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Contents

Assembly Business

Point of Order.....1
Ms Norma Coulter1
Point of Order.....2

Private Members' Business

Public Procurement3
Fuel Smuggling and Laundering19

Oral Answers to Questions

Enterprise, Trade and Investment.....28
Employment and Learning.....34

Private Members' Business

Illegal Fuel Smuggling and Laundering (*continued*).....41

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Northern Ireland Assembly

Monday 3 October 2011

The Assembly met at 12.00 noon (Mr Speaker in the Chair).

Members observed two minutes' silence.

Assembly Business

Point of Order

Mr Campbell: On a point of order, Mr Speaker.

Mr Speaker: I will take the point of order, but I want to deal with one issue first.

Assembly Business

Ms Norma Coulter

Mr Speaker: Before we begin today's business, I am sure that we are all aware of the sad and untimely death of Norma Coulter last Thursday. On behalf of the entire Assembly and the Secretariat, I wish to extend my deepest condolences to Norma's family circle and to her colleagues in the Ulster Unionist Party. Norma was an especially valued member of the Parliament Buildings family. Her ready smile and willingness to contribute to the work of the Assembly will be sadly missed by all who knew her. Our thoughts and prayers are with her entire family at this very sad time. I intend to call the Minister for Regional Development, Mr Danny Kennedy, to say a few words on behalf of the Ulster Unionist Party, before we move to today's business. It is useful that Mr Kennedy be heard in the Chamber this afternoon.

Mr Kennedy (The Minister for Regional Development): I am extremely grateful to you, Mr Speaker, for raising the issue on behalf of the Ulster Unionist Assembly Party and my party leader, who is unavoidably absent today. I wish to reply formally to your kind and very gracious comments.

The Ulster Unionist Party has been very shocked by the untimely passing and sudden death of Norma Coulter, who was the much-respected and very highly regarded personal assistant to our party leader. When Norma was taken ill in this Building on Tuesday, very few of us could have imagined the turn of events that would end in her untimely passing within a matter of a couple of days. Norma was a very special lady. She was incredibly efficient and a very hard worker. She was held in the highest esteem by our entire party, but, more importantly, she was

a wonderful human being who made friends easily and was very popular.

I place on record our thanks to the doorkeeper and the member of staff who attended Norma last Tuesday afternoon and provided emergency first aid. I also pay tribute to all of the Ulster Unionist Party staff who worked with Norma and assisted her last Tuesday here in Parliament Buildings and also in her transfer to the Ulster Hospital at Dundonald.

Norma's family have been greatly gratified by the huge amount of public sympathy that they have received following her untimely death. It is a real tribute to Norma that Members and staff from other political parties, as well as a large number of staff from this Building, attended her funeral yesterday in Ballygowan. The party is very grateful to everyone who offered support and help in recent difficult days. We also take the opportunity to extend our condolences to all who have lost loved ones over recent days.

Assembly Business

Point of Order

Mr Speaker: I will now take Mr Campbell's point of order.

Mr Campbell: Thank you, Mr Speaker. Last week, during questions to the Agriculture Minister, I, along with other Members, stood to get called. This is in no way a challenge to the Speaker or the Principal Deputy Speaker's authority because I am aware that, once one Member from a political party is called to speak on a question, no further Members from that party will be called. I have always abided by that convention. I stood in an endeavour to get called, but I was not called and so resumed my seat. The same happened on the second occasion. The matter that I would like you to examine is very simple. Subsequent to my two attempts to get speaking and my desisting from attempting to get speaking after being unsuccessful, the Principal Deputy Speaker said that it is a tradition that we do not call two members of the same party on a particular question. That is a convention that I abide by, and I abided by it on that occasion. However, an inference could be drawn from those comments that I attempted to be called after not being successful. I ask you, Mr Speaker, to review the video evidence and write to me, as you have done in the past.

Mr Speaker: I hear the Member's point of order. I say to the whole House that, when you are sitting up here, it is not always easy to get it right. We have to look at a number of issues in and around the Chamber when it comes to supplementary questions. I will certainly look at the issue. However, I also say to the whole House that a Member will not always get in when they rise in his or her place. Members need to realise that as well. I am happy enough to write to the Member.

Private Members' Business

Public Procurement

Mr Speaker: The Business Committee has agreed to allow up to one hour and 30 minutes for the debate. The proposer will have 10 minutes in which to propose the motion and 10 minutes in which to make a winding-up speech. One amendment has been selected and published on the Marshalled List. The proposer of the amendment will have 10 minutes in which to propose the amendment and five minutes in which to make a winding-up speech. All other Members who wish to speak will have five minutes.

Mr Murphy: I beg to move

That this Assembly recognises the importance of ensuring that public money spent on supplies, services and construction works represents value for money and results in investment in society and the environment; and calls on the Minister of Finance and Personnel to forward the recommendations in the previous Committee for Finance and Personnel's report on its inquiry into public procurement to the Executive for consideration.

Ba mhaith liom an rún a mholadh don Tionól. This is a timely debate, given that we had a debate last week about the Programme for Government. Ministers are currently considering an early draft of the Programme for Government. There is no doubt that one of the central features of that programme, as was the case with the previous programme, will be to grow the economy and to take measures to attempt to rebalance the economy. One of the important tools that the Executive can use, and have been using, although perhaps not in a fully co-ordinated fashion over the past four years, is their spending and procurement power to try to achieve outcomes to stimulate local economic activity and achieve social objectives.

I realise that local government is not the direct responsibility of the Minister of Finance and Personnel, who, I am pleased to say, is in the Chamber. Nonetheless, whatever policies the Executive set, there should be a strong view that we must ensure that an agreed public procurement strategy follows through to local government, particularly when the shake-up of local government takes place and new structures are defined and agreed. Between central and local government, some £3 billion is spent annually on the purchase of supplies, services and construction works. That level of

expenditure offers real potential to maximise the economic and social outcomes for the local community.

The strategic direction of public procurement policy is set by the Executive, with the procurement board, chaired by the Minister of Finance and Personnel, overseeing the development and implementation of overarching policy. The board is supported by the Central Procurement Directorate in the Department of Finance and Personnel (DFP). The Executive's previous Programme for Government, 'Building a Better Future', highlighted procurement's positive role in furthering cross-cutting, sustainable development and achieving socio-economic objectives. In that programme, the Executive also placed an emphasis on growing the private sector, including small and medium-sized enterprises (SMEs), and developing the social economy.

Although the predominance of smaller enterprises in the local economy is widely acknowledged, there is a growing awareness of the valuable role for social economy enterprises in operating a commercial business model for social, community or ethical purposes. Moreover, it is internationally recognised that increasing the involvement of small and medium-sized enterprises in the government supply chain can accrue benefits, including better value for money, business growth and innovation, for the public sector and the economy as a whole. In addition, the ability of social economy enterprises to access large and sustainable markets provides a stronger basis from which they can deliver important social policy outcomes.

There is a real sense that there is value in ensuring that the £3 billion spent annually through the public sector on procurement is used to achieve those outcomes and that greater co-ordination across all Departments and down through local government is required to achieve that. The benefits to small and medium-sized enterprises include increased participation in providing services and works to government. That can encourage growth in participation in the public procurement market elsewhere, which brings the added benefits of boosting employment and raising productivity.

In the previous mandate, the Committee for Finance and Personnel carried out an extensive inquiry into the value of public procurement and made some 36 recommendations to the Department of Finance and Personnel on its

oversight role and the role of all other Departments. That Committee's work has been endorsed and adopted by the current Committee for Finance and Personnel, which I chair, although I do not speak in that capacity today. The current Committee is pursuing some of the recommendations with the Finance Minister. From the previous Committee's work, there was a strong sense that, as far as permitted by legislation, the Executive needed to develop a strategic policy for using public procurement as a tool to support the development of smaller enterprises in stimulating economic growth in the longer term. The Committee agreed that the implementation of such a policy would require a further culture change on the part of government purchasers. They must place a stronger focus on growing the economy and creatively developing procurement solutions that are sensitive to the needs of the economy. In doing so, they must also remain legally compliant.

The current Committee has taken up the sentiments behind the recommendations of the previous Committee, and those underpin the motion. Although a number of Departments have pursued the matter, some outstanding issues remain.

The use of public procurement is not only to stimulate the local economy, particularly small and medium enterprises, and to stimulate construction activity among local firms but to achieve social outcomes through the use of clauses in public procurement. We are still awaiting — perhaps the Minister can update us on this in his response — a definition of “social value”, which, I think, is centred in the Office of the First Minister and deputy First Minister (OFMDFM). That definition is essential to enable us to send a clear message that emanates not only from the Department of Finance and Personnel but from the Department that runs the Executive. Once agreed, it should be formulated through all policies.

12.15 pm

A survey of usage was conducted by the Department of Finance and Personnel through the Central Procurement Directorate, and, in a response earlier this year to the previous Committee, it found that there was what it called a variable pursuit of social outcomes through procurement across the Departments, which, in essence, means a patchy response. That underpins the sense of the motion, which is to

get the Department of Finance and Personnel to bring to the Executive, as the sponsoring body, a drive as part of the Programme for Government work to stimulate economic growth, to rebalance the economy and to use this tool, which is £3 billion of spend, to achieve an outcome that does that and achieves social outcomes as well.

In that regard, I acknowledge the amendment, which I have no difficulty in supporting. It is slightly churlish, perhaps, not to acknowledge that the Department that pioneered the use of social clauses in contracts was the Department for Regional Development (DRD). Nonetheless, I presume that the party made reference to the Department for Social Development (DSD) for its own political reasons. However, the spirit of that amendment is correct in that we can achieve not only the maximum economic benefits for local industries and the local economy but some very important social outcomes as well.

There has been some progress on the centre of procurement expertise (CoPE) accreditation exercise, which has included a scored criterion for socially responsible procurement. Work has also been developed between DFP and the Department of Enterprise, Trade and Investment (DETI) to build capacity among small and medium enterprises to allow them to get on to the supply chain or to become able to tender to get on to the supply chain. That has to be acknowledged. It would be wrong not to acknowledge that certain Departments have been working diligently at this, and certain achievements have been made by DFP and DETI.

However, the central message, which is probably reinforced by the amendment, is that we must do better. There must be a more coherent approach across all the Executive Departments. DFP has a lead on the matter, but it is essential that OFMDFM defines social value and ensures that it comes as a directive through all Departments. In that way, when the Executive get a coherent policy that every Department has fully bought into, we can, through the new local government structures, use that model to — not to insist; they do not have that authority — try to influence local government, which is also an important player in public procurement, particularly in very small local areas, and can have a very significant benefit for the local population.

In proposing the motion, I hope that the Assembly will agree that this is an important area of work for both DFP and the Executive as a whole. I

have no difficulty in supporting the amendment, and I look forward to the rest of the debate.

Mr D Bradley: I beg to move the following amendment: At end insert

“; and urges the revision of policy and practice on the use of social clauses in government procurement, including the introduction of the social clause model developed by the Department for Social Development for housing and regeneration contracts.”

Go raibh maith agat, a Cheann Comhairle. Éirím leis an leasú don rún a mholadh. I express my thanks to the Members who brought the motion before the House. It is an important motion that is worthy not only of debate but of the necessary follow-up action to implement the recommendations of the report on public procurement that was produced by the previous Committee for Finance and Personnel. The SDLP amendment seeks to add to the motion a greater focus on maximising the social benefit that can accrue from public procurement. I thank Mr Murphy for his support for the amendment.

The report of the previous Committee's inquiry is very comprehensive. It covers a wide range of proposals. I estimate that there are 41 in all under a variety of headings, including, of course, "Maximising Social Benefit". You will be relieved to hear, Mr Speaker, that I do not intend to go through each recommendation individually, but I will comment on some that I consider among the most important.

As I have observed previously in the House, we have few enough economic levers at our disposal, so we should capitalise to the greatest possible extent on all opportunities available to facilitate smaller enterprises to realise their full potential and maximise the economic and social impact of public expenditure through procurement, within the bounds, of course, of European and UK legislation. I suppose that that is the overarching theme of the report.

The report makes important points about realigning the existing drivers of public procurement with the Executive's economic, social and environmental policy, as it will, presumably, be expressed in the final version of the Programme for Government. Now is the time to do that, as the Programme for Government nears completion. Also, it needs to be done through an Executive strategy for the support and development of our smaller business. That may require a further culture change in government purchasers so that there is focus

on growing the economy and on procurement solutions that, as the report states, are sensitive to the economy.

We should encourage commissioners and purchasers to pursue social benefit through procurement and to link social and environmental policy in the Programme for Government to public procurement. We should look at alternatives to the large framework agreements, and, as the report points out, we should break down contracts into smaller lots; set targets for increased participation by SMEs; encourage collaboration; improve information flow, feedback and payment times; and develop a model for measuring the impact of public procurement, which includes its social and environmental benefits.

DFP has presented the Committee with an update on its progress in implementing the majority of the recommendations, which it accepted and which are being progressed. I welcome that. The motion calls on the Minister of Finance to forward the recommendations to the Executive, and I agree that that is a very important step. If we are to ensure that the recommendations go beyond DFP and reach down into all procurement centres and are championed by all Ministers, it is important that the Executive adopt the proposals.

Mr Murphy referred to the role that DRD played in introducing social clauses to that Department's contracts. I am glad to say that, in the light of some of the innovative approaches to increase the supply of housing in Northern Ireland that she adopted when she was Minister for Social Development, Margaret Ritchie was asked by the British-Irish Council (BIC) to lead its work stream on housing.

One of the areas in which best practice was exchanged in the BIC was in the possibility of attaching meaningful social clauses to housing contracts so that successful contractors would make a reasonable contribution to work experience for young people and provide opportunities for the unemployed. When, on 1 March 2011, he reported to the Assembly on progress that the BIC had made, the then Minister for Social Development, Alex Attwood, outlined an innovative proposal for social clauses that he was introducing through DSD. Under that scheme, all those who would be awarded new contracts by the Department to build social housing or undertake urban

regeneration would be required to provide local unemployed people with work experience. For every £500,000 of labour value in the contract, the main contractor would be required to provide either two 13-week work placements or one 26-week work placement. The work placement would be operated through the Department for Employment and Learning's Steps to Work programme. In addition to the 13-week placement giving experience to young people who might not have worked before, the 26-week placements were designed to lead to either a level 2 or level 3 vocational qualification or an essential-skills qualification. From the start of 2011, that requirement has applied to all DSD housing newbuild and regeneration contracts.

The same clause has been included in the Housing Executive's maintenance contracts, rolling out to all large contracts for supplies and services. It is estimated that, in a typical year for DSD contracts alone, the initiative would generate either 73 26-week placements or 146 13-week placements. In announcing the initiative, Mr Attwood pointed out that it was an initiative that could and should be rolled out across the public sector. That is an example of good practice and shows how the expenditure on public procurement can be of social benefit. Government spending on such contracts amounted to around £2.3 billion per annum, and construction contracts awarded by public sector centres of procurement excellence was £925 million. It is estimated that if the DSD social clauses initiative were replicated by other Departments, there would be around 1,850 work placements in construction contracts alone.

Mr Attwood argued that social clauses could be applied equally to revenue expenditure contracts and non-construction capital contracts such as IT projects. He estimated that of the £1.4 million spent by Departments, agencies, NDPBs, etc, on supply and service contracts, the DSD approach could be translated into 2,760 opportunities.

Mr F McCann: I was a member of the Social Development Committee when it was chaired by Simon Hamilton and others. The Committee had pushed for the use of social clauses for a considerable time. I know that Alex Attwood had input. How many people have actually been employed as a result of the scheme that was introduced at the start of 2011?

Mr D Bradley: I thank the Member for his intervention. However, had he been listening, he would have heard that I already told him the number of people who were employed in those schemes. Perhaps, in the future, he will make a point of staying awake and listening carefully to what I say.

Mr Speaker, I believe —

Mr F McCann: On a point of order, Mr Speaker. I asked the Member a question. He said that the Minister had introduced a scheme in 2011. I am asking how many people have actually been employed through that scheme to date.

Mr Speaker: Order. That is not really a point of order. The Member is attempting to answer the question.

Mr D Bradley: Thank you, Mr Speaker. DSD's example is very good and should be replicated by other Departments. People have been talking about doing more with social clauses, and I am pleased that both SDLP Ministers for Social Development have implemented their policy on that issue. I hope that the debate will lead to real change —

Mr Speaker: Will the Member draw his remarks to a close?

Mr D Bradley: — and that the Minister of Finance will, as the motion asks him, bring the Committee's proposals to the Executive table. Go raibh míle maith agat.

12.30 pm

Mr McQuillan: I support the motion, and I thank the Members for bringing it to the House this afternoon. Public procurement is defined as a process of acquisition, usually by means of contractual arrangement after public competition, of goods, services, works and other supplies by public services. Twelve guiding principles have been established to govern the administration of public procurement. They are accountability, competitive supply, consistency, effectiveness, efficiency, fair dealing, integration, integrity, informed decision-making, legality, responsiveness and transparency. The public procurement board has a strategic plan, which brings us up to 2014. It has three overarching themes: securing best value for money; using public procurement in order to support economic development; and ensuring that the current procurement structures are fit for purpose and capable of delivering in the current climate.

In its report on the inquiry into public procurement in Northern Ireland, the Committee for Finance and Personnel came up with some 52 recommendations, the majority of which were accepted by the Department. Many of those rejected were rejected for good reasons based on the fact that we must adhere to the UK and EU regulations. It is an important part of government to ensure that any government contracts are awarded fairly and openly, not only in the Northern Ireland market, but in the UK and European market, and, most importantly, ensuring value for money. It is vital that we ensure that we meet and adhere to all the legal requirements set by the UK Government and European Union. Everyone in the European market is, therefore, open to bid on government contracts in this part of the UK. That is an issue that I have difficulty with, as, I am sure, do many other Members.

Mr Wilson (The Minister of Finance and Personnel): Hear, hear.

Mr McQuillan: I thought the Minister would like that.

It is a matter of fact in law that that could, perhaps, change if, later this year in the House of Commons, MPs permitted a referendum on our membership of the EU. I will watch that with interest.

I believe that it is imperative that all public funds are spent wisely in ensuring the best value for money for the benefit of the community. That is particularly important during these times of economic difficulties, when there is less money available to inject into the economy than there was in previous years. Money must, therefore, stretch further than it did before. In the past decade, we have seen an increase in the amount of money being spent by Departments. Much of that has gone in support of local enterprises and helping them to grow and develop. We in Northern Ireland are unique and privileged to have such a wealth of small and medium-sized enterprises, and we have seen government support those enterprises in recent years. Between May 2008 and November 2010, they accounted for 73% of all contracts issued by Central Procurement Directorate.

It should also be highlighted that it is up to each Department to decide as to how best to use public funds in the interest of the people of Northern Ireland. Since the establishment of devolution, we have seen Ministers deliver for

their local enterprises. Much of that falls within the remit of the Minister of Enterprise, Trade and Investment, who has done an outstanding job in promoting the strengths of the local business. I commend her for that. I support the motion, as amended.

Mr Cree: I thank the Members for bringing this important motion before the House today. Public procurement is a vital issue for Northern Ireland. Spending on government supplies, services and construction will be very important in this Assembly mandate in our efforts to revitalise and rejuvenate the economy. It represents a significant amount of money in Northern Ireland, with up to £3 billion being attributed to this area each year. The fact is that the majority of direction comes from the European Union via legislation and directives. However, that is not to say that we in the Assembly cannot have a say on the issue. Public procurement is a cross-departmental issue, with the Department of Finance and Personnel being responsible for overall Executive policy direction in the area.

