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(12 August 2006 to 22 November 2006)

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Volume 20

12 August 2006 to 22 November 2006

The Northern Ireland Act 2006 made provision for Members of the Northern Ireland Assembly to meet in an Assembly.

The Act gave the Secretary of State power to refer to the Assembly the election of persons to hold the offices of First Minister and Deputy First Minister on the restoration of devolution; the nomination of persons to hold office as Northern Ireland Ministers on the restoration of devolution; and such other matters as he thought fit.

In addition, under the provisions of the Act, the Secretary of State directed that a Committee on the Preparation for Government and a Subgroup on the Economic Challenges Facing Northern Ireland be established.

This Bound Volume contains the Official Reports of all the plenary meetings of the Assembly and the meetings held by the Committee on the Preparation for Government and the Subgroup on the Economic Challenges Facing Northern Ireland during the period 12 August 2006 to 22 November 2006.

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<i>Deputy Speakers</i>	Mr Francie Molloy MLA Mr Jim Wells MLA
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<i>Private Secretary</i>	Ms Georgina Campbell (to 29/08/06)
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<i>Clerk to the Assembly Commission</i>	Tony Logue

THE ASSEMBLY

Monday 11 September 2006

The Assembly met at 2.00 pm (Madam Speaker in the Chair).

Members observed two minutes' silence.

ASSEMBLY BUSINESS

Madam Speaker: In accordance with the Northern Ireland Act 2006, the Secretary of State has directed that the Assembly should sit on Monday 11 September 2006 at 2.00 pm and again, subject to the continuation of debate, on Tuesday 12 September 2006 at 10.30 am to consider the business as it appears on the Order Paper. Before moving to that business, I wish to advise the House of my rulings in relation to two points of order.

Speaker's ruling on Standing Order 3

Madam Speaker: At the first meeting of the Assembly on 15 May 2006, Mr Peter Robinson asked me for a ruling in respect of the decisions I had made in publishing the list under Standing Order 3. I decided to take the advice of counsel on that matter. I have now received counsel's opinion and have also had the opportunity to consider the representations of all parties and other Members on this issue. I want now to respond to Mr Robinson's query.

Members should be advised again that, in line with custom, I will not enter into debate, either here or elsewhere, about the substance of my ruling. In making his request, Mr Robinson drew attention to the potential political consequences of a ruling. I remind Members generally that I am governed by legislation and Standing Orders, not by political considerations. I believe that my ruling is legally and procedurally correct. Standing Order 2(a) offers me the authority to make such a ruling. Political consequences are for others, not for me.

I should explain that Standing Order 3 had practical effect at the first meeting of the Assembly.

Standing Order 3(g) has a similar effect before any meeting of the Assembly where the business is referred by the Secretary of State under section 1(1)(b) of the Northern Ireland Act 2006; that is, the nomination of persons to hold office as Northern Ireland Ministers on the restoration of devolved Government. My ruling today will have few immediate practical consequences

for Members. I trust that Members will reflect on the ruling and deal with its consequences as they see fit, or deem necessary, before such practical issues arise.

At the first sitting of this Assembly, my concern was to comply with the requirements of Standing Orders and the relevant statutes. The list of political parties published on 15 May was based on the information available at the time, and I am content that my decision was proper and in order. However, with the benefit of counsel's advice, I have taken other factors into account, in particular the Political Parties, Elections and Referendums Act 2000 and representations made to the Clerk by political parties and other Members.

The Act represents the fullest expression of legislative policy on what constitutes a political party. Although it focuses on the financial regulation of political parties, the Act also details characteristics of a political party. Counsel has advised that the characteristics drawn from the Act assist in defining a political party for the purposes of Standing Order 3 and should be considered when publishing a list of party membership.

The characteristics of a political party under the Political Parties, Elections and Referendums Act 2000 can be summarised as: a short, suitable name; a headquarters, or at least an address for the purpose of communication; officers of the party, including at least a leader, a treasurer and a contact person, called a "nominating officer", for the purpose of liaising with the Electoral Commission and others; a constitution; a scheme for financial support of the party; and an intention to contest elections.

In making a decision about any future list for publication, I shall require a party to have all those characteristics. From the information available, I do not consider that the Ulster Unionist Party Assembly Group (UUPAG) has yet demonstrated all those characteristics. I trust that Members will find this clear and helpful.

Mr P Robinson: I am grateful for the Speaker's ruling, not least because it is in line with the judgement that my right hon Friend and I expressed some months ago.

The Speaker referred to serious implications. I stated those implications to ensure that there was a thorough consideration of the point of order that had been made. My colleagues and I are satisfied that there has been a thorough investigation, involving senior counsel's opinion and consultations with others. The DUP accepts the Speaker's ruling that the two parties may be inextricably linked in a group, but that that link does not constitute a party under the legislation.

As there are ongoing implications, you may be willing to meet parties privately and separately to consider the legal advice that you received. The criteria that you have laid down may well be applied in the

future, and perhaps not only by the party that attempted to apply them on this occasion.

Mr McFarland: On a point of order, Madam Speaker.

Madam Speaker: I must respond to Peter Robinson first.

I am content to meet any Member who has a query and listen to observations on this ruling.

However, I am not content to discuss my ruling. Members know that that is not the convention. The convention is that the Speaker makes a ruling based on advice that he or she has been given. In accordance with precedent, I do not intend to waive that convention and share that advice.

Mr McFarland: During the previous Assembly, three independent Members formed the United Unionist Assembly Party. One of those Members, while remaining in the United Unionist Assembly Party, stood for election as a member of the Democratic Unionist Party. Does today's ruling overturn the accepted custom and practice in the previous Assembly in respect of forming a party? The United Unionist Assembly Party would not have met the criteria for parties laid down in today's ruling. Has there been a change in the practices of the Assembly?

Madam Speaker: As I have already pointed out, this Assembly is governed by different legislation from the previous Assembly. That legislation allows me to rule exactly as I have done today. If, having read my ruling in tomorrow's Hansard report, the Member wishes to discuss the matter further, I will be happy to do so. However, I will not change my ruling.

Mr McFarland: The legislation is quite clear; this is a different Assembly. Of course, when the Assembly is re-established, we will return to the old rules. Will your ruling apply then? Will it have any bearing then?

Madam Speaker: I repeat my request for the Member to read the ruling in the tomorrow's Hansard report. Should he have any further concerns, my office and the secretariat will listen to any queries. As I said, the ruling will have more of an effect on future business. When a list of party membership is next published, I will restate this ruling so that it is clear that any party on the list must have those characteristics that I outlined. Any further matters are for Members to decide themselves. My decision was not political; it was in accordance with current legislation.

Mr Ford: Madam Speaker, I wish to ask a further question about your ruling. I do not wish you to add to the political embarrassment of the Ulster Unionist Party.

You made clear that the Political Parties, Elections and Referendums Act 2000 overruled the precedent set in the Assembly elected in 1998, and you referred to the composition of a list of party membership.

However, a question remains about what happens when d'Hondt comes into play. I have correspondence from the Secretary of State that refers to the UUPAG. The UUPAG is currently represented on Assembly Committees. Has the UUPAG now ceased to exist for all purposes or will it exist only when the d'Hondt formula is applied?

Madam Speaker: As a result of my ruling, I now consider that, as regards this House, there is an Ulster Unionist Party and a Progressive Unionist Party. The main immediate consequence concerns speaking rights in the Chamber. The Secretary of State will concur with my decision because I have a right to make such a ruling; I hope that Members will do likewise.

Speaker's ruling on Interventions

Madam Speaker: During the sitting on 7 July, Mr Alban Maginness raised a point of order in relation to the length of interventions; other Members raised related points. I have discussed the matter with the Business Committee. The current trial arrangement of allowing Members up to one additional minute of speaking time, when they have accepted one or more interventions and when speaking times are limited to fewer than 10 minutes, was agreed on the basis that interventions can provide a valuable contribution to a debate. I am, therefore, of the view that it would be preferable not to introduce rigid controls in relation to interventions.

2.15 pm

With regard to the length of an intervention, I ask that all Members exercise the courtesy of limiting their remarks to a brief comment. When that courtesy is not observed, I may in future exercise my discretion and, when I feel that it is necessary, call a halt to lengthy interventions.

In relation to the number of interventions that a Member may make, again I would prefer that Members policed themselves. It is, however, entirely appropriate for me to remind Members that they cannot insist on a Member who has been called giving way. If necessary, I will call a Member to order for persistently interrupting another Member who has the Floor and does not wish to give way.

I remind Members that, when another Member has given way, it is in the interests of good debate that that courtesy should not be abused.

In summary, I propose, if necessary, to interrupt Members who make lengthy interventions and to call to order those who persist in badgering Members who have indicated that they will not give way. I hope that that approach will improve the situation without a need for rigid controls and without stifling debate.

COMMITTEE BUSINESS

Report on the Economic Challenges facing Northern Ireland

Madam Speaker: I ask Members to be silent as I clarify how I propose to conduct the debate.

Members will understand that the relationship between the Committee on the Preparation for Government (PFG) and its Chairpersons is different from that which pertained in Committees of the Northern Ireland Assembly. In the light of that, it was agreed by the Business Committee at its meeting last week that a Chairperson of the Committee on the Preparation for Government will formally move the motion but will make no attempt to represent the views of the Committee; that there will be no winding-up speech on behalf of the Committee; and that I will put the Question on the motion.

The Business Committee also agreed that Members will be called to speak on the motion according to the usual convention with an upper time limit of 15 minutes to be applied to all those called to speak.

I have agreed with my Deputy Speakers that, for this and forthcoming debates on reports from the PFG Committee, although one of the Deputy Speakers, in his role as Committee Chairperson, will formally move the relevant motion, he will not seek to represent the views of the Committee or vote on the motion. In agreeing this approach, I am satisfied that my Deputy Speakers' ability to assist me in presiding in the Chamber will not be compromised. Members will appreciate that such arrangements are unusual but reflective of the circumstances in which we currently operate.

In view of the Secretary of State's direction that the Assembly meet today and again tomorrow, subject to the continuation of debate, I propose to suspend proceedings today at around 6.00 pm and resume at 10.30 am tomorrow, unless it becomes clear later in the debate this afternoon that the number of Members still wishing to speak is such that the debate could be concluded by sitting for a limited period beyond 6.00 pm. However, I do not intend that the House should sit later than 7.00 pm. If that is clear, I shall proceed.

Dr McDonnell: On a point of order, Madam Speaker. You are allowing Members one extra minute. Will you clarify whether that extra minute is to cover all interruptions, or whether it is one extra minute per interruption?

Madam Speaker: I take that point on board and will address it when necessary. That will not be necessary today, because each Member will be allowed 15 minutes. I hope that Members will police that 15

minutes themselves, and if there are interventions, I will look into that and give clearer guidance.

Dr McDonnell: When I speak, I am usually subjected to a torrent of abuse from the Members opposite. I would welcome an extra minute for every interruption. *[Laughter.]*

Madam Speaker: I am sure that you would, but you will not need it today. Each Member will have 15 minutes, and even for politicians that is enough.

Rev Dr Ian Paisley: On a point of order, Madam Speaker. Can you assure us that this debate will go on tomorrow? We have listed Members to speak tomorrow as well as today. There is a full complement. I would like to be assured that people who have come today, and those who will be here tomorrow, will have the opportunity, if there is time, to address the Assembly.

Madam Speaker: As I said, I have agreed with the Secretary of State that the sitting will continue tomorrow. If there are Members who, for good reason, are unable to be here today, and there are sufficient to continue the sitting tomorrow morning, then we will do that. I considered that for the convenience of Members I would stop the debate at 6.00 pm. If 6.00 pm comes and there are only two Members left to speak, we will continue and conclude the debate. If Members do not agree to that, we can extend the debate into tomorrow morning, but no further. Rest assured that each Member will have his or her say in this debate. That is useful for all Members to know.

Mr K Robinson: On a point of order, Madam Speaker. There is a difficulty with the acoustics at this end of the Chamber. There is an echo. It was difficult to hear Dr McDonnell and some of the other Members. May we have that checked before the debate begins?

Madam Speaker: I appreciate that there is a difficulty there. It has occurred before. We will look into that.

Mr Wells: I beg to move

That the Assembly approves the first report from the Committee on the Preparation for Government on the economic challenges facing Northern Ireland; agrees that it should be submitted to the Secretary of State for Northern Ireland and, pending restoration of the Institutions, calls on the Secretary of State, the Committee on the Preparation for Government and others to take action to implement the recommendations in the report.

I am confident that Members will have much to say about our report, and therefore I will not spend any time going into the finer points. Instead I want, on the Committee's behalf, to thank all those who made it possible.

The Preparation for Government Committee has been meeting five days a week for three months; three days for the full Committee and two days for the Subgroup on the Economic Challenges facing Northern Ireland. That has placed an enormous burden on

everyone concerned. I am grateful, therefore, to the three Members who agreed to act as Deputy Chairpersons of the subgroup: Mrs Naomi Long, Mr David McClarty and Mr Alban Maginness. Their help was appreciated, given that the other two Chairmen were so heavily involved in the full Committee.

I also thank the many witnesses who gave evidence in July and August, during the holiday period. The subgroup was delighted that so many organisations involved in the economic activities of the Province were able to come forward at short notice, give detailed evidence and appear before the subgroup to answer searching questions. It was much appreciated, and it is reflected both in the volume and the content of the report.

I also thank the Assembly staff, who gave so much to assist the subgroup in its deliberations. I do not want to pick out individuals, but at every level of the Assembly secretariat, staff — including Hansard, catering and security — gave of their time when many others were on holiday. We thank them for that.

It has been a long and, sometimes, a hot summer. However, I found the process to be an enjoyable one. I commend the report to Members and look forward to an interesting debate.

Rev Dr Ian Paisley: The Assembly is tight for time. A deadline of 24 November 2006 has been set, which we have been told is set in stone. Nevertheless, a reactivated Assembly now meets after a prolonged summer recess. The Minister for Foreign Affairs of a foreign country, Mr Ahern the second, has threatened that if we do not do what we are told, namely allow IRA/Sinn Féin, as it is now, into Government, we will be forced into what amounts to united Ireland oversight.

There is no doubt that a successful and prosperous economy requires a stable and peaceful environment. Each is dependent on the other. Over the last several days, the Secretary of State has been talking about the great measure of progress that has been made. Witness the empty seats today. No progress is being made, because the British Government, evidently supported by the Government of the Irish Republic in Dublin, are dedicated to having IRA/Sinn Féin, as it is now, in Government. The party that I lead, and others who hold the same convictions, will democratically resist that.

Sinn Féin/IRA is boycotting the proceedings of the Assembly today. Sinn Féin demanded that the PFG Committee meet, decided when it sat on the Committee that the report should be published and yet refuses to come to the Assembly Chamber to discuss that report.

Madam Speaker: Dr Paisley, please keep to the motion.

Rev Dr Ian Paisley: I am keeping to the motion. The motion relates to the report, which Sinn Féin has stated should be printed. Sinn Féin stated that during

proceedings of a Committee of this House, and that is recorded in volume 4 of the report. I am trying to steer carefully. Madam Speaker, I know that you are so well briefed that you think you may knock me out. However, I do not think that you will do so, because I will stick to what Members are supposed to discuss.

Madam Speaker: I have no intention of knocking you out.

Rev Dr Ian Paisley: Thank you. I am greatly relieved. *[Laughter.]*

The Secretary of State is quick to claim that Sinn Féin/IRA has done all that has been required of it. All right-thinking people in Northern Ireland will reject such a conclusion. An end to the illegality and criminality of the IRA has yet to be seen. Its very existence has robbed the Northern Ireland economy of millions of pounds each year. IRA/Sinn Féin refuses to support the police, the courts and the rule of law. Such behaviour cannot be a basis for admission to Government in any democratic country.

The Secretary of State has done nothing to address those issues. He must remember that unionists are not blocking the way. His time would be better served by ensuring that IRA/Sinn Féin gets off the backs of the people and that the days of crime and gangsterism are over. One need only look at the recent events in Newry, when millions of pounds worth of damage was done to the economy, to see that those days are not over. How, in those circumstances, can the motion that is before the Assembly be implemented? That cannot happen in the current atmosphere.

Threats or any form of pressure from the Northern Ireland Office (NIO) to reach any agreement that falls short of the democratic test will have no effect. If time is required to build a solid, democratic foundation for future generations, let us take that time. For 35 years, the people of Northern Ireland were subject to a sickening sectarian murder campaign. As well as taking the lives of over 3,000 individuals, the terrorists wreaked havoc on our ability to function as a normal society.

Business bore the brunt of terrorism. Shops, offices and factories were frequently blown to smithereens. Businessmen who supplied the security forces were personally targeted. I am sure that other contributors to the debate will elaborate on those points.

2.30 pm

A former chief executive of the Industrial Development Agency (IDA) Ireland once remarked:

“In the battle to attract overseas investment to Ireland, no financial weapon has been more important than tax in convincing new industry to locate here. It remains the IDA’s unique selling point, giving Ireland a critical advantage in winning new investment.”

That illustrates why Northern Ireland's corporation tax rate must be on a competitive footing with that of our Southern neighbour. Let there be a level playing field, and let us not deny the Ulster people what they should receive at this time of difficulty and rebuilding.

Many in the Chamber want to embrace the Irish Republic more closely in an economic sense, among other senses. I am all for Northern Ireland businesses selling their products to the Southern market, as long as that happens organically and is free from political interference. That is how trading happens between any two bordering states. However, the cold, hard fact of business is that the Republic of Ireland is our economic competitor for foreign direct investment (FDI). The Irish will do nobody in Northern Ireland, irrespective of their political leanings, any favours when it comes to securing some multi-million pound investment. Reducing the headline corporation tax rate to a lower figure than that of the Irish Republic would obviously boost our ability to compete and could lead to an increase in corporation tax revenue from Northern Ireland.

The Exchequer must understand that, far from losing it revenue, in the long run, a corporation tax reduction could yield higher tax revenue as new jobs are created, new companies invest and existing companies expand. If reducing the headline rate is too unpalatable, the Treasury should seriously consider other measures that would have the same net effect as lowering corporation tax to less than the Republic's rate of 12.5 %.

There are alternative ways of achieving the same result, such as the proposal that approved and allowable expenditure on research and development and training and marketing that is included in the corporation tax computation be multiplied by a factor of three. That expenditure could be then deducted from taxable profits for businesses based in Northern Ireland.

In addition to enhancing Northern Ireland's attractiveness to investors, the proposal should also address issues such as research and development, increase of exports and the development of new skills. The Democratic Unionist Party strongly supports a wide-ranging financial package for Northern Ireland. The effects of terrorism are still felt today: low investment; undeveloped tourist potential; skills deficit; educational underachievement; and poor community capacity.

Northern Ireland faces unique challenges in the United Kingdom. In particular, no other part of the UK has a land border with another EU member state and has to deal with all the implications that that brings. No other part of the United Kingdom has suffered as Northern Ireland has over the past 30 years or faces such huge obstacles to attracting investment and retaining indigenous firms. We are also on the border

of the United Kingdom and Europe, and, consequently, we face additional costs.

We are not asking for special treatment; we are asking for recognition from the Government of the hardship that Northern Ireland's economy endured. If the Province had not been forced to weather the storm of terrorism, our economy would be stronger today. A fully funded and targeted economic package that addresses all Northern Ireland's infrastructural needs, education and skills requirements and that includes financial incentives to encourage the growth of the private sector is essential if Northern Ireland is to advance out of the economic challenges generated by 35 years of terror.

I wholeheartedly endorse the aspects of the report that promise to our people the opportunity to apply their talents, to pull themselves out of the pit that was dug by our enemies and give them the chance to rebuild a Northern Ireland where everyone — regardless of their class or creed — will live in peace and harmony. I trust that the House will send the message that we intend to rebuild our Province on principles that will last not only for our days, but for the coming days for our children and our children's children.

Madam Speaker: Before proceeding, I ask Members — particularly Ken Robinson — whether they can hear clearly. I have been informed that the fault has been rectified.

Mr K Robinson: I heard every word that Dr Paisley said.

Madam Speaker: I am sure that, like myself, you clung to every word.

Mr McNarry: The Ulster Unionist Party offers its sincere gratitude and thanks to those who freely gave their time to contribute to the first report on the economic challenges facing our country.

The report contains a consistency of clarity confirming that the restoration of the devolved Assembly would be good, not only for Northern Ireland but better for the economy. The evidence from the economic coalface indicated a sense of despair with our direct rulers. Those on whom we depend to drive the economy would trust locally elected representatives to talk up Northern Ireland, to boost its opportunities for economic outreach and to go the extra mile in encouraging investment rather than have the NIO invective that implies that Northern Ireland has a failed economy.

It is unfair to single out one contributor to the subgroup, because all contributions were thought provoking. They must be heeded, and, for justice to be done, they should be advanced by a restored Assembly or by those who are in charge of direct rule. However, I ask the House to take note of the contribution from the Northern Ireland Youth Forum. Regrettably, the

absence of Sinn Féin today is another insult to those young people, and others, who feel that the Assembly remains the best opportunity to provide effective leadership for facing up to and addressing current and future economic challenges.

If Sinn Féin cannot share space in this place today and participate in a debate on a report that it signed up to, why should it expect the House to embrace it in sharing in our work on any other occasion? Does Sinn Féin think that, by insulting guests of the House, by disrespecting its MLA colleagues, and by displaying disdain for a report on the economic challenges facing our country, it will advance its inclusion and automatic entry into any future accountable role of responsibility that deals with the economy or with any other devolved matter?

To be frank, Madam Speaker, those Laurel-and-Hardy antics are not the type of behaviour with which my party wishes to be associated.

During the debate, my party leader, Sir Reg Empey, and my colleagues Esmond Birnie, Roy Beggs and Leslie Cree, who attended meetings of the economic subgroup, will — along with Ken Robinson and other Ulster Unionist experts in particular fields — expand on much of the detail and recommendations contained in the subgroup's first report.

We can all agree that the report is very comprehensive. Given the tight schedule, it is all the more remarkable that the completed work is before us today. Meetings of the PFG Committee and the economic challenges subgroup elicited some very interesting thoughts from the most unlikely quarters. There were moments during the consideration of the small matter of putting together an economic-package-cum-peace-dividend when the debate took place with such competitive enthusiasm that there was a danger of it turning into an auction. Having agreed that the Irish Republic should make a significant contribution of euros, Sinn Féin kicked off with a bid that the Irish and British Governments should make £10 billion available over the next 10 years. However, not to be outshone by their Irish-unity-aspirational soulmates, the SDLP weighed in with its own bid of £20 million over the next 10 years.

Dr Farren: It was £20 billion.

Mr McNarry: It was £20 billion.

Dr Farren: Why not?

Mr McNarry: Needless to say, while all the bids have been banked, the report presented today falls short of giving a conclusion on a recommended sum. Perhaps a figure will be identified in the second report of the subgroup, which is due for endorsement by the PFG Committee on 4 October. I hope that we will have an opportunity to debate that report.

Considering the key elements of proper negotiations that are being talked up for next month in some Ulster-Scots bolthole, it is encouraging to note that skills of negotiation are to be tested in direct talks with the Government on securing an appropriate sum that is to be used in delivering an equitable form of economic regeneration. My party's position is that the auction concept is superfluous to the positive identification of the problems and real needs and to ensuring that the distribution of any package is used for specific purposes, not wish lists. While people can talk, speculate and prepare wish lists, there remains unresolved the underlying factor of a requirement to see the books, to peruse the balance sheets and to find out why Northern Ireland stands accused by direct-rule Ministers of not paying its way.

The bid frenzy did not stop at those seeking a package for economic regeneration. A fairy godfather emerged who, within days, was out-fairied by one of his party colleagues. That is important when considering how corporation tax reductions are to be paid for. The question of who may suffer as a consequence of those corporation tax reductions must be thoroughly thought through, as must the questions of who may gain and how those gains can bring overall benefits to the economy.

On two separate occasions, different members of the DUP sprinkled fairy dust on the corporation-tax-magical-reduction formula. The first DUP proposal that was alluded to was that our headline corporation tax should be reduced to a rate lower than 12·5%. If that proved unacceptable to the Treasury, the DUP would consider a cocktail of incentives to achieve the same reduction. Perhaps the mixture of fairy dust and cocktails proved to be intoxicating for the DUP because, a few days later, it told the subgroup that 10% was the lower-than-12·5% figure that it wanted for corporation tax.

