification.

I certainly feel that we are at a position where there are enough facts in front of us, that this would seem to be a pragmatic solution to a problem that we have.

Mr Shimmins talked of the challenge of a private reading room, and I agree. I think, in an ideal world, a private reading room is not the right thing, but we had no choice. We had some issues that were commercially sensitive and we respected, absolutely, the requests that came to us from the people who submitted those pieces of information.

There is certainly a challenge, and it highlights very clearly, though, when you see that there are not huge numbers of Members who access private reading rooms. I do not know how we resolve that situation. I appreciate Members have challenges on their time, but I know that it adds another tier. You cannot go to a private reading room when you are doing your reading at 11 o'clock at night. I understand that, but we have to find a way to prioritise that and make that available to people, perhaps in hours that are outside of routine office hours, but that has to be made available.

Mr Hooper talked of the fact that all arm's-length bodies are currently held in Treasury, so this is not an unusual decision; and also that the Isle of Man Government are the sole beneficial owner of the Meat Plant as demonstrated within the mem. and arts., and certainly on talking to the FMA and their role. So I would say that farming is precarious and certainly the volatility of meat prices is really significant. In a world where trade deals post-Brexit are opening up new meat markets, there is a clear risk.

In evidence, the Chair of the Meat Plant stated that retail purchase and wholesale prices would fall by similar margins, leaving a static profit for the Meat Plant, and I agree, but the farmers'

630 margins will be squeezed until the point that they stop trading. Some already have and we will have no meat sector left to save. We will rely on 100% of imported meat if we do not have a change in strategic direction for the Meat Plant.

To finish, I think that just for an additional point of reflection, I would ask that everyone who has engaged in this debate reflect on the manner in which they have done so, because when there was a culture of fear that was talked about to us by a number of people – not all in one area; 635 *across* the agricultural sector and the Meat Plant – I am concerned that this debate will not have encouraged people to come forward. In fact, it will have done the polar opposite, and we will have shut doors, whether they be submarine doors or any other sort of door, firmly and told people that we are not listening.

So I would encourage Members to vote with Mr Thomas's amendment and to support that 640 today, because I believe that this is an area that is too important to get wrong.

Thank you, Mr President.

**Several Members:** Hear, hear.

645 **The President:** Now, Hon. Members, we come to the voting on this debate. You have debated two motions, Items 16 and 52. I will put each motion separately.

Turning first to Item 16, the motion as set out on the Order Paper. To that motion, you have two amendments. As I said earlier, I intend to put the amendments in the order which they were 650 tabled. The two amendments are mutually exclusive alternatives. A vote for one is a vote against the other. Therefore, if Mr Thomas's amendment is carried, I will not put Mr Cregeen's.

Turning then to Mr Thomas's amendment, the Court has decided on the parts of the amendment to be voted separately. I therefore put to you the first part, part (a), of Mr Thomas's amendment.

655 **Mr Cregeen:** Mr President, can I just have some clarity, please? On mine it says Mr Thomas's saying 'add at the end' and on my amendment, it says that instead of 'received', it says 'be referred back'. So I think you may have to put the 'referred back' because Mr Thomas's is (a), (b), (c), (d) and (e). If I could have some clarity, please.

660 **The President:** I will take advice.

*The President took advice from the Clerks.*

**The President:** Hon. Members, I am content that we will proceed and vote on Mr Thomas's separately. So putting to you the first part, part (a) of Mr Thomas's amendment. All those in favour, please say aye; all those against, please say no.

*A division was called for and electronic voting resulted as follows:*

*In the Keys – Ayes 16, Noes 7*

**FOR**

Mr Ashford  
Mrs Barber  
Mrs Caine  
Mr Callister  
Mr Cannan  
Mrs Christian  
Mrs Corlett  
Ms Edge  
Mr Hooper  
Mr Moorhouse

**AGAINST**

Dr Allinson  
Mr Baker  
Mr Boot  
Mr Cregeen  
Mr Harmer  
Mr Perkins  
Mr Quayle

Mr Peake  
Mr Quine  
Mr Robertshaw  
Mr Shimmins  
Mr Speaker  
Mr Thomas

**The Speaker:** Mr President, in the House of Keys, 16 votes for, 7 against.

*In the Council – Ayes 5, Noes 2*

<b>FOR</b>	<b>AGAINST</b>
Mr Henderson	Mr Greenhill
Mrs Lord-Brennan	Mrs Maska
Mr Mercer	
Mrs Poole-Wilson	
Mrs Sharpe	

665 **The President:** In Legislative Council, 5 for, 2 against. Amendment carried.

Putting to you part (b) of Mr Thomas's amendment. All those in favour, please say aye; those against, please say no. The ayes have it. The ayes have it.

Putting to you part (c) of Mr Thomas's amendment. All those in favour, please say aye; those against, please say no. The ayes have it. The ayes have it.