The procurement board is responsible for developing policy across all Departments, and that is chaired by the Minister of Finance and Personnel and made up of the permanent secretaries from each Department. The Central Procurement Directorate undertakes to develop and establish the policy framework in best practice public procurement for the wider public sector in Northern Ireland. Therefore, it can be seen that the structure of public procurement is complex and that there is a very real opportunity for DFP and related agencies to ensure that we have the best approach to public procurement in place.

Within the Programme for Government, we also have an opportunity to ensure that adequate credence is given to public procurement. As the Programme for Government (PFG) is presented for consultation in the near future, I sincerely hope that that important area will be covered.

That was in the previous Programme for Government, which recognised the cross-departmental nature of public procurement and highlighted the positive role that it can have in furthering cost cutting, sustainable development and socio-economic objectives. The imminent PFG should also address the issue.

I want to move on and consider the motion, which states that:

“public money spent on supplies, services and construction”

should represent value for money. The inquiry into public procurement, which the previous Committee for Finance and Personnel carried out, worked in that area and came up with a revised definition for value for money in public procurement. That definition read that value for money is:

“the most advantageous combination of cost, quality and sustainability to meet customer requirements.”

In theory, that definition is good, but the real work is in putting it into practice. To get the best possible value for money from government spending, that definition, which the Executive passed in March of this year, must permeate through all Departments and the various centres of procurement expertise.

Social enterprises and the social economy are also important in public procurement. The services that are provided by the social economy are invaluable to Northern Ireland, especially at a time of fiscal constraint. We must ensure that we give adequate support to that important area.

I also want to briefly mention a few other issues. The construction sector has been badly damaged by the economic downturn, and prudent government spending can go some way towards addressing that. Access to procurement opportunities is essential for small and medium-sized enterprises throughout Northern Ireland, as it is a way of keeping money in the Northern Ireland economy. I know that those are issues that the Minister is well aware of.

The Ulster Unionist Party welcomed the inquiry into public procurement and urged the Minister to act on its recommendations. We repeat that sentiment today, and, for that reason, I support the motion and the amendment.

Mrs Cochrane: I welcome the opportunity to speak in support of the motion. In retrospect, it seems all the more relevant as it comes on the tail of the recent debate about the need for a more pragmatic and contemporary revised Programme for Government.

As a new member of the Committee for Finance and Personnel, it was with great interest that I considered the report into public procurement policy and practice and its recommendations.

Although the list of recommendations is comprehensive, there are several well evidenced underlying principles in the report that serve to tie it all together. Significantly, those include the growth and development of indigenous enterprises through increased local participation, the significance of social clauses and local benefit, and the need for greater synergy and cohesion between Departments and central and local government.

Of the report's 52 recommendations, the Department accepted 43. Although that is encouraging, the emphasis going forward needs to be on action. Ultimately, that responsibility must be shouldered by the Executive, and the Minister of Finance and Personnel should see fit to bring those recommendations to the Executive Table. Given that our Programme for Government has yet to be decided, this is the opportune time to bring forward that input not simply to make an informed difference but to influence and shape the aspirations of any new PFG.

However, we appear to be making some movement in the right direction. The online e-sourcing portal has served as an opportune exchange platform for central and local government and for local firms that are seeking to engage and participate in the procurement process. However, why is it that only nine of our 26 local councils have registered to advertise procurement opportunities on that portal? We must focus on and address the need for greater co-operation between our central and local government.

Social clauses should also not be overlooked in any further consideration by the Minister or the Executive. The amendment that has been proposed to the motion is justified and welcomed, as it urges:

“the revision of policy and practice”

in that area.

Although I appreciate that public procurement is ultimately subject to EU treaty obligations, that does not mean that all contracts should be exclusive of providing for our local workforce, regardless of the contractor. As other Members highlighted, the social clause model that DSD developed for housing and regeneration contracts is to be commended.

The Federation of Master Builders and the Construction Industry Training Board (CITB) have raised concerns with my party colleagues

about the inability to secure work placements for students. The result is that those students have been prevented from gaining their technical certificates.

I also welcome, therefore, the commitment shown by the Minister for Employment and Learning in his advocacy of the inclusion of social clauses in building contracts for construction in the Titanic Quarter. Whether they relate to employment, apprenticeships or environmental sustainability, such clauses should be seen as an integral aspect of the public procurement process here. Arguably, through their implementation, our public spending return is likely to be much more beneficial, economically and practically.

This year, we have celebrated the achievements on the international stage of a number of local companies, which succeeded in securing procurement contracts through Europe. In January, the Northern Ireland construction group Graham won a contract worth a potential £100 million to design and build a radioactive-waste disposal facility in Scotland. In June, the Lisburn telecoms firm Arcatech won a £200,000 contract from Telekom Austria. Part of those companies' success seems to be due to experience of dealing with stringent procurement processes in Northern Ireland, which do not appear as evident in other jurisdictions. We should be proud of our small and medium-sized enterprises, but we should also encourage our local companies to grow and develop if we wish to see their success reflected in our economy. For example, many of our small construction companies find it difficult to break through the barrier to become a main contractor, even if they have the relevant skills and experience to deliver a project. One way to do that would be to allow previous experience of working as a subcontractor on a similar-sized project to be acknowledged in the procurement process.

I strongly support the motion and the amendment and I trust that the Minister will take on board the report's recommendations, as well as Members' comments in the debate.

Mr Girvan: I welcome the motion. Procurement is fraught with all sorts of difficulties, and a number of firms find the bureaucracy of the process off-putting. The revised guidance provided by the procurement board has gone some way to alleviating and simplifying the process.

The e-portal for contracts in excess of £30,000 has been mentioned. That has been beneficial, but it has also opened the local market to a lot more competition. I am not a great supporter of the European standard. We have heard all sorts of voices supporting that, but I do not believe that we have benefited greatly. Some contracts have been won by local firms but, overall, they are of a miniscule value. We have to be careful that the public procurement process, and the £3 billion already mentioned that is spent by Government Departments, is fairly split up and that the process is open, accountable and delivers value for money for businesses and the public spend.

I have some difficulty with the way in which the process seems to have worked in the past. We have striven to make it more straightforward and to target the spend so that it will benefit the local social economy. As other Members have said, we should be trying to encourage apprenticeships. Firms that win contracts should deliver training and certificated qualifications to those who work in those industries.

One of the main reasons for this issue coming to the fore is the economic downturn. That has impacted greatly on the construction industry and small and medium-sized industries. The Northern Ireland economy depends greatly on our small and medium-sized firms to keep it going. I represented one of those businesses, and I know how difficult it is for them to break into public procurement.

12.45 pm

Many small businesses subcontract to major contractors, and they are not being given the opportunity to get a fair crack of the whip. As Judith Cochrane said, it is vital that some of their involvement in previous contracts is taken into account.

I congratulate the Department of Enterprise, Trade and Investment (DETI) on its work in trying to engage with local businesses and on providing feedback to the Department of Finance and Personnel to ensure that what is coming forward will work. I think that that needs to happen as a matter of urgency. I appreciate the important input of the Minister of Enterprise, Trade and Investment, Arlene Foster, into that process.

It is important that Members ensure that the matter is brought forward to the Executive in order to make it a priority that everyone who

applies for government contracts is given a fair crack of the whip. I must say that the process has to be more streamlined, but I find it difficult to see how on earth we can keep it streamlined while remaining accountable to everyone. If we make it too straightforward, it would leave us open to all sorts of criticism. Therefore, it is important to get the balance right.

The guidelines put forward by the procurement board were very helpful. If those guidelines could be implemented in their totality — I appreciate that not all of them have been — it would make the process a lot more straightforward. I support the motion and the amendment.

Mr McLaughlin: Go raibh maith agat, a Cheann Comhairle. I support the motion and the amendment. I am gratified by the focus around the House on the important opportunities that procurement offers and by the support for the measures to attempt to maximise the benefit to the local economy. This morning, there was some reference in the media to preparation for the Programme for Government. I do not think that any of us expect the overarching priority of growing the local economy to be de-prioritised. Assuming that all parties will continue to support that, I think that we are required to continue our focus on procurement policies to see whether we can improve.

The overarching aim of our work in the whole area of public procurement is to identify measures for maximising the wider economic and social benefits to the local community. The Assembly's spend has clearly been affected, not just by the global recession, but by the significant hit —

Mr McQuillan: Will the Member give way?

Mr McLaughlin: Of course.

Mr McQuillan: Any outputs of those local social clauses need to be measurable in some way so that we can get feedback on whether they work. The Minister for Social Development has not measured them or given us any feedback.

Mr Speaker: The Member will have an extra minute added to his time.

Mr McLaughlin: I appreciate that contribution because I think that it gets to the heart of the issue. We need to be able to measure the benefits. We should be prepared to learn lessons, particularly if there is better practice.

Among the 50-odd recommendations that came from the Committee's 2009 report was recommendation 3:

"The Committee recommends that the procurement board, in conjunction with DETI considers redefining the definition of small and medium sized enterprises in the Northern Ireland context, paying particular attention to those currently identified as small, or micro-businesses, when exploring ways of boosting access to procurement opportunities by local businesses."

That was not accepted. In fact, the answer that came back was:

"The current definition is consistent with the standard definition used by DETI and within Europe."

That may be so, but nobody was arguing that we should simply tear up the European competition legislation. In my view, however, that response misses the point.

What is required is an approach that not only takes account of employment and competition law but underpins the Executive's and Assembly's priority of growing the local economy. Creative thinking and the application of social clauses give us the opportunity to take that approach.

I ask that, in his response, the Minister address the issue of whether we take an ongoing approach, particularly with CPD and other agencies acting on behalf of the Assembly, to be ever more vigilant and creative in looking for opportunities that involve local stakeholders in the local economy. European law has been cited as a reason why we do not take such an approach. However, on closer examination, the Committee's inquiry discovered that European law actually supports the idea of taking interventionist measures to grow regional economies. That is what the whole ethos of subsidiarity is about. It is about growing local and regional economies. Some of the Civil Service should be encouraged to come at the issue in a more confident way.

The percentage of local companies that manage to access the procurement arena is also cited quite often, and I am reassured by that. However, I think that we all recognise that that very often happens in a sub-contracting or franchise context, which can at times create insurmountable obstacles in bringing young people who need the opportunity for trade apprenticeships or the long-term unemployed into the workforce. If we

are talking about growing the local economy, we are also talking about eradicating the disadvantage that has existed for many in our community for too long. So, I think that those who guide our procurement policy can take a more comprehensive, imaginative and flexible approach within existing European competition and employment legislation. We should ensure that benefits are absolutely maximised, even in these more difficult economic times. Go raibh míle maith agat.

Mr Hilditch: Like other Members, I certainly support the motion and the amendment. I welcome the Minister and acknowledge his interest in the issue.

I am a fairly new member of the Committee for Finance and Personnel, and today's debate has given me the opportunity to look a bit closer at some of the work that the Committee has already carried out on public procurement. Given the current economic situation, it is timely that public procurement is used as a way and means of supporting and developing our small and medium-sized enterprises, stimulating economic growth and investing in society for the longer term. All too often, we see small, local companies and firms losing out in tendering work that is procured by Departments and other aspects of government in Northern Ireland.

I have been personally involved in a number of project teams involving work being carried out on our local community infrastructure. Having experienced that process along with other colleagues, I have to be honest and say that I did not have confidence in the local delivery element of it. With that background, I approached the Committee's report with interest. I have to say that I am fairly well in agreement with the report and the 52 recommendations contained therein. I welcome the findings and take a degree of encouragement from the fact that the vast majority of recommendations were accepted by the Department and that a commitment was given that those recommendations would be taken forward in the procurement board's strategic plan for 2011-14.

That being said, I believe that today's motion can work in tandem with and alongside the commitment from the Department to make the Executive realise the scale of what we are dealing with, especially when they look at the figures knocking about of £2.4 billion

in procurement plus £300 million from local government procurement, and be in absolutely no doubt about the huge gains to be made by local businesses and companies during this period of government.

I am sure that the Executive will see the importance of procurement as a way of regenerating the local economy and keeping as much money in the public purse in Northern Ireland and our local communities as possible. I hope that the benefits of devolution can be acknowledged and seen through the outworkings of this process, whereby a Committee identified an area of work and took issues and concerns to a Department, which got credit for accepting recommendations that can cascade down through other Departments, thereby bringing benefit to our society and, in this case, the business community.

Most issues have already been covered in today's debate, and I do not wish to be repetitive by rehearsing the same arguments. However, I want to say that we need to be consistent in our desire and keenness to see the progression of small businesses in providing services, supplies and works to government in Northern Ireland.

Nevertheless, I do not want to be involved in projects in which small businesses do the scoping and early costing work only to be cast aside at the tendering stage, along with any benefits to the local community, as happened in one particular project. The same contractor emerged again later in a similar contract. Again, having given the early estimated figures, it was unsuccessful. However, the contractor was engaged as a subcontractor and was able to achieve the original cost estimate. That brings into play questions on another angle to procurement in Northern Ireland. As I have indicated, I acknowledge the issue and welcome the debate. I look forward to the Minister's response.

Mr Kinahan: I thank the Members who tabled the motion and the amendment. I am glad to speak on behalf of the Ulster Unionist Party. At the outset, I want to emphasise, as many other Members have, the importance of public procurement. It is essential, especially at the current time of fiscal constraint, that public procurement is used to maximise economic recovery as far as is practically possible. Given that that represents a huge amount of money — around £2.5 billion each year, as we have heard — there must be absolute clarity as to

how that is distributed. It is also a simple fact that public spending will be significantly reduced over the next Budget period and that, therefore, efficiency in the administration of public procurement must be paramount.

I want to move on to speak about the procurement system that is being used by the Central Procurement Directorate, whose role it is to develop and establish the policy framework and best practice in public procurement for the wider public sector in Northern Ireland. As many Members have said, it is essential that the system used by the directorate is of benefit to small and medium-sized enterprises. That could be done through simplification of processes as well as by reducing the bureaucracy associated with this area. That could also lead to a reduced time frame and greater efficiency.

In order to rebalance the economy, which is well documented as being over-reliant on the public sector, we must ensure that SMEs have the greatest opportunities possible afforded to them. In that respect, specifications for contracts must be written up in an inclusive manner and not in a way that cleverly excludes companies or SMEs from applying. A watchful eye is needed at all times to ensure that that happens.

The Minister has cited statistics that show that between May 2008 and November 2010, 73% of all contracts that were issued by the CPD went to small and medium-sized businesses. I urge him to continue to ensure that SMEs are adequately encouraged in that regard, although I am aware that his hands are tied by European directives in some respects. I like the idea of targets, which one Member raised. However, I wonder how they really fit in with European directives. I am also intrigued by another Member's comment that we should grow the local economy. We need clarification on that because I feel that it may not fit in with European directives. I agree that we need to find a clever way of doing that.

I also note the implementation of the eSourcing single portal. It lists all Government opportunities for contracts that are worth over £30,000 and enables small and medium-sized businesses to log on and see what is available. It is a good initiative that improves the accessibility of public procurement for SMEs.

As a member of the Committee for the Environment, I am particularly interested in the wording of the motion, which states that

the spending of public money should result in investment not only in society but in the environment. Any future tendering opportunities in the green new deal should be explored fully; for example, with regard to SMEs being involved in the retrofitting of housing. The alternative energy sector is also important. Northern Ireland could move from assembling wind turbines to manufacturing them.

The Ulster Unionist Party would also like to see tighter regulation of subcontracts. Often, it is the case that a job is given to a main contractor, who then passes it on to a subcontractor.

Often, the subcontractor does not go through the same scrutiny. There is also an issue when a main contractor goes bust: the flow of money must be accounted for in those circumstances.

1.00pm

The Committee for Finance and Personnel's inquiry into public procurement in Northern Ireland contained a number of recommendations, and the Department accepted the majority of them. Given the importance of this subject, those should be considered by the Executive.

My colleague spoke about the amendment. The Ulster Unionist Party supports the motion and the amendment, especially when it comes to encouraging greater employment of apprentices.

Mr McGlone: Go raibh maith agat, a Cheann Comhairle. Gabhaim buíochas le moltóirí an rúin seo. My thanks go to the proposer of the motion and to my colleague for the amendment that he tabled.

Over the past 10 years, the Executive's expenditure on public procurement in Northern Ireland has increased to some £2.3 billion in 2009-2010. The total spent on procurement across the island of Ireland was around £15.2 billion per annum. Even with Budget cuts, we are looking at significant amounts of money. It is crucial that small businesses, local businesses, contractors and unemployed people from a very high skill base derive the best benefit from that.

In the previous mandate, the Assembly recognised public procurement as a key cross-departmental issue that affects all levels of government and forms a significant element of the local economy. However, in the midst of all that, those of us on last year's Public Accounts Committee saw silly things, such as centre of procurement excellence status being

presented to NI Water by a company that had employees in NI Water. Despite the fact that other public sector bodies have the status conferred on them for good and just work, that totally undermined the credibility of that status. Therefore, any such high-level conferment on a public sector organisation must be merited, rather than it costing £30,000 for a wee pat on the head of people who have buddies working there. The former Minister knows exactly what I am talking about.

The expenditure involved in public procurement is an important lever that the Executive could use more strategically as a tool for supporting the long-term economic and social well-being of our community, especially at this time of economic recession, when we face a more constrained public expenditure outlook.

In February 2010, the previous Committee for Finance and Personnel — Mr McLaughlin has expertise there — produced a report on the inquiry into public procurement in Northern Ireland, and that was debated on 23 February 2010. The procurement board has produced an action plan in response to the Committee for Finance and Personnel's inquiry into public procurement. Members will have seen or been apprised of the updated version of June 2011. As part of that action plan, the procurement board is to work with OFMDFM to establish a working definition of and methodology for measuring social value in Northern Ireland. That is particularly relevant to social clauses. We have a pool of highly skilled people who are unemployed and have great value to offer. It is important that we do not lose that pool to other countries. The same applies to those who are long-term unemployed and deserve jobs. That is a crucial point: people with high levels of skills are leaving this country to work in Australia, Canada and other places. That is our loss, and we need to make sure that we derive benefit from those people and do not lose that pool of talent.

It is right that we consider carefully how best to make changes in public procurement policy to ensure that public moneys spent on supplies, services and construction works represent value for money and result in investment in society and the environment. It is difficult to argue against the logic of such an approach. Last week, I attended a meeting in my constituency about investment in the new college for policing and emergency services. People wanted to know

how local subcontractors and employers could derive benefit from that. I know that there are EU protocols and rules about tendering and public procurement. However, we need to look at how best local suppliers and businesses can benefit from those, without, obviously, any breach to public sector procurement rules and regulations.

Mr Wilson: You are trying to have it both ways.

Mr McGlone: Minister, you are very creative in most things. I heard you in regard to corporation tax, so maybe you will put on your thinking hat in regard to this, too. However, there is an issue, and most Members —

Mr Wilson: Will the Member give way?

Mr McGlone: Sure.

Mr Wilson: Perhaps the most creative way forward is to get rid of the bands and ropes that tie us due to membership of the EU and join the Better Off Out group, which I am a member of, so that we can be free of the fetters of the European Union.

Mr Speaker: The Member has an extra minute.