Madam Speaker, what brilliant tactical negotiators we have in our midst. We have the anti-British Members who cannot set foot in this House today but who want £10 billion of peace money to repair the carnage that they caused to all aspects of life here, including the economy. We also have the great self-anointed best negotiators who announce in advance what they are seeking when going to the table. Of course we require and deserve an economic package, and of course we should help the business sector compete with the Irish Republic. We will assist in driving forward competitiveness, but this economic report, thankfully, is more important to our people than an eye-catching sound bite or a fleeting Hansard reference.

2.45 pm

Ulster Unionists share with employers and employees the seriousness of facing up to the economic challenges that are detailed in the subgroup's report. We take

employment seriously, realising the importance of providing better services in schools and hospitals, training young people, helping people back to work, and not taxing people out of their homes. We take every element of Government seriously. We also take seriously the ugly and nefarious use by our direct rulers of the stresses and strains of the economy and of personal and company taxation as a means of black-mailing and spinning against the integrity of every Member in the House today.

There are grubby hands wielding dirty sticks to beat out of us an endorsement of foul-smelling concessions made to those who are not here. However, Members will have noted that the extensive report, covering over 1,000 pages, does not contain a recommendation compelling us, or anyone, to rush forward demanding the keys to the devolved economic vaults.

I mentioned that seeing the books is essential; so too is knowing how the impediments highlighted in the report can be overcome. Those impediments are: excessive bureaucracy and regulations; departmental paperchase bottlenecks; highs on strategic tittle-tattle, but lows on implementation and decision-taking; poor spatial planning; a poor planning process; poor literacy and numeracy levels among school leavers; a skills deficit; lamentable urban regeneration; the infrastructure deficit; transport problems; an uncompetitive fiscal environment; and low incentive for business expansions. Those are the crucial issues facing us, and the Government, here and now.

It took a well-organised and highly publicised public protest to shake the Government on their stance on manufacturing rates relief, to the extent that the Secretary of State has formed a working group to consider the issue further. Is protest the only process open to civic society?

At the top of the list of impediments is the issue that only local politicians can resolve: support for the institutions and the police. Political stability and its staying power are bound to be high on any investor's enquiries about Northern Ireland. That is why, after consultation with Sir Reg Empey, the Ulster Unionist Party insisted that the report recorded references to two recent statements by people who should be aware of unionist sensitivities. Our views on comments by Peter Hain MP and Sir Tony O'Reilly are expressed on pages 30 and 31 of volume 1 of the report.

I draw Members' attention to the performance of Maria Eagle MP when she appeared before the subgroup. Having been away from her desk for a month, it would have been unfair to expect the Parliamentary Under-Secretary of State, with ministerial responsibility for the Departments of Enterprise, Trade and Investment, Employment and Learning, and Education, to have read the report, which her Departments had not

received. However, it was disappointing that she had not been briefed on the subgroup's work.

That is where so-called joined-up government becomes jumbled-up government. I say that because the most senior personnel from each of the three Departments for which the Minister is responsible gave evidence in person to the subgroup. Information about the subgroup's activities was also regularly published on the Assembly website. Unfortunately, the Minister was not best prepared for her meeting with the subgroup. That is why I am pleased that she has agreed to be better prepared for the next meeting that she has promised to attend. I am also pleased because I expect a response from the Minister on two Ulster Unionist proposals: one to initiate a knowledge bank, which is recommendation 6; and another to establish a dedicated post in the Department of Education to drive improvement in science education, which is recommendation 7.

Working on the Committee on the Preparation for Government, and its subgroup, has so far been a privilege and a useful exercise. It has not been pistols at dawn. All in all, the scoping work is steady as she goes, with many aspects remaining works in progress.

On behalf of the Ulster Unionist Party, I offer sincere thanks to all the staff. I thank, in particular, the two Deputy Speakers who chaired our meetings. Mr Wells, who has already spoken today, has been most gracious in the manner in which he has conducted both himself and our meetings. I regret that I cannot refer personally to the other Deputy Speaker. Perhaps, Madam Speaker, you may consider making a ruling. If the Assembly is called again to debate the reports that are due to be completed shortly, will we have a Sinn Féin Deputy Speaker doing the job that Mr Wells has done today? Perhaps the House should know that in advance.

I thank the staff. Without their work, their integrity and the manner in which they kept us together, I very much doubt that the report could have been completed in time for us to be here today. I commend the report to the House.

Ms Ritchie: On behalf of the SDLP, I thank all those who were involved in the preparation of this report: the various Chairpersons of the Committee; the members from the different parties; and the Clerk and all his staff, who helped us through the last few weeks.

The economic challenges report contains an in-depth assessment of the current state of our economy, many of the ingredients necessary to pump-prime our economy, and the fiscal challenges that might promote foreign direct and indigenous investment. The report considers whether an economic package or peace dividend could contribute to economic regeneration

and how that might be delivered. Much further work remains to be done in that area.

Approval has been given for that further work, with a focus on the economic dividend, the appropriate fiscal environment in which business can grow and what has to be done to promote an education and skills strategy that best reflects the needs of the local economy. Nobody — not even those who provided evidence to the subgroup — suggests that that is an easy task. However, it should no longer be left on the political back-burner. Political stability and economic growth are inextricably linked and bound together. If we are to do this, we need the immediate restoration of the political institutions. None of us can shirk from that responsibility.

The Assembly first discussed this issue on 16 May. On that occasion the SDLP said:

“There are major economic challenges facing all of us ... the people who sent us here expect us to do something about those challenges and to act very soon to correct the punitive policies of the direct rule Administration.” — [*Official Report, Bound Volume 19, col 1, p 16*].

That position has not changed and is now more compelling than ever. Pending restoration, the political imperative to enable us to respond to those challenges lies with the British and Irish Governments. The community imperative demands that we all get our acts together and get all the institutions up and running as per the Good Friday Agreement to set the economic and infrastructure agenda for the next 25 years. What have we been doing? How have we been acting on that community imperative? Are we going to wring our hands like Pontius Pilate and claim that others should do it for us? Are we going to remain in the political vacuum or grasp the baton of political power and make change to improve the lives of all the people who live here? The choice is clear: restore the political institutions.

Why are we waiting? Why are we taking so long to implement the mandate that we were given? Why are some of us afraid and dilatory about implementing the wishes of the people? Do we want our economy to stagnate further, our infrastructure to crumble further and our young people to be either part of the brain drain or not given the education and skills training opportunities that they require?

Each of us, and I say this again, must seize the political opportunity facing us now — we must not leave it to someone else. Do we want the people that we represent, and the coming generations, to face an ignominious future? We should examine our consciences and take the issue seriously.

It was not surprising that, following an in-depth investigation of our economy, many challenges and impediments to its growth were identified by those who gave oral and written evidence. Chief among

those challenges is the need to provide political stability, which I referred to earlier, and that is within our hands. We must not wait for the publication of another report and a debate. Let us get on with the job of restoring the institutions and providing that political bedrock upon which our economy could grow and develop and deliver for all of us.

Other structural weaknesses in the Northern Ireland economy were identified in the oral and written submissions. The Minister underscored them when she gave oral evidence to the subgroup last week. The specific areas were: the need to increase investment in research and development and promote innovation and creativity; the need to promote and encourage enterprise; the need to ensure that our people have the right skills for future employment opportunities; the need to ensure that we have a modern infrastructure in place to support business; the need to address working-age inactivity levels, which are 28% higher than the average in Great Britain; and a weak private sector compared to a dominant public sector subsidised by the Treasury in London.

Twenty-one recommendations have been proposed to enable the dilution of the challenges and to ensure that our economy grows into a vibrant force. Some of the principal recommendations are: that the current level of public expenditure should be protected during a transitional period that is agreed with the Treasury to allow competitive fiscal challenges and targeted investment to rebalance the economy towards high value-added foreign direct investment and our own indigenous companies; that investment in vocational training skills and R&D activities in universities should be increased and an effective strategy developed to enhance knowledge transfer from applied R&D activity in commercially viable products; that FE college curricula should be best integrated with the needs of business and focused on areas where skills shortages are hampering future economic growth; that any savings that may be made from Government efficiencies should be retained and used in Northern Ireland; and that detailed analysis is undertaken to identify economic opportunities through establishing effective clustering and collaboration with the rest of this island on infrastructure development.

I am pleased that the SDLP was able to secure the last point, because we have to work our North/South agenda to be able to tap into all of the economic opportunities that exist and to deal with the impediments that were laid down when partition occurred. Many people felt cut off from their economic hinterland. We must ensure that those deficiencies are corrected and that people never suffer the great disadvantages that many of our neighbours suffered for over 70 years.

We must look at skills training along designated economic corridors with the express purpose of addressing regional disparities, whether it be in the

west of Ireland — and I mean the west of Northern Ireland as well as the South, for those who do not catch my drift — or elsewhere. We must look at the North/South agenda.

We must also recognise that Northern Ireland has suffered from years of underinvestment in infrastructure and that the planning process should be reviewed immediately, adequately resourced and properly and effectively managed. Quite often, the Planning Service, due to delays in processing applications, has acted as an impediment to business and economic development and growth.

Mr Donaldson: I thank the Member for giving way.

To residents of north or east Antrim, Glasgow is as likely to be a part of the economic hinterland as is Dublin. Therefore, is it not just as important to build and sustain the economic east-west links to an island that has almost 60 million inhabitants, and is the fifth largest economy in the world, as it is to develop North/South links?

3.00 pm

Ms Ritchie: I thank the Member for Lagan Valley for that point. I agree that we must consider every possible opportunity. The SDLP does not wish to deny anybody his or her opportunities, and it hopes that its colleagues on the opposite Benches will consider the pragmatic opportunities that lie within the North/South agenda.

Some Members: Hear, hear.

Ms Ritchie: I see from Members' assent that they concur with that view.

The SDLP believes that an urgent review of the most appropriate and effective structures for developing urban and rural regeneration plans should be undertaken. Some work has been done in many of Northern Ireland's towns and villages, but much more needs to be done, and it needs to be concentrated on the rural economy.

The economic package should focus on the following areas: community regeneration; infrastructure; education and skills; and a range of fiscal incentives capable of attracting FDI and encouraging the growth of high-value-added indigenous companies.

Since the subgroup completed its report, some interesting facts have emerged, which I hope are not intended to be a barrier or a distraction to the Assembly's addressing the need to rejuvenate and incentivise the economy. First, in her submission last week, the Minister with responsibility for Enterprise, Trade and Investment said that economic development is a top priority for the British Government and that the desire is to change the direction of the Northern Ireland economy for the better — I hope that that is not to be achieved by hectoring Members. However, the Minister

deftly refused to answer some key questions about the structure of the economic package and whether the funding for it would be additional to the block grant or come from the sale of land at Belfast harbour. We need to push the Minister, the Department of Finance and Personnel and the Department of Enterprise, Trade and Investment to specify the areas that they have undertaken research on and what they suggest the economic package should contain.

In parallel — and this is being done as part of the subgroup's future work — we urgently need to undertake independent party and external research into what is required to upgrade Northern Ireland's infrastructure. That does not mean that the people of Northern Ireland should be further taxed to pay for something that is not their problem. We did not cause the problem; we did not have responsibility for it at the time. Members must consider what is required to grow the economy and determine the appropriate financial costings. That work is required urgently.

There were two worrying articles in Friday's 'Belfast Telegraph'. One suggested that a confidential document pressing the NIO on its preparations for a major Government spending review had been leaked from the Treasury. Apparently, it contained a raft of controversial proposals for cutting expenditure in Northern Ireland, including examining the scope to introduce road tolls. Quite clearly, the leaked document ignored one of the recommendations in the subgroup's report: that the current level of public expenditure should be protected and that the business investment programme budget needs to be reviewed and upgraded.

Where does the debate on the economic dividend fit into that leaked memo? Are the Government giving any serious consideration to a financial package that would upgrade the deficits in Northern Ireland's infrastructure, which they have failed to address over many years and that they want the local population to pay for through the additional tax burdens of increased and unequal rates and water charges — charges, of course, that many consider to be major impediments to economic growth?

The other article referred to the fact that organised crime costs the economy about £600 million a year. The British Government estimated that figure last Thursday, and the figures were included in a report on criminality in another place. Those who are absent today have a duty and a responsibility to ensure that our streets are rid of criminality so that our economy can grow.

Suffice it to say that urgent political action is now needed to restore the political institutions to ensure that the infrastructural, educational, training and economic challenges are met and addressed and that a

plan is put in place to consign disadvantage, deprivation and criminality to the history books.

We need a restoration of the political order that was ushered in by the Good Friday Agreement. That agreement provided the prescription for a sound political bedrock upon which the local economy could grow and develop; act as an incentive to foreign direct investment; pump-prime indigenous industries; encourage the private sector to blossom; ensure that all economic opportunities are availed of; and ensure that we eventually eradicate the economic disadvantages caused by the partition of this island.

Members on the opposite Benches may smile and grimace, but either we are serious about this or we are not. We must ensure the provision of a better way of life for all the people who live here, whether they are unionist, nationalist, loyalist or republican. Let us subscribe to do that, to work together from this day onwards and ensure the restoration of the political institutions to safeguard an economy that can grow and develop for us, for our children and for future generations.

Some Members: Hear, hear.

Mr Ford: It seems to be a cliché of the debate that each contributor must express thanks to a large number of people. In proposing the motion, the Deputy Speaker started that trend. On this occasion, it is not a cliché; a significant amount of work was done during what would normally pass for the summer recess. We should record our thanks to the Chairpersons and staff who looked after the business of the Committee and to the wider secretariat who provided support. I thank the Deputy Speaker Mr Wells for ensuring that there was some nice vegetarian food at lunchtime. I thank the members of all five parties who took part: the DUP; Sinn Féin, which, unfortunately, is not here, despite its contribution to, and unanimous agreement for, the report; members of the former UUPAG; the SDLP; and Alliance.

Despite formally being a member of the subgroup, I delegated much of that work to colleagues, so I can praise them without blowing my own trumpet too much. A significant number of people provided oral and written evidence. We should be grateful to them for that, especially as they were also largely working through their own summer holidays. It is invidious to single people out but, if it is not too embarrassing to David McNarry, I certainly agree with him that the Youth Forum made one of the most positive contributions. I also welcome the fact that the Minister appeared before the subgroup with three senior officials. Perhaps it is the nature of ministerial presentations and Civil Service responses that they were not nearly as interesting as the Youth Forum. However, they were of substance, and we should be grateful for the Minister's

willingness to come, and to agree to come back as the Committee continues its work.

However, although the report contains some significant work, in many senses it only scratched the surface. Much remains to be done, and I welcome the fact that the full PFG Committee has now given its authorisation for the subgroup to continue its work. The three terms of reference for the subgroup were: to identify the major impediments to the development of the economy in Northern Ireland; to consider fiscal initiatives that might promote foreign direct investment; and to consider how a local economic package might contribute to economic regeneration in the event of restoration of the institutions.

It is absolutely clear that the third of those matters was barely touched on, except in the Dutch auction that was mentioned earlier. Much further detailed work needs to be done in the coming weeks, and there will be a real challenge for the PFG Committee and the Assembly to move away from the begging-bowl mentality of statements such as: "I want £10 billion"; "I want £15 billion"; "I want £20 billion." Instead, we must look at realistic prospects for costed proposals that will make a significant impact on the welfare of all the people of Northern Ireland.

We must not continue the 30-year begging-bowl mentality but ensure that the resources that we may get from the Treasury can finally be targeted to meet particular needs. I therefore welcome the fact that we will continue to discuss that issue in the coming weeks, because there is still a huge amount of work to be done in engaging with Ministers, Departments, economic partners and social partners in general. We owe an enormous debt of gratitude to the Northern Ireland Business Alliance, the Irish Congress of Trade Unions (ICTU) and the Northern Ireland Council for Voluntary Action (NICVA) for what they have done already, but I suspect that we will be speaking to them again.

The issue of fiscal incentives preoccupied the Committee to a considerable extent. Clearly, that work is not finished because, as Members who were not involved will see in recommendations 16 and 17, there is still much to be done. It is very difficult to see how we can gain the practical benefits of changes in fiscal arrangements. At the beginning of the debate, Dr Paisley highlighted the obvious issue of the headline corporation tax figure. Moreover, we have evidence that targeting the potential benefits in such areas as research and development may have a much better long-term effect.

In the past we have brought in, by particular measures, foreign direct investment that has lasted only a relatively short time. We have all seen what happens when basic metal-bashing industries are brought in. They move on a generation later, because

international capital is footloose and goes wherever the benefits are. Low wage rates will beat anything that we can offer in the United Kingdom or in any part of the western section of the European Union.

The European Court of Justice (ECJ) made an interesting decision last week when it ruled against the Portuguese Government on the issue of variable corporation tax in the Azores. I am not a lawyer, but there are plenty of lawyers in this place who immediately read ECJ decisions. As I understand it, the decision of the court stated that one principal requirement to have variation in tax rates across a single nation was the right to have a separate local jurisdiction. The message is clear: only if we can transform this Assembly into the Northern Ireland Assembly that it should be, with all of the institutions working properly, will we be able to seek and get European approval for variations in corporation tax, whatever way we target that matter. If that is to be a crucial part of the package that Northern Ireland has to offer, it places a huge responsibility on everyone in this Chamber and, indeed, on those who are not in the Chamber this afternoon.

In the past, we have seen what went wrong when we depended on traditional heavy industries, and then on man-made fibres. In my constituency of South Antrim, over the last couple of weeks, we have seen the almost total closure of Daewoo, which was a third-generation electronic assembly business. At one stage, it was one of the most successful video recorder makers in Europe, but it is now defeated by the wage rates paid in the Mediterranean, the Far East and central Europe.

We must start to build on a skills economy and use the type of work that is being done in our universities on a range of new technologies to build on the skills that exist in various technology parks and firms at the cutting edge of development and transform those into numerous jobs for highly skilled people. Unless we do that, our corporation tax rate will hardly matter, because we will not get anywhere, given the wage rates that exist in this part of the world. We will simply see any prospect of manufacturing jobs, including R&D elements of manufacturing, moving to places such as India or China. It is a huge challenge for us to ensure that we can move those matters forward, and the Committee will continue to work to see how that can be done. Others can reflect on recommendations 16 and 17 over the coming weeks.

It seems that, in one very real sense, the history of this society is an impediment because we believed that traditional industries — whether heavy engineering or agriculture — could provide employment for our people and, over the last 30 years, we have realised that they cannot.

There is another major impediment that has not been highlighted as much as it might have been in the report, and that is the simple failure to move forward on the issues of the institutions and policing to ensure that we build a new society that will enable a new, successful economy to develop.

3.15 pm

It is easy to examine other issues in which responsibility lies elsewhere, but, in this case, responsibility lies with us. I do not know of any successful world economy that is built on segregation and an apartheid mentality. Northern Ireland has to move forward and build a shared future in order to have a prosperous and successful economy.

The divisions of the past 30 years have had economic consequences. If 0.5% of the gross domestic product (GDP) growth is shaved off for every year of the troubles, the cumulative effect is a huge measure of how far Northern Ireland has fallen behind the UK as a whole and the Republic of Ireland. There are many instances of lost investment, and some people might cite the level of investment lost because of a single weekend on the Whiterock Road this time last year. The black economy, organised crime and paramilitary intimidation and extortion have all driven away employment.

There have also been economic losses in the tourism industry. It might serve us well to compare the statistics for friends and family visiting with footloose tourism. Visitors might go to one or two establishments in Northern Ireland, but they are paying for accommodation in Dublin or Donegal. We are not reaping the benefits that we should.

There is a lack of labour mobility because people feel that they cannot apply for jobs in certain areas. There are financial costs attached to segregation because sometimes two sets of bodies, which often have inferior accommodation, have to be set up to deal with the legacy of the troubles. Our children are educated in several different types of school, which adds 30% to the cost of education provision. Those issues may seem to affect only the public sector, but they do affect the private sector also.

In relation to the growth of the private sector, some of Northern Ireland's brightest and best young people seek jobs outside Northern Ireland or seek safe jobs in the professions or in public service. If we want to build an enterprise culture, we must find some way to move that forward.

As we start to move society forward, some benefits are emerging. Had European enlargement happened 10 years ago, not so many people from Poland, the Czech Republic and Estonia would have wanted to live and work in Northern Ireland. There are some inklings of movement in that area. However, it is up to us to build

the kind of society in which such people will come and contribute to our economy alongside those who have been born and bred here.

It is easy for us to agree on other people's responsibilities. It is easy for us to criticise the Government — and we can be critical about what the Government have and have not done in recent years. It is easy to agree on the economic measures that we seek, and it would be easy to pass around the begging bowl and ask for many billions of pounds. However, we bear the primary responsibility for changing this society into a society in which we can work together and deal with the outstanding issues. The economic challenges subgroup showed how partnership can work, and it is only by the five parties in the Assembly, the two Governments, the business community and other social partners working together that we can build a shared, peaceful, prosperous future.

Mr Dawson: I support the comments of other Members in thanking the secretariat staff who have worked through the summer to put the report together. I also thank the Chairpersons from the various parties. It was a difficult task for the officials to pull together all the strands of evidence, be cognisant of political sensitivities and formulate recommendations to the satisfaction of all the parties around the table.

For the most part, the parties behaved in a business-like way in subgroup meetings. In the early days, that, perhaps, gave us a false sense of encouragement. It is very disappointing, therefore, that the Benches opposite are yet again empty and that Sinn Féin agreed the report in the economic challenges subgroup but subsequently rejected it in the Preparation for Government Committee. It must have been the dissident influence.

I understand that Sinn Féin has gone through a number of somersaults and U-turns since its original crisis about whether to accept or reject the report. Today, the party's position is that it has accepted the report but is not prepared to talk about it or to debate it in the Chamber. It is rather strange that those who lecture the rest of us about engaging in dialogue and debate are afraid to debate the report that was agreed unanimously in the economic challenges subgroup. Yet again, that betrays the fact that Sinn Féin has nothing to offer Northern Ireland in respect of the economy. Having bombed and blasted the economy for 35 years, it now has infantile economic policies, which it is not prepared to debate in the Assembly.

(Mr Deputy Speaker [Mr Jim Wells] in the Chair)

Many Members who were involved in the economic challenges subgroup also attended an event on Wednesday 6 September at Queen's University, at which many business leaders were present. At that event, business leaders and economists again discussed the needs of

the Northern Ireland economy. It was good that business leaders confirmed that the issues raised in the economic challenges subgroup's report go a long way to meeting the expectations of the business community. However, I must point out that the report is more holistic than the views expressed on that occasion. The report clearly points the way to developing an enterprise culture throughout the education system, which was hardly mentioned during the discussion at Queen's University. My colleague David Simpson will elaborate on that point later.

Corporation tax is consistently at the top of the issues raised by the business community as being most important in encouraging economic advance. However, there are disagreements within the business community about the method of corporation tax reform. Perhaps the business community will be able to reach consensus on that before 24 November, but I seriously doubt that it will. Therefore, the Assembly, or a Committee, will have to consider the issue further.

There are four clear points underlying the business community's thinking that I want to reiterate. First, Northern Ireland's regional economy will not have the step change required without a measure as radical as significant variation in corporation tax. All other measures included in the report and referred to in other places are simply variations on what has gone before. They will produce more of the same, but they will not produce the step change required to drive forward Northern Ireland's economy.

Secondly, a varied corporation tax must be competitive against that offered by the Republic of Ireland. There is absolute agreement across the business community that, with regard to FDI, Northern Ireland is in direct competition with its nearest neighbour. On that basis, parity of tax rates would not fit the bill for this jurisdiction.

Thirdly, whatever economic offering is constructed for the benefit of our economy must be clearly understood and communicable to the target audience. With all due respect to the economists and accountants who have advised us at different times, we must not create a complicated structure that needs an army of experts to explain it to any potential investor seeking to come to Northern Ireland.

Fourthly, the measures that will be put in place must encourage indigenous companies to grow, expand and export alongside foreign direct investors, bringing a scale and quality of R&D-focused jobs that will be sufficient to deliver the 140,000 jobs required over the next 10 years, thereby adding value, as well as job numbers, to the economy.