670 Putting to you part (d) of Mr Thomas's amendment. All those in favour, please say aye; those against, please say no.

*A division was called for and electronic voting resulted as follows:*

*In the Keys – Ayes 12, Noes 11*

<b>FOR</b>	<b>AGAINST</b>
Mrs Barber	Dr Allinson
Mrs Caine	Mr Ashford
Mrs Corlett	Mr Baker
Ms Edge	Mr Boot
Mr Hooper	Mr Callister
Mr Moorhouse	Mr Cannan
Mr Peake	Mrs Christian
Mr Quine	Mr Cregeen
Mr Robertshaw	Mr Harmer
Mr Shimmins	Mr Perkins
Mr Speaker	Mr Quayle
Mr Thomas	

**The Speaker:** Mr President, in the Keys, 12 votes for, 11 against.

*In the Council – Ayes 5, Noes 2*

<b>FOR</b>	<b>AGAINST</b>
Mr Henderson	Mr Greenhill
Mrs Lord-Brennan	Mrs Maska
Mr Mercer	
Mrs Poole-Wilson	
Mrs Sharpe	

**The President:** In Legislative Council, 5 for, 2 against. Therefore the amendment is carried.

675 Putting to you part (e) of Mr Thomas's amendment. All those in favour, please say aye; those against, please say no. The ayes have it. The ayes have it.

Just before I put Mr Thomas's amendment as a whole, if you do not wish to have this, if you wish have Mr Cregeen's amendment, vote no.

So I put to you, Mr Thomas's amendment as a whole. Those in favour, please say aye; those against, please say no.

*A division was called for and electronic voting resulted as follows:*

*In the Keys – Ayes 13, Noes 10*

<b>FOR</b>	<b>AGAINST</b>
Mrs Barber	Dr Allinson
Mrs Caine	Mr Ashford
Mrs Christian	Mr Baker
Mrs Corlett	Mr Boot
Ms Edge	Mr Callister
Mr Hooper	Mr Cannan
Mr Moorhouse	Mr Cregeen
Mr Peake	Mr Harmer
Mr Quine	Mr Perkins
Mr Robertshaw	Mr Quayle
Mr Shimmins	
Mr Speaker	
Mr Thomas	

680 **The Speaker:** Mr President in the Keys, 13 votes for, 10 against.

*In the Council – Ayes 5, Noes 2*

<b>FOR</b>	<b>AGAINST</b>
Mr Henderson	Mr Greenhill
Mrs Lord-Brennan	Mrs Maska
Mr Mercer	
Mrs Poole-Wilson	
Mrs Sharpe	

**The President:** In Legislative Council, 5 for, 2 against. The motion is carried.

Now I put ... I have done that, apologies. I now turn to the vote on Item 52 on the Order Paper. *(Interjection by the Speaker)* Sorry, the substantive motion.

685 I now put the substantive motion as Item 16, as amended, on the Order Paper. All those in favour, please say aye; those against, please say no.

*A division was called for and electronic voting resulted as follows:*

*In the Keys – Ayes 14, Noes 9*

<b>FOR</b>	<b>AGAINST</b>
Mrs Barber	Dr Allinson
Mrs Caine	Mr Ashford
Mrs Christian	Mr Baker
Mrs Corlett	Mr Boot
Mr Cregeen	Mr Callister
Ms Edge	Mr Cannan
Mr Hooper	Mr Harmer
Mr Moorhouse	Mr Perkins
Mr Peake	Mr Quayle

Mr Quine  
Mr Robertshaw  
Mr Shimmins  
Mr Speaker  
Mr Thomas

**The Speaker:** Mr President, 14 votes for, 9 against in the Keys.

*In the Council – Ayes 7, Noes 0*

<b>FOR</b>	<b>AGAINST</b>
Mr Greenhill	None
Mr Henderson	
Mrs Lord-Brennan	
Mr Maska	
Mr Mercer	
Mrs Poole-Wilson	
Mrs Sharpe	

**The President:** Legislative Council, 7 for, none against. The motion is therefore carried.  
We now turn to the vote on Item 52 on the Order Paper. Mr Boot?

690 **Mr Boot:** Point of order, Mr President. I have already made an explanation of what happened to the matrix. Perhaps the mover would consider withdrawing the motion because there is not much more I can do.

695 **The President:** I believe the debate has already taken place and that has passed, so therefore I will be calling for a vote.  
So this is Item 52.

**Mr Perkins:** Item 51.

700 **Several Members:** Item 52.

**Mrs Caine:** It is the new paper. We changed paper.

**The President:** All those in favour, please say aye. All those against, please say no.

*A division was called for and electronic voting resulted as follows:*

*In the Keys – Ayes 13, Noes 10*

<b>FOR</b>	<b>AGAINST</b>
Mrs Barber	Dr Allinson
Mrs Caine	Mr Ashford
Mrs Christian	Mr Baker
Mrs Corlett	Mr Boot
Ms Edge	Mr Callister
Mr Hooper	Mr Cannan
Mr Moorhouse	Mr Cregeen
Mr Peake	Mr Harmer
Mr Quine	Mr Perkins
Mr Robertshaw	Mr Quayle
Mr Shimmins	
Mr Speaker	
Mr Thomas	



705 **The Speaker:** Mr President, in the Keys, 13 votes for, 10 against.

*In the Council – Ayes 7, Noes 0*

**FOR**

Miss August-Hanson  
Mr Greenhill  
Mrs Lord-Brennan  
Mrs Maska  
Mr Mercer  
Mrs Poole-Wilson  
Mrs Sharpe

**AGAINST**

None

**The President:** Legislative Council, 7 for, none against. Therefore, the motion is carried.