Mr McGlone: Thank you very much, Mr Speaker. I am glad to hear that the Minister has been outed as wanting completely out of the EU, in spite of all the benefits that this region has derived from it. I hope he is not thumbing his nose at the millions — indeed, billions — that come to this country and region from the EU. However, he has clearly sent a very negative message to the EU from the Executive, which is unfortunate. Those are extreme-right views.

Mr Kinahan raised the important matter of the green new deal.

Mr Speaker: Will the Member bring his remarks to a close?

Mr McGlone: Sure. It is important that we save to invest. A crucial point is that, through fuel poverty-related illnesses, in 2005 —

Mr Speaker: The Member's time is up.

Mr McGlone: — £45 million was spent on our hospital services, money that could be spent better elsewhere on people's health.

Mr Speaker: I must insist. The Member's time is up.

Mr McGlone: OK. Thank you.

Mr Wilson: I thank all Members who took part in the debate. It is an important debate because, as Members pointed out, we spend about £3 billion a year in public procurement in Northern Ireland. The procurement board has set out its aims, which are very similar to the aims that were elucidated by Members. Those are, first, to deliver best value for money in a challenging economic environment; secondly, to use public procurement to support economic growth; and, thirdly, to provide public confidence in the procurement environment. That also means instilling confidence in people who supply the public sector that they have access to procurement.

I will deal with a number of points. Rather than go through what each Member said, I will take the main themes that came out of the debate. If I remember to attribute a point to the Member who raised it, well and good; if I do not, do not feel snubbed because it is just that I have written them down as the main points.

The first point is in the motion: we should take the recommendations in the excellent report by the Finance and Personnel Committee or what we have done with them to the Executive. At present, I have no plans to do so. I am not really averse to doing that, but I will explain to Members where we are with that. The report contained 52 recommendations, 43 of which have been accepted, and many of those are already in the process of being implemented. In the way procurement is set up, it is not really the Executive who have the central role. That is carried out by the procurement board, which I chair and which the permanent secretaries of the main procurement Departments attend on a regular basis. From that, the work that we want the different COPEs and Departments to do is disseminated. Frankly, I believe that that is a much more appropriate way to ensure that the recommendations of the report are accepted. They should not just be accepted; we can accept all the recommendations you want, but the important thing is how we make sure they are implemented. I believe that the report not being taken to the Executive is appropriate. I suspect that if it did go to the Executive, it would be simply noted because the main body to deal with it is the procurement board.

The second theme to come out of the debate was that we should maximise the benefit of the procurement that we undertake. It stands to reason that we wish to do that.

At least the debate here this morning was a bit better informed than the commentary on the Programme for Government and procurement given by the 'Belfast Telegraph'. I laugh at journalists who pontificate about how we should do our job. Sometimes I think that they should go and do their job a bit better or at least apprise themselves of the facts. Liam Clarke, in his blueprint for turning Northern Ireland around, says that we procure around £10 billion worth of goods. I do not know where he got that figure from. Secondly, he states that there is "no sign of action" in the use of Stormont's purchasing power. We actually spend the money, so there is some action there. Secondly, had he taken time to do the most cursory investigation, he would have found that a number of things have already been done that I have mentioned in answers given in the Assembly during Question Time and in debates.

We have done a number of things to try to improve the use of public money. First, we already have an efficiency reform group, which looks at government procurement service frameworks. There is also collaboration between the COPEs. Collaborative contracts in Northern Ireland include the supply of paper, tyres, batteries and multifunctional printers. The CPD is already developing a business case for the establishment of a central team to manage a range of common areas of central government generic spend such as energy and transport. Work is being done to maximise the buying potential of the public sector.

Secondly, we aim to get value for money for the funds that we spend. That is done through open competition, which some Members alluded to. The more open the competition is, the more bureaucracy there will be. I have asked, for example, why we have to seek five quotations and judge them against criteria for purchases as low as £2,000. The argument is that, if you do not do that, you leave yourself open to the allegation that there is no competition. On the other hand, if you require a printer, photocopier or scanner for a hospital or school, do you really need to go through all of the process when, once it has been done and the competition has been created, it is always open to challenge? There are many challenges to these contracts.

Some people argue that we should raise the threshold. On the other hand, if you want value for money, you have to lower the threshold. There is always tension, and I think the fact that

we have such a low threshold shows that we are seeking value for money even if it causes some problems for the procurement professionals. Ninety-eight per cent of procurement in Northern Ireland was subject to the professional influence of a COPE. In other words, it had to go through the rigorous process of investigation.

The third point raised concerned help for businesses. It has already been pointed out that we do our best to help local businesses to win tenders. I know that a lot of things have been said about that, and I listened to Mr Bradley's speech, which was very interesting. It shows what happens when the balance of power in a party starts to move. He mentioned the current leader four times; he mentioned one of the wannabe leaders 15 times. I wonder whether Mr Bradley has now become the election agent for Mr Attwood. Maybe he hopes for a ministerial post when the election is over.

1.15 pm

The impression given was that only the SDLP has considered and implemented the idea of helping businesses. I will come to that in a moment or two, as well as the introduction of social clauses. A lot of practical help has been given. We have to be careful, of course. Everybody qualified their comments with the words "keeping within the law". Again, there is a bit of tension, because, whether Mr McGlone likes it or not, being a member of the European Union ties our hands and our feet and puts tape around our mouth and a hood over our head, when it comes to the freedom to do things. He asks, since I have adopted the stance that we would be better off out, whether I would be happy that we would lose all the riches that we get from Europe. He might notice that, actually, the EU takes more money from the United Kingdom than it gives to the United Kingdom. If that money was not given to Europe, it would be available for spend in the United Kingdom. We might actually do better. So, before Mr McGlone starts getting into the flow about money and membership of the EU, he should bear that in mind. I think that, increasingly, people across the United Kingdom are getting sick and tired of the rules and regulations that may fit Europe centrally but do not allow for local changes to be made. Of course, that applies to procurement. I notice that you were going to rule me as deviating from the subject, Mr Speaker, so I am getting back to it quickly.

Mr McLaughlin: Will the Minister take the opportunity to point out that his views on Europe do not reflect the views of the Executive?

Mr Wilson: My views on lots of things do not reflect the views of the Executive, so I do not think we need to worry too much about that.

As far as help for businesses is concerned, let us look at the things that we have done. All contracts worth over £30,000 are now advertised on the e-tendering portal, which means that firms do not need to look through journals or whatever. They can know exactly what the public sector is looking for and what it wants to tender for. The Business Industry Forum for Northern Ireland has been set up to give greater communication between the various COPEs and the business organisations. The Construction Industry Forum for Northern Ireland has done a lot of work on construction projects. There is a common range of issues, including the standardisation and streamlining of the pre-qualification process and setting proportionate minimum standards for experience and financial standing. The result of that is that we now have new arrangements for PQQs that will save suppliers answering questions over and over again. It will allow them to reuse their original application and edit it for different competitions. That saves time and resources, because they can be quite sizeable documents.

Measures have been designed to include SME participation. We have also held "meet the buyer" events across Northern Ireland — 53 of them — and approximately 2,600 people have attended them. The idea is to explain how the procurement process works, show people how to apply and encourage them to take part. I could say many other things about that, but I want to hurry on and deal with a couple of points.

The fourth theme that came through was maximising social benefit. Again, the point has been well made and has already been reflected in contracts. Ms McCann tried to draw Mr Bradley on that point, though he would not be taken off his platform of beating the drum for Mr Attwood. However, DSD is not the only Department that has been engaged in that. Indeed, many contracts have now been secured that have enabled a maximisation of social benefits to take place. In my Department, the properties division now has a contract for properties management. As part of that agreement, up to 14 opportunities have been

created for unemployed people, and there is provision for 35 apprenticeships over the life of the contract. The contractor has also established a supply chain registration portal, meaning that potential subcontractors can register their interest to supply services.

The recently awarded Northern Ireland Civil Service contract for cleaning and catering includes at least 28 work placement opportunities through DEL's Steps to Work programme and four apprenticeship opportunities. The tender for temporary workers provides for 45 placement opportunities in the contract. So, we are doing this across a range of services. However, although we can put these things in the contract, EU directives do not allow us to use them as the judging criteria when awarding the contract. Therefore, although as a region of Europe with a lot of long-term unemployed and a lot of youth unemployment it might suit us to put these things in contracts, Big Brother in Brussels, looking at what is suitable for Europe as a whole, prevents that. That is only one small example, but it is one of the reasons why the dead hand of European involvement does not suit regions such as Northern Ireland. So, we have a wide range of measures in place.

Mr Speaker: Will the Minister bring his remarks to a close? I would appreciate that.

Mr Wilson: I hope that in the remarks that I have made, along with other points that Members raised, I have shown that we have taken the report seriously and have sought to implement it. I believe that public sector procurement in Northern Ireland can help to grow the economy and achieve many of the objectives that the Executive have set.

Mr A Maginness: I thank Mr Murphy and his colleagues for bringing this proposal to the House. I am also grateful to him for supporting the SDLP amendment. There has been consensus on the motion among Members, in the main, apart from the Finance Minister. That is indicative of the support that MLAs from all parties have for efforts to stimulate the economy and get a better deal for small and medium-sized businesses in Northern Ireland.

Many good points were made in favour of making the public procurement process more flexible and more user-friendly. Indeed, some progress has been made on foot of the Assembly's report — the report on public

procurement by the previous Committee for Finance and Personnel — and that is to be welcomed. Indeed, the Minister himself illustrated that when responding to the debate.

All the steps taken represent progress for small and medium-sized businesses here in Northern Ireland. In the main, the motion is trying to emphasise the importance of making continuing progress and helping local businesses. Mr Murphy and others made the point that the Executive have yet to really embrace this. The House is saying that the Executive need to embrace the report and the 43 recommendations that have been accepted by the Department of Finance and Personnel. It is important that all Departments be involved in a concerted effort to make public procurement better for local businesses.

Other colleagues, including Dominic Bradley, emphasised the importance of the proposals and of making sure that social clauses are introduced into contracts. He cited DSD in that regard, which he has been taken to task for. However, there is no harm in using that as a useful illustration of the way in which a Department can effectively approach public procurement. I dare not mention either the former or the present Minister for Social Development in case I incur the ire of the Minister of Finance and Personnel for being involved in some sort of internal party electioneering. I hasten to add that I am not. Both Ministers and, indeed, other Ministers have contributed to this, but there is no harm in using that experience to illustrate the progress that we can make.

I was taken aback by the Finance Minister's passionate rejection of our connection with the European Union. I do not want to dwell on that for too long, but it seems to go against the grain and against, I think, the Executive's public policy on Europe. We want to embrace Europe. We see it as a positive benefit for the people of Northern Ireland. There is a huge market in the European Union in which many local firms can participate. Yes, bureaucracy is associated with Europe, and all of us recognise that and must work towards its reduction. However, we must not throw the baby out with the bath water by saying, "Well, there is bureaucracy, therefore we do not want to be involved in Europe". It sends out a very bad message for our own Executive in Northern Ireland if we are seen to be publicly anti-European. What message does that send

to President Barroso and his colleagues, who have come here to help us out of recession and to help us to reconstruct and rebalance our economy and work towards a better future?

Mr Speaker: I ask the Member to bring his remarks to a close, please.

Mr A Maginness: I support the amendment and ask the House to do so, too.

Mr P Maskey: Go raibh maith agat, a Cheann Comhairle. I will probably not take the 10 minutes, as I do not intend to rehearse everyone's arguments. Everyone has been in agreement on the motion and the amendment.

I will start by distancing us from the Minister's comments that we would be better off out of Europe. It might have been better if he had said nothing on the issue, because such comments can cause difficulties in the outside world when it comes to Europe. As Mitchel McLaughlin said, the Minister's personal views are definitely not those of his Executive colleagues, so he might be better off retracting that comment. Sometimes it is better to say nothing — that is the important point to note today, Sammy.

Mr Wilson: Will the Member accept an assurance from me that I will not be retracting that statement? It is a view that, I think, I share with the vast majority of people in Northern Ireland.

Mr P Maskey: I appreciate your honesty, but I do not appreciate your comments. If you look at the Hansard report tomorrow, you will see that one of your statements was that we may do better without Europe. However, that is not a good reason to say that we need to move out of it. You need to do a bit of homework and a bit of work on it. It is clear that your statement is a bad one. It is up to you whether or not you retract it, but there you go.

Procurement is a massive issue for us all. From time to time, we meet businesspeople in our communities who are trying to get on the list but, for whatever reason, find it impossible to do so. Somewhere in the region of three quarters of SMEs and social economy projects do not even apply for procurement contracts because they recognise that the process is stacked against them and is weighted in favour of larger companies. That is wrong. I met people from the local construction industry and some who have their own business, and they stated

clearly that they do not get a look-in in the tendering process.

As they see it, the big companies get the vast majority of public procurement contracts that are being applied for. Those contracts are subcontracted out, and, sometimes, smaller companies will get a subcontract. But those companies are asked to reduce their costs and their profit margins while the bigger companies' profit margins remain the same, or are increased in some cases, because they are putting the smaller companies under massive pressure.

1.30 pm

Nearly every Member who contributed to the debate touched on the social clauses, which are very important. However, it is not good enough that DFP allows the other Departments to put them in if they so choose. It is up to DFP to demand and ensure that all Departments step up to the mark when it comes to social clauses. They are not the be-all and end-all. We have met local people, and Dominic Bradley spoke about the fact that 1,200 or 1,600 people could have been put back into employment had the Executive looked at that issue.

Mr D Bradley: One of main planks of the motion is that the previous Finance Committee's recommendations on public procurement should be forwarded to the Executive. The Minister of Finance and Personnel has said that he is undecided about that. Does the Member agree with me that it is very important that we get buy-in from the Executive for those proposals, and, in fact, that Ministers should act as champions of the use of public expenditure on procurement to grow the economy?

Mr P Maskey: We all agree that the social clauses are good and need to be included in procurement contracts by every Department, council and local government agency. They must be entrenched in the system to ensure that Ministers and permanent secretaries push them forward. Some Members said earlier that people may be given work placement opportunities that last for only six weeks. Is that good enough? Is it good enough that we can screw the numbers about to make six-week placements? Some of the companies that I have met over the past couple of years have told me that the apprentices that they take on do not get a full apprenticeship; they can be put on a contract that lasts for a year or two years, which does not allow an individual enough time to serve his

or her time as an apprentice. That means that a skilled workforce cannot be produced, even if the number of apprenticeships is smaller. It is much more beneficial to us all to have fully qualified apprentices coming out of work schemes.

There has been a failure today to mention the legacy for communities in which the work is being done, and what that legacy looks like. We will, possibly, look at that in future. It has been stated clearly that £3 billion is spent annually on procurement. That is a massive amount. The Minister says that we could be better off without Europe and that we should not be dictated to by what it tells us. Three billion pounds is being spent annually, which is a massive budget. Four billion pounds in cuts are being imposed on us by Westminster over the next four years, yet we are not going to receive many benefits from the £3 billion that is spent on procurement contracts. How will we get more people into employment? How will we get value for money? How will local communities benefit from it? Those are massive issues.

Mr Wilson: I am amazed by the Member's statement. What does he think happens when £3 billion is spent? That puts people into employment. A large number of procurement contracts, including those entered into by DSD, DFP, DRD and DE, contain social clauses. How can he justify his comment that we are not getting any impact from the £3,000 million that we spend? That is just nonsense.

Mr P Maskey: That is not what I am saying. I am asking whether we could maximise that, and I think that we could. That is the important step that the Executive need to look at, and those are the important issues that every Department and local government agency needs to examine. We need to maximise the return for the money that we are spending. There are to be £4 billion in cuts over the next four years, and although the economy here is benefiting from the £3 billion, we need to maximise those benefits. That is the point that I am making.

Mr McLaughlin: I have an example of how we could maximise it, and it should be considered. Two separate envelopes are submitted with a tender bid; the first one is the commitment to social clauses and the second is the detail of the bid, including the financials, expenditure and outputs. If the Assembly, on examining the bids, is not satisfied that the minimum thresholds

for social clauses have been met, it should not open the other envelope. We can address it in that way so that it is a proactive policy rather than a laissez-faire approach.

Mr P Maskey: I appreciate that. The point of the —

Mr Wilson: Will the Member give way?

Mr P Maskey: Yes, but this is the last time that I will give way.

Mr Wilson: I thank the Member. I do not know whether he or Mr McLaughlin were listening when I was speaking, but it was emphasised that we have to stay within the legislation. We cannot use anything that is not associated with the main contract when making a decision, so what was suggested would be illegal.

Mr P Maskey: How can they do it in places in England but you cannot do it here? Recommendations were made by the Finance Committee last term, and perhaps you have rejected some of the issues that you should be taking forward and promoting. An awful lot of time was spent on those recommendations. I urge you, Minister, to look at how they do it elsewhere under the European banner. You seem to find difficulties with doing it here. I finish the debate by urging you to take the issue forward and come back to us with some sort of response.

Question, That the amendment be made, put and agreed to.

Main Question, as amended, put and agreed to.

Resolved:

That this Assembly recognises the importance of ensuring that public money spent on supplies, services and construction works represents value for money and results in investment in society and the environment; and calls on the Minister of Finance and Personnel to forward the recommendations in the previous Committee for Finance and Personnel's report on its inquiry into public procurement to the Executive for consideration; and urges the revision of policy and practice on the use of social clauses in government procurement, including the introduction of the social clause model developed by the Department for Social Development for housing and regeneration contracts.

Fuel Smuggling and Laundering

Mr Speaker: The Business Committee has agreed to allow up to one hour and 30 minutes for the debate. The proposer will have 10 minutes in which to propose the motion and 10 minutes in which to make a winding-up speech. One amendment has been selected and published on the Marshalled List. The proposer of the amendment will have 10 minutes in which to propose the amendment and five minutes in which to make a winding-up speech. All other Members who wish to speak will have five minutes.

Mr Irwin: I beg to move

That this Assembly notes with concern the statistics which reveal that only four custodial sentences have been handed down to people involved in fuel smuggling or laundering in the past ten years; further notes that the estimated annual cost of these practices to the Exchequer is in excess of £200 million; and calls on the Minister of Justice to ensure that the next justice Bill incorporates tougher sentences and penalties to deal with illegal operators.

I welcome the opportunity to bring the motion to the House. I represent a constituency that has long been associated with the illegality of tax evasion through numerous methods, such as counterfeit goods, cigarettes, alcohol and, of course, fuel. It is appropriate that the House records its opposition to such practices. Of course, such practices have long been the preserve of terrorist organisations, namely the IRA, which used it as a means of raising cash to purchase weapons in order to kill innocent people. However, we now realise that the practice of tax evasion is no longer the preserve of terrorist organisations; it is popular among common criminals.

It is not being dramatic to suggest that fuel laundering, particularly along the border and, most heavily, in the Newry and Armagh constituency, has reached epidemic proportions. The estimated loss to the Exchequer from the activity is well in excess of £200 million a year. That is a significant loss that places a serious strain on the taxpayer. The task of disrupting tax-evasive operations is, of course, the job of Her Majesty's Revenue and Customs (HMRC), which operates in Northern Ireland with the necessary and welcome assistance of the PSNI, task force groups such as the Organised Crime Task Force, which Minister Ford chairs, the

Serious Organised Crime Agency and the cross-border fuel fraud enforcement group.

Although the judiciary remains independent of scrutiny by the Assembly, there is an expectation among the public that such criminal activity should be met with a sentence that reflects the seriousness of the crime. Minister Ford is on record as stating that he wants to see how public confidence in sentencing can be increased, and this issue is a perfect case study on which to reflect.