Given those headline factors that the business community focused on, I commend to the House the Democratic Unionist Party's position of a single

headline corporation tax rate of 10%. However, as Members mentioned, we are quite happy to consider a cocktail of measures targeting R&D, marketing and training, which would create an effective rate of around 10%.

I note the offer of negotiating assistance from the Member for Strangford Mr McNarry, but, given the record of his party in negotiations, I must respectfully decline. I trust that the work outlined in recommendation 17 of the report will be carried out and that a competitive corporation tax rate can be achieved for Northern Ireland.

Leaving corporation tax aside as the key issue, it is the role of the Government to facilitate economic and employment growth. Having come to this House from the industry sector, and having listened to businessmen and women on a daily basis, it seems to me that somewhere along the way the Government have lost sight of the key message that their purpose is to facilitate growth and not to hinder it.

Government Departments have taken on a life of their own, divorced from the economy and the primary need to promote local economic growth. It seems that delay and indecision are the hallmarks of all Government Departments, and, all the while, businesses across Northern Ireland are losing contracts and jobs at home and abroad. For example, a small firm in my constituency, which is highly innovative, research led and export driven, has been dealing with the Planning Service and the Environment and Heritage Service for more than two years on a project that has immense potential for Northern Ireland's economy. Frustrated by the lack of progress here, the firm took the same project to another part of the United Kingdom and, within five weeks, all of the relevant documentation and licensing were made ready for implementation. Northern Ireland is the loser. That business is now thinking seriously about relocating its entire operation to Scotland and away from Northern Ireland.

Under those circumstances, why would a company prioritise research and development? Why would it, under those circumstances, seek to grow? Why would a foreign investor, regardless of what part of the world he came from, consider locating in Northern Ireland, where he would be frustrated by the bureaucracy of Government? Our Government structures are simply too hard to deal with, too obstructive and too focused on self-protection and self-preservation.

The report before us today refers to the need to refocus Departments on the needs of business and industry. Departments must be agile and responsive to business needs. Time, in business terms, is money. Delays lead to job losses and to a lack of investment by the business community. No business should be

delayed or hindered in delivering growth while waiting for a Government Department.

I am convinced that many local businesses and businessmen are being held back because of the activities of Government Departments. They have been taught by experience that it is better and easier to maintain the status quo in their business than to go for growth. I note that some Members referred to the ongoing rates review. I trust that the Government, in putting in place the review of the industrial rating proposals, will not seek to delay or stymie debate in the subgroup but will ensure that a proper conclusion is reached.

If our economy is to develop, Government Departments must be transformed into champions for industry. They must become cheerleaders for business, and they must stop acting as a brake on business development. That will require leadership and the re-engineering of Government Departments, the outsourcing of activities and the cutting away of every layer of bureaucracy that is not focused on creating economic growth. Failure to do that will mean that today's report, like so many other reports on the economy, will simply add to our paper-recycling rate, and nothing will change.

In conclusion, I wish to focus briefly on the economically inactive population in Northern Ireland, which is becoming increasingly essential to the development of our economy. With unemployment currently at an all-time low, this group is one of the few available labour resources of which any business or commercial operation can avail.

We are all aware of the huge numbers that are involved, and behind every statistic there is an individual who has been alienated, for whatever reason, from the world of work.

3.30 pm

In an effort to deal with industrial absenteeism, employers are encouraged to get to know individuals, their motivational issues and the problems that may lead to absences. That same process will be necessary to reduce economic inactivity. It is best done locally, in partnership with local employers, ensuring that the needs of individuals are met and that they are planned back into the world of work at a level that matches their abilities and expectations.

Inactivity in the economy will be reduced if well-paid jobs are available; however, that alone will not be enough. Experience in other places has shown that some people need incentives, as well as encouragement, to contribute to the economy. We simply cannot afford to have as many economically inactive people in Northern Ireland as there are in employment. Unemployment levels fell because they were prioritised and managed. Economic inactivity will fall only if it, too, is actively

managed by Departments. I am glad that that matter has been prioritised in the report.

I am pleased to have been part of the subgroup that was responsible for producing the report. Like the economy, it is a work in progress, but it covers many of the essential areas and deserves wide acceptance in the House, in Departments, and in the business community that we seek to serve.

Sir Reg Empey: The UUP has always taken the view that a Committee and subgroups of this nature would be good for the Assembly, and we made those representations to the Secretary of State. What has happened over the summer has shown that parties in the Assembly have a willingness and capacity to work together. It may be useful to cast our minds back to the beginning of the summer. There were rows for weeks over who would chair the Committee. We had many ideas, but eventually the problem was solved. The Deputy Speaker and his colleague filled the gap — and did so, from all reports that I have heard, with dedication and impartiality. They are to be congratulated for that.

In spite of all the rhetoric that accompanied the formation of the Committee, and all the rows over who should chair it, its work proved conclusively that people from every perspective could engage and focus on the issue at hand. That is not a new experience, as people of differing perspectives were given the opportunity to pursue economic development, and were encouraged to work together and achieve things, through local authorities in the mid-1990s. The hon Member for South Belfast Dr McDonnell will know that that achieved a healing process in Belfast and in other places.

Some Members have spoken about the empty Benches opposite and how terrible that is. I am not looking at any Member in particular, but I remember the days when we would have been glad to see empty Sinn Féin benches in local government. I also remember the arguments that went on. Certain people, who shall remain nameless, would have made efforts to keep them out of the room by physically blocking the door. It shows that times and attitudes have changed, as people no longer do that sort of thing.

On a more serious note, this morning we had a presentation from the First Minister for Wales, and recently we had a presentation from the First Minister of Scotland. I listened to both Ministers' presentations, and I was struck by their enthusiasm for their jobs, for devolution and for what they could achieve. I have studied the work that they have carried out in the past few years, and there is no doubt that their achievements have been significant. They have been clearly focused on delivering for their people. The Scottish Parliament and the National Assembly for Wales may have different powers, but the common denominator is their willingness

to work closely with their own people, and with us, through the British-Irish Council (BIC), for example. Rhodri Morgan's enthusiasm came across today, and I hope that that will encourage us as we move into a very difficult couple of months during which we will be confronted with some very difficult decisions.

Dr Paisley, a Member for North Antrim, mentioned the Minister for Foreign Affairs in the Irish Republic, Mr Dermot Ahern, who made a speech at Oxford at the weekend. That speech clearly implied a significant level of threat. The member for East Londonderry is not present at the moment, but he commented in the press this weekend that the speech was "disastrous".

I am as strong a supporter of devolution as anybody in the Chamber, but will the lesson never be learned that people cannot be threatened into devolution? It is a partnership, and people can enter into it only if it is their desire to do so. That is their decision to make, and they must base it on the issues and the facts. A political cudgel will not achieve the positive outcome that we seek.

Many Members have commented on North/South co-operation, of which I have always been in favour. When I was Minister of Enterprise, Trade and Investment, I did my best to promote and benefit from North/South co-operation. However, in a communiqué emanating from the British-Irish Intergovernmental Conference (BIIGC) on 25 July, the Secretary of State announced a series of far-reaching decisions, which received relatively little publicity. Reference has been made today to our being in competition with the Irish Republic. In many sectors, we are indeed in competition. How is it then that, according to that communiqué, were Invest Northern Ireland to run a trade mission to, for example, America, it would be open to any company on this island? There can no longer be a Northern-Ireland-only promotion in another jurisdiction. How can that be, given that we are in competition with each other? That is one of many far-reaching decisions in that communiqué, which seems to have been swept under the carpet.

I see that it has been decided that the overseas facilities and offices of the Industrial Development Agency and of Invest Northern Ireland should be open to any company on the island. I have no difficulty in co-operating where we can. However, we must understand that we are in competition with the Irish Republic, and we cannot be transformed from a regional economy in the United Kingdom to a regional economy on this island. That is what I read into the Secretary of State's decisions and much of the rhetoric that has flowed from the communiqué. The remarks of Mr Ahern at the weekend merely add currency to something that has the potential to significantly damage the improved North/South relationships.

Dr Farren: I thank the Member for giving way.

Does the Member agree that there are benefits to collaboration, notwithstanding the inevitable competition that exists everywhere, whether within Northern Ireland, between Derry and Belfast, or between Cork and Dublin in the Republic? Does he not note the favourable comments of those who participated in the Irish-Government-led delegation to India some months ago, in which several agencies, institutions and businesses from Northern Ireland participated? Some investors might be attracted by the mutuality of facilities between North and South, in that the existence of R&D in one part of the country might support a case for investment in the other part. Therefore we are not being invited to sacrifice ourselves to anyone else, but to take mutual advantage of what is on offer in both parts of the country.

Sir Reg Empey: The Member knows that I support that idea, and he knows that I carried out such work. I worked with the Irish authorities on a number of projects. We agreed in the north-west to form joint activities with the then Industrial Development Board (IDB) and similar authorities in the Republic. I am not against such work, but that is not what the BIIGC statement said. It definitively said that all future missions would be open to every company on the island, irrespective of whether there would be mutual benefit — although frequently there may be.

I am against being put into a rigid position. If, for example, we wished to have a joint mission with people from Scotland, would that mean that everyone could join in? When that matter is taken in conjunction with what the Secretary of State described as our economic failure, it appears to show a total lack of confidence in our ability to do anything here without being propped up by someone else. That sends out the wrong message. I am not against co-operation; I am entirely in favour of it, but it must be kept in context. The statement verges on an attack on sovereignty, and that is not where we want economic co-operation to be.

There was a proposal in the report concerning the financial services sector. The Permanent Secretary of the Department of Enterprise, Trade and Investment is not here, although his worthy deputy is. He will know that before I was involved in that Department, while I was involved in it, and since, it has always had an ambition to see a meaningful financial services sector developed in Northern Ireland. I strongly support that element of the report. We have very good potential right now. We know that the cost base in Dublin — where the financial services sector almost began its economic revival — has become very high. The same is happening in Glasgow, and Members know about the cost base in the City of London. A wonderful opportunity exists.

There are signs that some essential key companies are showing interest, and there has been some success. I strongly support that aspect of the report. As a community, we should be aiming for a successful financial services sector. If we could point to a sophisticated financial services sector that covers the whole range of services from banking and insurance to brokerage and reinsurance, it would provide good quality employment, give us opportunities to get involved with all sorts of investment and improve our status as an investment location. There are huge opportunities, and they should be pursued with vigour.

Immigration was mentioned in the report. The Member for East Antrim Mr Dawson said that a section of the community is not sufficiently skilled to fill many of our jobs. People who probably have better qualifications are coming in from other countries and filling those posts. As the labour market has been able to fill those posts with people from other parts of the European Union, there is a great temptation to forget about the pool of people who do not have the sufficient level of skills to take those jobs. Since they are filled by people from elsewhere — whether from Poland or Lithuania — we are inclined to forget about the people who are left on the scrap heap. That would be a tragedy for this country, and it could be the basis of social unrest in the future. I hope that we can develop a strategy with employers to deal with that pool of people and ensure that their skills are sufficiently improved. I believe that that strategy should be developed here.

3.45 pm

The First Minister for Wales made the point this morning that Wales has a policy of encouraging the retention of graduates, which we know is also true of Scotland and England. We are the only part of these islands that has no such policy. While in the Executive, I, together with Dr Farren, who was then Minister for Employment and Learning, attempted to track graduates and to keep in touch with them, to ensure that, on leaving university, they could be involved in economic activities here. All that is gone. There is no policy at all. It is just *laissez-faire*; we let them go. That is grossly irresponsible.

I hope that we will be spared in the coming months to resolve our difficulties, serious though they are, so that we can come to the House with confidence to deal with those problems. Believe me, no one is going to solve them for us.

Dr McDonnell: I am delighted to participate in the debate this afternoon and to throw a little light on the economy, if not as much as I would like. I want to pay tribute to all my colleagues — the core group of 10 who attended throughout, and also the 10 or so others from the various parties — who did so much to ensure

that our report was produced rapidly. I also compliment you, Mr Deputy Speaker, for your part; the other Deputy Speaker; and also the alternate Chairpersons: my colleague Mr Maginness, Mrs Long and Mr McClarty.

It would be remiss of me not to mention the Assembly staff and the effort that they put in. They sometimes burnt the midnight oil to keep us going. I was impressed by the commitment of the many dedicated witnesses who made presentations to us. I am even more impressed to look up into the Gallery and see that some are here for today's debate. I see members of the Federation of Small Businesses there now; John Simpson was there earlier, as were others. That represents a level of commitment and interest that the Assembly should not ignore.

In the past hour, we have debated whether Northern Ireland is a regional economy within the UK or within the island of Ireland. It does not matter much. Northern Ireland is both. As I said in the subgroup, I am prepared to take my chances with whatever benefits or opportunities are available in the UK, in the island of Ireland, in Europe or in any other network that we can plug into. We must underpin the hopes and dreams of our constituents, particularly those who are underemployed or outside the employment network. As public representatives and as individuals, we all have dreams and hopes and would like to see a prosperous community.

If Northern Ireland does not have an economy that works efficiently and delivers high levels of value and, as a consequence, high wage levels, many of the constituents who elect us will be forced to emigrate and find opportunities in England, the Irish Republic, Europe, the USA or even as far away as Australia or New Zealand. Members have a solemn duty to do what they can to produce economic opportunities for the graduates to whom my colleague Sir Reg Empey referred a few minutes ago. We must produce economic opportunity and hope for those who need them.

The report is a useful piece of work. Criticisms of it have been muttered, and they are justified. The report was prepared in five short weeks. It has to be viewed as a work in progress. No one should view it as the be-all and end-all. In those five weeks the subgroup gleaned as much information as it could from a wide range of witnesses. We did not see half of the people that we would have liked to have seen, but we probably distilled five months' work into those five weeks.

There is still a lot to do. Members need to continue to gather information, to debate, to become better informed, to fine-tune and to introduce any necessary changes. We cannot leave economic issues aside for 10 years. Our competitors, wherever they are, are not sleeping, and neither should we. I echo the words of George Dawson — who has now left the Chamber —

who said that the Government must enable, empower and facilitate economic growth, not inhibit it.

During the previous Assembly, some Members were involved in the inquiry into 'Strategy 2010'. We learned a lot, but much of our effort was lost due to suspension.

The economy can be looked at from many angles, and many approaches can be taken. However, we should not take a philosophical or light-hearted approach, nor should the economy be used as an excuse for an academic discussion. Although those approaches can be useful, Members must be realistic and hard-nosed. We must focus on creating a competitive advantage by targeting two, three or four key niches in the economy that offer an opportunity for a high-tech new economy and in which it may be possible to build the competitive edge that is necessary in a global economy. Opportunities must be aggressively pursued until every last one has been exploited.

I do not wish to dismiss successful existing businesses that deserve to be part of an open and honest economic development agenda. However, we must recognise what will work and what will not work. I feel aggrieved that the textile industry, once a big part of the economy, has now been almost wiped out. However, there is still an opportunity for a well-managed niche market in the textile industry to add high value and to deliver high-quality goods at a high price, resulting in high wages.

That applies equally to agriculture. It is a crime that practically the entire agriculture and food industry in our society is hanging on and does not know what its situation will be from week to week or from month to month. That industry requires stability.

However, the economy will not be reinvented through textiles or agriculture. Reinvention must happen primarily, but not exclusively, through a knowledge-based high-tech economy. Radical new ways of financing small business start-ups must be conceived. An environment wherein a much larger percentage of start-up companies survive and prosper must be created. Much can be learned from north American cities that have reinvented themselves, such as Pittsburgh, Pennsylvania, and Halifax, Nova Scotia in Canada. North Carolina's technology triangle and the technology operations that are centred on Georgia Tech in Atlanta also come to mind. Although there is much to learn from US cities, a great deal can also be learned from the Irish Republic, Scotland and, as we heard this morning, from Wales.

Time is scarce. If I had more time, I would talk about modern apprenticeships, which deserve more attention. I would talk more about North/South trade — and some of the anxieties about that that I have heard in the past hour are, if I may so, exaggerated. It is not a matter of forcing North/South trade; however,

it has been inhibited for a couple of generations. Organic growth must be allowed to happen without inhibition or obstruction.

Members could talk about industrial derating, rates in general or corporation tax. I would also like an opportunity to talk about financial relationships in the context of corporation tax and about the financial relationships between the Isle of Man and the UK Exchequer, and between the Channel Islands and the UK Exchequer. We could also talk about generating downstream businesses.

However, in the limited amount of time that is available, I want to talk about three subjects. The first is the dire lack of education and skills about which we repeatedly discovered as we compiled the report. Twenty-five per cent of pupils leave school with limited numeracy and literacy skills.

Secondly, I want to talk about research and development. Finally, if I have time, I will talk about the vital role that universities can, and must, play in economic success.

Any future growth in employment can be achieved only as long as there is a workforce that is sufficiently trained and capable of meeting the requirements of the jobs that arise.

(Madam Speaker in the Chair)

At times, people appear to dream that investors in New York or California, for example, will be persuaded to give us a big lump of foreign direct investment. However, our people must be trained in advance of such investment. No foreign direct investment operation will come here if the necessary skills base is not in place. That skills base must be created in whatever niche markets exist.

A recent 'Lifting the Barriers to Growth' survey singled out a lack of basic skills as a major concern of employers. When employers want to provide training, they must be supported and given back-up in order to do so. Some 65% of employers are willing to provide staff training if funding for it is available. Surprisingly, we have weaker communications skills, customer service skills, basic IT skills, and foreign language skills than other UK regions. Those issues must be dealt with quickly.

It is, however, positive and helpful that we are stronger in most other areas, such as advanced IT skills. We have many people who are well trained in technology, but few who possess basic skills in that field. We have strong sales and marketing skills and general technical skills. However, a substantial programme of restructuring and investment in education and training must be carried out in order to raise standards and increase the focus on the opportunities that exist here. The education system must place

enhanced emphasis on the development of practical skills at its core. The role of universities and colleges of further and higher education must be at the heart of any change, with functional partnerships being formed.

Another objective must be to create a positive culture for R&D. It is talked about as though it were a magic bullet; it is not. However, much could happen if attitudes towards it were changed to ensure that reasonable goals and timetables are set that allow improvements to be made and a cleverer and more efficient approach to be taken.

The current culture is one in which matters are left as they were 20 or 30 years ago. We desperately need to build better skills and become more competent. We must, at every opportunity, seek to make changes that will raise motivation and bring about improvement. As somebody said in a meeting that I attended, we may need to divorce the R from the D, because perhaps R&D intimidates people. Perhaps research must take place in and applications be doled out to small companies. Certainly, the less complicated it is for people to set up small businesses, and the more help that is available to them, the easier that will be.

There is a massive need to meet R&D challenges at the coalface of business. The economy cannot be improved or function at full steam if the intellectual power in universities is not harnessed. There is a major lack of investment in R&D in Northern Ireland — we have the lowest spend of any region in the UK or European Union. Many small businesses simply do not have the necessary resources, and support must, therefore, be made available to them. The tax system must be enhanced in order to encourage small businesses.

The Federation of Small Businesses said that it wants Invest Northern Ireland and DETI to encourage local, indigenous small businesses that have used R&D successfully to act as champions for it and sell the idea to other businesses. I believe that that would be useful.

Earlier, George Dawson said that more of the same will not be sufficient to provide the step change that is required to drive Northern Ireland's economy forward. We must avoid "more of the same". In order for that to happen, the universities must be harnessed. The universities could provide 10,000 to 12,000 high-powered, highly paid jobs, which in turn would provide an engine for 50,000 to 60,000 back-up jobs. The universities do not provide that at present. I have done research into that and could provide relevant details. There is a clash in universities between pure academic research and applied research.

There must be some mechanism in place to create a balance and a bias towards one area. For instance, there is a bias towards research in the United States, and that generates money for the universities. Many universities accept the need to become clear in their

overall mission, and they find special and sustainable niches in the teaching-versus-research and in the pure-versus-applied spectrum.

4.00 pm

Our universities are fairly good at what they do, but there is still much to be done. There is a need, for instance, to create four or five times the number of spin-out companies that we have at present. There is also vast potential in the medical faculty, a flicker of which we saw in the new cancer centre; but the medical faculty in Queen's University could generate massive numbers of real economic opportunities. We need to remove the impediments that obstruct those opportunities; if I had time I would list them, but time is not on my side.

I urge colleagues to support me in the call for the establishment of a Northern Ireland technology alliance led by a small executive team and supported by a working board comprising high-level representatives from the Government, universities and the business community to ensure that the energy and potential in our universities are released.

Madam Speaker: Dr McDonnell, your time is up.

Dr McDonnell: Thank you, Madam Speaker. The energy and potential will not flow on their own; they must be released if we are to prosper. *[Interruption.]*

Madam Speaker: Order. I will tell a Member when his or her time is up.

Mr Robert McCartney: Many of the major topics relating to our economic situation — or plight — have been developed by Members who spoke earlier. Some have been developed with gravitas, some with erudition, some with a mixture of both, and the least said about the rest the better. However, I endorse Dr McDonnell's comments about education. When one reads the report, particularly the sections on education, one notices the recurrence of several themes. Evidence was received from witnesses such as Mivan, one of our leading companies, and the Department of Education, and many of the witnesses mentioned the absence, in many circumstances, of basic literacy and numeracy skills — reading, writing and arithmetic.

When one considers Northern Ireland's ability to compete with Sri Lanka, China, north Africa and other places that have an abundance of relatively cheap labour, one should also remember that we offer a well-trained, educated working population that is capable of communication. There are also labour requirements in higher-skilled areas such as research and development and marketing. People involved in the higher levels of research and development should know something about physics, chemistry, mathematics and marketing, and they should possess the social and communicative skills that are necessary to place our workforce on a

competitive footing with those who can overwhelm us with cheap labour and sheer force of numbers.

One may ask: "Where do we begin?" We begin at the beginning with the primary school children. It is in that aspect of our development — the education of our future scientists, researchers, development managers and engineers — that we must find out what is going on.

Some £42 million was recently spent on a strategy to establish the state of literacy and numeracy in our primary schools. That investment was investigated by the Public Accounts Committee, which concluded that the money was spent without any result. The Northern Ireland Council for Curriculum, Examinations and Assessment (CCEA) failed to build in the necessary testing measures for telling us whether the strategy was working. It was a waste of time.

Within the last week, I have had an interview with the permanent secretary of the Department of Education to discuss the early-years enriched curriculum, which is currently being rolled out. Examination of that project demonstrated that pupils in P1 and P2 receiving this so-called enriched curriculum actually performed much worse than their peer group who were pursuing traditional methods. This was despite the project allegedly being assessed by the department of psychology at Queen's University. My experience of psychologists of that kind is not a happy one; I will attempt to share it with the House.

Further investigation revealed that central to this whole escapade, for that is how it might properly be described, was that children, particularly from disadvantaged areas — the very areas that we seek to develop and give jobs to — would not be taught to read or to count until the age of seven. Children were to be involved in play and allegedly develop predispositions that, like some hump of educational happiness, would suddenly manifest in the children becoming very, very bright after a period of being very, very dim.

When I raised that with the permanent secretary, he said that he had investigated it all and was happy that the methodology employed in the early-years curriculum, which was patently failing, was nevertheless one that the Department should endorse. That meeting took place on Tuesday 5 September. The following day, the Secretary of State for Education, Alan Johnson, announced that the strategy for teaching reading and numeracy to the children of the United Kingdom through a mixed methodology since 1998 had been a total failure. From then on, the recommendations of the Rose Report were to be adopted, and children aged four and five were to be taught at the earliest possible date to read and count by the traditional method of phonics.

In the midst of Northern Ireland's economic plight, looking to the future and to developing people who can

communicate and impress employers with their ability to read and count, as desired by Mivan and the Department of Education, our children are to be subjected to a form of primary school education that has been deemed a failure in England after nine years and has been condemned by those who have examined it.

Mr S Wilson: The Member has raised an important issue. Does he agree that the curriculum is being driven by a cabal of educationalists who have taken over the whole range of educational provision in Northern Ireland and by the amount of money that the CCEA has invested in the project, about which it is now embarrassed and on which it cannot go back?

