

Canada – United Kingdom  
Inter-Parliamentary Association



Association interparlementaire  
Canada – Royaume-Uni

**Report of the Canadian Parliamentary Delegation respecting  
its participation at the Bilateral Visit to London and Cardiff  
Wales, United Kingdom**

**Canada–United Kingdom Inter-Parliamentary Association**

**January 18 - 25, 2014**

# Report

A delegation of the Canada-United Kingdom Inter-Parliamentary Association visited London and Cardiff Wales, United Kingdom from January 18 – 25, 2014.

The delegation was led by Mr. Ed Holder, M.P. and included the following members of the delegation: Hon. Terry Mercer, Senator, Mr. Charlie Angus, M.P., Mr. Gerald Keddy, M.P., Mr. John McKay, M.P., and Mr. James Rajotte, M.P. The delegation was accompanied by Ms. Elizabeth Kingston, Executive Secretary of the Canada-United Kingdom Inter-Parliamentary Association.

The prescribed themes of the visit were as such:

- 1) The devolution arrangement with Wales, especially the history of devolution and constitutional reform in the UK, including the 1997 referendum and the 2011 vote in favour of further law making powers;
- 2) The post-referendum situation in Wales including; the impact on Great Britain of a possible Scottish yes vote;
- 3); Wales as a fair trade nation.

While at Westminster, the delegation's discussions concerned the following subjects of focus:

- 4) United Kingdom priorities for 2014, especially the areas of trade and investment; the Canada-Europe Trade Agreement (CETA);
- 5) Gain a greater insight into the current financial situation in Britain; as well as an economic update;
- 6) Understand better the workings of Parliament at Westminster; the role of backbench M.P.'s, and the role of The Independent Parliamentary Standards Authority (IPSA).

## **1) Overview of the Parliamentary System, including the devolution of powers for Wales within the United Kingdom:**

The National Assembly for Wales comprises 60 members. Members are elected for four-year terms with 40 Members representing geographical constituencies elected by the plurality system, with constituencies currently similar to those for Westminster, and 20 members representing five electoral regions using the d'Hondt method of proportional representation. The last election took place on May 5, 2011 and the results constituted the Fourth Assembly which will last until 2016.

The National Assembly was established in 1999 following the enactment of the Government of Wales Act in 1998, and the devolution vote in 1997. Under the 1998 Act, nearly all the powers of the Secretary of State for Wales were transferred to the new Assembly. The Assembly had no powers to initiate primary legislation until limited law-making powers were gained through the Government of Wales Act in 2006. This Act provided for further devolution by providing formal separation between the Assembly and the Welsh Assembly Government to improve devolved governance as well as enhanced legislative powers for the Assembly itself so that its legislative priorities would be realized more quickly and easily.

Its primary law-making powers were enhanced following a Yes vote in the referendum in March 2011, making it possible to pass legislation without having to consult the UK Parliament in the 20 devolved areas of responsibility as of May 2011.

These areas of responsibility are the following: agriculture, forestry and rural development; historic monuments and historic buildings; culture, economic development; education and training; environment; fire and rescue services and promotion of fire safety; health and health services; sport and recreation; tourism; town and country planning; water and flood defense and the Welsh language.

A Commission on Devolution in Wales, otherwise referred to as the Silk Commission was established by the Secretary of State for Wales in October 2011, with terms of reference divided into two parts. Part one concerns the devolution of certain tax and borrowing powers to the Assembly and Welsh Government, while Part two concerns the powers of the Assembly, including the case to modify the current constitutional arrangements to enable the Welsh devolution settlement to work more effectively.

Formally Part one reads as follows:

To review the case for the devolution of fiscal powers to the National Assembly for Wales and to recommend a package of powers that would improve the financial accountability of the Assembly, which are consistent with the United Kingdom's fiscal objectives and are likely to have a wide degree of support;

And Part Two:

To review the powers of the National Assembly for Wales in the light of experience and to recommend modifications to the present constitutional arrangements that would enable the United Kingdom Parliament and the National Assembly for Wales to better serve the people of Wales.

In November 2012 the Commission reported on the fiscal powers question. It made 33 recommendations designed to give the Welsh government responsibility for raising around one quarter of its budget with devolution of tax-raising powers beginning with smaller taxes such as Stamp Duty. By 2020 the Welsh government should have the power to vary income tax, following a referendum. In December 2013 a draft Wales Bill was introduced to implement the Commission's first report.

In addition to the valuable information received regarding devolution matters, the delegation also addressed issues pertaining to the environment, youth engagement and bilingualism within the National Assembly for Wales.

From an environmental perspective, the delegation was informed by the Chair of the Environment Committee, The Right Honourable Lord Dafydd Ellis-Thomas and committee members of the great concern associated with the loss of Welsh coastline, given the dramatic storms that have hit the country in recent years. It has been necessary to build up the dune system as well plant rugged grasses to counteract the effects of this erosion. As an example, the Chair referred to a section of the coast whereby 10 metres had been washed away in one night alone.