In the House of Commons, the Northern Ireland Affairs Committee is conducting an inquiry into fuel laundering, and, on 14 September, it held an oral evidence session. I encourage Members to read the transcript of that meeting, which was attended by key figures involved in the fight against fuel fraud and smuggling in Northern Ireland and which provided a timely insight into and update on the problems on both sides of the border. In the past year, there have been actions against 14 illegal laundering operations in Northern Ireland, which has resulted in the seizure of millions of litres of laundered fuel and the confiscation of tons of associated equipment. The recent discoveries are an encouraging sign that the agencies that are responsible on both sides of the border are having an effect on disrupting what is now a fruitful criminal empire.

Given the prolific nature of that criminality, one would expect a judicial response that is designed to ensure that such activity, if detected, carries a significant spell in prison. However, that could not be further from the truth. It appears that, in the past 10 years, only four prosecutions have led to custodial sentences. Of those four, the longest sentence imposed was for two and a half years, and that was back in 2002. I believe that that will come as a shock to the general public. HMRC is, of course, right to point out that it has made many successful prosecutions, and many of the accused have received suspended sentences and had some assets frozen. However, given the epidemic proportions of this criminality, there is a clear need for a greater response from the courts to make it absolutely clear that that form of criminality carries a heavy price. In my opinion, the deterrent is simply not there.

There is also some concern about the current licensing regulations for petrol stations. Should a forecourt owner be found to be knowingly

selling laundered fuel, he or she is permitted to continue trading, because the licence relates solely to petrol, which is not as popular to manipulate as other fuels. I feel that there is merit in pursuing with our own Executive the possibility of the petroleum licence being extended to cover diesel fuel for sale at forecourts. The Department of Justice and the Department of Enterprise, Trade and Investment have been exploring that. Such an extension to the licensing regulations would send a clear message that the sale of laundered fuel could result in the loss of a licence for the sale of fuel at that forecourt.

Although the loss to the Exchequer is significant and most serious, an equally serious, if not more serious, issue arises in the form of immediate and potentially catastrophic damage to the environment through the reckless disposal of the materials that are used to treat the fuel. In my constituency, a number of shocking discoveries have been made of plants where toxic sludge, which is a by-product of the laundering process, was stored in underground pits and in trenches or ditches dug into farmland. Most worryingly, that has happened close to Lough Ross reservoir, which is a source of drinking water for thousands of residents in the general area.

The farming community, for instance, is all too aware of the regulations and rules concerning the protection of the environment and of the penalties that exist for even minor breaches for effluent seepage. Those are significant, and rightly so, given what is at stake. What, then, for the fuel-laundering criminals who set out deliberately to fill purpose-dug ditches with toxic sludge? I am keen to enquire of the Environment Minister about the enforcement action in such cases. I am sure that Members would like to think that the consequences of such reckless and deliberate behaviour are most severe and the fines significant.

Technological advances in detection are continuing to develop, and the enforcement agencies are utilising those new technologies. Indeed, other countries are learning from Northern Ireland's example. However, as I mentioned, that is all being done in a drive to stay one step ahead of the criminal, but I believe that we need to deal a hammer blow to that activity in the form of more rigid consequences. I urge the Minister to review the judicial response to those recent cases

to better shape sentencing guidelines and, ultimately, the future judicial response through appropriate guidelines and the next justice Bill. If £200 million is lost per annum, over a 10-year period some £2,000 million is lost, which is a very large sum indeed.

I urge the Minister, in his role as chair of the Organised Crime Task Force, to ensure that his colleagues across all the enforcement agencies continue to pursue the very latest methods of detection and, indeed, pursue new marker technology to make the process of laundering as time-consuming and expensive as possible for the criminals.

1.45 pm

Mr D Bradley: Go raibh maith agat, a Cheann Comhairle, Éirín leis an leasú seo a mholadh. I beg to move the following amendment: At end insert

“; and urges the Minister to examine opportunities for further cross-border and inter-agency cooperation to identify and prosecute a greater number of offenders.”

I thank the Members who brought the motion to the House. We can agree with the motion, but, in our view, more is needed than tougher sentences and penalties. The reason why so few of those responsible for illegal fuel smuggling and laundering come before the courts is not that the penalties are too lenient. More severe penalties may have the effect of deterring some of those who might otherwise think of becoming involved in that illegal trade, but they will not, in themselves, lead to more people being caught, convicted and sentenced. We believe that if you cannot catch the criminals, it is difficult to penalise them. So, let us catch them first of all.

There is a cross-border aspect to the business because of the duty differentials in the two jurisdictions, and it follows that if we are to tackle the plague of fuel smuggling, we must marshal all the agencies available on both sides of the border and bring their collective skills to bear on the problem. The PSNI, an Garda Síochána, the Serious Organised Crime Agency, the Organised Crime Task Force, the Criminal Assets Bureau, HMRC, the security services North and South, and the cross-border fuel fraud enforcement group all have an interest in bringing this illegal trade to an end. However, I wonder whether those agencies ever meet and

share their skills, expertise and intelligence to apprehend those who are involved in this trade.

I know that levels of co-operation between the Garda Síochána and the PSNI are at an all-time high, and I very much welcome that situation. However, there are more players involved than the two police forces. When a multiplicity of agencies works in isolation, the criminal quite often wins. However, when those agencies work in a co-ordinated effort, the combined efforts bring about a much higher level of success in apprehension and conviction. I am interested to hear from the Minister about the exact level of co-operation between those agencies on illegal fuel trade. Can the Minister tell us how often civil recovery powers have been used against those engaged in that crime?

We must remember that fuel laundering is not a victimless crime. It is clear that the full impact of that trade has wide-ranging implications for the local environment and for the ratepayers in the areas affected. The cost of dealing with and cleaning the toxic sludge produced by illegal fuel laundering runs into tens of thousands of pounds, and funds have to be diverted from much-needed local services to meet that requirement. So far this year, Armagh City and District Council has already spent £50,000 dealing with toxic waste, and there is a year-on-year cost. Newry and Mourne District Council has spent £70,000 to date this year to deal with the same problem, and, as Mr Irwin pointed out, the cost to the Exchequer, as referred to in the motion, is £200 million.

The sludge causes serious damage to local farmlands, streams and rivers, and can cause long-term problems with the local water table. It is a scandal that must be brought to an end. The entire community should not have to pay the cost of a clean-up caused by a few people whose only real interest is in lining their own pockets. Legitimate businesses, of course, are suffering at a time of recession because their rightful trade is being taken away.

We need co-operation from the community as well; that is an essential ingredient in apprehending those responsible. The community can help by refusing to buy illegal products and by helping the authorities to locate illegal plants. I understand the fear that some people feel in that respect because of the associations that some illegal operators have with past or present paramilitaries. Indeed, the more sinister

aspect of that illegal trade is the evidence of former and current paramilitary involvement in this crime, some of the proceeds of which go to the coffers of organisations intent on death and destruction. It is not only about protecting the environment and saving money; it is also about saving lives.

I have no objection, and neither does my party, to tougher sentences and penalties, but we must have a concerted and unified effort from all those agencies with an interest in dealing with this crime, supported, of course, by the community. Only then will we see an increase in the numbers apprehended and convicted and in the number sentenced at levels that reflect the seriousness of such crimes.

I hope that the proposers of the motion will see their way to supporting the SDLP amendment, which is aimed at helping to bring that illegal trade to an end. Go raibh míle maith agat.

Mr Speaker: Mr McCartney has five minutes in which to speak.

Mr McCartney: Go raibh maith agat, a Cheann Comhairle. Beidh mé ag labhairt ar son an rúin tráthnóna seo agus ar son an leasaithe freisin. Sinn Féin supports the amendment and the motion. I place it on record that Sinn Féin totally opposes the practice of fuel smuggling and laundering.

The motion refers to the fact that only four custodial sentences have been imposed in the past 10 years and the suggestion that tougher sentences will increase that. I am not sure how that would work, although I will listen to what other Members have to say. We have to create the circumstances in which more plants are dismantled and those responsible for them or who own them are brought before the courts as part of the due process of law. That is why we support the amendment, which, alongside the motion, points to methods by which we can increase the likelihood of dismantling more plants.

There are two aspects to this issue: fuel smuggling and fuel laundering. I will be interested to hear the Minister's take on it, but there seems to be a decrease in fuel smuggling. An examination of how that was brought about points to how we can deal in the future with it and other matters around tax evasion. There is no doubt that the duty and pricing of fuel, particularly along the border corridor, has made it less inviting for fuel smugglers to take fuel

from the southern to the northern counties. That points us towards a way of dealing with this type of crime in future. Looking at the tax and rebates that are sometimes provided on certain goods can help us to deal with this.

The latest report presented to the Committee on laundering was that there seems to be a better detection rate, which is to be welcomed. Fifteen plants have been dismantled in the past year or so. That shows that there is a better flow of information, which is why the amendment is important. Better co-operation and co-ordination across the island of Ireland, and through that there is a greater detection rate.

It is also important to note in the research pack that people sometimes unknowingly use illegal fuel because they believe that they are getting it legitimately from a garage, but they are not. However, as regards the detection rate for that, more people were fined on the spot for using illegal fuel in the past than there seem to be recently. I would like to hear what the Minister has to say about that, and whether he envisages any more powers to allow that to happen more frequently. Only when that happens will the Committee and Members be able to approach the issue in a more informed way when the justice Bill is being framed.

I am not saying that there should not be tougher sentences, but the fact that there have been only four custodial sentences is not in direct correlation with the lack of arrests. From the information pack provided and from the evidence, it seems that many people are being arrested. We have to find out why that does not translate into custodial sentences. Perhaps the Minister will tell us the number of people facing trial for that type of offence.

It is also worth noting that this matter should not be seen in isolation. When the task force laid out its plans, tobacco smuggling seemed to be a more profitable business. Sometimes, there seems to be an emphasis on fuel smuggling. That seems to be decreasing, and it may appear that we are ignoring other tax evasion crimes, particularly tobacco smuggling. It is something that the Assembly should think about in future. Go raibh maith agat, a Cheann Comhairle.

Mr B McCrea: I commend the proposer for bringing forward the motion: it is not often that I do that, because it is a trite thing that people

say. However, having looked at the numbers involved, I am genuine in my admiration.

The real question is this: why are there no prosecutions? It is not that people do not know that it is a serious issue. When I was doing some research, I came across a press release from the BBC news website for November 2001 when the then Minister Sir Reg Empey made the point that we were losing almost £200 million. It has been 10 years since we identified the issue, and yet we do not seem to be getting to grips with it.

I listened carefully to what the previous Member said, and I agree with him in that the issue does not appear to be about not having enough arrests. We seem to have interventions and be able to do things, but we do not seem to be able to prosecute. Perhaps the Minister will have to look at that more intently in any legislation that he wants to introduce. Failure to prosecute gets misinterpreted: people think that a blind eye is being turned or that something not quite right is going on, and we have to address that.

There is also the issue that we get confused — at least I get confused — about the size of the sums of money involved. The proposer referred to billions or millions. The numbers are colossal. I cannot get over the fact that the level of duty is bigger than corporation tax; it is the fourth largest revenue in Northern Ireland. When we are looking at different ways of trying to redress the balance, perhaps we should look at devolving fuel duty, bearing in mind that we are looking into doing something about corporation tax and airport duty. Perhaps we should take on that issue and see whether we could manage £100 million better than other places. Obviously, we would need to ensure that we had the proper help and support from Her Majesty's Revenue and Customs, and there would be cross-border issues. People from all walks of life phone me up to say that a certain petrol station is selling petrol at a price that cannot be right commercially, and I am sure that I am not alone in that. It is not as though it is not known to us. There must be something we can do to focus on issues that are raised.

I referred to the fact that it is hard to believe that we are not doing something about the large sums involved. From the information provided, I note that the fuel duty in Northern Ireland, in comparison to that in the United Kingdom, is

3.7% of the income, and yet our population is only 2%.

I also see that our fuel duties have increased some fourfold over the past four years, whilst our vehicle excise duty has increased only twice. Perhaps that is some sort of indication that things are going better.

2.00 pm

You cannot get away from the general perception that this number is so large that, collectively, we put our heads in the sand and do not explain to the people of Northern Ireland that the smuggling and laundering of fuel are not merely little issues taking place on the edges and in border areas but are fundamental to their living standards. Such corrosive activity not only takes away revenue that could be used for all of the things that we want to deal with, such as hospitals and schools, but ends up fuelling all other forms of criminal activity. That is the fundamental issue: the amount of money is so large that you could run hundreds of criminal organisations on it, yet it is left untouched. That is why I commend the proposer of the motion. We will support the amendment, but we think that the Assembly needs to come back to this issue. It is not good enough to stand here and say that it is not good enough; we have to do something about it.

Mr Dickson: I, too, thank those who secured the debate, and I acknowledge the recent success of the relevant agencies in seizing and dismantling illegal fuel fraud operations. Fuel fraud affects all of us in Northern Ireland. Terrible damage is done to our environment by the resulting toxic waste, 240 tons of which was discovered at illegal plants in the past 12 months. The clean-up cost approximately £10,000 a ton. As other Members said, the waste is often dumped indiscriminately in forests, fields and rivers and causes a large amount of damage to our countryside.

Such activity also funds wider criminality, and, as other Members said, results in a significant loss of revenue to trade and the Exchequer. However, tax is not the only consideration. There is a wide degree of criminality and profit-making by criminals, particularly in an area that has not been mentioned in the debate — gas. There are very serious health and safety implications for those who trade in gas illegally.

The most important issue is how the problem can be tackled. That is the subject of the final part of the motion, and also, unfortunately, why the Alliance Party cannot support it. The motion calls for the Minister to legislate for tougher sentences and penalties for offenders, but it is clear that, in this case, action on sentencing is a responsibility for the judiciary and the courts. Of the four custodial sentences handed down for fuel fraud in the past 10 years, one was for two and a half years, and the other three were for a few months. If cases are tried in a Crown Court, the maximum sentence is, at seven years, significantly longer, and there is an opportunity to impose unlimited fines.

Therefore, there is significant scope within the current sentencing guidelines for much tougher sentences to be handed down. I draw Members' attention to the evidence given by HMRC officials John Whiting and Mike Norgrove when they appeared before Westminster's Northern Ireland Affairs Select Committee in September. Mr Whiting emphasised that, ultimately, sentencing is decided by the courts and that despite dozens of successful prosecutions in the past 10 years, most resulted in suspended rather than custodial sentences. Moreover, Mr Norgrove insisted that even though the evidence against offenders stands up in court, custodial sentences are rarely given. Most interestingly, when asked whether he believed that legislating for higher sentences would push up the numbers being sent to prison, Mr Norgrove said:

"I do not think the laws themselves are inadequate; it is the interpretation of the offence and the decisions by the judiciary."

That is why we cannot support the motion. It is, therefore, my opinion —

Mr Weir: I thank the Member for giving way. I appreciate what the Member says about the principal responsibility lying with the court, but surely, as we heard at the Justice Committee on numerous occasions, there is an opportunity for the Assembly to set various levels of tariff. I appreciate the concerns that the Alliance Party has raised about that. However, speaking for the DUP, who brought the motion and will support the amendment, I think that dividing the House on what might be seen as a technicality, which is where sentencing strength lies, would surely send out the wrong signal.

I appreciate the fact that the Member's party may have difficulty in supporting the motion, but

I urge the Member not to divide the House and perhaps send out the wrong signal that there is any ambiguity on the issue of fuel smuggling.

Mr Speaker: The Member has a minute added to his time.

Mr Dickson: Thank you, Mr Speaker, and I also thank Mr Weir for his intervention. I understand exactly what he said, and I am happy to agree with it. However, it is worth pointing out that sentencing is not a matter for the Minister of Justice but for the judiciary, and we welcome the announcement by the Lord Chief Justice on 16 September that sentencing in that area will be considered by his sentencing group. This is an area for sentencing and not for legislation. However, I understand the Member's point, and, as the Chief Whip of my party, I will not press the House to divide on the motion.

Perhaps the Minister will give us more information on the Lord Chief Justice's announcement. It is a positive development, and it will hopefully lead to tougher court action when appropriate.

It emerged from the meeting of the Northern Ireland Affairs Committee that the Minister of Justice wrote to the Minister of Enterprise, Trade and Investment — proof that the issue requires the involvement of more than just one Minister — to request that legislation on petroleum licensing be extended to include diesel. That would mean that licences could be revoked in cases in which filling stations were found to be selling laundered or smuggled diesel. HMRC officials informed the Committee that Minister Foster had replied that such a move would put us out of step with the rest of the UK; I encourage Minister Foster to reconsider that position. I am also concerned that her response was not more positive, as an extension of the legislation to include diesel could act as an extra deterrent. Perhaps the Minister of Justice will inform us whether Minister Foster has ruled out such a change or whether there have been further discussions on the issue.

In my closing remarks, I express my concern at the scale of fuel fraud in Northern Ireland, not only for diesel and petroleum products. I hope that it is dealt with urgently and effectively. However, given the significant scope for improvements in sentencing that the current guidelines allow for and on the recommendations of HMRC, I believe that

the matter is better dealt with by the judiciary through sentencing guidelines.

Mr S Anderson: I wholeheartedly support the motion tabled by my three party colleagues. The motion draws attention to a very serious problem and quite rightly calls for more effective action.

Over the years, fuel laundering has been allowed to become one of Northern Ireland's most lucrative illegal industries, and it has made some people very wealthy and powerful. At the same time, ordinary taxpayers suffer. We are in a time of recession and financial austerity, when Departments are being forced to make radical cuts to front line services, yet estimates suggest that in excess of £200 million, perhaps as high as between £280 million and £300 million, is lost each year in Northern Ireland as the result of fuel smuggling and laundering.

We all know that our land border with the Irish Republic has made fuel laundering and smuggling an extremely lucrative business for republican paramilitaries. It was long a source of funding for the Provisional IRA, and today it is helping to fund dissident republican terrorism. We are dealing with some very sinister, clever and ruthless gangsters and thugs who have got away with far too much for far too long. Indeed, as was said earlier, we are dealing with matters of life and death.

At the launch of the annual report of the Organised Crime Task Force (OCTF) in June, the Minister and the Chief Constable spoke in glowing terms of the work of the agencies in OCTF. We all welcome their success, and the HMRC and the PSNI are to be congratulated for discovering and dismantling the UK's biggest fuel-laundering plant in Crossmaglen in March. Those successes are welcome, but we must be realistic. We are doing little more than scratching the surface, and we need to step up our game. The criminals are several steps ahead of us, we face a ruthless and sophisticated criminal machine, and it is vital that our methods and approaches are ahead of the game. We need to look at the effectiveness of the current arrangements and examine all opportunities for inter-agency co-operation to secure greater levels of prosecutions.

The situation has become so serious and the problem so widespread that people have become suspicious when fuel is even slightly cheaper than average at respectable retail outlets. Some smaller retail outlets, especially

along the border, have been forced to close. That is partly because of the cheaper prices in the Irish Republic, but partly because of smuggling and laundering.

I declare an interest as a member of Craigavon Borough Council. The council has regularly to deal with the effects of the dumping of illegal toxic waste that results from fuel laundering. That is a major problem for Craigavon Borough Council and, as we have heard, for other councils, especially on or near the border. When toxic waste is abandoned, it causes considerable damage and costs councils large sums to have the affected areas cleaned up by specialists. It is an unfair financial burden on the ratepayers and it means that many people take a double hit, as ratepayers and taxpayers. The council has lobbied for some compensation from the assets seized by the enforcement agencies but, so far, it has been unable to make progress in that field. Surely it would make sense for ill-gotten gains to be used in that way.