Mr Robert McCartney: I could not agree more. There is a group of so-called educationalists in Northern Ireland, driven by some constructivist method, that is determined to impose, particularly on the controlled sector, a form of education that has been deemed absolutely disastrous by all reputable researchers in the United States, the United Kingdom and further afield. If the fundamental building blocks of being able to read, count and communicate are not put in place, at what level will our workforce be developed, be they neurological surgeons, plumbers, carpenters or bricklayers who are required to read plans and communicate directions to those below them, or researchers?

We are not lacking at primary school level alone. Recent results have demonstrated that, for the umpteenth year in succession, Northern Ireland has produced the best results in tough A level subjects in the UK.

I return to Alasdair McDonnell's point about research and development: if we do not produce physicists, mathematicians, chemists and, as he mentioned, linguists, where will we obtain the specialist skills that will be our defence against cheap labour from abroad? We will have no such defence. It is all very well to talk about a range of immediate panaceas to cure our economic ills, but if the basics for future generations are not put in place now, Northern Ireland will be put to the sword when competing with others.

It may seem a bit off the beam to concentrate so strongly on education in this debate, but from the days of Adam Smith and his book 'An Inquiry into the Nature and Causes of the Wealth of Nations', the wealth of nations has depended on the education, skills and entrepreneurial drive of people who make up those nations. All those factors are formed from the earliest possible date.

When I look at some of the A-level results and, indeed, at some of the degrees conferred by our two universities, I wonder if there will be a surfeit of people who will thrust Northern Ireland forward as a result of degrees or A levels in media studies or drama? There

must be a point at which there is a glut of people so qualified; yet that is what is being churned out.

The number of A levels studied by students are constantly increasing; standards are constantly decreasing, and the number of easy options is such that five A-grade A levels are no indication to any of the major UK universities that a person is a star act. Students are now being awarded A-star and A-plus grades. Some major universities are talking about holding their own examinations, moving away from A levels to an international form of examination.

If we are to guarantee an economic future for Northern Ireland, we must seriously examine what is going on and what is being foisted upon us and upon our society by the sort of people that Sammy Wilson mentioned, people who draw large salaries and try to create commercial kingdoms. Test papers and examination formulas have become a billion-dollar industry in Britain and in Northern Ireland.

If we do not examine what those folk are doing, we will be unable to produce the people who will be required to fill jobs that may be filled by Indian, Chinese and Malaysian graduates who are being taught in their universities the things that we used to be taught. They are coming here as first-class mathematicians, physicists and scientists. When we look at some of our home-trained people, we find that they are seriously lacking.

To establish an economic programme, let us begin at the bottom by looking at how we will produce children who, at every level and regardless of their status, whether they be tradesmen, professionals, researchers or scientists, have the basic ability to communicate with their fellow man and be educated in something more than simply being a tool of industry.

4.15 pm

We hear a lot about vocational skills, but, in this world, is it sufficient merely to be trained as some sort of robotic adjunct to the requirements of industry? Additional skills must be considered.

It is worth referring to Mivan's written submission to the subgroup's report. Mivan believes that, although they are essential, vocational skills cannot be capitalised on without other skills, such as communication, literacy, numeracy, team-working and technology. Unless a system is created that allows those skills to develop, any grand plans, whether they be for corporation tax or a packet of economic dolly mixtures or magic dust, will go nowhere. Instant solutions will not solve lasting problems for the economic future of Northern Ireland.

In so far as the report has highlighted that issue and others, I am more than happy not only to congratulate those who prepared it, but suggest to the House that it should be endorsed.

Mr Simpson: I add my thanks to those members of staff who assisted the economic challenges subgroup. I am not going to repeat a lot of the issues that have been raised. The subject tends to be repetitive. However, it is an important subject to debate and, hopefully, Members can move it forward.

I am certain that true democrats will agree with my wish that, finally, we shall soon be able to say that the nightmares of recent decades have been put behind us and that Northern Ireland is entering a new and better future. While some of us have been attempting to bring that day closer, others — and I refer to Sinn Féin/IRA MLAs — have been content to give only the illusion of a commitment to a better future for us all.

Yes, Sinn Féin sent representatives to the PFG Committee who trotted along to the meetings of the economic challenges subgroup. Yes, those Members agreed the subgroup's report. However, when it came to the crunch, to the time to progress the recommendations and to the time for the doing rather than the talking, the Sinn Féin/IRA overlords — to use a good Ulster term — shafted their own team. They shafted the economic challenges subgroup; they shafted the business sector in Northern Ireland; and, ultimately, they shafted the entire population.

I am given to believe that Sinn Féin/IRA's position on the report has changed yet again. First, the party agreed the report; then it would not. I am told now that Sinn Féin has decided to agree the report again, only this time its position is that, although it will agree the report, it will do nothing to progress the recommendations. I realise that it is early in the week; Sinn Féin's position could change a few times before the week is out. However, that should not overly surprise Members.

After all, when a party does not have any real economic policies or any real interest in growth and prosperity and no true commitment to a stable and prosperous future, it is hardly surprising that it ends up drowning in a sea of its own incompetence when faced with real bread-and-butter politics. When a party's commitment to Hamas and Hezbollah is greater than its commitment to the local high street, it is hardly surprising when it ends up making a spectacular fool of itself.

If we are to create a better future for our citizens in a vibrant and forward-looking society, we need to face up to what is becoming clearer with every passing day. One of the parties that the Government wish to see sitting in an Executive appears incapable of acting in the interest of the general good and to have no desire for, or commitment to, a stable and progressive future for our people. We cannot and dare not ignore that.

In the last Assembly, we witnessed Sinn Féin swap planting massive bombs in the hearts of local towns for letting off political bombs in their Departments. It

appears not to have learned. There is a great onus on us, as the democratic parties, to attempt to put in place the necessary framework to take Northern Ireland forward. That being so, in seeking to underpin what I hope will eventually be the new and better future that so many of us long for, we cannot overemphasise the importance of a strong, prosperous economy, nor can we overemphasise the requirement for economic, political and social stability.

While there are some good economic indicators, they conceal underlying and well-documented structural weaknesses, such as an underdeveloped private sector; over-dependence on the public sector; low levels of business formation and R&D spend; low levels of labour market participation; high levels of long-term unemployment; and uneven sub-regional growth. The £5 billion annual subvention from Great Britain is not sustainable.

To the above list one might add a demographic time bomb. It all means that we are facing major challenges. We have an imbalanced and vulnerable economy, which has an aggressive economic competitor immediately to the south, whose Government have made crucial advantages available to its business sector that the UK Government have withheld from us.

My colleague Mr Dawson mentioned the recent debate in Queen's University on whether the Northern Ireland economy can be rebalanced. I stand to be corrected, but every single contributor to the debate agreed that the economy could, and would, be rebalanced, simply because of the ingenuity and determination of the Province's business community. Those businesspeople have come through 35 years of hell on earth — if they faced that, they can certainly face any future challenges.

Equally, our long-established dependence on the public sector does not help our economy achieve the increased levels of innovation and entrepreneurship and the competitive advantage that it will need in order to survive and flourish. To that end, we must develop a robust and more buoyant private sector and attract increased inward investment.

Another factor that can help to turn the situation around is having more effective R&D support. We have heard a lot about that today. Funding to the commercial and education sectors must be better targeted. Indeed, I fervently believe that closer co-operation between educationalists and entrepreneurs would be beneficial. We should reconfigure education so that it is made to measure for the needs of business and industry.

Dr McDonnell spoke earlier about linking the education and business sectors. In the subgroup, he mentioned closing the circle in that way. I supported

him in that. The Youth Forum agreed that there is a gap in the circle between colleges, business and industry.

We need to close that gap in order, as Mr McCartney said, to create young entrepreneurs and people for the future. As an employer, I know just how often people present themselves as potential employees without even the most basic of skills. There must be a proper partnership between the education system and business, so that education is tailored to the needs of the workplace.

Research and development uptake is poor, although the available R&D assistance for firms could be better used. The creation of a business culture infused with a spirit of innovation would also be achieved with a reduction in corporation tax to below the rate in the Irish Republic — to clarify the position for Mr McNarry, that means 10%; we will not need the angel dust or the fairy dust to explain that — as part of an overall package of fiscal measures. *[Interruption.]* Yes, angel dust is used in the meat industry. The Member is going back and showing his age.

Mr S Wilson: He is going to dust. *[Laughter.]*

Mr Simpson: Madam Speaker, there are 21 recommendations before us, and I am sure that the business community and other interested parties will ask when those are to be acted on. After all, we have had discussions and debates before and assurances made by the Government regarding the Northern Ireland economy. For example, in May, the Secretary of State gave a commitment to establish a working group, chaired by Minister of State David Hanson, to explore the issue of industrial rates. My understanding, as of last week, is that that working group has yet to meet.

The Secretary of State was very keen that Members of this House should meet over the summer on both the economic challenges subgroup and the Preparation for Government Committee to deliver documents and recommendations, yet when it comes to such an important issue, which deals with the economic lifeblood of the manufacturing sector and others, it did not seem important for the Secretary of State to have any work done during the summer. Madam Speaker, I ask you, through your good offices, to make some enquiries about why that working group did not meet to help the manufacturing industry.

I am sure that everyone in this House who has agreed with these recommendations will join me in wishing the industry well and will look forward with me to a better and more prosperous future for Northern Ireland and for the generations to come.

Mr Nesbitt: I support the motion. I am conscious of the volume of paperwork that we all received and of the time spent by those who participated, and, like others, I thank them. However, I am also concerned and disconcerted that the underlying problems that

have been alluded to in this debate are not new but long-standing. Dr McDonnell and Mr McCartney made very thoughtful comments about what needs to be done in Northern Ireland. These are not new problems. Until one is conscious of the problem that one is trying to solve, one can find it very difficult to identify the solutions. The problem is the first thing to identify.

We all wish to have a better standard of living in Northern Ireland. Ours is lower than that of the rest of the United Kingdom. That means greater productivity, a central element in any country with an industrial private sector and part of the wealth creation of that region. In this more global economy, there must be greater competitiveness. Other Members have talked about who might or might not compete and take the work from us.

4.30 pm

All of that is aimed at improving living standards. For economic reasons, people moved from working on the land to working in industry. In turn, they moved from working in industry to working in the public sector, which took up a lot of the slack. The public sector is now under threat, and it needs to be trimmed. However, many jobs must be created in the private sector, which must play a bigger central role. That is not to deny the fundamental role of the public sector, but the private sector must be enhanced.

Inactivity — hidden unemployment — is also a problem in Northern Ireland that must be addressed. We all know about the problems; they are not new issues. There have always been problems, and we are still discussing them. Dr McDonnell and Mr McCartney spoke about there being a means to address those problems. That means is the Northern Ireland skills base. Those people are the value-added element, and they can improve the standard of living. Those people can allow Northern Ireland to compete with the wider world, where there is an ever-decreasing interdependent economic market. We can make a phone call to a call centre in India to discuss a local or personal issue. Northern Ireland must compete in that global market, and people must have the appropriate skills.

The report also refers to enterprise. Dr McDonnell spoke about research in the university sector. With my background, I am conscious of that issue.

The Government have the capacity to deal with problems in the economic infrastructure. None of those problems is new, and we know what needs to be done. The sad thing is that we are at the stage only of discussing the issues.

The expression an “all-island economy” has crept into our vocabulary. It is used on the front page of tonight’s ‘Business Telegraph’ and in other publications. This constant push for an all-island economy is being presented as a panacea. I want to comment on that.

Politicians should not interfere with what the business community does best. They must create the environment, but must not impede the market. The business community in Northern Ireland must decide whether it wants to work with a sister industry in the South of Ireland or wherever, where comparative economies of scale might be financially advantageous. The European Union has freed up economies and broken down economic borders. We must ensure that the business sector is allowed to do what it does best.

North/South co-operation, which was referred to earlier, is not the only issue. The east-west dimension is as important — if not more important — as North/South factors. World markets and economies of scale can be achieved on an east-west basis that could lead to Europe and America. We must not have an insular mentality, believing that an all-island economy is the panacea; it is not.

Business should be allowed to do what it does best. Government can facilitate the private sector and make contributions to energy and transportation, which affects all of us. Government have their place in helping the economy, whether that be on an all-island basis or farther afield.

A third element is the fiscal taxation dimension. It is very easy to make the clarion call for 10% corporation tax, but it must be carefully thought through. My party wants to see the best economic environment for business to flourish. We do not want to be negative — quite the reverse. However, in being positive, we must also counsel caution. Mr Ford mentioned the case of Portugal and the Azores at the European Court of Justice. He said that it is limiting to be a separate taxation unit and that it is necessary to have a separate devolved Government in order to be able to do that. That was only one side of the argument. The principle is quite common throughout the European Union: whether you vary the rate, you must be a taxation unit.

One remembers the time when Southern Ireland had a 0% tax rate for all exports and a 40% rate for industry at home. That was discriminatory within the taxation unit. When Ireland had to change, it simply made the rate 12.5% throughout. A tax authority has the power to do that. The definition of a separate tax authority, as I understand it from last week's judgement, is that it can act independently. In other words, the Treasury would not be able to tell the Northern Ireland taxing authority what it could or could not do.

Mr Robert McCartney: Will my hon Friend give way?

Mr Nesbitt: Since he calls me a friend, I will give way. *[Laughter.]*

Mr Robert McCartney: It is your lucky day; make the most of it. *[Laughter.]*

Does the Member agree that since Northern Ireland is part of the United Kingdom, and since Edward Carson once said that we ask for no special privileges but simply for equality of treatment, it would not be in the interests of the Union, in real terms, for some sort of discriminatory separate tax arrangement to be put in place — helpful though it would be — that is similar to the South but different to the rest of the UK?

Mr Nesbitt: I am very grateful to the Member for North Down, and we can discuss afterwards whether he is a friend or otherwise. He is basically correct. Edward Carson also said:

“There can be no permanent resting place between complete union and total separation”.

That is a similar hybrid position. He was making the point to which I was coming: although the Stormont body could have the independence to make a taxation diktat without being controlled by London, the downside is that it could not then turn to London and expect financial assistance. We need to think this through very carefully. Do we want a financial package that would make the situation within Northern Ireland different to that in the rest of the United Kingdom?

Whenever we talk about fiscal incentives, the phrase that often comes up is “the all-island economy”. One of the economic commentators, a Dublin-based professor, said that if we had an all-Ireland economy we would be as good as the South, and that if we did not have that we would be one of the worst regions in the United Kingdom. That is, to put it bluntly, economic nonsense. It depends on the assumptions that the economist makes, and he was making some assumptions that perhaps gave him the outcome that he wished for.

To digress for a second, there is a joke about economists. An engineer, a mathematician and an economist were on a desert island, and there was only one tin of baked beans to eat. They needed those beans. The mathematician tried to find a formula. The engineer tried to work out how trees could be felled so that they would fall on the tin and open it. The economist said: “It is simple. You just assume that you have a tin opener.” One of the problems of economics is that assumptions are made in arriving at solutions. We must be conscious of that.

An all-Ireland dimension has benefits, such as in education. Co-operation with the regional technical colleges provides the skills base that is necessary for our future economy. For example, Irish chartered accountancy forged close links with Queen's University, Belfast and University College, Dublin. Those institutions taught the same course and provided the same exemptions, and those led to an all-Ireland qualification. That was all-Ireland co-operation on an educational level and it was non-political; there was no political interference. From a unionist perspective,

there is nothing to preclude co-operation where it is needed and where there are no political overtones.

In conclusion, I shall return to where I started. A recent Sinn Féin press release stated that an all-Ireland economy was necessary because the Northern Ireland economy was a “basket case”. Northern Ireland is a region of the United Kingdom, and other regions are in a similar position. They need to improve, and the structure of their economies will have to change. Northern Ireland can do that equally well inside the United Kingdom. Notwithstanding thoughts of fiscal incentives, the essential element is the basic skills of the people of Northern Ireland. That must be fundamentally addressed, and that is why I referred to the words of Dr McDonnell and Mr McCartney.

Mr Weir: When one is the eleventh or twelfth contributor in a debate such as this in which there is consensus on the recommendations at hand, there is great difficulty in finding anything new to say, because all of the issues have been covered. We have even had a lecture on negotiating techniques from Mr McNarry. If nothing else, that shows that, whatever else the Ulster Unionists have lost, they have not lost their sense of irony.

Mr McNarry: Would the Member mind repeating that?

Mr Weir: Unfortunately, Mr McNarry has not been listening for some time. I said that whatever else they have lost, the Ulster Unionists have not lost their sense of irony. We are at the stage where everything, more or less, has been said, but not everyone has had the opportunity to say it. I shall endeavour to make some remarks that deal with the report.

I had the privilege of attending several meetings of the subgroup. Dr McDonnell and others said earlier that we had truncated a great deal of work that would normally have taken several months into a narrow timeframe. Consequently, we must view the report as a work in progress. However, much hard work went into it.

We were pleased that a wide range of witnesses gave evidence to the subgroup. The Northern Ireland Manufacturing Focus Group (NIMFG) made a valuable contribution, particularly on industrial derating. The end result has been that the debate has been kept alive. The pressure exerted by the NIMFG, and the work of the political parties and the Assembly, has provided some light at the end of the tunnel for the industrial sector. I also commend the work of the Federation of Small Businesses, which focused on a wide range of topics.

Anyone who examines the problems of Northern Ireland's economy has long ago moved away from the idea of having one big DeLorean-type salvation and towards a realisation that small and medium-sized enterprises are going to provide the backbone of the economy. Some are highlighting issues that have not

previously been considered. The Federation of Small Businesses focused on business crime, a matter that others and I have raised with the Chief Constable. Those bodies provide a valuable contribution to the debate in Northern Ireland.

4.45 pm

It was vital that the economic challenges subgroup did not simply tick the appropriate boxes and hear evidence from the usual organisations and Departments, but that it heard from leading industrialists who work at the coalface, such as a representative from Moy Park and William Wright from Wrightbus Ltd, who gave us practical examples of the way forward. While considering the economic challenges that face Northern Ireland, it would be wrong simply to present a bleak picture, as that would be deeply insulting to those who have worked at the coalface for the past 35 years.

During those years, things have been difficult for those who have been involved in economic life in Northern Ireland. It has been difficult to attract new business against the backdrop of the troubles, and the economic circumstances that have been created by that have been a major problem. Beyond the issue of image, the IRA disgracefully went a stage further by targeting businesses and by trying to destroy the economy of many town centres. It is a testament to the hard work and dedication of many business people that they did not simply pack their bags and leave. Throughout the troubles, many of them fought to provide employment and to create wealth. As a result, there has been a reduction in unemployment, in spite of the many problems. Growth in this region has exceeded that in other parts of the United Kingdom. Nevertheless, there are unseen problems with that, for example, in the growth in jobs in the value-added sector and in the greater need for a knowledge-based economy. However, not everything in the garden is black.

I take grave exception to some of the Secretary of State's remarks. It is one thing for us to be aware of the challenges of globalisation — and I believe that there is no politician in Northern Ireland who is not aware of the challenges that we face from India, China, eastern Europe and north Africa — but it is another thing for the Secretary of State to bad-mouth, rather than sell, the economy of Northern Ireland abroad. How will that help FDI?

The Secretary of State obviously envisages himself in a more senior role than his current position. He sees himself as the next Deputy Prime Minister, but how will inappropriate comments and embarrassing gaffes qualify him to fill the shoes of John Prescott? On a serious note, the Secretary of State has done us a great disservice. We need to attract FDI. The duty of Government is at the heart of many of the recommendations in the report.

I confess to being a political anorak and to being an avid viewer of 'The West Wing'. Some time ago, I was struck, during a dramatisation of the presidential debate, when the Republican candidate was asked how many jobs his Administration would create. His reply was "none". That was said for effect, but what was meant behind that — and other Members have referred to it — is that the task of Government is not necessarily to create jobs, but to provide an enabling environment in which entrepreneurs can create them. That goes to the heart of our recommendations. In particular, there has been a lack of economic co-ordination in Government.

There must be an examination of how Government announcements have an impact on the economy, yet there does not appear to be any co-ordination on that, judging from the evidence from the Department of Enterprise, Trade and Investment and other Departments. An example was the recent announcement of the massive investment in roads infrastructure, but it seems that North Down and Strangford have fallen off the map, as no investment appears to be targeted there.

However, I will leave aside the issue of whether the money is being spent in the right areas. When the Department of Enterprise, Trade and Investment was asked whether it or other Departments had been consulted on whether the investment would be best for the economy as a whole, the answer was no.

Unfortunately, the structures of Government are such that economic functions are spread across various Departments. The Department of Enterprise, Trade and Investment is the lead Department on the economy, but responsibility for employment and training has been hived off to the Department for Employment and Learning. Like others, I agree that it is vital that we prepare our workforce for the future. The Department for Regional Development deals with infrastructure, and the Office of the First Minister and Deputy First Minister has an Economic Policy Unit. There is a strong feeling that there is a lack of co-ordination within Government, with the end result that it is very difficult for swift, co-ordinated decisions to be taken.

I was struck by Dermot Nesbitt's remark that one of the roles of Government should be to not impede the growth of industry. We need look no further than the planning process. Let us leave aside our concerns about Draft Planning Policy Statement 14 and domestic planning for the moment, and compare how long the application process for industrial planning takes here with how long it takes in countries with which we are in competition. I agree with Dr McDonnell's earlier comment that we need to learn from what happens in north America. It would be simply unthinkable for new businesses in north America to have to wait years to get planning approval from a Department or a planning

service. Therefore, we must ensure that bureaucracy, at any level of government, is not an impediment.

There are question marks over whether Invest Northern Ireland is fit for purpose. Recommendation 4 of the report proposes a review of that organisation, and it is vital that it attracts the right form of FDI.

A cocktail of measures is needed. The report covers a range of issues, and I disagree with Members who described the report as a quick fix; none of the recommendations could be described as a quick fix. Any measures that are adopted as a result of the report must work towards finding at least medium-term solutions. However, we must take the first steps.

It is right that the Assembly has given such a high priority to economic matters. Most of our debates have been about the economy. That shows the concern for the Northern Ireland economy, at least among the constitutional parties. Again, I decry the absence of one party, which perhaps shows Sinn Féin's lack of engagement on the issue and its poverty of thought on economics. It is difficult, even for Sinn Féin Members, to spend 15 minutes at a time repeatedly lecturing us on how all our economic ills are the evils of partition. If that is all that that party has to contribute to the debate, it is no wonder that the Benches opposite are vacant. Of course, I could be being harsh on Sinn Féin. *[Laughter.]*

I could be wrong; it may have some great contribution to make to this debate. It is clear that this debate will continue tomorrow, so let us lay down a challenge to Sinn Féin: if its Members have anything worthwhile to say on the Northern Ireland economy, let them come to the Chamber tomorrow and deal with the rest of us and with the subgroup's positive agenda. It is a work in progress, to which we will return.

The co-operation among the constitutional parties shows that, between us, we have a strong desire to help to create that wealth-generating society. Such a society would place an emphasis on an entrepreneurial spirit, attract high-tech technology instead of relying on jobs that can be only transient, and try to re-balance the economy — not by making cuts to public expenditure, but by ensuring that the conditions exist for rapid growth in the private sector.

The Assembly, via the parties here, has shown that it is committed to a better way forward. Consequently, we will come back to this matter and examine a greater range of issues, particularly the fiscal incentives, which have already been mentioned. The report lays the foundation for much of the good work that is needed in the Northern Ireland economy over the next few years. I commend it to the Assembly.

Mr P J Bradley: I, too, pay tribute to all those who are associated with the report. I had the privilege of attending the subgroup as a deputy on a few occasions,

and I enjoyed the meetings. However, I was shocked to learn that one day the report was adopted and the next day it was not. That was very difficult to follow. Those people with a yo-yo attitude to the report must answer to those whom they have offended by not debating the report.

I will commence where Mr Simpson left off on industrial derating. It is not my specific brief in the Assembly, but it is one that all Members share. Around 30,000 people involved at different levels within the manufacturing industry are living with the fears that accompany the threat to impose unrealistic rating demands on manufacturers. In fact, that figure might be fewer than 30,000, as some may be tempted to relocate for economic reasons to Dundalk, Cavan or Letterkenny. Nevertheless, the figure is significant.