The Chair also referred to the coal mining situation, stating that there is now in operation only one coal power station in Wales, with no deep mines left. Moreover, unlike Scotland

where energy is a devolved issue, this is not the case in Wales, especially in such matters as investment and renewables. For example, such matters as the placement of wind turbines are being decided upon by the Energy Department in the United Kingdom. Any energy produced is placed on the national grid, as established by the Thatcher Government.

The delegation also had the opportunity to receive a briefing on the comprehensive program put into place by the National Assembly for Wales in youth engagement and education. The program strives to engage both teachers and students on matters of civic importance, including the work of the National Assembly. The Assembly staffs three education officers who liaise with schools and colleges, thereby linking the business of the Assembly with educational programs. In addition they facilitate the opportunity for Assembly members to meet with young people. Through such programs, the Assembly looks to increase the voter turnout among the youth in Wales, which stands now at 32% for those under 25 years of age.

The Assembly also has a strong translation and interpretation service. Out of the 400 staff members, one third are bilingual. Through the creation of a bilingual skills strategy, the Assembly looks to provide training and awareness sessions to all employees. In addition, the Assembly works closely with universities and the Welsh Government to ensure that programs are strong and widely accessible. All officers employed at the Assembly must be bilingual and all parliamentary proceedings are translated in both languages as well as all records.

While at the Assembly, the delegation had the opportunity to tour the Pierhead, built as offices for the Bute Docks Company and renamed the Cardiff Railway Company in 1897. It is situated overlooking Cardiff Bay and serves as an event and conference centre for the National Assembly.

While in Cardiff the delegation also had the opportunity to view St. Fagan's National History Museum, an open-air museum highlighting the historical lifestyle, culture and architecture of the Welsh people, and consisting of more than 40 buildings.

## **2) The Scottish Referendum:**

There is little doubt that the Scottish Referendum will have a significant effect on the Welsh devolutionary settlement, as well as on the constitutional structure of the United Kingdom as a whole. The referendum is the result of a series of political developments since the Scottish National Party (SNP) came into power under the able leadership of Alex Salmond, and finally won a majority in May 2011, winning 69 of the 129 seats. Regardless of the outcome, there is a call for a restructuring of the present system, of moving towards a federated model, with greater devolution symmetry and accountability with all the federated states. In this respect, much consideration has been given to the West Lothian Question, concerning the issue of MP's from devolved areas of the United Kingdom voting on English matters, while MP's from England have no reciprocal influence on laws outside of England.

## **3) Wales as a Fair Trade Nation:**

The delegation had the opportunity to visit the offices of Fair Trade Wales while in Cardiff. Fair Trade Wales is an organization that exists to grow the Fair Trade movement in Wales. It is funded by the Welsh Government. In June 2008 it led Wales to become the world's first Fair Trade Nation and as of 2010 is working towards the second phase of Fair Trade Nation targets. Although a small organization, its mandate seeks to define Wales as a free trade nation, working to support and develop the Fair Trade movement in Wales, to improve public awareness of, and support, for Fair Trade, to support and influence public policy, and to promote Fair Trade within business.

Fair Trade ensures farmers receive at least a minimum fair price for their produce. This enables them to plan ahead and build their businesses while re-balancing a trade system that tends to favour the producer. It was noted that all the tea, coffee, sugar, hot chocolate and fruit juices served at the National Assembly for Wales falls into the fair trade category.

## **Westminster – United Kingdom:**

The delegation then travelled to London, England, where it held a series of meetings at Westminster.

#### **4) United Kingdom Priorities for 2014, especially the areas of trade and investment; the Canada-Europe Trade Agreement (CETA):**

Canada's commercial relationship with the United Kingdom is of tremendous importance. As Canada's second largest investor abroad, the third for exports and a strong source of foreign investment and science and technology partnerships, the United Kingdom also works strongly with Canada as it seeks to finalize and rarify the Canada-Europe Free Trade Agreement (CETA).

#### **Meeting with The Lord Livingston of Parkhead – Minister of State for Trade and investment:**

The Minister of State for Trade and Investment, The Lord Livingston of Parkhead, affirmed that the United Kingdom is a firm proponent of free trade and stated that the CETA would present a real opportunity for UK exports. He suggested that with the European Union and Canada in a firm trade relationship, the United States might perhaps take heed and catch up, citing the possibility of a CETA – NAFTA alliance as a powerful trading block, taking in essence the relationship from strength to strength. He cited the importance of small and medium sized enterprises as a focus for investment, helping them grow their knowledge base and capacity.