One way to combat the problem of fuel laundering would be to reduce the price of fuel at the pumps and, in that context, I am interested to know how things stand in respect of the fuel duty escalator.

Mr B McCrea: I thank the Member for giving way. On that line of thought, the other way to do it is through regulation. If the prices of fuel were set throughout Northern Ireland, we could not only make sure that everyone gets a fair deal but look at retailers' books to see whether they are getting fuel from the right sources.

Mr Speaker: The Member has an extra minute.

Mr S Anderson: Thank you, Mr Speaker.

I agree with that. Sometimes, the price of fuel at the pumps starts a price war and that presents an opportunity for others to take advantage. Our failure to get to grips with fuel smuggling and laundering is well illustrated by the motion. In the past 10 years, only four jail sentences have been handed out and, out of 40 convictions, only 10% have gone to prison. That speaks for itself. I fully accept that sentencing must be proportionate to the crime, but there is a problem with unduly lenient sentences. Recently, we saw that rioters in England went to jail although rioters in Northern Ireland get off with suspended sentences or conditional discharge. I am glad that the Lord Chief Justice has promised a review of sentencing for fuel

laundering, and I look forward to the results. However, time is of the essence and I hope that it will not be a long-drawn-out review.

I would be grateful to hear the Minister's views on one specific issue. When a laundering plant is closed down by HM Revenue and Customs or the PSNI, is the landowner questioned about his knowledge of what has been going on at his property? Is any action taken against the landowner? I want to hear the Minister's views on that.

I urge the Minister to respond positively to the motion and do all in his power to develop a more successful strategy. I urge him to lobby the key players, especially those at Westminster, where the Northern Ireland Affairs Committee has been investigating the issue. I support the motion.

Mr Wells: About eight years ago, I received a phone call from a constituent in South Down who told me an interesting story. She said that, about once every fortnight, a certain tanker appeared in a certain street in a certain town in South Down — that is as specific as I will be. The driver would stop the tanker and turn off the engine at the top of the hill, and freewheel down the street to a certain garage. He would rapidly discharge the fuel in that tanker and then freewheel down to the roundabout, start his engine, and go on. She asked me what I considered was going on. I said that there were two possibilities. The first was that the driver was being desperately considerate towards the people of that town; the second was that there was something in that lorry that the driver did not want the community to know he was discharging into those tanks. Of course, I reported the matter to the relevant authorities, and I noticed that the garage has been closed down on several occasions, allegedly because it was selling laundered fuel.

That garage was selling fuel at a price that I know, from consulting experts in my party who are in the fuel business, it would have been impossible to legitimately buy. However, the community was queuing to get fuel from that garage. That means that everyone was in on the knowledge that that fuel was laundered. The garage owner knew it and the public who bought the fuel also knew it. I suppose that many people saw it as a victimless crime, which of course it is not. Many aspects of this business are extremely seedy.

Essential services in Northern Ireland are being deprived of some £200 million. What could we do with £200 million? It would build us a complete A&E hospital, numerous clinics and new schools, etc, yet, every year for decades, that money has gone missing from the Exchequer and is not available. Therefore, it is not victimless.

2.15 pm

Equally, from an environmental point of view, I often get anonymous telephone calls from constituents saying that there is an illegal plant in such and such a part of South Down, particularly at the southern end of the constituency. When the security forces and HMRC raid that plant, it is found that the most appalling environmental standards have been exhibited. Acid is used to strip out the dye marker in the diesel. That acid then leaches into the waterways, and sometimes material such as cat litter is used and is then dumped in large quantities by the roadside where it causes pollution and environmental damage. Therefore, it is not victimless in that sense.

The fact is that everyone in this Chamber knows where the money is going. It is not going to small-time crooks; it is going to fund some of the nastiest individuals who have ever set foot in Northern Ireland or the Irish Republic and to people who are involved in paramilitary activity and gangster activity. Very sinister individuals are using the money. The amount of money is so great that we are talking about mafia standards of corruption and criminal activity. Therefore, we simply cannot allow that to continue.

I have received anonymous tip-offs from individuals as to how the scam works. It is very simple. The tanker driver arrives in the forecourt of the garage, often late at night, and he gives the garage owner an invoice and VAT receipt for the diesel at, for instance, today's price of £1.30 a litre, so the garage owner has all the paperwork for a legitimate piece of business. He then takes out of his back pocket a wad of several thousand pounds of used bank notes and hands it to the tanker driver. Therefore, when the authorities raid the garage, the proprietor has a full paper trail showing that he did everything right. How do the authorities prove that he did not actually pay that amount and that he got a substantial refund? That money is used for all sorts of activities, and, of

course, VAT, tax and national insurance are paid on none of it. Therefore, it is a serious issue.

I am interested to see what the Justice Minister is going to say about this, but I do not believe that we as a society are taking this issue seriously enough. Only four custodial sentences have been given. If I were to walk into a bank in South Down and steal a million pounds, quite rightly, I would go down for a very long time, but if someone launders fuel and makes several million pounds out of it, it seems that all he gets is a suspended sentence, a rap on the knuckles or a fine. If we are really to take this issue seriously, far more people should be caught and sent down with substantial custodial sentences. Only then will it show the community generally that the Department of Justice takes this issue seriously. I believe that the sentencing guidelines should start on the basis that, if you are caught committing the crime, you get a custodial sentence immediately.

Mr Swann: We have mentioned a number of times that the Exchequer is not the only victim in this crime. There are other victims. Car owners, who were referred to earlier, may buy diesel at a cheaper price, but they are not all committing a criminal offence. The unfortunate thing is that the current legislation allows Her Majesty's Revenue and Customs to seize their cars almost immediately, under the suspicion that they have been running it on illicit fuel. However, as Jim Wells said, it is far harder for HMRC to prosecute the seller and the retail site for what they have been peddling.

The fuel in question is highly illicit and highly dangerous. It can damage cars and cause massive environmental damage to surrounding areas. Anonymous calls have been referred to, and we have to realise that, for the ordinary individual, there is no central system in our judiciary that will handle a reported crime of laundered fuel. If you or I had a suspicion that we had just filled our car with illicit fuel, we could phone the Trading Standards Service, HMRC or the Consumer Council and they would all start to pass you round in circles before anybody would take action or come down on the retail site in question.

The proposer of the motion referred to the trade in illicit fuel as also being closely linked to the trade in illicit tobacco, with Her Majesty's Revenue and Customs estimating that the UK Exchequer loses some £3.8 billion a year to

illicit tobacco. On a rough estimation, 2-5% of that coming to the Northern Ireland Exchequer would be in the region of a further £100 million that we in Northern Ireland could be making use of. If we add that to the £200 million from illicit fuel, we would have another £300 million coming into the Northern Ireland coffers that we could all make use of.

The motion mentions the damning statistic that there have been only four custodial sentences. Between April 2000 and March 2005, Her Majesty's Customs and Excise in Northern Ireland seized almost 10 million litres of illicit fuel; seized 4,285 vehicles from fuel fraudsters; dismantled 77 laundering plants; disrupted 17 criminal gangs; and secured 27 convictions. That was during the period when those four custodial sentences were handed down. It has been widely mentioned in the Chamber that illicit fuel laundering and tobacco smuggling are not carried out by — for want of a better word — normal burglars or criminals. Such crimes are committed by organised criminal gangs that formerly supported paramilitaries, which have been the scourge of this country. The public's perception is that there was often a failure to prosecute those individuals because they were protecting a higher political master and that that is why the judiciary was unwilling to take on those serious crimes.

The tobacco industry was referred to earlier. Between 18 January and 18 May 2011, nine individuals were arrested and 16 million cigarettes were seized in south Armagh, which is in the proposer's constituency. However, no statistics are available for any custodial sentences handed down for tobacco smuggling.

If we are genuine about tackling fuel smuggling, we should look at extending petroleum licences to cover not just petrol but diesel spirits. The use of acids or cat litter to remove dyes was mentioned earlier. In many Third World countries in Africa, such as Kenya and Libya, the use of DNA markers rather than just the red, green and yellow dyes that are used in the North, the UK and across Europe, has a proven track record. DNA markers, which are impossible to remove, would give us another weapon in our struggle against fuel smugglers.

No matter how we portray this activity, it is not a victimless crime, as has been mentioned. From fuel and tobacco smuggling to counterfeit goods, we pay in some way for the loss of £300

million to the Exchequer. It is the old, the young and the vulnerable who pay.

Mr Speaker: Will the Member bring his remarks to a close?

Mr Swann: Today's motion indicates that such activity is not a victimless crime and that we are not actually prepared to challenge and prosecute the perpetrators.

Mr Speaker: The Member's time is up.

Mr A Maginness: I do not want to repeat all the points that have been made, because there has been considerable commonality in Members' contributions. However, I compliment Mr Irwin for bringing the motion to the House.

This species of crime is very evil indeed. It not only destroys the environment but corrupts the retail sector, those involved in fuel laundering and the ordinary motorist who takes advantage of cheap fuel. It is an insidious and evil crime that eats into the heart of our society and eats away at social values by turning honest, ordinary, good people into dishonest people who take advantage of cheap fuel. It is necessary for us to address the issue thoroughly. We can address it on the basis of the penalties for those offences. It does seem strange that only four prison terms have been imposed for such crime over the past number of years. An explanation is needed as to why more people are not being imprisoned given the high level of detection of fuel laundering and smuggling.

(Mr Deputy Speaker [Mr Beggs] in the Chair)

As Mr McCrea pointed out, it is important to look at what is, in many ways, the cause of fuel laundering, namely the high level of fuel duty. We should approach the issue by looking at duty on both sides of the border. Could we introduce a duty regime on both sides of the border that would, at one fell swoop, do away with people's incentive to launder or smuggle fuel? It would be sensible —

Mr Wells: I think that the Member is slightly confused about smuggling and laundering. If fuel levies and tariffs were harmonised North and South, that would stop smuggling. However, criminals in Northern Ireland would turn their attention to taking the red dye out of diesel that is for agricultural use here, and those in the Irish Republic would take the green dye out of the equivalent fuel there. They would continue to do that; they just would not bring the fuel back

and forth across the border. They would still cause environmental damage and, of course, loss of revenue on both sides of the border.

Mr Deputy Speaker: The Member will have an extra minute added to his time.

Mr A Maginness: I take the Member's point. Harmonisation would be effective in dealing with smuggling, and I agree that other issues are at large with regard to laundering. However, both jurisdictions could look at the issue together across a wide range of areas, such as the environment, pricing, duty, detection and co-operation. Both sets of revenue officials could interrogate and examine, at will, on both sides of the border and in one another's jurisdictions, people suspected of involvement. That would lead to a much more effective regime to deal with that specific problem.

Of course, those who benefit most are, in fact, people who are engaged in paramilitary activity. That is a great evil, and it is one that is intent on destroying this institution and the democratic institutions that were set up under the Good Friday Agreement. We want to maintain the political progress that has been made. However, that evil eats at the very heart of that progress. Therefore, it is an important issue. Whether I am correct on the issue of duty, it is important that, on a cross-jurisdictional and cross-border basis, we look hard and fast at what we are doing on both sides of the border. In that way, we must bring all of our resources to bear in order to eliminate that particular evil.

Mr Deputy Speaker: As Question Time commences at 2.30 pm, I ask Members to take their ease for a few minutes. The debate will continue after Question Time, when the next Member to speak will be David McIlveen.

The debate stood suspended.

2.30 pm

Oral Answers to Questions

Enterprise, Trade and Investment

Mr Deputy Speaker: Questions 1 and 10 have been withdrawn and will require written answers.

Short-term Employment Scheme

2. **Mr McNarry** asked the Minister of Enterprise, Trade and Investment to detail how many jobs have been created through the short-term employment scheme since it was established. (AQO 427/11-15)

Mrs Foster (The Minister of Enterprise, Trade and Investment): Last Tuesday, I announced the creation of 336 new jobs by Capita at its Belfast business centre. It is expected that 190 of those new jobs will be created in 2012. Since the short-term employment scheme (STES) was established in April, there has been a high level of uptake across its range of measures. Invest Northern Ireland has been engaging widely with many businesses across Northern Ireland and has succeeded in building a pipeline of over 40 projects, both large and small, which are at various stages of development and, collectively, are expected to create more than 1,000 new jobs.

I am confident that I will be making more positive announcements on new jobs created through the STES in the coming weeks.

Mr McNarry: I thank the Minister for her answer, which relates to hope in the future and her confidence. Is she satisfied with the uptake of the scheme to date, and is there room for improvement within it?

Mrs Foster: As I indicated, there is a pipeline of over 40 projects. There are already 16 employment projects that have been approved for support, and Invest Northern Ireland is working with those businesses on formal announcements, which we anticipate coming in the next few weeks and months.

The other elements of the short-term employment scheme are also progressing very well. Those include stimulating new business starts by young people in areas of neighbourhood renewal,

where we are working with a range of partners to try to stimulate demand.

The important issue for Invest NI around the STES is getting out to those companies that we would not ordinarily work with — the small companies that have one or two people working for them — to see whether they can add another person to their employment registers. The First Minister announced last week that we are trying to very much bring the STES down to a very localised level. That is something that I very much support, and it is something that we will see great benefit from across Northern Ireland.

Mr Humphrey: The Minister mentioned the jobs announcement in north Belfast last week, which I very much welcome. Will she outline the value of that announcement and the announcement of the jobs in PricewaterhouseCoopers (PWC) last week to the Northern Ireland economy?

Mrs Foster: The Capita jobs announcement was made under the STES. The PWC announcement of 247 new jobs is also very significant, because it involves people who are working in Northern Ireland but are exporting their skills across the world. So, instead of just exporting our manufacturing goods, our agrifood goods and our pharmaceutical wares, we are now exporting our talent — well, we are keeping our talent in Northern Ireland but exporting our skills across the world. That is a very significant piece of work that we have been able to achieve with PricewaterhouseCoopers, and I am delighted that those three centres of excellence are going to be set up in Belfast.

As I said, the Capita project has an anticipated employment build-up, as per Capita's business plan. There will be 50 new jobs by December this year, a further 30 by March 2012 and an additional 110 by the end of 2012. So, we are building up the jobs there. What encouraged me most when I was speaking to the management in Capita is that 50% of those who were recently recruited were taken off the unemployment register. That is really good news, because it is the kind of thing that we want to see happening. As well as creating jobs for people who are new to the workforce, we want to be taking people off the unemployment register.

Mr A Maginness: One has to acknowledge the success of the short-term employment scheme. Will the Minister assure the House that, although it provides employment now, those employment opportunities will be sustained in

the medium term? It is very important that this is not just a stopgap measure but a medium-term measure.

Mrs Foster: That is exactly what we want to happen: that those jobs will be used to build up the Northern Ireland economic proposition. Hopefully, we will have examples other than Capita to talk about when I next come before the House, but it is just a case of pump-priming the companies that are looking to us for assistance to get those jobs more quickly than perhaps they would have been able to do themselves.

When I was with Capita, the people there were telling me about the sort of work that they are now attracting into their Belfast centre, and it is encouraging to see that happening. When I stand here, people tell me that we need real jobs in the short term and that we need them now. The short-term employment scheme was set up to try to quickly increase the number of jobs that we could bring into the Northern Ireland economy. Will they be sustainable jobs? Yes, because we do not want to be back where we are now with a 7.4% unemployment rate. We want to move away from that and back to the days when we had a very low unemployment rate.

Mr Flanagan: Go raibh maith agat, a LeasCheann Comhairle. I congratulate the Minister and her departmental officials on the success of the short-term employment scheme so far. Many in the House were sceptical of its success, but in the long term it is a great initiative. What safeguards are in place to ensure that the benefits of the scheme can be spread throughout the North, particularly into deprived rural areas?

Mrs Foster: Part of the scheme, as the Member probably knows, is to try to use neighbourhood renewal areas to ensure that we can assist young people who perhaps would not have a chance to set up a new business. We have been working with a wide range of social partners in those areas and, hopefully, we will have announcements on those schemes in the near future.

Air Route Development Fund

3. **Mr Lyttle** asked the Minister of Enterprise, Trade and Investment whether her Department can reintroduce the air route development fund to offset airport landing duties. (AQO 428/11-15)

Mrs Foster: I have no plans to introduce a new air route development scheme, as current European Commission guidelines severely restrict the assistance that can be provided to airports and airlines. However, the Chancellor of the Exchequer's welcome announcement on air passenger duty last week could have significant implications for Northern Ireland.

By reducing the rate of air passenger duty applied to Northern Ireland for long haul flights operating in band B, we are able to send a positive message to airlines that Northern Ireland is a viable option for long haul business. My Department will work proactively with Belfast International Airport to capitalise on the reduction in air passenger duty and identify potential new routes into Northern Ireland.

Mr Lyttle: I welcome the Chancellor's air passenger duty announcement and thank the Minister for the hard work she did on that issue. Are any other measures available that could mitigate other additional passenger landing charges incurred by passengers from Northern Ireland as a result of there being fewer direct flights from this region?

Mrs Foster: I thank the Member for his kind words. Indeed, I want to put on record my deep appreciation to the Chancellor of the Exchequer. He is to be commended for taking a personal interest in the matter. Without his assistance, this would have been a very different story, and I want to commend him for that. A lot of hard work also went on behind the scenes in Northern Ireland, as the Member indicated, along with my colleagues in the Executive.

If that air passenger duty had not been addressed in the way that it was by the Chancellor, we might have been in a very different position today in relation to our transatlantic flight. That would have had huge ramifications for Northern Ireland, particularly in respect of our looking for more inward investment from North America. I am very pleased that that is not the case.

In respect of what more we can do, we have, as I said, been severely curtailed by the 2005 ruling of the European Commission on how we can help airports and airlines. However, Tourism Ireland is trying to be as imaginative as possible in relation to marketing, and we will continue to work with airlines to see whether we can market air routes, and not just transatlantic flights but obviously European and regional flights as well.

Mr Deputy Speaker: I noticed a few conversations going on during that answer by the Minister. I ask Members to show courtesy to the Minister so that others can hear the answers that are being delivered.

Mr Girvan: Given that Aldergrove is a big employer in south Antrim, what measures are being put in place to attract additional flights? What work is her Department doing to encourage that? I thank the Minister and Department for their work in lobbying for a reduction in air tax duty.

Mrs Foster: I thank the Member for his question. We are working proactively with the Department for Regional Development to point out that the European Commission regulations impact disproportionately on Northern Ireland. That is because we are part of an island on the periphery of Europe, and we need air access. We are, therefore, working with our colleagues in the Department for Regional Development to overcome that problem.

The Member asked about attracting more flights into Belfast International Airport. The Chancellor's announcement will have an impact on airlines throughout the world that are looking for opportunities to fly into UK airports. The amalgamation of bands A and B should be quite attractive to some airlines. As I said in my substantive answer, we will work hard with Belfast International Airport, through Tourism Ireland, to try to ensure that we are well positioned to attract more airlines into Northern Ireland.

Mr McCartney: Go raibh maith agat, a LeasCheann Comhairle. Gabhaim buíochas leis an Aire as a freagra. I welcome the Minister's answer and acknowledge the role that she and the Department played in the reduction of passenger duty. Given the positive impact that that will have on the economy, is the Department exploring any other areas in which the harmonisation of tax could have a similarly positive impact?