All the political parties are united in opposition to the imposition of unrealistic rate demands. The Northern Ireland Manufacturing Focus Group has succeeded in setting up a working group that involves manufacturers and civil servants working towards achieving an acceptable resolution of the issue. The manufacturers are on record as stating that they are willing to contribute to a fair and accountable rating system. I welcome those developments and wish the group well in its deliberations. I speak for the many manufacturers in South Down who see the proposed quadrupling of rates as a serious threat, not only to their businesses, but to the livelihood of their employees. Putting 30,000 people on the dole does not make economic sense and would be difficult for any Minister or Administration to justify.

Government statistics show that farming and the agrifood industry make agriculture the largest, and one of the most important, assets in this part of Ireland, with almost 60,000 people employed full time. The Ulster Farmers' Union pointed out in its evidence to the subgroup that 7.5% of total employment in Northern Ireland is directly or indirectly related to agriculture and the agrifood sector.

History has shown us that when the farming industry was thriving, the overall economy benefited, as the money that was created on the farms made its way into the coffers of the retail industry and local businesses. When farmers made money, they used it to improve their farm dwellings, stock and outbuildings, and to improve the environment. Their income was spread around.

As I have said before, it is to be regretted that the UK Government pay little or no heed to the agriculture industry and seem to ignore its contribution to the community in Northern Ireland. However, we should not be surprised. After all, within weeks of the CAP agreement being finalised, did Tony Blair not make it clear that he wished to do away with it completely?

I recall the SDLP's first meeting with Lord Rooker. When he was asked whether he supported the farmers of Northern Ireland or the Government's anti-CAP attitude, he replied in a short, five-word statement that he supported the Government line. However, it was easy to forgive him: we learned shortly afterwards that our new Minister of Agriculture and Rural Development knew little or nothing about Northern Ireland, let alone agriculture, and that he had never set foot on the island of Ireland prior to taking up his appointment.

Lord Rooker's parting gift to rural Northern Ireland and its economy by way of his PPS 14 diktat in March this year will not be so easily forgiven, and it will be remembered for a long time. He managed, in a few months, to distort the rural economy by driving young rural families from the countryside and forcing them to compete with the rising house prices. Those prices have moved far and above what they should be, given the average incomes in Northern Ireland.

5.00 pm

As this is an economic debate, I will avail of the opportunity to express my party's total opposition to modulation.

There is no logic in reducing single farm payments for the sole purpose of directing them away from the agriculture sector. The UK Government appear determined to make farmers pay for economic ventures outside the industry. The Government should ring-fence the money for those projects. However, Members must remember that they are not an ordinary Government; they are an anti-agriculture UK Government. Earlier, references were made to Carson's demands on the British. The only Carson of whom our present Ministers appear to have heard is Frank Carson. They treat this country as a joke.

I address the remainder of my remarks to the DUP. I call on that party to give serious consideration to its planned lack of action and the consequences that a strengthened direct rule Administration would have on the farming industry and the rural economy. The DUP can have its differences with Sinn Féin, but it should keep its political differences away from the Assembly.

Farmers in Northern Ireland are crying out for local political leadership. They want a home-based Minister of Agriculture and Rural Development, who knows the ups and downs of the business and its economics. Those Members who visit farmers on a regular basis hear their concerns about the stalemate situation and their support for the restoration of the Assembly. Often, the farmers refer to the good work of the former Minister of Agriculture and Rural Development Bríd Rogers and the Committee for Agriculture and Rural Development. They talk about how the downward slide of the industry, which commenced in the mid 1990s, was halted by our own politicians' taking control.

I served on the Committee for Agriculture and Rural Development and I know how committed it was to dealing with the issues. When the Committee met each Friday morning, the parties left their politics at the door. Members had more important issues to deal with, and deal with them they did. Regrettably, those days are now but a memory, and, meanwhile, our farmers are deprived of participating in the success enjoyed by their counterparts in the Republic of Ireland, Scotland and Wales, where the Administrations work in conjunction with the industries and are delivering on behalf of farming communities.

The DUP must get its priorities in order and, from a farming perspective, its members must decide whether they wish to stand by idly, leaving the agricultural community without a local Administration and outside the control of local decision-makers. A simple question must be asked: is the DUP prepared to leave the fate of Northern Ireland's farmers in the hands of couldn't-care-less UK Ministers? I want to repeat that question: is the DUP prepared to leave the fate of Northern Ireland's farmers in the hands of couldn't-care-less UK Ministers? It may seem ironic, but, in this instance, I am pleading with the DUP to say no.

I conclude by expressing the views of the SDLP. The Northern Ireland economy needs a thriving agriculture industry, and the rural economy needs the support of a local Administration to ensure —
[*Interruption.*]

Mr P Robinson: Members on this side of the House have a difficulty. We cannot hear a word of Mr Bradley's contribution. Every now and then, he seems to refer to the DUP. I am sure that he is praising my party, but we cannot hear what he is saying. Mr Bradley seems to speak about 60 words to the second. Perhaps he could start again. [*Laughter.*]

Mr S Wilson: Repeat the good bits about the DUP.

Mr P J Bradley: I am sorry, but there were not too many good bits about the DUP. Perhaps I should repeat my question.

Ms Ritchie: Good man.

Mr P J Bradley: Is the DUP prepared to leave the fate of Northern Ireland's farmers in the hands of couldn't-care-less UK Ministers? Is that clear? The DUP Members heard me that time. Also, I remarked that it is ironic that I hope that the DUP will say no.

The Northern Ireland economy needs a vibrant, thriving agriculture industry, and the rural economy needs the support of a local Administration to ensure that farmers have somewhere to turn when difficulties arise over farming incomes. Farmers need people who know what the problems are and how to deal with them. Our experience with direct-rule Ministers has been to the contrary.

I apologise to those Members who could not hear me.

Dr Birnie: One of the most difficult questions arising out of the report is the dilemma over which fiscal incentive we should opt for. It comes down to higher tax credits versus a lower headline rate of corporation tax.

As I was considering this fairly technical matter, I was reminded of a story about President Lyndon Johnson. He once told his economic advisers that he would remove their hands so that they could not suggest one thing on one hand and something else on the other hand.

Witnesses outlined some of the arguments in favour of increasing tax credits or allowances to the economic subgroup. It has been argued in some quarters that the administration of the policy could be fairly straightforward: it could be done by adjusting the software currently used to calculate the tax liabilities of companies that would be rewarded according to their investment.

Madam Speaker: Order. Members will be more easily heard if conversations are not being conducted.

Dr Birnie: For example, the investment could be in R&D, training and design. Hence, so the argument in favour of tax credits goes, the firms that would benefit most from the incentive would be those that had proved to be the most dynamic and had the highest growth potential. That would minimise the so-called deadweight problem, whereby the benefits of an incentive are simply spread too thinly across all companies, regardless of their circumstances.

However, there are arguments against tax credits, such as the obvious loss of tax revenue. However, that argument could be countered by the claim that, over time, the revenues collected may begin to increase as the introduction of tax credits impacted on companies' behaviour. Theoretically, a package of tax credits could be designed to have the same arithmetic effect as a reduction in the headline rate of corporation tax. However, given the complexity of any so-called cocktail of incentives — to use my colleague Mr McNarry's phrase — it is doubtful that there would be the same psychological impact on investors and hence on investment decisions.

Studies of how tax credits work in practice — notably the Economic Research Institute of Northern Ireland's research undertaken by Prof Richard Harris and mentioned in the report — suggest that, on balance, they simply do not provide enough encouragement to firms. Only one quarter of firms availed of R&D tax credits in Northern Ireland. A GB study of small and medium-sized enterprises (SMEs), referred to in paragraph 2211 of volume 2 of the report, similarly cast doubt on the effectiveness of tax credits.

The alternative to tax credits is a reduction in the rate of corporation tax. That policy appears radical, but, after all, many commentators have urged that a step change in economic performance is needed to begin to narrow the gap in living standards between Northern Ireland and the rest of the UK. Victor Hewitt, also from the Economic Research Institute of Northern Ireland, told the subgroup that in a global economy, to which so many Members have referred, the most powerful fiscal instruments are needed when, as he put it, “hunting big game” in relation to foreign direct investment. International companies would easily understand a reduction in the headline rate of corporation tax. The subgroup was told about research carried out by the Centre for European Economic Research in Mannheim, Germany, that provided evidence that FDI flows would be affected by such changes. Therefore, a reduction in the headline rate of corporation tax could probably sway the amount of FDI coming into Northern Ireland.

There is also some international evidence that any reductions in corporation tax would lead not only to the greater profitability of companies but to higher wages for the workforce, which is highly desirable. It is possible that, after some delay, a reduction in the rate of corporation tax may promote investment, which, in turn, would lead to greater revenues being collected.

However, there are downsides, some of which have been mentioned. There would be an immediate reduction in the amount of revenue collected, and one commentator forecast that it would decrease by £300 million per year. However, in evidence to the economic challenges subgroup, witnesses from the Department of Finance and Personnel said that the reduction might be in the order of £70 million to £90 million. They conceded that the figures were rough at this stage and, by implication, further research in that area is required.

To return to the deadweight problem: unless corporation tax reduction can be targeted at new companies, as one witness suggested, all firms would receive windfall profits. One witness pointed out that some of the largest beneficiaries would be the already profitable banks. In the light of the current controversy about banking charges, we must ask ourselves whether that would be a socially, economically and politically desirable outcome.

John Simpson was another witness, and he reminded us that corporation tax reduction is certainly not the magic bullet that will solve all problems. It might be some time before the benefits are felt. After all, the Republic of Ireland has had low rates of taxation on corporate profits since as early as 1958, and the Celtic tiger really began to roar only 30 years after the low rate of corporation tax was introduced. It

must also be remembered that the Republic is now far from unique in having a low business tax regime.

Sir Reg Empey: Estonia also has a low rate of business tax.

Dr Birnie: There are now many imitators ranging from Puerto Rico to, as my party leader has just said, many of the central and eastern European economies, the Baltic states in particular.

The position with regard to EU law is disputed. My colleague Mr Nesbitt referred to that, as did David Ford. In its evidence, the Industrial Task Force said that the European Court had previously allowed for some of the Spanish islands to be treated separately. However, during the past week, there has been a much more critical judgement on Portugal and the Azores. That must be factored into consideration.

With regard to the negatives, the United States Internal Revenue Service may tire of the way in which US multinationals have, for many years, been able to “transfer price”, as accountants call it, in order to boost artificially the profitability of their branch operations in low-tax countries such as the Republic of Ireland or, conceivably, the Province in the future. I refer Members to volume 2 of the report, paragraphs 406 and 2,299.

In the subgroup’s assessment of the complexities of the situation, it is probably inevitable that it would not have put all its eggs in one fiscal basket. I refer Members to recommendation 16. The subgroup has asked for further rigorous research to be carried out in order to tease out many of the issues to which I have referred. That said, three basic facts cannot be ignored.

First, the Republic’s share of European and, indeed, total British Isles inward investment far exceeds its population share. The Industrial Task Force indicated that, in 2003, the Irish Republic, which has just two thirds of 1% the world’s population, received 5% of global FDI. That rate is 10 times greater than might be expected.

Secondly, Northern Ireland’s effective business tax rate is now well ahead of that of the Republic of Ireland. That matters a great deal when we compete with the Republic. Indeed, our rate is now much higher than in much of central and eastern Europe.

Thirdly, tax credits have been tried with R&D. Their positive effects have been limited. Therefore, given the evidence that is available at present and those important qualifications, corporation tax reductions may seem superior to increased tax credits. Crucially, we must also bear in mind that whatever is best theoretically may be distinct from the package that we are most likely to get from the Treasury in any bargaining situation.

The undoubtedly strong business case that can be made for corporate tax reductions — some of which I

have endeavoured to outline, as has the report — will be tarnished if it is sold as part of a process of harmonisation towards any prospect of a 32-county economy, whether now or in the context of a so-called Plan B, post-24 November.

Recommendations 9 and 13 highlight the absence of any one Department having direction over a regional economic development strategy, a point that was well made by Mr Peter Weir. The effect of that absence is illustrated by the lengthy delay in translating the economic vision of February 2005 into a regional economic strategy. That strategy is now at least a year late.

5.15 pm

Recommendations 8, 9, 12, 13 and 14 deal with the more general question of how well, or otherwise, the senior Civil Service delivers policy. The Business Alliance said, perhaps unkindly, that the Northern Ireland Civil Service needed to be broken with a hammer. That witness also pointed out that successive departmental strategies had failed to reach their own stated objectives. ‘Strategy 2010’ may or may not be a good recent example of that.

There must be high standards in the stewardship of public funds, but, to balance that, those conducting economic strategies must be allowed space in which to take risks, and they should be judged on their portfolio of activities rather than fear the imminent chop of the Public Accounts Committee on every occasion, because that would inhibit risk taking and autonomous action by policy makers, as highlighted in paragraph 1,869 of volume 2.

There has already been a plenary debate on derating, and all parties oppose current NIO policy. In his evidence to the subgroup, William Wright from Wrightbus Ltd emphasised that the rates hike will fall particularly heavily on those businesses that use large areas of space or ground.

The report stresses how much higher than the rest of the UK our rate of economic inactivity has become. That qualifies the success in lowering headline or claimant rate unemployment. One witness pointed out that our long-term illness inactivity rate was one and a half times that of Great Britain and four times that of the Republic of Ireland. In many cases, individuals are entitled to benefits, but in some cases it would be in the best interests of the individuals concerned if some tough love were used to coax them back into employment.

Members must also be aware of some conflicting or trading-off of social policy considerations. For instance, there may be long-term benefits to society if a parent wishes to remain out of the workforce for a time in order to care for children — particularly young children. Therefore the Ulster Unionist Party is not saying that

we should always opt for the maximisation of gross domestic product at the expense of the general well-being of society.

Recommendation 15 highlights the need to take “serious action” to curb crime — especially crimes against business. A report published last week suggested that total organised crime nets £700 million annually. If the rackets of the various terrorist plcs — be they republican or loyalist — were put out of business, the total benefit to business would exceed that of reducing corporation tax to zero, because the total corporation tax yield is about £500 million to £600 million annually.

Public investment in infrastructure, public-private partnerships (PPP) and the Strategic Investment Board (SIB) are referred to in volume 2 of the report. I am concerned that too heavy a dependence on those methods of public sector finance could represent a 25-year mortgage with sometimes dubious terms — a policy much driven by the Chancellor’s quest to meet United Kingdom Government borrowing targets through an accounting exercise that, some would say, is something of a sleight of hand.

I am pleased to support the report, and I join with others in commending the hard work of the staff and witnesses.

Mr Paisley Jnr: Thank you, Madam Speaker, for calling me to speak towards the end of today’s proceedings. Members have probably glazed over by this point, but I hope that the debate will be over in a few minutes. If Members have not glazed over by now, I will finish them off. I hope that no one asks me to speak up and that Members can hear me. I will try to make myself heard and understood, unlike Mr P J Bradley.

I want to associate myself with my colleague the Deputy Speaker, Jim Wells, in paying tribute to the Committee staff, Hansard staff and those who contributed to the Committee. Those remarks should be reiterated over and over again because they did a tremendous job, and we owe them a debt of gratitude.

Some comments have been made about the activities of Sinn Féin. Indeed, that party’s approach has been very strange. On the one hand it seems to be for the report; on the other hand, it is against it. Sometimes it does not know if it is for it or agin it. The third paragraph of the report’s executive summary states clearly that it will form the basis for a debate in this Assembly in September 2006 — that was ratified by Sinn Féin, only subsequently to be pulled by that party. Sinn Féin’s confusion and state of mind may perplex a lot of people.

Some people have said that they have missed Sinn Féin in the debate — quite frankly, I do not miss it anywhere. The fact that Sinn Féin is not here indicates

that it is not serious about contributing to the future, or indeed to a debate about the economic stability, of Northern Ireland.

Other comments have been made about the Secretary of State and Dermot Ahern's contribution on Northern Ireland at the weekend. It has been reiterated again and again that the DUP is a devolutionist party. We want to see local men and women running Northern Ireland's affairs. However, if the price of devolution is too high, it will not be paid. That does not give the Secretary of State the right to hold Northern Ireland to ransom and tell us that we will face stagnation and delay for three more years. His Government have a duty to do what is right by the people of Northern Ireland and to ensure that we have the same economic opportunities as other integral parts of the UK.

A term that comes around time and time again — and it should be the focus of every serious party in the Assembly — is “radical change”. The report calls for radical change if we are going to move both our business sector and Northern Ireland forward. What “radical change” actually consists of has been reiterated today. If there is going to be radical change, the game to be played is at the Treasury, not here in Northern Ireland. It will involve radical change to our tax regime, and it will involve headline corporation tax and other significant fiscal incentives, because without those we are only — to use common parlance — footering at the edges of the economy. We need to stop footering and get on with significant developments.

A consistent, agreed, uncompromising message must go out from the politicians and the business community to the Treasury. We still have some way to go to agree what that message is in terms of the fiscal changes that need to be brought about. That is where the work lies, and we should lend ourselves to it.

I was very interested in the little aside between those great friends Dermot Nesbitt and Bob McCartney about whether changing the tax regime would be the true unionist way forward. Changes and variations in the tax regime do not weaken the Union. Indeed, Scotland has a different tax regime from the rest of the UK. The Scottish Executive can alter income tax by plus or minus two pence in the pound, and that does not weaken Scotland's sense of being a major component in the UK. It was quite interesting to see that Dr Birnie appeared to come out with a view quite different from that that his colleagues Dermot and Bob had agreed on earlier.

Mr S Wilson: Does the Member accept that the differences between Scotland and other parts of the UK as regards legislative arrangements and tax arrangements have created tension to the point where some English MPs are saying that Scottish MPs should not have a vote in the House of Commons on certain matters?

Mr Paisley Jnr: I am sure that that is a debate for another place — as the debate has gone forward, parts of England are seeking to have variation in various tax regimes.

As I said, I am sure that that debate will continue in another place. I hope that it does, because the Union is only as strong as its component parts, and the stronger Northern Ireland is economically, the better partner it will be in the Union.

Some recommendations deal with Northern Ireland's political and security instability. Without doubt, that instability, which was caused by a terror campaign lasting more than 30 years, has not helped the business community. The public sector has helped to shore up the gaps made by years of terrorism, and Northern Ireland must move to a point where the business community is given the necessary incentives, and entrepreneurs are provided with the opportunity and freedom to generate a new way forward for the economy.

The threats to the economy from organised crime are significant. On 8 September, an article in the ‘News Letter’ reported that:

“Organised crime costs the Northern Ireland economy about £600 million a year”.

That is almost as much as is spent on the entire policing budget. It is significant that a massive criminal enterprise exists in Northern Ireland, which is aided and abetted by one of the parties in the Assembly. It is preposterous that, when that party suggests that it wants to sit in Government, it is aiding and abetting a massive organised crime empire. That issue must be tackled head on.

The report identifies many incentives, on which many Members have dwelt. I was particularly taken by Bob McCartney's and Alasdair McDonnell's contributions on the need to develop the Northern Ireland knowledge base to ensure that primary school children are given the ability to become the men and women of tomorrow's business community. Of course, suggestions were made to free up entrepreneurs and to ensure that there is a knowledge bank and similar significant measures.

One point that is made over and over in the report is the need to tackle bureaucracy. That issue must be considered. Bureaucracy subjects the Northern Ireland economy to significant constraints. In particular, it is evident in the Planning Service. In a recent report, Diana Fitzsimons of the Royal Institute of Chartered Surveyors (RICS) said that:

“A significant obstacle to Belfast becoming a world class metropolis before now has been the culture of decision-making in the Northern Irish planning system, which was often defensive and over-cautious. We need to see a more positive approach from government decision-makers in order to obtain timely planning decisions”.

When faced with those criticisms at a meeting of the subgroup, the Under-Secretary of State Maria Eagle tried to bat them off by saying that planning is not her responsibility. Only when the Minister with responsibility for the economy recognises that planning is an integral part of business success will we start to move forward this debate. The Ministers with responsibilities for planning and for the Department of Enterprise, Trade and Investment must recognise that there is a huge strategic gap and that their roles need to be joined up.

It is important that Members ensure that Northern Ireland's benefits are sold to the world. For too long, Secretaries of State and members of other political parties have wanted to pooh-pooh Northern Ireland's success and opportunities. Northern Ireland was an economic success, and it has the potential to grow and to become an economic success in the future.

A list of the top 100 companies in Northern Ireland shows that, this year, 18 of the top 20 have recorded increased sales. In fact, Northern Ireland's top 100 companies generated a total sales output of £14,370 million, which is a 31% increase on 2004. Politicians are too quick to criticise the Northern Ireland economy and to say that it is a basket case. The message from politicians should not be one of failure; it should focus on success and opportunity for entrepreneurs.

One would not hear any of our competitors telling us about their problems. People talk about India and China as places of economic opportunity. One never hears of the poor working conditions or other problems in those countries; the politicians would not dare breathe those details outside of the regime. However, the Secretary of State for Northern Ireland goes across the world, telling people of Northern Ireland's problems. We need to play and sing a very different tune, namely that Northern Ireland has potential, people and talent and should be given the opportunity to make a go of things.

5.30 pm

Agriculture is also an integral part of Northern Ireland's success. Members should not let their eyes glaze over when I mention it. We take our agriculture industry and the agrifood sector for granted, yet 27% of Northern Ireland's top 20 companies are in the agrifood industry and employ thousands of people. Of the main producers of raw material, the beef-cattle sector employs 20,000 people in Northern Ireland. We must encourage the other parts of that industry, which add value to the product, process and retail it, so that the agrifood industry — a significant success in the past — continues to be an engine room for success in the future.

Thankfully, there has been an upturn in beef prices. Beef prices are up by £100 per head of cattle since this time last year. That indicates that the lifting of the beef

ban has played into the hands of farmers here. Long may that continue. I must also point out that bureaucracy in that sector cripples it. I want to see bureaucracy cut, not only at the planning level, which affects all sorts of development from tourism to business, but at the level of the agrifood sector. The sooner that happens, the better.

Finally, I hope that when the Government take this report, they read it, rather than set it on a shelf with all the other dust-gathering reports that they have received in the past. I pray that they do not come back to the Assembly and say that their response is to generate more consultation. Surely we are past the point of consultation. We have heard some hint that that is in the pipeline. The Minister told us that she has three forthcoming significant reports and consultations: the better regulation strategy; the skills expert group; and the science and technology committee. I plead with the Minister not to allow our report to go for more consultation with those others. We do not need any more consultation. We need action, and the sooner we get action on those issues, the better it will be for the entire economy, jobs, and success of Northern Ireland.

Some Members: Hear, hear.

Mr Shannon: I support the recommendations. After intensive investigation, the subgroup of the Preparation for Government Committee has very clearly outlined the economic challenges that face Northern Ireland. As my colleague Ian Paisley Jnr stated, the Assembly should take those matters on board, and we should do everything that we can to hasten the implementation of the report's recommendations.

I wish to focus on recommendations 8 and 12. Bureaucracy must be challenged, and planning is an issue for concern. My constituency of Strangford — I am sure that Members expect me to mention it — is somewhat overlooked due to bureaucracy. It is a spot of natural beauty, of historical relevance and unexplored potential. The success of Mountstewart gardens, of Exploris, and of the Somme Heritage Centre just across the border in North Down is evident. It is important to point out that we have even more to offer with regard to tourism. The bureaucracy referred to in the recommendations must be addressed.

Ards is currently celebrating a four-hundredth anniversary celebration. We are seeking to expound the culture and heritage that those celebrations bring to light. We must capitalise on such local community events through a strong community-based tourism board, working to draw people not only to the five big attractions in Northern Ireland that make a trip here worthwhile, but to events that are steeped in positive and attractive traditions.

Incidentally, Ards Borough Council is holding a special four-hundredth anniversary celebration on September 30 at which Ronan Keating will be the star

attraction. Tickets are priced at £15, which is a small price to pay for a fairly good night out.

The tourist industry in the Strangford area boasts a strong workforce. Only the tip of the iceberg has been explored: imagine the potential were visitors to be aware of and take advantage of the possibilities for short breaks and holidays in the Strangford area alone.

I want to make Members aware of a bureaucratic matter that has been brought to my attention. I understand that, at the end of the last financial year, the Department of Culture, Arts and Leisure returned £2.5 million to the Treasury. That money could have been used for the betterment of the people of this Province. Recommendation 8 of the subgroup's report states:

"any savings that may be made from government efficiencies should be retained and used in Northern Ireland."