The Minister went on to cite the speech of Prime Minister Cameron in Davos, whereby he stated that foreign investment was contributing to a turn-around in the UK economy. Moreover, he suggested that overseas investment would continue to be most welcome, and encouraged Canada, as the UK's second largest trading partner to continue to invest. At present, Canadian investments are numerous in the financial sector including insurance, as well as Canadian provincial and federal pension funds' investments in commercial real estate, healthcare and infrastructure projects.

But he argued the UK has to do more to encourage "re-shoring" - the return of businesses that have moved abroad to cut costs.

The Minister also referred to the issue of shale gas extraction through fracking, suggesting that it could boost the economy and be a means to encourage businesses to come back to the UK.

### **Meeting with The Right Honourable David Jones, Secretary of State for Wales:**

The Right Honourable David Jones stated that the issue of devolution is relatively new for Wales, having been a matter really for the past 15 years, having achieved it only by a narrowed margin vote. The resulting approach to it has been somewhat less robust than other parts of the United Kingdom, especially Scotland. With Wales a third the size of London itself, England is far greater than the sum of its parts, and the issue always has been that other countries are dominated by the interests of England. He stated that even parts of England are becoming concerned about the dominance of London suggesting it is becoming like a city state.

A major undertaking for the Secretary of State for Wales has been managing the interface between the devolved parliament of the National Assembly for Wales and Westminster. Devolution was described as a conferred process, somewhat more organic than systematic and using the issue of fracking as an example, it has led at times to a lack of clarity as to where to go to for certain issues.

### **Understand better the workings of Parliament at Westminster:**

The delegation had the opportunity to discuss the work of a backbench Member of Parliament over an exchange with colleagues Andy Love and Paul Flynn, both labour M.P.'s. They stated that in their role as backbench M.P.'s they have been given a good and fair opportunity to raise subjects for debate, given the generous opportunity afforded to them by the Speaker to do so. They suggested that Select Committees have become increasingly important in scrutinizing Government. They also spoke of the Backbench Business Committee, with responsibility for scheduling debates in the chamber for one day every week. This committee allows for parliamentary opinion to be sought on a particular subject matter, and it was suggested that with this newly formed committee, questions of an urgent nature may now be taken up as much as twice daily. Above all, they suggested that the need for independence from the Executive was tremendously important.

### **The Independent Parliamentary Standards Authority:**

The delegation had the opportunity to meet with John Sills, Director of Policy and Communications for the Independent Parliamentary Standards Authority (IPSA). Established in 2009 by the Parliamentary Standards Act, IPSA was given the authority to



introduce independent regulation of MPs' business costs and expenses and, subsequently, pay and pensions. In essence, its mandate is three-fold: it sets out rules for M.P. expenses, administers pay and pensions and provides administrative services. It is an entirely independent body, funded by the taxpayer and accountable to the National Audits Office. Not only do they pay the salaries of MPs and their staff but they also manage and validate 10,000 expense claims a month and publish the costs incurred for every M.P. each fiscal year. IPSA was created following a major expenses scandal in 2009 and a newspaper article that outlined some questionable expenses incurred by M.P's.

In closing, the delegation would like to extend its thanks and appreciation to the National Assembly for Wales as well as CPA-UK at Westminster for hosting and arranging a tremendously interesting program. Also, the kind assistance and support extended by the Canadian High Commission in London as well as the Department of Foreign Affairs and International Trade in providing a briefing prior to our departure are all most appreciated.

Respectfully submitted,

James Rajotte, M.P.

Chair

Canada-United Kingdom Inter-Parliamentary Association

## Travel Costs

<b>ASSOCIATION</b>	Canada-UK Inter-Parliamentary Association
<b>ACTIVITY</b>	Bilateral Visit to the United Kingdom
<b>DESTINATION</b>	London and Cardiff Wales, United Kingdom
<b>DATES</b>	January 18 – 25, 2014
<b>DELEGATION</b>	
<b>SENATE</b>	Hon. Terry Mercer, Senator
<b>HOUSE OF COMMONS</b>	Mr. Ed Holder, M.P., Mr. Charlie Angus, M.P., Mr. Gerald Keddy, M.P., Mr. John McKay, M.P., and Mr. James Rajotte, M.P
<b>STAFF</b>	Elizabeth Kingston, Executive Secretary
<b>TRANSPORTATION</b>	<b>\$10,113.20</b>
<b>ACCOMMODATION</b>	<b>\$11,250.14</b>
<b>HOSPITALITY</b>	<b>\$879,49 \$</b>
<b>PER DIEMS</b>	<b>\$3,518.33</b>
<b>OFFICIAL GIFTS</b>	<b>\$1,804.94</b>
<b>MISCELLANEOUS / REGISTRATION FEES</b>	<b>\$391.63</b>
<b>TOTAL</b>	<b>27,957.73</b>