Mrs Foster: The Member will be aware that the issue was not one of tax harmonisation. The issue was that, a couple of months ago, the Republic of Ireland had a tax levy of €10, which was then dropped to €3, and there was a suggestion that it would go down to zero. That left Aldergrove, as a UK airport, at a competitive disadvantage. Continental Airlines said that the amount of tax that it was paying to Her

Majesty's Exchequer was the amount that it was losing on that flight, which was in or around £3 million. The company felt that it could not continue to carry that loss, and, therefore, we had to find a way of dealing with the issue.

The way in which we dealt with the matter shows how devolution can work for Northern Ireland. It means that we can raise our voices when there are difficulties; we can go to our colleagues in the UK Government and look for solutions. I am very pleased that we have found a solution to the serious problem that came before us.

Mr Kinahan: I congratulate the Minister and the Chancellor, and I remind them that it was the Ulster Unionist Party's response to lower air passenger duty —

Mr Deputy Speaker: Question, please.

Mr Kinahan: My questions have been taken by other Members. How can the Minister help to better utilise the capacity at Belfast International Airport for cargo, which is just as important?

Mrs Foster: I must say to the Member that that was a good try. I welcome the fact that everyone supported us on the reduction of air passenger duty, and it was a good story for the Assembly and the Executive.

In answer to the second part of his question, we are working closely with Belfast International Airport on that very issue of cargo, and he will see some announcements on that in the near future. We will be happy to support the airport as it looks for more freight business as well as more passenger flights.

Tourism: Cross-border Co-operation

Ms Ruane: Ceist uimhir a 4, a LeasCheann Comhairle.

Mr Deputy Speaker: Minister?

Mrs Foster: Sorry, I am waiting for the translation.

4. **Ms Ruane** asked the Minister of Enterprise, Trade and Investment for an update on the work her Department is carrying out with its counterpart in the Republic of Ireland on tourism issues. (AQO 429/11-15)

Mrs Foster: My officials have regular formal meetings with their colleagues in the Department of Transport, Tourism and Sport

and in Tourism Ireland. I am briefed regularly on those meetings and have met the chair and chief executive of Tourism Ireland. I recently wrote to the chair to emphasise the importance of promoting Northern Ireland in the Great Britain market. I met the chief executive last week and will be meeting the board of Tourism Ireland next week.

2.45 pm

Ms Ruane: Go raibh maith agat, a Aire, as an bhfreagra sin. In light of the fact that Ireland has so many dynamic festivals and cultural tourism products, including Irish-language festivals, festivals that celebrate things such as St Patrick's Day and good community-based festivals in the Falls, Shankill, Derry and all over Ireland, what has the Minister done to promote cultural tourism on an all-Ireland basis?

Mrs Foster: The Member will acknowledge the fact that we have worked hard with a number of cultural providers across Northern Ireland to talk about the different cultural experiences that people can enjoy when they come to Northern Ireland. Indeed, our studies tell us that visitors want those cultural experiences, and we have worked with festivals across Northern Ireland to ensure that they have a wide range of choices. The Member will acknowledge that Tourism Ireland is doing all that it can to promote that in its markets, and the Northern Ireland Tourist Board is also doing its bit in the Republic of Ireland.

Mr Dunne: Will the Minister outline what Tourism Ireland is doing to promote tourism in Northern Ireland?

Mrs Foster: Tourism Ireland is promoting Northern Ireland in the Great Britain market, because, as the House will know from my many indicators on the issue, Great Britain is our largest market, but, during the past couple of years, we were concerned that the Great Britain market had dropped back somewhat. As I stated, I wrote to the chair of Tourism Ireland and said that we really need stand out for Northern Ireland in the Great Britain market. This autumn, Tourism Ireland is running a TV advertising campaign that will reach up to 18.5 million potential GB holidaymakers. It will convey fun, friendliness and great things to do and to see on a holiday or short break in Northern Ireland.

We need to push ahead. As we know, 2012 is a seminal year for Northern Ireland, and we need to grasp that opportunity. Last week, I

was pleased that the First Minister and Acting deputy First Minister were with me to launch 2012 and all the activities that are taking place. That will be followed up by launches in London and Dublin. We are trying to push ahead with 2012 so that everybody is aware that it is a significant year, and we can invite them all to come to Northern Ireland.

Dr McDonnell: In light of yet another golf success at the weekend, and given the stunning assets on the north and east Antrim coasts from Larne to Portrush, is the Minister's Department undertaking any work with councils in the area to develop a collaborative vision and action plan for increasing tourism in that area, including golf tourism?

Mrs Foster: I thank the Member for his question. I join with him in congratulating our three winners.

Mr Storey: *[Interruption.]*

Mrs Foster: Is he a Ballymoney man? I did not know that. Those three winners are now included in the top 100 golfers in the world, which is an incredible achievement. That is not to mention Darren Clarke, a good Dungannon man, who is number 38 in the rankings. We have had a tremendous run of golf activity. The Member is absolutely right; we want to involve all partners in trying to ensure that we make the most of our golfing product.

I particularly want to mention Coleraine Borough Council's proactive work with the Northern Ireland Tourist Board and Tourism Ireland to bring a significant championship to Royal Portrush. This week, 16 golf writers were in Northern Ireland, and they played Royal County Down, Royal Portrush, Malone and Holywood golf clubs. The whole idea is to try to take the current impetus. I will certainly push ahead with Tourism Ireland, and I know that councils also want to get involved.

Tourism: MTV Music Awards

5. **Miss M McIlveen** asked the Minister of Enterprise, Trade and Investment for her assessment of the impact on tourism arising from the MTV Europe music awards event that is to be held in Belfast in November 2011. (AQO 430/11-15)

Mrs Foster: It is forecast that hosting the 2011 MTV Europe music awards (EMAs) will generate

£10 million for the local economy. In addition, it is estimated that worldwide media coverage of the EMAs will generate £10 million worth of public relations. The awards will attract approximately 20,000 visitors, with 25% coming from outside Northern Ireland, and they will bring significant economic, social and tourism benefits to Northern Ireland in the longer term. Currently, just fewer than 10,000 bed spaces have already been booked in the Belfast area as a direct result of the 2011 MTV EMAs in Belfast.

Miss M McIlveen: I thank the Minister for her answer. Along with others, I attended the successful launch of Northern Ireland 2012: Our Time, Our Place, which the Minister referred to in her previous answer. Can the Minister outline the objectives and benefits of that initiative for Northern Ireland?

Mrs Foster: I thank the Member for attending that launch in her role as Chairperson of the Committee for Culture, Arts and Leisure. The launch was very well attended by the media; it was somewhat disappointing that that was not replicated in the media coverage. However, it was a tremendously good launch. The idea behind 2012: Our Time, Our Place is to change global perceptions of the past image and reputation of Northern Ireland; to raise the profile of Northern Ireland as a must-see destination; to drive up our visitor numbers; to generate economic impact; and to underpin civic pride. We have big hopes for 2012; it will be a huge year for us. I hope that the entire Assembly will get behind us so that we can make the most of it.

Mr McKay: Go raibh maith agat, a LeasCheann Comhairle. I thank the Minister for her answer. What will the Minister do to ensure that our beautiful countryside remains open to all the stars of MTV for filming? Furthermore, will she consider directing some of these stars to Ballintoy and the north coast, which is already establishing itself as the home of major productions, such as 'Game of Thrones'?

Mrs Foster: I would have thought that the Member had enough stars and that he would want to share them around, for example, into Fermanagh and south Tyrone.

The positive story from last week was that we have international superstars coming to make their videos in Northern Ireland. That, in itself, sends out a very strong message about the change in Northern Ireland and the fact that

we are confidently moving on, as the Northern Ireland Tourist Board would say. It has been a tremendously successful week with the launch of the 2012 strategy, and we look forward to the EMAs, which will take place in November.

Mr Deputy Speaker: I call Robin Swann.

Mr Swann: Thank you, Mr Deputy Speaker.

Mr Storey: Stand up.

Mr Swann: I am standing up, Mervyn, thanks.
[Laughter.]

The Minister said earlier that the event would be broadcast worldwide. Is the Minister aware of any plans to give this event a Northern Irish twist, in the way that Riverdance became the defining moment of the 1994 Eurovision song contest? Will there be anything uniquely Northern Irish on display at the MTV awards, for example, dancing Lambeg drummers?
[Laughter.]

Mrs Foster: No. I am not aware of any local twist, although I am sure that a local twist will be injected into the EMAs. It is a tremendous opportunity for us all to celebrate the fact that Northern Ireland has confidently moved on and that we are on the cusp of a very exciting time. I know that it is 2011, but I think that we can now start to talk about 2012, starting with the November MTV EMAs. It will be a very exciting time for Northern Ireland, and I hope that we can all get behind it and support it.

Tourism: Gaelic Games

6. **Mr F McCann** asked the Minister of Enterprise, Trade and Investment to outline how the Northern Ireland Tourist Board promotes Gaelic games as a tourism product. (AQO 431/11-15)

Mrs Foster: Responsibility for promoting Gaelic games rests with the Gaelic Athletic Association. The Northern Ireland Tourist Board welcomes new product information and events and will promote those where appropriate. To do so, NITB relies on sporting bodies to provide relevant information for inclusion on its consumer website discovernorthernireland.com.

In June 2011 the Ulster Council of the GAA contacted NITB and requested that details of the Ulster Senior Hurling Championship final 2011 be placed online. NITB duly obliged, and details were uploaded as requested. On 22 July 2011, NITB officials met the GAA to

discuss areas of joint working. Moving forward, NITB will build on those areas as and when the opportunity arises.

Mr F McCann: I thank the Minister for her answer. Was it not remiss of the NITB not to have looked into the research by the University of Ulster a number of years ago? That research showed the huge potential of Gaelic games tourism. Should that potential not have been taken more seriously? Will the Minister agree to ensure that senior NITB officials meet the people who carried out the research with a mind to developing Gaelic games as a tourism product?

Mrs Foster: The Member is probably aware that I have answered a number of questions on this issue: on 6 June 2011 and 27 October 2010. In my answers, I made it clear that, if there were any upcoming events or products, we should be given notice of them and we would work with the GAA to publicise them. News of the first events came to us in June, and we publicised them and put details on the website. If there are any forthcoming events, we shall work with the GAA to publicise them. Of course, the GAA is principally a sporting organisation; therefore, it needs to come to us about events so that we can publicise them.

Mr Deputy Speaker: I remind Members that they should not be reading supplementary questions.

Mr I McCrea: Does the Minister agree that, if the GAA really wants to benefit from tourism, it should remove any link to IRA terrorists from its grounds and competitions?

Mrs Foster: Obviously, there is still a chill factor for unionists in relation to events at GAA clubs that glorify terrorists. There is, therefore, a real need to deal with those issues. However, we have worked with the GAA on, for example, cultural activities in north Antrim. The Tourist Board, in partnership with the Causeway Coast and Glens Heritage Trust, has supported the development of a rural business enterprise, Scullion Hurls, to try to help it to move forward. We have no difficulty in working with those people. They are very good people who want to move their business forward, and we will continue to help them to do so. It is a two-way street; if the GAA wants us to publicise its events, it needs to tell us about them.

Mr Nesbitt: The Tourist Board has two key targets — more overnight stays and an increase

in average daily spend. Does the Minister have any idea of where Gaelic games might sit on the list of sports likely to achieve those two objectives?

Mrs Foster: At the moment, I do not know, although it will not surprise the Member to know that golf remains the sport that brings in the most money and the most overnight stays. There is quite a big difference between golf and other sports. However, if the Department or the Tourist Board has some evidence on this matter, I am quite happy to write to the Member with it.

Energy Costs

7. **Ms Ritchie** asked the Minister of Enterprise, Trade and Investment if she will consider establishing a special task force to examine the ways in which energy costs could be reduced. (AQO 432/11-15)

Mrs Foster: I do not intend to establish a special energy task force. Wholesale energy prices are set internationally and are outside the control of my Department and government as a whole. Tariff reviews for the dominant energy companies in Northern Ireland are subject to the scrutiny and approval of the Utility Regulator in line with its statutory functions and in keeping with its role as an independent regulatory body. My Department will continue to work with the Utility Regulator to create market conditions that minimise energy costs and promote effective competition.

Ms Ritchie: I thank the Minister for her answer. She will not be surprised to hear that I am slightly disappointed by it. Notwithstanding that, can she say what specific steps, apart from growing renewables, her Department is taking to ensure security of energy supply for Northern Ireland?

Mrs Foster: The Member will know that we have been trying to push ahead with gas storage in the east Antrim coastal area. We have said that we very much want to see more renewable heat. We have held a consultation on a renewable heat incentive, although I note that the Westminster Government have pulled their plans on renewable heat just as they were about to come into being. That is hugely disappointing, and we will have to work out what the ramifications will be for Northern Ireland.

3.00 pm

I also want to tell the Member that, this morning, along with the Minister for Social Development, I launched Energy Wise, which is a package of measures that uses television and other media outlets to encourage people to mitigate their energy costs through energy efficiency mechanisms, such as turning the thermostat down one notch or installing insulation. I will meet the Minister for Social Development again in the very near future to discuss the green new deal to see whether there is more that we can do with the energy cost mitigation fee. The pressures are international, and, therefore, we need to do something that is targeted more locally so that we can help people who will face very big issues in the coming wintertime.

Employment and Learning

Steps to Work

1. **Mr Flanagan** asked the Minister for Employment and Learning for his assessment of the effectiveness of the Steps to Work programme and the cost of the programme to date. (AQO 441/11-15)

Dr Farry (The Minister for Employment and Learning): I am satisfied that the Steps to Work programme has been effective in helping those who are out of work to find employment. Since its introduction in September 2008, the programme has assisted over 10,000 people into work. In addition, it has provided training and work experience opportunities to almost 16,000 others to equip them with the skills and attributes sought by employers. In view of the current economic situation and the significant increase in the unemployment register to over 60,000, that represents a good achievement, particularly given that my employment service is staffed for a much lower register. The cost of the programme from September 2008 to August 2011 was £69 million, £25 million of which met the cost of allowances to participants.

Mr Flanagan: Go raibh maith agat, a LeasCheann Comhairle. I thank the Minister for his answer. Would the programme be better delivered and provide better value for money if there were further co-operation and collaboration with statutory organisations in the South and if participants who live in border

areas were able to carry out work placements in the South?

Dr Farry: Last week, I was down speaking to my counterpart in the Republic of Ireland, the Minister for Education and Skills, Ruairí Quinn, and we touched on this subject. Strictly speaking, however, the responsibility lies with the Minister for Social Protection, Richard Bruton. It is something that we can take further, because obviously what happens along the border causes certain distortions for us in Northern Ireland and in what they are doing in the Republic of Ireland. I am certainly open to discussions along the lines that the Member set out.

Mr Storey: Will the Minister outline what steps are being taken under the Steps to Work programme to ensure that employers do not see it as a means of having someone for 13 weeks or 26 weeks on the cheap and that it leads to opportunities for full-time employment for the people who have been on it?

Dr Farry: The programme has to be all about sustainable employment. It is not about short-term fixes. One of the future directions of travel that we are likely to see in future work programmes as part of the wider UK welfare reforms is what we call an AME/DEL switch. That may sound very technical, but it will encourage future providers of work programmes to ensure that they deliver sustainable employment as opposed to something that is a short-term fix. The direction of travel is very much in line with what the Member suggests.

Mr Byrne: I thank the Minister for his answers so far. Will he outline whether there are any delays in awarding some of the Steps to Work contracts to private training organisations? Does he accept that different training organisations have varying degrees of quality outcomes? I know of two very good organisations: Global Horizon Skills Ltd in Omagh and Craft Recruitment and Training in Strabane.

Dr Farry: That is certainly something that we will keep under review. On the Member's first point, we are now fully up to speed with Steps to Work. He will be aware that there were significant delays in the north-west in moving on from the old New Deal programme. We have resolved that issue in the past number of months. Indeed, I was up at the launch of the Steps to Work initiative in the Foyle region only a couple of weeks ago.

Parkanaur College, Dungannon

2. **Ms Gildernew** asked the Minister for Employment and Learning for his assessment of the Thomas Doran training centre, Dungannon, and its sustainability given that training places have been reduced. (AQO 442/11-15)

Dr Farry: In 2011-12, my Department has pledged funding for 10 places at the Thomas Doran Parkanaur Trust College. That is in line with the number of trainees who have attended the college over the past three years, which has averaged between eight and 10 places.

I had the pleasure of attending this year's prize-giving ceremony at Parkanaur in early July, and it was very uplifting to witness the obvious pride and joy that the trainees took from their achievements. My officials will continue to work with the trust to ensure that people who may require the specialist support that is provided by Parkanaur College are made fully aware of the facility. Over the past year, employment service advisers from across the jobs and benefits and job centre network, as well as my Department's careers advisers, have visited the college. During those visits, presentations were delivered by the Department's disability employment manager, as well as the lead education and employment lecturers in Parkanaur. Despite that and a marketing campaign by the college, there are no indications of any marked demand for additional places. The Department is willing to review its funding commitment this year if there is additional demand from trainees for residential placements.

Ms Gildernew: Go raibh maith agat. I thank the Minister for his answer. As you know, I was also at the prize-giving ceremony. The word that I too would use is "uplifting". Indeed, the Committee visited Parkanaur last week. Given that it is the only specialist college of its kind in the North, are students being directed to mainstream further education (FE) colleges when their needs could be better met at Parkanaur? Perhaps the guidance that they receive is not necessarily enough to let them see what is available.

Dr Farry: I thank the Member for her question and I appreciate the sentiments behind it. It is important that we recognise that it may well be appropriate for some people, but, equally, going through mainstream further education may be a more appropriate pathway for others. I would not want to make any generalities; it is about what is appropriate in individual cases.

The facility is there and provides residential places. I am certainly committed to it, as is the Department. It is there for those who wish to avail themselves of that type of training support.

Mr B McCrea: Minister, I do not wish to offend, but that was just pure waffle. We were at it last — *[Interruption.]*

Mr Deputy Speaker: Could we have a question, please?

Mr B McCrea: We were at the facility last week. It cannot be that there are only 10 people in the whole of Northern Ireland who can make use of those excellent facilities. Surely you should be trying to make it happen. Go out there and sell it to people. It is a great place, and you should support it.

Dr Farry: It is almost as if the Chairperson of the Committee is determined to work himself up into a frenzy about something today. *[Laughter.]* This is a good-news story. It is a wonderful facility, and I was pleased to visit it. I am sure that the Committee was very pleased to view the facility; I have read the notes from that visit. We will fund and support up to 15 places if the demand is there. However, it is not for the Department to sell any particular path; it is about individuals making informed choices about what is best for them. We are more than happy to provide the information about the college and point people in directions, but, ultimately, the choice lies with individuals as they take account of their particular circumstances and the discussions that they will have with their family and wider circle.

Mr McGlone: Go raibh maith agat, a LeasCheann Comhairle. I thank the Minister for his answer. As a result of programmes such as Steps to Work and the high demand for it, has he given any consideration to the referral of clients to other non-primary training organisations so that people can get a broader expanse of experience?

Dr Farry: We have not given direct consideration to that. I refer to previous answers: it is very much about what works for individuals. Steps to Work is our primary initiative in respect of return to work, but we have the disability employment service as well. Those particular interests are recognised with discrete provision in my Department, and I am satisfied that that is the route that we should go down.

Universities: Admissions

3. **Mr Copeland** asked the Minister for Employment and Learning for his assessment of the potential rise in demand for places at universities from local students following his recent announcement on the tuition fee freeze. (AQO 443/11-15)

Dr Farry: It is anticipated that the changes to the fees regimes across the UK, including our decision to hold fees at current levels subject only to an inflationary uplift, will impact on student behaviour and flows.