It is important to underline that, as other Members have done.

The film industry falls within the remit of DCAL, which returned £2.5 million to the Treasury. The Department can do better. The ability to sustain such ventures in the Ards Borough Council area, and in the Province as a whole, is evident. The time has come for us to exploit that gap in the market.

It is a rare site that can boast beauty and character equal to that of Ards. The advantages of attracting money and jobs to the local community must be considered in the long term. We must also consider the profile of the area. On the back of successful films such as 'Mickybo and Me', we have a foot in the door. We must not waste time and let opportunities slide. Not only does the area benefit, but the local economy is boosted.

We must press on with boosting tourism in Northern Ireland, particularly the lesser-exploited areas of Strangford that have the uniqueness and quaintness of places such as Greyabbey, Kircubbin and Portavogie. Those are viable, industrious, modern communities that are peculiar to the Ards Peninsula and must be exploited. Providing an economic boost to Northern Ireland through this venue is an achievable goal, if we strike while the iron is hot. However, taking on board the report's recommendations, incentives must be given to those seeking to invest in Northern Ireland.

Promoting tourism in the Province, particularly in Strangford, with its many leisure pursuits, such as walking, fishing, water sports and an abundance of quality restaurants, can do nothing but reap benefits for the local community and for Northern Ireland as a whole. The Department for Regional Development has recognised that walks around the shores of Strangford Lough and the surrounding countryside can, and must, be developed. However, the Planning Service does not recognise that potential.

That brings me to an important point. Linked to the promotion of Northern Ireland as a holiday destination is the necessary improvement in infrastructure. To entice visitors, we must have a suitable network of roads, as well as areas of interest and a local booming economy with shops and businesses to be explored.

I advocate the proposed reform of the planning sector. I agree with recommendation 12 of the report that the planning process needs to be reviewed and must be adequately resourced. Last week in Downpatrick, a senior planning officer told me that five local officers had left, leaving the office under strength. That is just one problem.

Protracted planning and development control processes are major deterrents to local communities. Strangford is facing a serious planning problem in trying to boost producers and manufacturing. In Ards, there is a serious need for more housing. That would provide construction jobs and would keep young people in their home towns for as long as they wanted. Increased housing would also keep family units together and would allow proper benefit to be made of the proximity to Belfast by commuting to work using the carriageway.

The report refers to the need to keep our tradesmen and scholars in Northern Ireland. They should not have to go to the mainland and further afield, never to return, for jobs and housing, as so many have done. Planning can play a role in allowing houses and factories to be built, where the youth of the future can live and work. That might help to end migration to greener pastures, where houses are cheaper and employment opportunities better.

Reform planning allows houses and businesses to be built in local areas, so the need to move to bigger cities would be less critical. Agricultural land on the Ards Peninsula is exceptional, which is something to be proud of. However, that means that the land cannot be built on. When business people want to expand their premises, their money can drain away as they try to find ways to address the problems with the Planning Service. As my colleague George Dawson mentioned earlier, it is much less hassle to relocate to another area in which the planning controls are not as strict. That is not to say that any, or all, applications should be passed without qualm. However, unless the planning system in my constituency and across the Province changes, there will be little growth.

The report states that the planning process should be less costly, quicker and more business friendly. It should be able to look at the big picture to see what is best for the borough and the Province. Rather than get caught up in the mud and mire of legislation, it should examine long-term solutions. Let me give you an example of where the planning process is going wrong. Last week, a businessman who wanted to invest £5

million to £6 million in the Strangford constituency told me that the planning process had taken 18 months. He was told on a Friday that everything had been sorted out, but by the following Monday morning, it was back to the drawing board.

There is a clear and crucial need to link spatial planning strategy to the development of policies in respective jurisdictions and not simply to use sweeping area code mechanisms. We are all aware that the volume of planning applications has increased significantly; in 2004-05, there were 35,000 applications. Those queues could be reduced if the process were reviewed and funding were found to manage the unnecessary delays and if there were an appropriate balance between the needs of the economy and the need for consultations. Costs would fall accordingly, encouraging small and large businesses to assess the viability of expansion or development.

I would like to mention other issues, but most points have already been raised. The economic challenges subgroup has stated that it wants to encourage small-business growth and big-business investment, and other Members may expound on that topic. Reform is imperative for growth, and growth is an imperative for a healthy economic future for Northern Ireland.

I urge the Assembly to endorse the report and the motion, which asks the Secretary of State to implement its recommendations, which should be done as quickly as possible. Without growth, there can be no life, and Northern Ireland needs, and has earned, a new surge of life.

I support the motion.

Mr Beggs: At this stage in the debate, I wanted to find a new topic for my contribution. A couple of Members raised the issue of planning, but the report refers to other aspects of the planning system on which I want to focus.

The executive summary of the report clearly states:

“Delays in planning approvals are frustrating economic opportunities and there is a growing realisation that public services need to focus more on supporting the economy.”

I concur with that statement, and I suspect that every Member will also concur. People are very frustrated, and Government bureaucracy must change to enable our economy to improve. New developments that are sensitive, timely and minimise costs to entrepreneurs must be allowed.

Recommendation 12 states:

“That the planning process is reviewed and adequately resourced and effectively managed to reduce delays and to provide an enabling culture”.

At present, one of the biggest failings in the Planning Service is that it does not seem to have an enabling culture. Planners find it much easier to block applications

and give reasons why things cannot be done than to enable developments to proceed with necessary conditions, where appropriate, so that environmental concerns can be protected.

5.45 pm

The Belfast metropolitan area plan was a trailblazing new system that was initially approved by the Planning Service. However, there is great concern that, after several years of consultation, objections to the plan have not yet been heard. I believe that that stage of the process will take place next April. Worryingly, many other area plans are following the same process. There is a great danger that it could be 10 years before those plans are eventually approved and that the decisions may not therefore reflect the realities in 10 years' time. The process is far too protracted and must be reviewed and improved.

In its written evidence to the subgroup, the Construction Employers Federation indicated that the current planning system and the lengthy six-stage planning process has been detrimental to the Northern Ireland economy. When a number of agencies criticise the Planning Service, politicians, Ministers and Departments must take note. Those criticisms are not just from one or two individuals; there is a collective body of criticism. Ultimately, public representatives will have to take responsibility for that. Until planning decisions are returned to local government, I suspect that those difficulties will remain. There is a need to move the process forward as quickly as possible and create the right circumstances to enable sensitive decisions to be made.

Through my constituency work, I came across an example of the problems that occur. A builder complained to me that a planning application lodged with the Department had been delayed for three or four months and that he did not know what was happening. He eventually worked up the courage to press and press for an answer. It transpired that the Planning Service required a dimension of the building, which he provided within two days. However, several months were lost because of a lack of communication between the planner and the builder.

It must be remembered that various costs make up the final cost of a property. First, there is the cost of the land that a builder or developer purchases. There are also building costs and costs in developing the plan and getting it approved. Further to that is the necessary cost of borrowing between the original purchase and final sale of the property. If that lasts for two or three years — a ridiculous length of time — builders undoubtedly include that cost in the final sale price. The result is that we, the consumers, ultimately pay more for our homes. The Planning Service is adding unnecessary costs. It is essential to have an efficient

planning system that can be an enabling environment, taking on board appropriate consultations and concerns, which can lay down conditions and enable sensitive development, rather than a system that causes problems and delays.

A report published last summer by Investment Belfast highlighted that £1 billion raised in Northern Ireland is invested in Great Britain. Why is that? According to Prof Alastair Adair, all the research shows that investment in regeneration areas can provide returns that are at least equal to, if not greater than, market norms. Such opportunities exist in Belfast, but they are being blocked by a lack of strategic vision and planning structures that do not promote economic competitiveness.

Disadvantaged areas in parts of Belfast are ripe for redevelopment and would be greatly enhanced were that to occur. Creating an enabling environment is necessary so that local money can be invested in Northern Ireland for the betterment of our people. There is clearly a need for change.

The report contains a comment from the International Centre for Local and Regional Development. I must admit that I had not come across that organisation before. It stated:

“There is a need for greater synergy between spatial planning, economic development, inward investment and business engagement in growing the private sector.”

Again, there is a need for planners to improve their systems in order to engage with the local economy.

In that regard I will relay another unfortunate incident involving a constituent who wished to engage in a farm diversification project. He wanted to enlarge a lake in order to create a fishing opportunity. As we all know, the need for farm diversification is growing, as more and more people have to leave the rural community to find jobs. Therefore, it is much better if other enterprises can be developed. In this case, the almost-completed planning process faced one remaining obstacle, which was the refusal of the Environment and Heritage Service to grant approval. It would not give permission to the developers. The local council became involved, and a range of civil servants made site visits and had office meetings to deal with the situation.

When I asked the environment and heritage officer about the reasons for his concerns, he said that a nearby wetland area and wildlife habitat would be affected. I asked a simple question — how long would it take for a new wetland area to be developed in a new and enlarged lake, were it to be developed in a sympathetic manner? He told me that it would take two years. He knew the answer; the problem was that he needed to put down a condition and then grant approval. Rather than do that, he recommended refusal. We need an enabling environment from the

Planning Service. It must solve problems; not simply identify them.

I will take this opportunity to highlight another visionary application in my constituency. I hope that it will be successful. I refer to the LaFarge application for development of the former Blue Circle cement works at Magheramorne, which is a huge scar on the east Antrim landscape. A huge quarry remains, and there is a large spoil site in Larne Lough. There are redundant industrial premises, and several acres have been desolated by cement and lime remains. No flora grows in much of the area. Clearly, something must be done to enable its sensitive regeneration.

Lafarge has been involved in detailed consultation with local community organisations, environmental groups and the council, all of whom are unanimous in thinking that the planning application is a good idea. It would remove the scar on the landscape and build something that would add attractiveness to the area.

The proposal is to build a state-of-the-art eco-village on the site of the old cement works and use some of the money that that would generate to establish a mountain cycling centre. There are few opportunities for mountain biking in Northern Ireland, and people have to go to Scotland and other places to avail of quality tracks. There are several other proposals, including one for a wildlife centre for viewing rare birds on the wetlands.

The question is: will the Planning Service be able to examine this proposal in a sensitive manner? Will it be able to recognise that it is a good proposal that ticks all the boxes? Uniquely, everyone is in favour of it, which, in my experience of planning applications of such a scale, is an all-time first. I hope that the Planning Service and the Minister will look sympathetically at the application.

In the report, the Northern Ireland Business Alliance condemns aspects of the planning system. They have identified the EHS as being responsible for most of the delays that occur.

We have yet to find out what is being done to get rid of the delays that are costing Northern Ireland business. The Northern Ireland Tourist Board has stated that there is a need for the development of Planning Policy Statement 16, which, apparently, is still being worked on. That policy will make it easier for tourism to grow in the areas where it is needed. Without that policy, it may be more difficult to gain planning approval within the tourism sector, which is becoming more important for our economy.

Many parts of the report refer to the need to change our planning system. Departments must listen more carefully to businesses because with businesses come jobs. We will all be better off if there is a healthy economy and job opportunities are available. We must

not be afraid to assist our businesses but, at the same time, we must enable that development to proceed in a sensitive manner. Conditions can be set where necessary. We do not want planners to create blockages; we want them to open up opportunities for everyone in Northern Ireland.

I thank everyone who has contributed to this worthwhile report. I contributed briefly as a substitute for one of my colleagues. The civil servants who gave their time during the summer must be thanked, as well as those who served on the Committee and worked at least two or three days a week over the summer. Like others, I acknowledge that we could go further with more time, but compliments should be passed to all those who were involved in the production of the report in such a short time.

Madam Speaker: The number of Members whose names still remain on the list of those who wish to speak means that it will be impossible for the debate to be concluded this evening. By leave of the House, I propose that proceedings be suspended, to be resumed tomorrow at 10.30 am.

The debate stood suspended.

The sitting was suspended at 5.57 pm.

THE ASSEMBLY

Tuesday 12 September 2006

The sitting begun and suspended on Monday 11 September 2006 was resumed at 10.31 am (Madam Speaker in the Chair).

ASSEMBLY BUSINESS

Madam Speaker: Before we resume the debate, I propose to draw two issues to the attention of the House. During yesterday's debate, some comments were made about a Minister and a former Minister. I have examined those comments closely, and I would like to take this opportunity to remind Members of the convention previously observed by the Northern Ireland Assembly, which is that comments of a critical nature should not be made about named Members of other elected Chambers, not least because those Members are not present to defend themselves and, consequently, are unable to avail of the right of reply in this Chamber. I would be grateful if references to those unable to speak in the Chamber were confined to the offices they hold, rather than to specific named individuals. Members can find further advice about this issue in the 'Northern Ireland Assembly Companion: Rulings, Convention and Practice'.

I now move on to another matter that arose during yesterday's proceedings. Difficulties were experienced with the acoustics in the Chamber, both on the Floor and at the Table. The problems are being investigated and, until they are resolved, I ask Members to refrain from having conversations on the Benches while other Members are addressing the House.

Mr N Dodds: On a point of order, Madam Speaker. I would like some clarification. You said that Members should be careful about criticising people who are not Members of this House. However, the Secretary of State and some of his Ministers, for example, might warrant criticism on a number of fronts. For the purposes of clarification, can you spell out the boundaries or parameters? Members could be forgiven for thinking that it is a fairly sweeping censure. It would be useful to know just how far that extends, given that some Members may be tempted to make criticisms in their speeches.

Madam Speaker: I thought that I was clear, but I will repeat what I said to clarify the matter. If Members want to make a comment of a critical nature, it should

not be about a named individual. In other words, a Member could criticise the Secretary of State or a Minister, but not necessarily name him or her. Do not name them, because they are not present. That is the convention of this Chamber. I would be grateful if references to those who are unable to speak in this Chamber could be confined to the offices that they hold rather than to specific named individuals. Members can find advice about this issue in the 'Northern Ireland Assembly Companion'. It is simply a matter of courtesy.

Mr McNarry: On a point of order, Madam Speaker. How does that affect the rules of privilege?

Madam Speaker: At the outset of this Assembly, we said that Members here have the right of partial privilege. Should the Member require any further information, he can contact the Business Office or my office. At this stage, we have the right of partial privilege rather than full privilege.

Rev Dr Ian Paisley: On a point of order, Madam Speaker. Does that refer only to Members of this House, Members of the Scottish Parliament, Members of the National Assembly for Wales, and Members of Westminster, and not to Members of other Houses outside this jurisdiction?

Madam Speaker: It does not refer to Members of this House; it refers to Members of other elected Chambers.

Rev Dr Ian Paisley: Does it refer to Members of elected Chambers across the world?

Madam Speaker: It refers to Members of other elected Chambers. You may interpret that as you will, and I will interpret your comments in turn.

Mr Dallat: On a further point of order, Madam Speaker. Does that mean that we cannot wish Peter Hain a speedy return to London? *[Laughter.]*

Madam Speaker: Thank you for clarifying my ruling. That is exactly what you cannot do.

Rev Dr Ian Paisley: Further to that point of order, Madam Speaker. Surely Members should have clarification of what is meant by "other elected Chambers". It would be wrong for Members to tie themselves to not criticising anybody. Ministers deserve to be criticised. It seems very strange that I can criticise them under their title, but not under their name. It makes the ruling a laughing stock.

Madam Speaker: Thank you for your comments, Dr Paisley. The use of Ministers' names by Members would be looked upon as personal criticism. However, at the next meeting I will clarify what is meant by "other elected Chambers". I thought that Members would understand that term. The issue of naming officials is dealt with in the 'Northern Ireland

Assembly Companion'. Any Member who wants to criticise Ministers should refer to them by their office and not by their name; it is a courtesy. However, the matter will be looked at further, if necessary.

Mr Paisley Jnr: On a further point of order, Madam Speaker. Does that mean that Members can describe the Secretary of State as an unhelpful toerag, but that they may not say that Peter Hain is an unhelpful toerag? Is that the issue?

Madam Speaker: We will move on. *[Laughter.]*

The point that Mr Paisley makes will be looked at. Members may name the office, but they may not indulge in personal criticism.

Mr Robert McCartney: On a point of order, Madam Speaker. The function of the House is to alert the public who elected us to political developments; however, not all members of the public will immediately realise that the Secretary of State for Northern Ireland is Mr Peter Hain — despite what we would wish. Is there any objection to saying: "Mr Peter Hain, the Secretary of State for Northern Ireland", or: "The Secretary of State for Northern Ireland, Mr Peter Hain"? In those circumstances, Members are describing who he is and also his office.

Madam Speaker: I want to make it clear that what I have explained to Members applies in other elected Chambers, be that Westminster, the Dáil or anywhere else in the world. People may not know the person referred to, but they will know the office. In naming an individual, a Member makes a personal criticism. Members are free to criticise the office and the execution of the functions of that office; however, they may not align their remarks with personal criticism. That is not the convention. The 'Northern Ireland Assembly Companion' states what is and what is not convention. However, I will look at Hansard and report to the Assembly.

We will move on. I call Mr John Dallat.

Rev Dr Ian Paisley: On a point of order, Madam Speaker. If I heard you aright, you said that you were referring to something that had taken place in yesterday's debate. Can you tell the House what Hansard references you mean?

Madam Speaker: I will come back to the Member through the usual channels; however, if he reads Hansard he will see the names that we are talking about.

I call Mr John Dallat.

Mr Paisley Jnr: On a point of order, Madam Speaker. When you come back with your clarification, will you also clarify whether a Member from inside or outside the House brought a complaint to you about a Member's comments?

Madam Speaker: I am sorry; I did not catch your meaning. Are you asking whether a Member complained to me?

Mr Paisley Jnr: Yes.

Madam Speaker: We considered that. A number of comments were made, though not specifically to me. That is why I made that comment. Members are free to come to the Business Office and to me for further explanation that cannot be got from the 'Northern Ireland Assembly Companion'.

Mr Paisley Jnr: Were those complaints brought to you by Members or by people outside the House?

Madam Speaker: They were brought by Members.

COMMITTEE BUSINESS

Report on the Economic Challenges facing Northern Ireland

Debate [suspended on 11 September 2006] resumed on motion:

That the Assembly approves the first report from the Committee on the Preparation for Government on the economic challenges facing Northern Ireland; agrees that it should be submitted to the Secretary of State for Northern Ireland and, pending restoration of the Institutions, calls on the Secretary of State, the Committee on the Preparation for Government and others to take action to implement the recommendations in the report. — [*Chairpersons, Committee on the Preparation for Government.*]

Mr Dallat: Fortunately, my speech is entirely positive, and therefore I do not have to redraft it following your ruling. [*Laughter.*]

I believe passionately that there is a direct correlation between economic prosperity and a sound educational process that enables people to think for themselves. I go further and say that the greatest weapon against injustice in any society is the ability to read and write at a level that maximises the individual's potential. For Members who have read it, volume 2 of the report records that representatives of the Department for Employment and Learning have given a strong commitment to stepping up the Department's input to basic skills. That must be welcomed. That Department is charged with putting 18,500 people through the essential-skills qualification by March 2007 and will then progress those people to level 2 qualifications, which, I am pleased to say, includes improving their literacy and numeracy skills. In its submission, the Department agreed that recent research indicates that the positive outcome of those programmes goes far beyond acquiring basic reading and writing skills. The added value — if I can put it that way — that those skills bring to individuals is an acknowledgement that self-esteem is increased, that health improves, and so on. I should like to develop the “and so on” part of that sentence, because it is relevant to the wider issues that confront us in Northern Ireland.

Without discussing the education system further — that is a debate for another day — it is an undisputed fact that many young people fall through the safety net that the education system provides. The people who fall through that net are the ones who have no basic skills, low standards of literacy and numeracy and low levels of self-esteem.

If history is to teach us anything, it is that people who have low levels of literacy and numeracy are particularly vulnerable to exploitation. In the past, the brigadiers and those who gave themselves lofty military titles gave those young people a false self-

esteem by roping them into terrorism, drug dealing and many other forms of criminality.

By developing education and training programmes, we are equipping our young people with the tools that allow them to think for themselves and enable them to make positive decisions. That process is helped by enriched levels of self-esteem, pride and respect for the rights and views of others. In other words, we will develop a more caring society in which real equality and real democracy are nurtured because everyone is rising on the spring tide of new hope and new prosperity.

I acknowledge the role that the colleges of further and higher education played during the darkest days of the past. People often felt that there was little hope for the future, no prospect of reconciliation and no possibility of finding a new route to economic recovery. In the most difficult of times, the lecturers and students of those colleges made a huge contribution towards economic activity, often with the most meagre resources and poorly equipped buildings. During the previous Assembly, many of those colleges rightly received huge investment. Today they are in a strong position to take a lead in the kinds of plans and ideals that are contained in the report. Their contribution must not be undervalued or sacrificed in any way.

10.45 am

Surely it would be much better for children who enter further education to have skills in English and mathematics at level 4 or above. I acknowledge that vast improvements have been made, and I hope that the safety net has fewer holes now than it had in the past. However, being realistic, for the foreseeable future colleges of further education will have critical roles in picking up the pieces where others have failed. After all, some 250,000 people between the ages of 16 and 64 lack the most basic numeracy and literacy skills. In other words, they have not reached the first rung of the ladder at which skills can be measured.

The report refers to welfare reforms. The Welfare to Work programme is addressing the problem of benefits competing with the search for employment. Unfortunately, major changes, which will take the form of a new kind of income support designed to test the very nature of that important question, will not be introduced until 2008.

In the meantime, the Pathways to Work programme has already been rolled out in six of the 10 areas that it will cover in Northern Ireland. That programme considers the needs of the individual, whether they are lone parents, aged over 50 or on incapacity benefit. I hope that the claim that that programme will genuinely address people's needs is an indication that the revolving-door syndrome is finally coming to an end and that people will be treated as individuals, rather than simply being placed on training programmes that

leave them back where they started. After all, did the Good Friday Agreement not promise equality in all its forms, not simply some kind of equilibrium between Protestants and Catholics?

When the subgroup was taking evidence, reference was made, time and time again, to the successful models developed in the Republic. In fact, there are exemplary models in both parts of the island. The greatest possible degree of student mobility is essential. During the summer, it emerged that students coming from the Republic to colleges of further education in the North, and particularly in the north-west, were experiencing serious problems. Those problems have been only temporarily addressed, for one year. That is no good and does nothing for students on both sides of the border who want to choose courses that address their needs and the needs of the local economy, but are not available locally.

By September 2007, the number of further education colleges will be reduced to six. Any new Assembly must ensure that the rationalisation programme does not swamp the identity of the existing colleges or the work in which they have been involved in serving their local communities. If that happens, the baby will have been thrown out with the bathwater.

I note that the term “vocational” is to be dropped from the vocabulary because it suggests a route that is for the less able and those who cause problems. I am not sure of the rationale behind that assumption, and I would guard against such a move. The technical or vocational colleges that were established at the beginning of the last century have served this island well over the years and produced some of the most talented people ever to contribute to the economy. I see nothing wrong with the term “vocational” and suggest that were people recognised for their vocations, there would be higher self-esteem, greater job enrichment and a rediscovery of the values that workers hold in their respective fields of employment. Perhaps then there would not be so many people without basic skills or hope.

A new Assembly must continue the work that has been started by the subgroup of the Preparation for Government Committee. Of course, it is the responsibility of every Member of this Assembly to ensure that there is a platform to discuss the issues and to reconfirm their commitment to creating a new economy based on maximising everyone’s talents according to their individual ability — 24 November is not far away.

Mr McCarthy: After almost four hours of exciting debate yesterday, there is not much left to say on the subject. However, I will give my tuppence-ha’penny’s worth anyway — although, having listened to the Stephen Nolan radio show on the way to work this

morning, I wonder whether a tuppence-ha’penny’s worth in the Chamber is of any value.

Lord Morrow: That radio programme got the Member fired up.

Mr McCarthy: No, it did not.

Like my colleagues who spoke yesterday, I want to thank those who prepared the report, those who chaired the subgroup’s meetings on a cross-party basis — which was exciting in itself — and those who contributed to the report’s contents. The Alliance Party participated enthusiastically in the meetings on the economic future of Northern Ireland. Its prosperity and economic growth has too often taken second place or has been given even less priority. Northern Ireland’s economic affairs should have been given priority long ago.

Northern Ireland has, for many years, borne the significant detrimental consequences of being a divided society. It has experienced lower-than-expected economic growth because of the troubles. Consider this fact: as little as half a per cent less of gross domestic product (GDP) each year has a large cumulative effect over decades. How much have we lost because tourists and foreign businesses did not want to come here? In the background, the paramilitaries sustained their black economy with intimidation, extortion, arson and outright destruction. Thus, they denied the hard-working people of Northern Ireland a better economic future.

Partly as a response to that violence, private businesses either kept their heads down or never got started. Workers stayed in their own areas even after the worst abuses of discrimination were removed. The public sector, however, continued to grow. The report rightly recognises that the public sector is crowding private-sector development out. The public sector cannot be blamed for attracting talented individuals. However, Northern Ireland plc must provide worthwhile opportunities if it is to attract the best people, and, more importantly, retain them.

The Alliance Party wholeheartedly endorses the report’s recommendations on additional resources for R&D activity. That has repeatedly been a key pledge in my party’s election manifestos. Success in R&D will come about through collaboration between local businesses, universities and multinationals. Often, smaller enterprises are the most willing to venture here. We must recognise the vital role that the small and medium-sized business sector plays in Northern Ireland and provide the incentives that will encourage those businesses to grow. That requires proper investment in the infrastructure — more money must be spent on public rather than private transport. We must also support back-to-work programmes, and vast sums of money must not be wasted on segregated and duplicated public services.

The Office of the First Minister and the Deputy First Minister policy, 'A Shared Future', will investigate that. The Alliance Party has identified around £1 billion of public expenditure in Northern Ireland that is wasted in dealing with the direct and indirect costs of managing a divided society. Direct costs arise from the policing of riots, civil disturbances, marches, parades and walks, and also through the distortions to normal policing that are caused by the security threat, and a wide range of agencies face costs for the repair of damaged buildings, facilities and so on. Indirect costs arise from the necessity to provide duplicate goods, facilities and services for separate sections of the community. Those include schools, GPs' surgeries, job centres, community centres, leisure centres and even bus stops. These costs are borne by both the public and private sectors.

The divisions and segregation in Northern Ireland have also proved to be a major deterrent to inward investment and tourism, as has the cost of attracting those investments. Millions of pounds could be freed by addressing that, and that money could be better spent on frontline services.

Beyond saving money and implementing the worthwhile recommendations of the report, Northern Ireland's economic future is intertwined with its social future. We can no longer afford the luxury of living and working apart and not creating our own wealth and prosperity. There is a need for optimism and an "Ulster can do it" spirit that recognises what is required to ensure success. I am optimistic, and I am encouraged that people want to come to Northern Ireland to work. If the depth of segregation and the lack of diversity marked a declining economy in Northern Ireland, greater integration and diversity will bring success.

Northern Ireland's greatest assets are: its good, clean, green environment; the beautiful countryside; the built heritage; and the wonderful coastline and beaches. Tourism in Northern Ireland should be a major economic earner. Substantial advances have been made, but we must do more. The last thing that we need is a reduction and blighting of our coastline by unsightly apartments, but, unfortunately, that threat does exist. A cartoon recently published in the press shows a map of Northern Ireland with buildings along the coastline from south Down, up round the Ards Peninsula and on to the Foyle estuary. A sign reads: "Private Coastline Development Co", and a group of tourists who have just arrived in Northern Ireland are being greeted by a mayor who is saying: "The council is at the advanced planning stage of an imaginative coastline development facility!" The visitors cannot even see the coastline for apartments and houses.

Unfortunately, the coastline is under threat, and to its shame, Ards Borough Council — of which I am a member — is proposing to sell off coastal land in

Cloghey, Portavogie and Donaghadee to the highest bidder. I am sure that Members know where those places are and have visited them. However, the council is supposed to be supporting tourism throughout the Ards borough and Northern Ireland.

We should be providing more picnic areas, coastal parking areas and play areas for children and tourists to visit and enjoy. Comments are being made about more hotels; we should have more hotels. I read in this morning's press that a major new hotel is going to be built on the site of the Crumlin Road courthouse. Hotels should be built there rather than blighting our coastline. I therefore appeal to Ards councillors and to any other councillors in the Building: scrap the idea of selling coastal land; give a lead to promoting tourism throughout Northern Ireland; and help bring increased prosperity to all our areas.

A good, vibrant economy where everyone is gainfully employed is the aim of this report, and we all should support its contents and do what is necessary to fulfil its many recommendations.

Mr Campbell: I join with other Members in commending the staff who were involved in the Preparation for Government Committee over the summer, and particularly those who were involved in the report that is before the House.

I also commend all the democrats, right across the political divide, who were involved in the preparation of the report.

11.00 am

Much has already been said by other Members about the report. A big weaknesses of the previous Assembly, setting aside the political difficulties and problems that should be all too obvious to most of us, was that it could not ensure that the economy of Northern Ireland received the necessary financial boost, which made it difficult for people to recognise the tangible benefits of devolution.

That weakness — that shortfall — is why quite a few individuals and parties have upped the ante in anticipation of the restoration of devolution, whether that is in the near or not-so-near future. Yesterday, Mr McNarry, who is not with us at the moment, referred to those of us who had put forward propositions to help in that regard. It was unfortunate that his comments were negative, particularly as he did not feel the need to put forward a proposition himself. That was doubly negative and doubly unfortunate.

It will be difficult to convince the Treasury to agree to a differential in corporation tax rates. As other Members have said, if we do not convince the Treasury, be it the present incumbent — I am not allowed to name that person — or someone different in the near future, we should be saying that if we cannot get the

10% corporation tax rate, we should be getting something that equates to a similar figure. That would mean that we could compete with the Irish Republic.

Members have quoted past representatives of the Industrial Development Authority (IDA) and others who have said that their corporation tax rate is the big issue for them and that it makes them attractive and makes their inward investment programme much easier to conduct. That is unarguable. If that is the case, and if Northern Ireland is the Irish Republic's nearest competitor, it is equally unarguable that we must have something to compete with that. If we all concentrate our minds on trying to agree what that alternative should be, we can give the economy the turbo-boost that it undoubtedly needs, improving as it has been in recent years.

Mr Dallat referred in some detail to the benefits of the further and higher education system in Northern Ireland. We should all agree and concur with that. He mentioned an issue that has been concentrating the minds of our Minister and her counterpart in the Irish Republic in recent months. The further and higher education colleges are at risk of losing hundreds of full-time students who come from the Irish Republic to receive their education in towns such as Enniskillen, Londonderry, Limavady and Newry. I have been pressing the Minister to resolve that issue, as have some of my colleagues.

I have made my views clear to the Minister. The DUP will support whatever can be done to retain the colleges' ability to educate those students. However, in doing so, I have also drawn attention to the utterly deplorable fact that, up to now, the cost of that education has been more than £3.5 million a year. I received that information in reply to a parliamentary question. UK taxpayers have been paying to educate students from the Irish Republic in Northern Ireland. I would have no difficulty with that if there were an arrangement whereby we could see a return on that money — if students from Northern Ireland were to receive equivalent treatment in the Irish Republic — but, as I understand it, that is not the case.

Dr Farren: Does the Member acknowledge that university tuition fees were abolished in Southern universities some years ago, and that that abolition applies as much to students from Northern Ireland as it does to students from the South?

Mr Campbell: I acknowledge that, but I am talking about hundreds of students from the Irish Republic, who are resident in the Irish Republic but receive full-time education in the further and higher education system in Northern Ireland. The hon Member for North Antrim and I, and the other 1.7 million people in Northern Ireland, pay for that, and it is unacceptable.

I understand that the Departments in both jurisdictions have negotiated and agreed a package for next year, and I welcome that and want to see the details. However, in the long term, there must be some quid pro quo. Whatever that might be, let us see a satisfactory conclusion to that, as it would be beneficial for our further and higher education system.

Mr McCarthy referred to tourism. Tourism plays a significant role in Northern Ireland's economy, but it could be much more significant. A few months ago, my colleagues and I visited the United States of America. We found out about the Smithsonian Folklife Festival, which will take place in Washington in July 2007. It is a huge festival in which Northern Ireland will be showcased on Capitol Hill for a week. That opportunity must be maximised, and we must ensure that Northern Ireland is promoted from coast to coast in the USA. We must ensure that the Northern Ireland Tourist Board (NITB) and Tourism Ireland sell the Northern Ireland product to the 250 million people in the United States of America. We will probably be unable to replicate such a showcase in the next two or three years; we should take full advantage of it and press the Minister who has responsibility for tourism —

Mr Dawson: Does the Member agree that the NITB, the Department of Enterprise, Trade and Investment and Invest Northern Ireland should use the Smithsonian Folklife Festival to promote our indigenous companies?

Mr Campbell: I hope that that will be the case, and we will press for that to be the case.

The issue of Northern Ireland's economy being so dependent on the public sector has been raised and will continue to be raised. We must ensure that public sector employees do not see greater private sector involvement as a threat; it is not, and it ought not to be. What we are talking about is complementarity. The greater level of growth must be in the private sector, with high-quality, well-paid jobs offering a positive way forward for the well-educated workforce of Northern Ireland. We need to ensure that public sector workers do not see that as a threat.

The final issue that I wish to address is political stability, which is fundamental to developing an economy. In the past 36 years, it has been difficult to have a stable economic outlook in the absence of political stability. We must ensure that we work towards achieving that. As an integral part of political stability, terror and criminality must be given no legitimacy, no recognition and no place in the Government that provides that political stability.

In fact, it is something of an oxymoron to pretend that political stability could occur while allowing the corruptive and corrosive influence of criminality and terror into the Government. Therefore I think — and I

hope — that people will understand our determination to resist that influence, regardless of what happens on 24 November this year or in subsequent years. We must keep working for political security.

Yesterday, Sir Reg Empey, a Member for East Belfast, referred to North/South structures. He stated that Dermot Ahern — or perhaps I should say the Minister for Foreign Affairs of the Irish Republic — made comments at the weekend about North/South structures having a greater influence. I wonder how people can say that all North/South co-operation is not political and is not to be considered by unionists as worrisome or cumbersome in any way, and that that community should see that practical co-operation exists. Of course, we have no difficulty with practical co-operation, but it seems to be incongruous for people such as the Minister for Foreign Affairs of the Irish Republic to use something that is supposed to be non-political as a political big stick with which to beat us. I do not know how such people can reconcile those ideas. Therefore we should analyse whether the North/South structures that are being anticipated for 25 November and beyond are of practical benefit. If not, they will receive the response that the unionist community has given them in previous years.

I shall conclude by discussing the need to get not only political stability but an agreement in Northern Ireland that commands the consent of both sections of our community. That is where the Belfast Agreement failed. I listened intently yesterday as Margaret Ritchie, an SDLP spokesperson, repeated a mantra. It seems that if one repeats something often enough, it will become reality. No matter how many times one says that something is unacceptable, it remains unacceptable. We must find something that is acceptable to the nationalist community as well as to the unionist community. The Belfast Agreement did not provide that, and terror and criminality in our Government will not provide that for unionists and will never do so. So we have to work our way through the matter. No mafia-type organised and structured crime should be connected to our Government. It destabilises the Government and does not provide the stability that the economic development of our country so sorely needs.

Mr K Robinson: I congratulate my Assembly colleagues of all parties who have collaborated on this mammoth undertaking. Their work rate and diligence in preparing the report within such a short time deserves wider recognition than the media — with some notable exceptions — have been so far inclined to afford it.

I also thank those individuals, organisations, institutions and Departments that brought important features, that are often buried in weighty reports, into clear focus. It would be remiss of me not to mention the tenacity of the Committee staff, who not only

sought out several key contributors at short notice but pulled the discussions and submissions together in a meaningful manner to enable this debate to proceed.

To set the issue in a meaningful context, it would be helpful to place the findings in that well-worn framework — the strengths, weaknesses, opportunities and threats (SWOT) analysis. If we approach the challenges in that analytical manner rather than jump into the deep pessimism of the half-empty-glass syndrome, or the equally unhelpful gung-ho, glass-half-full stance, we may be able to build a coherent and cohesive approach to them. If we arrive at that consensus, we will be in the position that the American writer Frank Tyger described when he said:

“When it comes to winning, you need the skill and the will.”

Clearly, the emergence of the report indicates that the Assembly and the parties that are represented today have the will. Let us see whether they have the skill to put the package together for the benefit of all in Northern Ireland plc.

11.15 am

Education, in its widest sense, is crucial to maintaining and expanding our economy. We must invest our limited resources wisely. It is, therefore, my contention that we must immediately address the problems faced by primary schools in the most marginalised areas. Yesterday, my colleague Mr Robert McCartney mentioned the importance of the primary sector. How can we continue to produce excellent teachers and allow them to become unemployed or face a limbo in which they spend an occasional day covering for an absence or an in-service training demand? Why not use them as a task force of eager, enthusiastic role models for those children who so desperately need to be enthused? In doing that, they would also develop their professionalism at the chalk face. The permanent staff would also benefit by being saved from the present high levels of burnout that are features in many areas.

This initiative, together with smaller class sizes, would have a lasting impact on the low levels of educational attainment that have a lasting and damaging impact on pupils as they move up through the system, culminating in poor basic skills of literacy, numeracy and communication that so bedevil attempts to raise the skills of our potential workforce. In economic terms, early intervention is more cost-effective than remedial measures that have to be introduced at a later stage.

Our secondary sector has a higher percentage of pupils achieving two or more A levels than does England. However, we have about 20 schools that produce the almost 20% of our pupils who do not even achieve level 2. In numeracy and literacy we perform well at the upper end, as the Organization for

Economic Co-operation and Development (OECD) benchmark studies have proved, but we also have a significant tail of underachievement and a noticeable difference in attainments by gender.

The Department of Education said, as noted in volume 3, page 90, paragraph 7 of this report:

“Since more young people with high qualifications leave Northern Ireland there is an impact on the overall qualifications levels of the workforce.”

The current approach of its sister Department, the Department for Employment and Learning (DEL) towards this ongoing brain drain is, therefore, somewhat puzzling. If Northern Ireland is to have a world-class economy, surely it cannot afford to lose this latent potential workforce every year. It is worth investigating the role played by some second-level institutions in so many students moving across the water for their third-level education, a factor that seems, for whatever reason, to affect Protestants in particular.

It also remains to be seen if the ongoing, much-publicised and as yet uncostered changes in second-level education will improve or impede the economy. Currently, 30% of pupils are not qualified to level 2, and 22.4% have no qualifications. Only 41% of our workforce is qualified to level 3, which is craft level. The role of the further and higher education sector in delivering the skills required to stabilise and extend the economy is critical. Earlier intervention at primary school level would free further education colleges from the task of providing the amount of basic literacy and numeracy intervention that is currently required. That would give added status and focus to the skills agenda and to the likes of the modern apprenticeship programmes.

Training for Success is a welcome initiative. However, some of the problems that surrounded former schemes are still embedded in the framework. Public perception of vocational routes can still be clouded by their association over the years with low achievers. Modern apprenticeships must be valued and be seen to have real currency in the eyes of the participants, employers and society if they are to become credible.

We must also be realistic about the problems that spring from the preponderance of small and medium-sized enterprises in Northern Ireland. Few employers can absorb the number of apprentices that the economy may require them to. Mundane issues such as supervision and insurance are burdens that the small-business sector cannot easily cope with. Those issues need further clarification. Apprenticeships could then be more strategically focused on sectors identified by the business community. That would also enable the further education sector to address its increasing role as a player in economic development. This sector, which is currently undergoing major restructuring, is

having enhanced responsibilities placed on it. Although this may be a recognition of its ability to deliver quality education and to enhance our skills base, there are limitations inherent in the sector.

First, the physical estate must be the most modern available, not only as regards bricks and mortar but in respect of the quality and quantity of technical equipment provided. Secondly, I am concerned that, after the demise of the Government training centres during previous restructuring phases, the expertise of staff with actual experience of the workplace may be diminishing rapidly. That internal training need must be addressed to ensure that colleges have high-quality staff with qualifications and industrial experience. Theory must be matched with practice if we are to produce a highly skilled workforce that has been exposed to the realities of working in a business setting.

Thirdly, further education colleges must be given adequate resources to enable them to deliver the Department's agenda and the business sector's expectations. They must also be given a degree of flexibility that enables them to respond to the regional demands outlined in many submissions and short-notice requirements at local demand level.

The expertise and enthusiasm displayed by individual colleges — and I have visited several during the past year — allied to the vision for the sector expounded by the Association of Northern Ireland Colleges (ANIC) augurs well for the future. However, a closer degree of co-operation will be required between representatives of the Department, employers, unions and those who forecast the changing needs of our economy, if they are to be nimble enough to keep up with the pace of change.

In the higher education sector, we have been well served over the years by our universities. However, rapid change is also in the air in that sector. Queen's University and the University of Ulster have responded positively, seeking globally to widen their pool of lecturing expertise. They have developed links with other parts of the world and expanded their activities in a manner that will enable them to realise fully the potential of the intellectual property that they have generated.

However, there is a need to link venture capital and other streams of Government moneys in order to pump-prime those initiatives and help to bring ideas more quickly to market. Imposing top-up fees will not generate the level of finance that universities need. Indeed, such fees may even preclude a sector of society that could bring a new perspective to university life and subsequently transfer those benefits back into currently marginalised areas.

We are not persuaded by part of DEL's position paper 'Consideration of the Optimum Number of Full

Time Undergraduate Places in Northern Ireland Higher Education', which refers to lifting the maximum aggregate student number (MASN) cap. Furthermore, we feel that the Department's laissez-faire approach is in stark contrast to positive activity in other UK regions.

The loss of 20% of potential graduates each year is a brain drain that we cannot continue to afford if we are to create a critical mass of undergraduates and expand postgraduate potential. It is crucial that the close relationship between the further and higher education sectors is maintained and strengthened. They are not competitors; they are, and must continue to be, a coherent and cohesive component in Northern Ireland plc's drive towards achieving a high-value economy serviced by a highly educated and properly skilled workforce.

The location of business clusters based on the commercial outcome of university research and development (R&D) projects is a vital area for future growth. Although those zones need not be adjacent to a campus, there is scope for them to be adequately housed within a reasonable distance. I encourage the Planning Service and Invest Northern Ireland to engage with the universities so that the present embarrassing void in my locality, known as Global Point, is seriously considered as a potential site within an enterprise zone. It could easily be linked with the excellent work carried out by enterprise agencies and spin-out companies generated by third-level research projects.

Global Point is unique to Northern Ireland in that the infrastructure is already in place: it is adjacent to a rail link; a motorway, the A8 (M); a trans-European network route in the A8 road to the ports of Larne and Belfast; an international airport; a university campus; and a good mix of small and medium-sized enterprises (SME) and larger employers.

However, all that potential growth is stymied by the bureaucracy that several contributors have firmly castigated. In the interim, our competitors in the Republic of Ireland — and I stress the words "competitors in the Republic of Ireland" — rezone land, expand the motorway system and rail links and plan multi-modal transport hubs that will threaten our growth potential in Northern Ireland. Their can-do approach is in stark contrast to our "let's have another strategy and some more consultation" inertia-bound model.

The Northern Ireland Manufacturing Focus Group's (NIMFG) key points document refers to industrial derating and illustrates clearly the inability of our Government to grasp the way in which any competitive advantages left to us are being undermined through their inept approach to our economy.

In conclusion, it is clear that if Northern Ireland is to achieve economic success on the required scale, a

cocktail of measures is needed — perhaps we shall all need a cocktail after this mammoth session. That cocktail of measures must be based on up-to-date and reliable labour market research data, which should indicate those areas where there are, or are likely to be, skills shortages. Further and higher education colleges must be in a position to respond to needs in a flexible manner, so that the long-term and short-term requirements of business can be met at regional and local levels.

The critical role of R&D must be realised and supported by tax incentives that are broad and simple enough to encourage more businesses, especially in the SME sector, which is Northern Ireland's largest sector, to become involved. That might be achieved through clustering and the introduction of R&D champions, as suggested by the Federation of Small Businesses (FSB), or by encouraging those in the SME sector to become partners with larger businesses or universities. Northern Ireland can no longer languish at a private business level of 0.5% investment in R&D, while its neighbours continue to invest up to two or three times that amount. If the chronic shortfall is to be addressed, such an approach is needed.

I am also drawn to the knowledge bank idea, especially with its commercial manager's acting as a single point of contact for companies with high-growth potential. Members will have experience of having to wrestle with half a dozen agencies before a simple decision can be made. UUTech Ltd's suggestion for special economic zones, with economic potential for companies engaged in collaborative R&D, is worthy of note. DEL's collaboration fund for further and higher education has potential, and, although it is time limited at the moment, following evaluation, it would be worth pursuing. Also worth pursuing is the SMILE project, which stands for small medium innovative learning enterprises, in which the further education colleges target SMEs under the banner of ANIC.

(Mr Deputy Speaker [Mr Jim Wells] in the Chair)

It is clear that all sections of Northern Ireland society stand willing to play their parts in this vital enterprise. Although the issues are being discussed here in somewhat of a vacuum, my party stands ready to play its part in bringing rural prosperity to all parts of society. I support the motion.

Dr Farren: The motion serves two critical and highly significant objectives. First, the subgroup's report is based on the full support of all the parties that have met over the past weeks. It is also based on the significant input of representatives from a wide range of interest groups, and that alone should commend it not only to Members but to Departments and to the community and business sectors. Secondly, the report provides parties with a key opportunity to demonstrate

their seriousness to restore the political institutions by 24 November.

Before I address the report's economy-related content, I will focus on its second purpose. As one of those Members who participated regularly in the deliberations of the Preparation for Government Committee and during the early stages of the economic challenges subgroup, I must confess that it was not always a positive experience. Difficult things were said, and accusations of ill will — and even worse — were not uncommon. Comments were misinterpreted, and offence was often taken. However, alongside that, Members who participated will acknowledge that, as those keen anoraks who study Hansard will have discovered, there was some good humour. The staff were wonderful and, in that remark, I include those who chaired the meetings.

Without overstating what has been achieved, I can say that some significant advances have been made, among them the report upon which today's motion is based. To date, the report is the high point of the Committee's work.

11.30 am

If we are to build on what we are too slowly addressing, we must take every opportunity to build confidence that all of us will deliver on our commitments and so enable restoration to happen in ways that are more, rather than less, likely to sustain our institutions. I regret and fail to understand why a party that so stridently claims that its ultimate objective is to unite Catholic, Protestant and Dissenter is not present to contribute to building that confidence.

What, I have to ask, has Sinn Féin to be afraid of in putting its views on this report and on the economy generally before the Members of the Assembly and, through it, to the public at large? Sinn Féin is prepared to contribute to the work of the Preparation for Government Committee and to compiling a report that states:

"that the report will form a basis for a constructive and informed Assembly debate in September 2006".

Why is it not making its constructive contribution here today? Instead, true to its name, "ourselves alone", Sinn Féin is huddling in its corner of the political field, clutching its ball to its chest, hoping that if it appeals to the two Governments they will oblige its future partners in the Executive to join it. It is a shameful position. The sooner Sinn Féin abandons it and fully joins the rest of us, the better it will be for the people who have sent us here.

If we are to make this debate meaningful, and if the report before us today is not to rest on a shelf already littered with similar reports from earlier Assemblies and elsewhere, we need to know that all will play their part in making restoration a reality. The DUP, which

still will not commit to restoration by 24 November, also fails the challenge set by itself and the other parties who authored the report, all of whom agreed that:

"All the parties on the subgroup accepted that failure to have all-party agreement on the political institutions and policing will hinder and act as an impediment to business investment in Northern Ireland".

Their prevarication contributes to the failure to reach that agreement. If these words mean what they say, no party can find refuge any longer in prevarication, obfuscation and delay. No party can avoid committing itself to a wholehearted embrace of the principles of partnership, equality and human rights. No party can take it upon itself to be the sole arbiter of when and whether conditions set for assessing the state of paramilitarism and related criminality are being met.

We have the basic framework and the institutions set out in the Good Friday Agreement to guide us. That framework and those institutions should give us all confidence to engage with one another in the full knowledge that our constitutional rights, human rights and civil rights are fully protected, and that, like any living document of its kind, the agreement's implementation can be developed and amended in the light of experience. That should be our guarantee and our protection.