The changes in student flows are likely to result in greater demand from Northern Ireland students who have the opportunity to study at home. Although it is not possible to be precise about the potential level of increased demand, we need to be as responsive as we can. Decisions on meeting the overall budget shortfall arising from the freezing of fees mean that I have very limited funding available to allow me to increase the number of student places in Northern Ireland; however, part of the package agreed with the Executive will allow for a modest increase in supply across higher education providers, and we will work with them on that issue. Whatever additional places we are able to introduce will help to meet the expected increased demand from local students and will clearly contribute towards protecting our participation rates, particularly for those from low-income backgrounds.

Mr Copeland: I thank the Minister for his answer, and I assure him that I will try to avoid getting worked up into a frenzy, despite my colleague's manoeuvring. Minister, I understand that budgeting, finance and resource considerations have to be applied, but it strikes me that the rise will be considerably higher than you think. Currently, 8,000 Northern Ireland students are outside Northern Ireland, and, even if a small proportion of them were to stay at home, your budget would not be sufficient to provide for them. What do you intend to do if that proves to be the case?

Dr Farry: I thank the Member for his supplementary question. The short answer is that I have the capacity to go back to my Executive colleagues to seek additional resources, based on the evidence of student flows. Indeed, I managed to secure what was to my mind a modest amount of resources to allow

us to expand the number of student places. That is important and allows us to make a start.

The wider point is that Members need to have a sense of realism. The Northern Ireland block grant was premised on the assumption that student fees would be introduced at the same level as those in Great Britain; and, similarly, the budget that I inherited in my Department was so premised. Without additional resources coming into the system, we have to manage student finance and support for the universities on a fixed budget. To freeze fees and sustain funding was a considerable achievement, and adding the financial pressure of additional places is asking an awful lot from a fixed budget at a time of considerable crisis.

I have made the case to my Executive colleagues quite robustly, but I also understand why there has to be a rounded solution and why we are where we are today. That is the logical consequence of the decision that we took to freeze fees, which was viewed as a popular decision, and we came under pressure to take it. That is the bed that we have made, and, to a considerable extent, we have to lie with the consequences.

Mr McCartney: Go raibh maith agat, a LeasCheann Comhairle. Gabhaim buíochas leis an Aire.

Minister, in your initial and secondary responses, you mentioned the possibility of an increase in student places and said that you will spread those across the universities. I appeal that, when you make that decision, you choose a place where it will have the maximum impact —

Mr Deputy Speaker: Can we have a question, please?

Mr McCartney: The only case that can be made is for the Magee campus in Derry.

Dr Farry: I thank Mr McCartney for his question. I am acutely aware of the situation at Magee and the frustrations regarding the desire to move ahead. Indeed, we will debate that issue tomorrow. I went to Derry to explain the situation to the university directly, rather than staying in Belfast and not facing the music. First and foremost, I have a duty to manage pressure across the system and, although there are a lot of applications for Magee, the pressure for additional places will be across all providers in Northern Ireland. The University of Ulster will get some of that allocation, and the vice chancellor

has been very clear that Magee is his number 1 priority. It will be a start, but we will have to return to the expansion of Magee at another time.

Mr McDevitt: Will the Minister agree that, if the Executive were serious about meeting future demand and being able to anticipate the flow of extra students who are looking to go to our universities and are, therefore, able to accommodate the extra numbers at Magee, they would make it a financial priority to support third-level education in this region?

Dr Farry: The answer to that is a very simple no. Given that that comment has come from a member of the SDLP, I find it bizarre. Last December, the SDLP tabled proposals on the Budget and made great play of those proposals in countless debates in the Chamber during the winter and early spring. In that document, it said that it wanted to freeze fees, but that it would do so by taking money off the universities. If we had followed that line of argument, there would be even fewer places and worse quality in our universities rather than the situation that we have today as a consequence of the Executive's decision.

3.15 pm

DEL: Redundancies

4. **Mr D Bradley** asked the Minister for Employment and Learning whether the increased pressure on his budget, caused by the need to absorb the cost of the tuition fee freeze, will lead to any compulsory redundancies within his Department. (AQO 444/11-15)

Dr Farry: I do not expect the increased pressure on the budget to lead to any compulsory redundancies in my Department. The funding package that I announced on 12 September addresses those budgetary pressures while sustaining funding for higher education.

Mr D Bradley: Mise mé féin atá ann. Gabhaim buíochas leis an Aire as an fhreagra a thug sé, agus seo í an cheist an iarraidh seo. Will the Northern Ireland Adviser on Employment and Skills remain independent, given that he has been recently moved back into the Department for Employment and Learning (DEL) offices?

Dr Farry: I thank Mr Bradley for that inventive supplementary question. The nature of the Office of the Northern Ireland Adviser on

Employment and Skills was reviewed, and I want to stress that his independence has been preserved and the office has been relocated to my Department's headquarters. This is about efficiency in government, and I am committed to that very heavily. However, equally, I appreciate the importance of the adviser being able to engage with employers directly and to report back to me directly with his findings. That has been very much recognised in the revised basis on which he has been reappointed. He has no issues with that, and I am very happy with the arrangements that we worked out.

Mr Cree: Although the current structure of the employment service is designed to cater for some 30,000 individuals, it attempts to supply the needs of 60,000 with estimates that that may go above 80,000. With that in mind, does the Minister accept that he cannot afford to employ the staff that he needs to help that additional 50,000 people into employment?

Dr Farry: I thank Mr Cree for that question. The basic facts that he sets out are correct, and I have cited them myself on many occasions. That pressure existed before we went into the discussions on student fees and university finance, and that issue remains with us at the far side of that argument. The arrangements that we agreed at the Executive do not make that situation any worse, and I have made a commitment that, as part of my internal efficiencies to meet my share of how we manage that pressure, I will not touch the employment service. However, equally, I will continue to make the case for additional resources for the employment service and, indeed, for Steps to Work. That is reflected in the monitoring round bids that my Department has just made to the Department of Finance and Personnel.

Mr McElduff: Go raibh maith agat, a LeasCheann Comhairle. The original question refers to increased pressure on the budget caused by the tuition fee freeze. Can the Minister be specific about the range and type of cuts that his Department will manage and can he give an assurance that front line services will not be affected? In the case of DEL, what, in the Minister's mind, constitute front line services?

Dr Farry: I am glad that Mr McElduff has come back to the question, and I pay tribute to him in that respect. We have made a commitment that this will not impact on front line services,

including the customer-facing actions of the employment service, the resources that are currently allocated to further education and our investment in a range of programmes to increase skills in the industry, work with employers and apprentices to get people into work, and to improve the skills of our workforce.

We are seeking to address the pressure through a number of different mechanisms. First, we have a saving from the notional loan subsidy through moneys that we do not have to spend because we will not go to fees at a level of £4,500, and some efficiencies have been passed on with the agreement to the universities. We also have the potential income from charging students from Great Britain a differential fee or, rather, allowing the two universities to go down that line. The balance of £5 million is to be found in my Department through how we control staff vacancies and manage the estate but not through compulsory redundancies.

Ms Lo: Will the Minister give an assurance that the budgetary pressure from the free substitution fees will not impact negatively on programmes for disadvantaged young people on the bottom rung of the skills ladder?

Dr Farry: I thank my colleague for that question. That is very much the case. I was clear in the Department and in the Executive that the issue that needed to be resolved was one of higher education. The last thing that I want to see is a situation in which we end up cross-subsidising a funding package for universities and students who take degrees and potentially highly paid jobs while cutting back on service delivery for people at the other end of the spectrum. We need to invest in all our people, right across the board. For example, we have a long tail of economic inactivity. We have problems as a result of a lack of basic essential skills, such as literacy, numeracy and information and communication technology. If we are to have a competitive economy, we need to invest in all people. We cannot afford to lose the contribution that any individual citizen in Northern Ireland has to make to the future of our economy. I am committed to making sure that we continue to invest right across the board.

Further Education Colleges

5. **Ms Ruane** asked the Minister for Employment and Learning what support is being given to

further education colleges to ensure that students over the age of 16 get the best possible educational opportunities. (AQO 445/11-15)

Dr Farry: Further education colleges offer a wide variety of courses that are available to those who are over 16 years of age to enhance their occupational, academic, essential and employability skills. Colleges undertake a comprehensive initial assessment of all 16- to 19-year-olds enrolling on a full-time FE course. Based on that assessment, an individual programme of study, based on relevant qualifications, is agreed with each student to enable his or her career aspirations to be met in the most effective way. The quality of the educational experience provided is of paramount importance. A very high priority is attached to colleges' rates of learner retention. In the 2009-2010 academic year, colleges had an overall retention rate of 88%.

My Department also sets minimum qualification requirements for all new entrant lecturers in the further education sector. Within three years of appointment, they must achieve a recognised post-graduate level teaching qualification. Despite the difficult financial environment, my priority will be, as much as possible, to protect student-facing services and to maintain capacity in the FE sector.

It is also important to support learners' access to FE. In the current academic year, about £14.3 million has been allocated to a range of schemes, including schemes to assist those under 19 with transport costs, meals and childcare for young parents and further education awards and hardship funds for older learners. Support is also available for those with a disability or learning difficulty.

Ms Ruane: Go raibh maith agat as an fhreagra sin. Thank you for that detailed response. Will the Minister let us know if he plans to increase the number of foundation degree courses for further education colleges, which are particularly important at this time, given the economic situation? Furthermore, does he support regional colleges working with area learning communities to ensure that our 16-year-olds do not fall through the net?

Dr Farry: I thank Caitríona Ruane for that supplementary question. To answer the second first: I am very encouraged by that question; it is something that I will be keen to see. It is important that, as Employment and Learning

Minister, I interact with the Education Minister on those issues. FE is an integral aspect of those learning partnerships.

On the wider issue, I am keen to support foundation degrees, and that will be a feature of the forthcoming higher education strategy. However, it is important that we do not blur the distinction between our university and FE sectors. That having been said, I am keen to see higher education expanded in the context of further education. I am minded to distribute some of the additional places that we secured as part of the recent agreement in the Executive to FE colleges as higher education providers.

Mrs Overend: I thank the Minister for his answers so far. Does he agree that, to obtain the best possible educational achievements, students require top-level careers advice? Will the Minister outline any improvement plans that he has for careers advice provision by FE colleges? May I ask another question?

Mr Deputy Speaker: Only one question is permitted. *[Laughter.]*

Mrs Overend: I will leave it at that, this time.

Dr Farry: We will hold that thought for another time. No doubt we can talk privately about that. *[Interruption.]* Not in that sense, folks.

I am conscious of the need to improve the level of careers advice that we give, and that needs to be addressed right across the board. Careers advice falls across my Department and the Department of Education. I am keen to move ahead to review at least some aspects of that in the next few months. We are in a changing economic environment, and it is important that people have the best and most accurate up-to-date information at hand to make informed choices about their future.

Mrs D Kelly: Minister, you referred to meeting the aspirations of our young people. How many of the young people who left school this year with good qualifications were unable to get a place in further or higher education or a training place, and what exactly are you, as Minister, going to do about it?

Dr Farry: We are extremely conscious of that issue. The Member will be aware that the current level of unemployment in Northern Ireland is a considerable problem. However, youth unemployment — those aged between 18 and 24 — is a much more acute situation, and

approximately 20% of people in that category are out of work. Again, addressing that issue requires partnership between Departments. There is an impetus on the Department of Enterprise, Trade and Investment and the wider Executive with regard to what we are doing on job creation. When the draft Programme for Government is published, the Member will see that the economy is placed front and centre. Equally, my Department stands ready to assist all citizens in Northern Ireland with employability skills so that they have the skills and the confidence to access employment opportunities as and when they are created.

Higher Education: 'A Study of Obstacles to Cross-border Undergraduate Education'

6. **Ms Boyle** asked the Minister for Employment and Learning to outline his Department's response to 'A Study of Obstacles to Cross-border Undergraduate Education' commissioned by the IBEC-CBI Joint Business Council. (AQO 446/11-15)

Dr Farry: I welcome the report as an opportunity to explore any factors that restrict Northern Ireland students in their choice of an academic institution. I met Minister Quinn to discuss the report last week, and I am aware that the Minister of Education also met Minister Quinn to discuss the issue. I and my Department remain committed to ensuring that students from Northern Ireland continue to have a free choice of academic institution in the United Kingdom, the Republic of Ireland and elsewhere. I also recognise the important role played by students from the Republic of Ireland in contributing to the vibrant and multinational atmosphere of campuses throughout Northern Ireland.

Ms Boyle: I thank the Minister for his response. Will he undertake to meet the Minister of Education to ensure that those involved in offering careers advice to our young people are fully informed and skilled up on university and college courses — particularly where fees apply — at University College Dublin, Trinity College Dublin, University College Galway, the Institute of Technology in Letterkenny and other institutes of technology in the South?

Dr Farry: Yes, I am happy to take those matters forward. I plan to meet John O'Dowd this Wednesday afternoon to discuss a range of issues. The report highlights barriers regarding information on opportunities that exist in the

Republic of Ireland, and I am keen to work through those to ensure that a range of choices is available. Some of the barriers may be actual and some may be perceived. The level of the flow between both jurisdictions on the island of Ireland is a lot less than the flow between Northern Ireland and Great Britain. There must be something going on to explain that. There may well be opportunities for a lot of students from Northern Ireland to access places in the Republic of Ireland if they are unable to access their first choice of university in Northern Ireland. However, information is critical.

Mr Campbell: Further to the point that the Minister just made, given the numbers of students that we lose to universities in GB, unfortunately permanently, should it not be the case that the counterargument is made: that we should try as far as possible to provide as many courses as we can in Northern Ireland, not only to keep students here for education but to keep them here after that?

Dr Farry: I thank Mr Campbell for his comments. There are probably two different aspects to that. First, I must stress and reiterate that there will always be people who, for a whole host of reasons, will wish to study outside Northern Ireland, whether it is in the Republic of Ireland, Great Britain or further afield. The Executive and I certainly do not want to restrict people's choices in that respect. Equally, we need to be concerned about instances in which people are forced to study outside Northern Ireland. There is an issue about the pressure on student places, and we have talked about that already. We have some resources to expand the number of places locally. I would like more, but that is not possible at this moment in time.

Those who remain in Northern Ireland to study are more likely to stay. However, regardless of whether they stay here or go to Great Britain or the Republic of Ireland, the message has to be, "Please come back. We have a growing economy in Northern Ireland, and there are new opportunities on the way. You can build a successful career and have your future invested in this society rather than somewhere else."

3.30 pm

Private Members' Business

Illegal Fuel Smuggling and Laundering

Debate resumed on amendment to motion:

That this Assembly notes with concern the statistics which reveal that only four custodial sentences have been handed down to people involved in fuel smuggling or laundering in the past 10 years; further notes that the estimated annual cost of these practices to the Exchequer is in excess of £200 million; and calls on the Minister of Justice to ensure that the next justice Bill incorporates tougher sentences and penalties to deal with illegal operators. — [Mr Irwin.]

Which amendment was:

At end insert:

“; and urges the Minister to examine opportunities for further cross-border and interagency co-operation to identify and prosecute a greater number of offenders.” — [Mr D Bradley.]

Mr D McIlveen: I support my colleagues and congratulate them on bringing forward the motion today. The facts and figures presented to the Assembly today speak for themselves. The loss to the Treasury from the sale of illegal and smuggled fuel is truly staggering, without considering the damage to the environment from waste products or the criminal activity involved in fuel smuggling. I support heavier punishments and, indeed, I was shocked to discover that only four custodial sentences have been given in respect of fuel laundering and smuggling in the past 10 years. That is even more surprising when it seems that almost every other week there is another news story telling us about the discovery of illegal fuel laundering plants. However, it has to be acknowledged that that is down to criminal gangs.

I recently had a meeting with the head of the organised crime unit from the PSNI. To be fair, I was there to discuss the impact of illegal tobacco, as it has more of an impact on my North Antrim constituency, given that it is the home of JTI Gallagher. From that meeting, it became apparent that illegal tobacco is surrounded by criminality and criminal gangs and that many dark, sinister individuals are profiteering from the racket.

Mr Swann: One of the Member's party colleagues stated earlier that illicit fuel smuggling and laundering is multilayered, from the criminal gangs to the retail petrol site to the end user, and that something needs to be done at all of those levels. Does the Member agree that the same approach needs to be taken with illicit tobacco smuggling?

Mr D McIlveen: I thank the Member for his intervention.

Mr Deputy Speaker: The Member has an extra minute.

Mr D McIlveen: Thank you very much, Mr Deputy Speaker. I agree with the Member entirely, and I will deal with that in a moment.

We have to look at changing the mindset of consumers and get them to realise that it is not only about getting one over the taxman and that there is a much deeper problem than that. There is the obvious loss to the Treasury. Fuel smuggling brings about an estimated loss to the economy of £0.5 million a day, and tobacco smuggling brings a loss of £8.2 million a day. The loss of revenue coming into Her Majesty's Revenue and Customs is, therefore, phenomenal. There is also a negative impact on small businesses, from local legitimate retailers to the haulage companies that distribute legally obtained fuel. Finally, of course, the toxic chemicals that are found in illicit fuel are very dangerous to the users. Vehicles can become damaged beyond repair as a result of illegal fuel, and that is not counting the environmental impact that has also been mentioned today.

Furthermore, the consequence of this is that once the floodgates of a crime route are opened, it can be very difficult to close them. Once crime routes are established, drugs, arms and even people can be trafficked through them. That should be of particular concern, given that a recent report described Northern Ireland as a gateway for trafficking. The proceeds of these so-called victimless crimes are used to fund organised crime and criminal activity. That is why the proceeds of crime legislation is such a valuable tool in combating all forms of organised crime.

The Minister of Justice has made much in the past of the £4.4 million seized through the proceeds of crime legislation. However, we must accept that that £4.4 million is a drop in the ocean compared to the huge amount of revenue

that is being lost. Those illegal activities must be more seriously and proactively cracked down on to bring the criminal gangs to account.

The motion is to be highly commended, and increasing the punishment for offences should begin to change criminals' perception towards fuel smuggling and laundering. Returning to the point that Mr Swann made, everyone has a part to play. However, just as important, we have an enormous task in changing the attitude of the general public towards these so-called soft-touch crimes. Those crimes are seen as getting one over on the taxman; in reality, however, they fund serious and often violent organised crime.

The Northern Ireland Organised Crime Task Force's 2011 annual report and threat assessment shows that organised crime is a dynamic and quickly evolving industry. The gangs involved participate in a range of activities to make maximum profits, ranging from selling pirated DVDs to trafficking drugs and from armed robbery to smuggling fuel. In fact, those methods have all been used by paramilitary groups in the past to raise funds. Somehow we must help people to realise that when they buy a pirated DVD at the market or fill up with laundered fuel they are very likely funding even more serious and sinister organised criminal activities.

Getting one over on the taxman and saving a bit of money may seem like an achievement at the time, especially during the current difficult economic times when the cost of living and fuel is so high; however, it must be fully appreciated that it is funding criminal lifestyles. Ultimately, criminals operate for financial gain; they are not concerned about the effect that their activities have on the rest of the community. If they find smuggling drugs to be more profitable than smuggling fuel, they will do so.

Fuel smuggling and laundering is one of a raft of activities that fall under the definition of organised crime. It is vital that we change the perception of the public to avert catastrophe. I support the motion and the amendment.

Mr Ford (The Minister of Justice): I welcome the Assembly's interest in this matter. I begin by congratulating the Members who secured this useful debate.

Fuel fraud must be of concern to us all. Given its impact on the environment and the end user, and the loss of revenue to legitimate

trade and to the Exchequer, it is of interest to Members. It is also of interest to Westminster, where the Northern Ireland Affairs Committee has an inquiry under way, a point that Mr Irwin highlighted at the beginning of the debate. I expect to give evidence to that inquiry in the near future. Debates such as this and that inquiry will serve as useful assessments of our response to fuel fraud and will help to identify where that response can be enhanced.

Fuel fraud, which covers both smuggling and laundering, is organised criminal activity, and the gangs involved in it show complete disregard for anything other than their profits. As a number of Members, notably Jim Wells, highlighted, it is certainly not a victimless crime. Those who carry it out ignore the damage that their by-products cause to the environment and the cost of the clean-up and disposal of waste that is borne by the people of Northern Ireland. It is also clear that those who engage in fuel fraud operate across the region; a recent case in east Antrim shows that not all cases fit the political stereotype that has been suggested.

Those criminals also ignore the risk that they pose to other road users when transporting illegal products in hazardous conditions, and they ignore the fact that legitimate traders and the public purse are losing money. Indeed, we sometimes forget the loss of business to legitimate traders, both from the profit from the fuel that they sell and the other business that they would normally get from people going into their petrol stations. Unfortunately, as highlighted by Mr McIlveen, some people seem to be prepared to buy suspicious fuels, just as they buy other counterfeit goods and services, without recognising the effect that that has.

Tackling fuel fraud is principally a reserved matter that is led by HMRC. However, others are involved, including the police, the Serious Organised Crime Agency, the Northern Ireland Environment Agency and the Department of Justice, as well as our cross-border partners an Garda Síochána, the Office of the Revenue Commissioners, and the Criminal Assets Bureau. In the context of HMRC taking the lead on this issue, I have seen no evidence of the suggestion that Mr Swann made of its adopting an attitude of passing on inquiries. Indeed, it publicises, quite frequently, its hotline through which people can report their concerns. I refer Mr Swann and his colleagues to this phone number: 0800 595000. Anyone who has

concerns about those issues will find a robust response from HMRC.

Mr Wells: The honourable Member's understanding of the situation is very different from what is happening on the ground. Several constituents have come to me complaining that they inadvertently bought laundered fuel, but, when they approached the police, the police were not interested at all and deflected them to HMRC. However, HMRC seems to be interested only in the lost revenue, rather than in pursuing a criminal conviction. I hope that somewhere in his speech the Minister will explain to the House why, after 10 years and £2 billion worth of fraud, only four of those prosecuted have ended up behind bars. That is the question that everyone in the Chamber wants the Minister to answer.

Mr Ford: I am sure that Jim Wells, with his lengthy experience of this place, does not expect a Member of the legislature to go into the details of the judiciary's work. However, I will endeavour to cover some of the points raised.

Sydney Anderson talked about the importance of co-operation, and Dominic Bradley asked whether the agencies ever met. From my chairing of the Organised Crime Task Force, it is clear to me that the agencies are tackling the issue in partnership, with co-operation both in Northern Ireland and on a cross-border basis. The cross-border fuel fraud enforcement group constantly reviews the approaches taken to this crime. Indeed, it will shortly host a conference, where people from across Europe will come to Northern Ireland to see the work being done, including that on a cross-border basis, to tackle issues such as the most appropriate form of dye to use as a marker in agricultural fuel. Therefore, we have examples here. Members may raise concern about individual issues, but we should recognise the good work that is being done. It is largely being done on a cross-border basis, with meetings alternating North/South, information sharing and frequent joint operations. Cross-border co-operation in tackling fuel fraud is generally excellent, but we are open to suggestions as to how we can enhance our response to the crime.

Not only is the work excellent, it is having significant success. Members may be aware that, during 2010, HMRC closed down and dismantled 15 large-scale fuel-laundering plants. They had the capacity to produce nearly

90 million litres of illicit fuel, which would have cost the taxpayer £60 million in lost revenue.

Mr McCartney asked specifically about the number of cases that await prosecution. I cannot give the details on the exact number of cases and where they are. I know that he, as Deputy Chair of the Justice Committee, shares my frustration at times about the delays between the police, the Public Prosecution Service and the courts. I am certainly aware that there are a number of cases being processed with a view to prosecution.

To give a more recent example: in two operations in June, HMRC, supported by others, raided premises in Crossmaglen and Derrynoose and found laundering plants capable of producing over 18 million litres of illicit fuel a year, which would have cost nearly £12 million in fuel duty. Success is also evidenced by the joint operation last month, when co-ordinated searches were carried out in Counties Tyrone and Armagh, as well as Galway, Monaghan, Offaly, Roscommon, Westmeath and Dublin. A laundering plant capable of producing 18 million litres of illicit fuel a year was dismantled in County Monaghan as part of that operation. That demonstrates very strong and real cross-border co-operation.

Calculating the value of lost revenue is difficult. The motion cites an annual loss of £200 million. As I understand it, the most recent estimates from HMRC are that the losses are in the region of £150 million in 2008-09 and £70 million in 2009-2010, which is the most recent full year for which it has figures. Those estimates vary at times, but it is clear that significant work is being done to reduce the level of fuel fraud.

As Mr Irwin highlighted, there is work to be done on a cross-departmental basis, with DETI having a role in petrol licensing. DETI is considering our request that diesel be included in that licensing regime, which would enable more robust action to be taken. We have to recognise, although there were suggestions to the contrary in the debate, that the loss is to the Exchequer or the Treasury, not to DFP. Although I am sure that Sammy Wilson would be delighted to get his hands on all the available money, I doubt very much whether he could extract it from George Osborne that easily. However, we need to recognise that it is a loss to the overall

Exchequer and is, therefore, a loss to anyone who pays taxes in the United Kingdom.

3.45 pm

Stripping those criminals of their assets and, hopefully, securing convictions has been shown to disrupt their ability to carry on the illegal trade. They consequently fear attacks on those profits arguably as much as they fear any other law enforcement intervention. Therefore, attacking criminal finances as a method of fighting serious organised crime is a key objective of the Organised Crime Task Force, which is using asset recovery powers to good effect.

In 2010-11, HMRC recovered £1.29 million of criminal assets in Northern Ireland, including assets from fuel fraudsters, although that figure is not available individually. Collectively, as Dominic Bradley highlighted, law enforcement agencies recovered £4.42 million of criminal and civil assets. A dividend of the devolution of justice is that we can now put those criminal assets to use by investing them back into the fight against organised crime and by targeting schemes to reduce crime and the fear of crime. My officials addressed the Justice Committee on that topic on 15 September.

A clear factor in this debate has been the way in which virtually every Member noted with concern the statistics regarding the small number of custodial sentences that have been handed down in the past 10 years. The motion calls for a higher sentence. The maximum in the Crown Court is seven years and an unlimited fine. I suspect that the real concern, which most Members expressed, is the relatively low number of sentences — four cases out of 47 — from 2001 to date of immediate custody with a conviction. However, 32 of the 47 involved either a sentence or a suspended sentence, and a suspended sentence is also a serious matter. Of course, sentences may well have been given with other orders or fines.

That having been said, I am sure that Members will have noted and welcomed the recent decision by the Lord Chief Justice to include duty evasion and smuggling as areas where sentencing guidance will be developed. Those areas will be included in the Lord Chief Justice's programme of action on sentencing, which contains a number of measures to enhance the structures by which the judiciary will ensure consistent, transparent and fair sentences. Indeed, he has also stated his intention to

include environmental crime in Crown Court consideration as part of that sentencing guidelines work.

Alongside that, I have been considering ways in which public confidence in sentencing can be improved, and my officials discussed the way forward on draft proposals with the Justice Committee last week.

It is absolutely clear that there was a unanimous view around the House today that we need to ensure that the most robust action possible is taken to deal with those who engage in fuel fraud, whether it is smuggling or laundering. There was also clear concern that the issue is not being addressed as seriously as it might be. However, I believe that we have a package of work that is being carried through in the robust work being done by the various agencies, including that on a cross-border basis, and the work that is being done by the Lord Chief Justice in developing sentencing guidelines. It is an important area, and it was appropriate for debate. I think that I have been able to show that there has been a clear focus on tackling the perpetrators. We will also see the indirect attacks, which will be carried forward to deal with assets.

Mr Wells: Minister, I am far from convinced. You have told us that the assets that have been recovered represent perhaps 2% or 3% of the estimated fraud that is undertaken per annum in Northern Ireland. That will not deter any criminal if he is going to pocket 97% of his ill-gotten gains.

Secondly, all you are promising is some vague indication that the sentencing guidelines will include a tariff. None of this sends out the very clear message that this House wants to see you go to jail if you are caught defrauding the Exchequer of vast amounts of money. That is what we need, not vague recommendations or 3% of ill-gotten gains. We want to see action as a result of the motion today.

Mr Ford: The Member says that we want to see action, but the practical reality is that the action that he wants to see is being taken by the Lord Chief Justice, which he wants the judiciary to step up on. It is also the case that this issue is a reserved matter. If we were to see action on changing the level of sentences, it would be a matter for the Westminster Parliament, and it is a matter on which I suspect the Treasury would have a strong view where the UK as a whole is

concerned. The will of Members of this House is clear, but I doubt very much whether we would be given permission by the Treasury to legislate in Northern Ireland alone on this particular issue. That is the practical reality that we have to deal with. It is fine to say that that is what we want, but, in practical terms, it may be that we cannot get what we want.

The amendment calls for enhanced cross-border working. I am certainly prepared to accept the spirit of the amendment by committing the Department of Justice and its agencies to continuing to work on a cross-border basis, in the partnerships that I outlined earlier, and to improving on that work. I am certainly prepared to work with the Lord Chief Justice on sentencing guidelines and to make clear the House's view on how issues should be dealt with seriously. I am afraid that it is outwith my powers to make provision for increased sentences in the next justice Bill, unless Treasury permission is forthcoming, but I suspect that that is unlikely. On that basis, I regret that I cannot formally support the motion or the amendment, even though I agree entirely with the sentiments of those who spoke for both.

Mr Eastwood: I commend the proposers of the motion and the amendment. The issue is a very serious one for people not only in border counties but right across the North. I agree with Mr Wells and other Members that it is important that we send a clear and united message from the House that we will not stand for it any longer. As was said by many Members, including Mr Swann and Mr Wells, who, as usual, provided some very helpful anecdotes, it is not a victimless crime. Mr Maginness pointed to the fact that it corrupts society as a whole. It also puts a serious hole in the Exchequer's budget, regardless of whether it costs £200 million, £150 million or £70 million per annum.

Many Members referred to the environmental damage caused. Mr Anderson and Mr Bradley spoke about the cost to councils of the clean-up, and, of course, the funding of paramilitaries past and present was also mentioned. Mr McCartney and Mr Swann raised the issue of tobacco smuggling, which is another serious issue for the House and one that I think that we can deal with in a similar way. Mr Bradley pointed out that, if you cannot catch them, you cannot punish them, and I think that that issue needs to be dealt with urgently.

Our view, as set out in the amendment, is that given that the problem is a direct result of the border, it seems illogical to suggest that it can be tackled in any other way. We accept the Minister's assertion that there has been increased co-operation across the border. Obviously, however, there has not been enough. I reiterate the questions put by Mr Bradley: how many times have those bodies met, and how much work have they done? That area needs to be improved.

It is clear that custodial sentences should increase. Four such sentences in the past however many years is not exactly something that we can be proud of. The gaps between taxation and the differences in regulatory requirements on each side of the border should be bridged to create a more harmonised system. I welcome Mr McCrea's conviction that we should have more tax-varying powers in the North. We should also disincentivise acts of smuggling, which would contribute to the fundamental logic of an all-Ireland economy as well.

I regret to say that smuggling has, unfortunately, become culturally and socially accepted by many people in certain border areas and has been passed on from generation to generation. It is our role as legislators, however, to ensure the transformation of that culture through a combination of judicial and political interventions. Illegal smuggling is harming the island economy that we wish to build and limiting our capacity to help those most vulnerable and in need.

Lord Morrow: I would like to thank everyone who contributed to today's debate. I listened intently to what they said, and, with the exception of Minister Ford and Mr Dickson, most Members were enthusiastic enough about the motion. However, I know that Mr Dickson and Mr Ford were at pains to distance themselves from what the motion was saying. However, I hope that that elusion will be brief and that, one day, they will, in fact, see the necessity of the motion and importance of taking those issues forward with some cut and thrust.

I hope that the oil that is being fired to heat the Building has not come from illicit fuel. It is certainly casting up the heat, and there appears to be no shortage of it. The heat is quite stifling at the moment.

I have pursued this issue for some time. My colleague Mr Irwin has, too. His constituency is

right in the middle of the problem. I am currently awaiting important answers on the matter from a number of Departments and agencies, including the Department of Justice, the PSNI and the Public Prosecution Service, which focus specifically on the number of arrests, prosecutions and convictions. As yet, I have not been furnished with those answers. Tomorrow, I am due to receive an oral answer from the Minister of the Environment on the clean-up costs to the taxpayer and whether they can be recouped from those who are responsible.

The overriding issue surrounding this criminal behaviour — and that is exactly what it is — is the shortfall in the number of custodial sentences for fuel laundering. I intend to follow that up carefully upon receiving answers to my questions. The vexed question is, of course, why so few people are brought before the courts with regard to those criminal activities. That question is on the lips of the general public. Public confidence is now becoming an issue.

Although fuel laundering is by no means restricted to border areas, statistics show that it is certainly much more prevalent in those areas, whether that is because laundered fuel originates in those areas; people who are responsible for it can skip to and fro between one jurisdiction and the other; or criminals can make use of the fact that two legal jurisdictions are in close proximity in order to dodge apprehension. Are we back to the bad old days of police no-go areas? Many of us suspect that that plays a significant role.

That leads me, therefore, to query the rationale for closing border police stations, particularly in areas where fuel laundering is rife. A raft of border stations has been closed. We have learned that a number of garda stations on the other side of the border are also earmarked for closure, which leaves routes wide open for gangsters to travel backwards and forwards with considerable ease. I welcome enhanced co-operation from police in the Republic of Ireland. I am aware that, recently, there have been some joint actions. However, there have been instances when landowners whose property traverses the border have kept fuel-laundering equipment at one end of the shed, which is in the Republic of Ireland, and is, therefore, immune to raids from Her Majesty's Revenue and Customs and, indeed, the PSNI. When police and customs officials from the Republic of Ireland arrive, the machinery magically moves

to the Northern Ireland end of the shed, and vice versa. We hear continual calls for cross-border co-operation in the House. I cannot think of anything more appropriate than such co-operation to strike at a criminal enterprise.

That said, the Organised Crime Task Force has recorded some very good results, among which has been to dismantle 15 fuel laundering plants with the capacity to produce 90 million litres of illicit fuel, and the recovery of £4.4 million of criminal assets. Drugs with a street value of £9 million have also been seized. Twenty-three victims of human trafficking have been rescued. The number of recorded tiger kidnappings has been reduced by 50%. I want to acknowledge that some things have been done. However, at this stage, I am asking why there has been a lack of arrests.

Something is blindingly obvious —

Mr D Bradley: I thank the Member for giving way. Like him, I am concerned about the small number of arrests. The Minister read out quite a long list of fuel plants that had been dismantled. I recall that, at the time when the dismantling of those plants featured on the news, there was no subsequent mention of any arrests. It begs the question as to whether many of the plants dismantled by HMRC had already been abandoned by the operators and whether the taxpayer is left to pay the cost of dismantling the plants and cleaning up the sites afterwards. More of those plants need to be discovered while they are in operation and while those who are operating them are on site and can be made amenable to the law, arrested and brought before the courts.

Mr Deputy Speaker: I remind Members that interventions should be brief.

4.00 pm

Lord Morrow: I thank the Member for his comments, which are self-explanatory.

Something is blindingly obvious. We hear reports claiming that police and customs officers have raided fuel-laundering plants and seized equipment. We also hear about the potential loss in revenue from tax or duty evasion, which we understand to be well in excess of £200 million. On rare occasions, we hear that arrests have been made, but that seems to be where it stops. It is worrying that a limited few are being put before the courts. We rarely hear of such

criminals being charged, brought to court and made amenable for the crime.

The issue must be tackled. It is a case of a lack of resources restricting the fight against this type of organised crime. Is an informal arrangement entered into whereby a payment is made to cover a certain amount of lost revenue? If that is the case, the public should be made aware of it. When those who are charged are brought before the courts, the sentence must be severe enough to deter others from getting involved. Is prosecution not regarded as necessary? I do not know, because, as I said, I have tabled questions and am waiting for answers.

Mr Wells: Did the honourable Member not find it shocking that the Minister said that there had been 47 prosecutions but that only four — less than 10% — had led to custodial sentences? Does he agree that that sends out no sense of the seriousness with which the community regards this crime? Does he also agree that it will not deter people in the criminal fraternity if they realise that they have only a 10% chance of custody, if they are caught at all?

Lord Morrow: Mr Wells is quite correct. It makes a mockery of all that is going on and is no deterrent.

It appears that the customs approach is to investigate fuel laundering for the purpose of collecting intelligence to identify laundering plants, disrupt operations and make seizures rather than to catch the criminals. Mr Wells made that point earlier, and I am trying to emphasise it. It strikes me that that is an ideal way to catch headlines, but it does not apprehend offenders, who will still be at large and able to direct and continue with their illegal activity from another location. Surely there is a case for police and customs pooling resources and carrying out joint investigations with the use of surveillance to monitor laundering plants, collect evidence and make the necessary raids when the offenders are present, or are we again being hindered by human rights legislation?

We often hear the owners of properties from which laundered plants operate claim that they are unaware that such activities are taking place. There is a legal loophole, and legislation should be amended to allow the person who owns the land on which equipment is seized to be held accountable unless and until he or she can prove otherwise.

It would be extremely remiss of me if I did not touch on the additional, more sinister criminal element that fuel laundering funds. For many years, it has been used to fund republican terrorism and a campaign of genocide and ethnic cleansing in the border areas. We recognise the fact that it is not purely a security matter, but the security forces must be at the cutting edge in the war against crime.

Other agencies have a major role to play on a cross-departmental basis, including the Department of the Environment, which is tasked with dealing with our rivers and our environment in general; the Department of Justice to ensure that those responsible are penalised; and HM Revenue and Customs to recover lost funds. Of course, as the Minister said, HMRC is not a devolved body, but I challenge the Minister to clarify whether in fact a directive —

Mr Deputy Speaker: Will the Member bring his remarks to a close?

Lord Morrow: Yes, I will.

Has a directive been sent from HMRC to the PSNI stating that, as it does not have the resources, the PSNI should not concentrate on motorists who may use illegal fuel?

Question, That the amendment be made, put and agreed to.

Main Question, as amended, put and agreed to.

Resolved:

That this Assembly notes with concern the statistics which reveal that only four custodial sentences have been handed down to people involved in fuel smuggling or laundering in the past 10 years; further notes that the estimated annual cost of these practices to the Exchequer is in excess of £200 million; and calls on the Minister of Justice to ensure that the next justice Bill incorporates tougher sentences and penalties to deal with illegal operators; and urges the Minister to examine opportunities for further cross-border and interagency co-operation to identify and prosecute a greater number of offenders.

Adjourned at 4.05 pm.



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