As to the details of the report, I wish to make a few points. Most of what it contains has been said many times over recent years: the need to move to a more wealth-generating economy; the need for business to become more export-oriented; the need to strengthen and fully develop our all-Ireland and wider business links; the need to modernise the infrastructure; the need to develop R&D capacity and to ensure that education and training programmes are better aligned with economic and social needs; the need to ensure that the best incentive package is available to encourage and sustain investment; and, above all, the need to ensure that the economy develops in ways that will contribute to community harmony and reconciliation.

Yesterday, I was struck by what I regard as very strong and — in part, at least — ill-informed criticism of our education service. Evidence from the most sophisticated international assessment of literacy, numeracy and scientific knowledge, conducted under the auspices of the OECD, shows that in those three skill areas the mean scores of 15-year-olds in Northern Ireland are higher than those of their peers in many other OECD countries, including the Republic of Ireland — by several ranking places — Denmark, Germany, France and Sweden, all of which would be regarded as having much more successful economies than we have. In respect of scientific knowledge, the mean scores of 15-year-olds are ranked sixth behind Japan, Finland, Korea, Australia and the Netherlands. None of our immediate competitors is ranked higher than we are.

That does not mean that we do not have problems with those whose scores are much lower than the mean.

Those results, however, tell me that our education system serves us very well. Furthermore, they tell me that, although we have the skills, we are not able to provide the best outlets for those who possess those skills. Therefore, we need more high-value jobs, such as have been provided in the South and in other successful economies.

I particularly endorse recommendation 11, on economic opportunities. It would be madness not to engage in strengthening clustering and collaboration with the South, and some instances of that are already taking place. Over the past decade, output in the South has almost doubled, and the rate of growth is three times greater than it is here. At present we can only match the South's standard of living by making even heavier demands on the Exchequer. Most, if not all, Members will acknowledge that evidence from consistent British ministerial pronouncements indicates that assistance from the Exchequer will not be easily forthcoming, if at all.

The financial services sector, among others, offers special opportunities for collaboration. Starting from zero in 1987, the international financial services sector in the South has created over 11,000 high-income jobs, has attracted over 450 international financial institutions and is host to half of the world's top 50 banks and half of its top 20 insurance companies. We must do more than learn from that experience; we need to piggyback on it.

There is more work to be done on some of the report's recommendations. We must be more precise as to our needs with regard to incentive packages. Far too often we talk glibly about peace dividends and financial packages, as if some extra financial support is all that is required to make the necessary step change in our economy. Figures are plucked from the air. If one party says that the figure should be £100 billion, another party is bound to say that it should be £200 billion. Somebody else will probably up that figure. That is a nonsensical auction game in which to get involved.

Given our circumstances, I support the call for special assistance. It should be in the form of special measures, incentives, and extra capital where that can be shown to be justified. A lower tax rate would help the competitive situation of local firms and add to our ability to attract greater inward investment. The benefits of low tax only kick in, as other Members have said, when businesses make a profit, and it is a much better way to stimulate entrepreneurial activity than grants and subsidies. A 12.5% rate will require approval from the European Commission, and we should not underestimate how difficult that will be to obtain. Only a devolved Administration will have the focus and the drive to lobby and achieve that.

The additional work that the economic subgroup is being asked to undertake on the issues identified should give confidence on how we structure and develop a strong social partnership, which is required in order to move forward. The basis for that has already been established in the engagement that took place with representatives from the business community and the voluntary sector in the course of preparing this report. We should build on that. We have seen the success that that has achieved in helping to stabilise the basis for economic development in the South.

Finally, last week I attended a seminar at which a representative of the greater Newry area spoke. Ten or 15 years ago that area was seen as a basket case in terms of economic and social development. Co-operation, determination, drive and imagination have transformed our new city into one of the North of Ireland's leading cities with regard to economic and social development. We can learn from the way in which that has been achieved in Newry and extend the same spirit of determination and imagination to our work on economic development.

Mr Donaldson: I welcome the opportunity to participate in this debate. It is always interesting to follow the Member for North Antrim. I must deal with some of Dr Farren's comments about the Democratic Unionist Party before I come to the substance of the issue under debate. It is, of course, a tradition that when SDLP members criticise Sinn Féin they must balance that with an attack on the DUP. Any SDLP statement that is aimed primarily at Sinn Féin must include the obligatory paragraph that has a go at this party.

Let me make it clear to the Member — and he ought to know this — that the DUP stands ready to play its part in a partnership Government in Northern Ireland. It is the SDLP that has refused to sit in partnership with the DUP, despite the fact that we have offered on numerous occasions to go into a coalition Government, today, with it and other democratic parties. However, that does not appear to be acceptable to the SDLP. The fact that we do not have a devolved Government, as Dr Farren knows, is down to the failure of one party — a party that is absent from the Chamber today, a party that has still not met the democratic standards required of any party that wants to be in a democratic Government.

Dr Farren mentioned the importance of agreement on policing as part of the way forward. Of course that is important. However, I remind the Member that for years his party was unhappy with the policing arrangements in Northern Ireland and refused to take its seats on the Police Authority for Northern Ireland. Indeed, it was common parlance that, in unionist terms, SDLP stood for "Still don't like the police". That was its position for years.

11.45 am

Mr Deputy Speaker: Order. I remind the hon Member that the subject of the debate is the subgroup's report; I am sure that he is about to drift back to it.

Mr Donaldson: Indeed I am, Mr Deputy Speaker. Given that the Member who spoke before me spent a considerable portion of his speech dealing with these issues, it is only right that I have the opportunity to respond in the context of creating a Northern Ireland that has the political stability to ensure a thriving economy in the future.

In concluding my comments on policing, I say to the Member who spoke before me that agreement is important. However, just as the SDLP took its time — two or three decades — to reach the point where it felt able to sign up to the policing institutions in 1998, it is equally important that we get the devolution of policing and justice right this time. If that takes a little longer, we ought to take that extra time to ensure that we get it absolutely right.

The DUP is not procrastinating; we stand ready to engage in the discussions that will take place in the coming weeks. My party is ready to do what it can to play its part in reaching agreement. However, let us be absolutely clear: partnership in a democracy is important, but it must be based on democratic principles. One party has not yet reached the standard required, and its absence from the Chamber today speaks louder than anything that I could say.

I welcome the subgroup's report on economic challenges; its recommendations are well thought through. In particular, I highlight recommendation 5, on vocational training, skills and research and development. That is an important element in driving forward our economy. We must look to the future and consider the type of industry that we want to attract to Northern Ireland. We must examine where future employment potential lies. That will enhance the types of vocational training that are provided for our young people. A real emphasis must be put on skills and vocational education.

I agree with the Member for East Londonderry, Mr Dallat, about the need for investment in the further education sector and its colleges and institutes. Like so many public-sector organisations, further education colleges and institutes are currently going through major changes.

Mrs I Robinson: I thank my colleague for giving way. Is he aware that young people who are trying to develop vocational skills in plumbing and electrical work through further education colleges are greatly concerned that firms are not offering apprenticeships, thereby denying young people the opportunity to go to further education colleges?

Mr Donaldson: I thank the hon Member for Strangford for that intervention. I agree with her entirely that there is a need to look at what skills are required and to focus the courses available in further education colleges and institutes on those needs.

Lisburn has an excellent further education institute. In the institute's main building, a hall is dedicated to the late Harry Ferguson, one of the great innovators produced by the Northern Ireland education system. We need more Harry Fergusons today, and, dare I say it, a few Sarah Fergusons — if Sarah, Duchess of York will forgive me. We need men and women with vision and innovation.

Some Members: Hear, hear.

Mr Donaldson: We need men and women who are capable of providing the leadership required in industry and the vision to create new opportunities and employment. That is very important. In getting that right through focusing on vocational education and skills, we must help young people throughout the education system to see the value of pursuing careers in industry and of going into business.

Even today, our education system does not place enough emphasis on that very important aspect of our life. Indeed, as the hon Member for Strangford said, it is almost frowned upon for a young person to think about becoming a joiner, a bricklayer or a plumber. That should not be the case. Some people whom I went to school with have done very well for themselves and have generated much wealth through building, joinery and plumbing businesses. We need to re-establish the value of those trades within the Northern Ireland economy.

This summer, I had the privilege of visiting China for the first time. I was amazed at the developments that are taking place in that country, especially in its economy. China is making huge investments in its infrastructure. However, during my visit, I was disappointed to discover that Invest Northern Ireland has not sent a trade delegation to China for years, despite the fact that it has probably the fastest-growing economy in the world. Our representative in China is based in Malaysia and occasionally visits Shanghai. However, the major area of growth in China is in the south and, indeed, increasingly in the north. We must do more through Invest Northern Ireland to examine emerging economies such as that of China and identify trade opportunities for Northern Ireland companies. The sooner we send a trade delegation to China, the better.

Having mentioned Invest Northern Ireland, I make a plea for small businesses in Northern Ireland. Too often, people come to us who are trying to establish a new business or are trying to grow their existing business. I am sure that other Members experience that. The small businesses of Northern Ireland are at the

heart of the economy. They make up the majority of our employment provision and help the economy to grow. However, too often they are frustrated when they go to Invest Northern Ireland for help, only to discover that they do not fit into the criteria or the categories that are laid down by that agency. The Local Enterprise Development Unit (LEDU) and the Industrial Development Board (IDB) were amalgamated a number of years ago, and I wonder whether that has hindered our small business sector to some extent. I welcome the report's recommendation that we look again at the role, structure and functions of Invest Northern Ireland, especially in relation to the small business sector.

I also wish to mention the manufacturing sector. There is all-party support on the issue of industrial derating. I have no doubt that the imposition of industrial rates is damaging our manufacturing sector. Just last week in my constituency, Montupet in Dunmurry announced the loss of up to 90 jobs. A couple of weeks before that, Daewoo in Antrim made a similar announcement. Others will follow. I know of manufacturing companies that are considering taking their investment elsewhere. They are considering expansion but do not believe that Northern Ireland provides the most competitive environment in which to continue. I am referring to indigenous companies that are looking to relocate in eastern Europe and the Far East. That will mean a loss of jobs and a diminution of our manufacturing base.

There is all-party agreement that industrial rates should be capped at 25%. The Secretary of State, who shall not be named, has agreed to establish a committee to look at this again. However, time is of the essence. The DTZ Pida report that was prepared in conjunction with the discussion on industrial rates stated that companies would end up paying only 2.5% of their profits in rates. Today, some companies are paying more than 50% of their profits in rates. That is squeezing those companies and damaging their capacity to invest and expand. They are looking at Northern Ireland and asking: "What is the point?"

In my constituency, we have had recent examples of companies that were seeking to expand and took their expansion plans south of the border. That means a loss of jobs and a loss of investment in our economy. I urge the Secretary of State to get on with implementing the all-party agreement that has been reached and cap industrial rates at 25%. That would give our manufacturing sector a key competitive edge, which it has lost in the very competitive world of the global economy.

I shall also mention another factor that I consider a disincentive to investment, namely our planning process. I welcome the recommendation of the report that the planning process needs to be reviewed, adequately resourced and effectively managed. All too

often when it comes to large investment in Northern Ireland, we get bogged down in the planning process, and, again, we lose our competitive edge. Companies that are seeking to invest here do not wish to get bogged down in the planning process for two, three, four or five years. They will simply decide not to bother and will move elsewhere.

We must also consider how we can make more use of planning gain for major infrastructural improvements. We have been doing just that in Lisburn, which is in my constituency. The two major multi-million-pound roads projects that have been undertaken in the Lisburn area in the past five years have been privately financed. The project at Sprucefield and the work on the north Lisburn feeder road are both making a major contribution to improving the traffic situation. A third project, the Knockmore link — which will link the M1 to the north feeder road — has been proposed and will also be privately financed. In developing our infrastructure in Northern Ireland, more emphasis must be placed on planning gain, which can be used to benefit the whole community.

My hon Friend the Member for East Londonderry, Mr Campbell, touched on tourism. For years, we have engaged in the visitor-centre approach to tourism, but we must adopt a big-picture vision. We have something very valuable to offer. Our greatest tourist asset and selling point is the beauty of our country. Are we exploiting that to its full potential? I am not sure that we are.

I recently attended the launch in Parliament Buildings of a study that explores the possible benefits of reopening the Ulster Canal. The reopening of the Northern Ireland canal network could greatly contribute to opening up the entire Province to tourism and could act as a driver for regeneration. The Ulster Canal, which links into the Erne-Shannon waterway system, flows into Lough Neagh. We are also working with Belfast City Council, Castlereagh Borough Council and Craigavon Borough Council to explore the potential of opening the Lagan Canal. A visitor to Northern Ireland could get on a boat at Belfast and go all the way up the Lagan — preferably not in a bubble — to Lough Neagh, into the Ulster Canal system, down into the Erne-Shannon waterway system to Limerick, or north on the lower River Bann to Coleraine. That would open up this country to tourism, and it would be an attractive offering. Such a project would cost a lot of money and require vision, but that is the kind of project on which we must now focus if we are to promote tourism development in Northern Ireland. It is big-picture stuff, but that is what Northern Ireland needs.

Mr Elliott: As many other Members have done, I pay tribute to those who participated in the work of the subgroup. I also pay tribute to the many contributions from the business community. The Ulster Farmers'

Union contribution was particularly relevant to me, and those from the Northern Ireland Tourist Board and from Mr Eric Reid of Moy Park are also worth mentioning.

The farming community faces two immediate problems: first, the difficulties that it currently experiences; and secondly, the future. The farming community has had a very difficult time in the past decade. It has suffered the BSE crisis, foot-and-mouth disease, the high exchange rate of sterling and decreasing produce prices. Twenty years ago, in 1986, milk prices averaged over 16p a litre. Some 10 or 11 years ago, they reached between 26p and 30p a litre. Today, farmers receive around 15p per litre, which is a reduction of 50% in the past decade. That is quite unsustainable.

Again, in 1995 and 1996 — some 10 or 11 years ago — the price of finished beef was about £2.65 a kilogram; now we are lucky to make £2 a kilogram, or less. The number of farms in Northern Ireland has decreased by one third in the past 20 years, from some 42,000 to just 28,000. I am not saying that rationalisation is bad for the economy, but it is bad for the traditional family unit. Farmers must realise the business sense of the agriculture industry.

12.00 noon

Even the grain trade has suffered. Twenty years ago, wheat and barley were making £114 and £103 a ton respectively; now it is in the region of £83 and £88 a ton — again, a major decrease. Mr Eric Reid from Moy Park Ltd highlighted the problems in the poultry sector. Twenty years ago, broilers were making 53.7p a kilo, and now they are making just 50p a kilo.

Fifty years ago, farmers received 50p for every pound that was spent on the food industry; now it is just 7.5p. Look at the difference between what the farmer receives for his produce and what the housewife pays in the supermarket. For example, a farmer might receive £500 for a beef animal at the abattoir. The retail cost of beef from that animal at the supermarket or the butcher's shop is about £1,500, leaving a profit of £1,000 somewhere in between in the food chain. While many farmers are going out of business, meat plants and supermarkets are amassing fortunes. I am not saying that they should not do that: the farming and business communities are just asking for a fair deal.

What does the future hold for the agriculture industry? The resilience of the farming community and of the producers in Northern Ireland has been immense, even though problems continue to mount. Every farming family knows the effects of the basic lack of profitability. Investment in agriculture is low, and farmers are working longer hours than they used

to, having to cope with more administration, departmental bureaucracy and red tape for less return.

There is little reinvestment in the industry. However, the Department of Agriculture and Rural Development's (DARD) farm nutrient management scheme is one of the more positive issues. I hope that that will amount to an investment of around £200 million for the farming sector. It is crucial: DARD must recognise that the scheme is essential and accept its responsibility to help farmers to meet their needs.

Recently, I was part of an Ulster Unionist Party delegation that met representatives from United Dairy Farmers to discuss the mounting concern over current and future milk prices. Although milk prices are pathetically low at the minute, United Dairy Farmers predict that they will probably get lower. We are campaigning for the restoration of the export refunds from Brussels, and we have called on the Government to offer support packages to milk and beef processors to modify production plants and diversify into better value-added products. However, there is a caveat: any resulting financial advantage should be returned to the farmer and not be allowed to get stuck with the processors or the supermarkets. Unless such matters are progressed, the farming industry and the traditional family-run farm will be unsustainable in the longer term.

The milk and beef industries rely on exports, and that is why milk powder cuts and cuts in export refunds have had a devastating effect. The milk industry has lost more than £80 million this year alone because of the significant cuts in Europe. The export refunds were slashed in expectation of a World Trade Organization (WTO) deal, and therefore it seems reasonable — now that the WTO talks are in flux — that the European Commissioner for Agriculture should move to restore the balance for farmers in the short term, and then it can be looked at in the longer term.

Most people say that farmers are always complaining. Perhaps we are, but on this occasion, we have good and just reason. The Republic is investing over €3 million in an investment plan for the dairy sector over the next three years. Mr Donaldson mentioned competition between the Republic and Northern Ireland. If Northern Ireland is to compete, it must put a similar investment into the economy.

Support is a vital lifeline for smallholders in the farming community. When farmers make simple mistakes, they are penalised. When the Department of Agriculture and Rural Development makes a mistake, no penalties are applied. All I ask is for flexibility and leeway within the system and for some common sense.

There is a clear indication that farmers in Northern Ireland are more likely to be penalised for a breach of regulations or small misdemeanours than in any other European country. The Department's own figures

reveal that £2.8 million has been withheld from single farm payments to Northern Ireland farmers. In the Republic of Ireland, the corresponding sum is just £229,000. I suggest that when DARD staff make mistakes, they should be penalised, and compensation should be paid to farmers. Farmers only want a level playing field.

Mr Deputy Speaker: The Member should be addressing issues that are referred to in the report. There is no reference to subsidies. Please return to the main recommendations of the report.

Mr Elliott: I certainly will. However, these are valid economic issues for farmers and for the economy of Northern Ireland, and they were referred to in the presentation by the Ulster Farmers' Union to the subgroup. Furthermore, Mr Donaldson mentioned planning issues.

I will move on to tourism, which suffers greatly from a lack of proper planning and administration in Northern Ireland. So much of Northern Ireland's potential tourism is lost to Scotland and to the Republic. Despite that, there is a growing tourism industry in Northern Ireland. Visitor spend in the Province has risen from £250 million in 1995 to £357 million in 2005 — an increase of over 40%.

The number of visitors to the Province has increased; between 2004 and 2005, there was an increase of 32% in the number of visitors from Europe, 19% in the number from North America and 12% in the number from Australia and New Zealand. That happened in spite of the fierce competition to which I have referred from Scotland, England, mainland Europe and the Republic of Ireland. Cheap flights throughout Europe have caused deeper problems for the Northern Ireland domestic market. However, I am pleased to say that we appear to be overcoming those problems.

Recent Northern Ireland Tourist Board (NITB) initiatives, such as the five signature projects, should help to combat the successful campaigns of our neighbouring competitors. However, some areas of Northern Ireland have been neglected by those projects; I would highlight the fact that County Fermanagh, one of the best tourism areas in Northern Ireland, was not included. That has been offset by the NITB's acceptance of the Destination Fermanagh project, which was recently launched in the county. There are many other initiatives to be proud of in Northern Ireland.

Significant international horse trials are held at Necarne, a world rally event will be staged in the Province and the innovative bluegrass festival, which takes place at the Ulster American Folk Park, is the largest event of its kind in Europe.

For the moment, tourism funding has dried up. There may be a further natural resource rural tourism initiative or further INTERREG grants, but that is not

certain. Both programmes provided financial assistance to many people. However, as is usually the case with European funding, they are highly complex and often overly bureaucratic. The unrealistic deadlines set for applications put applicants under enormous pressure and undoubtedly acted as deterrents to those involved in many worthwhile projects.

Compared to many nearby areas, Northern Ireland lags behind with infrastructure investment. The Member for Lagan Valley highlighted the canal structure in Northern Ireland. However, I first want to see more central Government investment in the roads system. Areas throughout the Province, not only County Fermanagh, are crying out for that.

Finally, a recent announcement stated that £600 million is lost to taxpayers through racketeering and money laundering throughout Northern Ireland. That is a serious issue for the economy. Unless we get on top of that, the illegal economic base that drains some £2 million a day from the economy will become one of the largest economic bases in Northern Ireland.

Mr Deputy Speaker: Mr Poots will be the next contributor. There will not be time for any other Members to speak this morning.

Mr Poots: I assume that that means that I can speak until 12.30 pm.

After yesterday's ruling, I was wondering about the validity of a report that regularly mentions the Ulster Unionist Party Assembly Group (UUPAG). I understand that the UUPAG still exists, that David Ervine is still a member and that the ruling has made no difference. That is understandable, given that the reason for establishing the UUPAG was to wean loyalist paramilitaries off violence. The Ulster Unionist Party can decide whether it wishes to break that link with Mr Ervine later. The report, therefore, is accurate, and my concerns have been allayed.

I want to concentrate on a couple of issues in the report that may be of interest to some Members who have already spoken. The report contains a recommendation that the planning process be:

“streamlined by setting end dates for consultation and focusing priority on approving area plans.”

The report also recommends creating an “enabling culture” within planning.

Mr Kennedy: Will the Member give way?

Mr Poots: I have not started yet. Perhaps if I say something that Mr Kennedy finds interesting —

Mr Kennedy: On a point of order, Mr Deputy Speaker. I, and I suspect other Members, are having difficulty hearing Mr Poots because of the acoustics. I want everyone to hear his precious words. Is the

secretariat aware of a problem that is affecting the acoustics? This has also happened with other Members?

Mr Deputy Speaker: Mr Kennedy is correct. We are having difficulty with the acoustics. The staff have been informed and are working to resolve the problem. I am aware that the problem may affect Members throughout the Chamber. Only the UUP seems to be having difficulty hearing what is being said. We shall persist, but if the acoustics do not improve, we may have to adjourn early.

Mr Poots: I could always offer to lend Mr Kennedy my ears; then he would have no problem hearing.
[Laughter.]

The Planning Service is in chronic crisis. There has been little significant development in Northern Ireland in recent years. In the retail sector, for example, there has been development at Victoria Square, and we have an outlet village at Banbridge and a minor extension to Junction One. However, there are huge opportunities for further development in the retail sector.

Coca Cola is the only currently significant industrial development in Northern Ireland. Invest Northern Ireland struggles to encourage inward investors to put money into Northern Ireland. Simultaneously, £5 billion of investment leaves Northern Ireland each year. People want to put their pounds elsewhere. Our laborious planning system is a major deterrent to investors. Many years ago, an investor decided that he wanted to invest £100 million in Northern Ireland and £100 million in eastern Europe. Within just two years, he started to get a return on the money that he spent in eastern Europe. However, he had to wait eight years before he got a return on the money that he had spent here because of the planning system. The Planning Service must remember that it is supposed to be a service, not an obstacle. It should not hinder job creation, wealth creation or business development.

12.15 pm

Housing costs have risen significantly during the past number of years. Some house prices in the area in which I live have risen by around 50% in the past year alone. That has a critical effect on workers who are unable to afford to own homes. Because house prices have risen, workers make more demands of their employers and, therefore, drive general employment costs up.

We must deal with that because the many people who have come here from eastern Europe and other parts of the world have added to the need for housing. They supply industry with essential skills, particularly in agriculture and the food and drinks sector. The food and drinks sector could not survive without foreign workers. Farmers would not be able to deliver the necessary level of food production if it were not for foreign workers. The housing sector must provide

properties that people who come here can rent at a reasonable cost. It must also ensure that there are enough houses for those who want to buy a home in Northern Ireland.

Huge damage to rural development, tourism and agricultural diversification will be caused by Draft Planning Policy Statement 14. Unless that policy is reformed, economic development and job creation, particularly in rural communities, will be stymied. The inability of such communities to establish small businesses will lead to further losses in their areas.

We must examine the opportunities for job creation that are afforded by enterprise zones and technology zones. Low taxation in those zones would encourage investors to create high-quality jobs in Northern Ireland. Significant benefits would be felt throughout the community by the creation of such jobs, and they would filter down and create other opportunities for people who were unable to do such jobs themselves. The Titanic Quarter, the Maze, the north-west and the south of the Province have tremendous potential as areas where zones could be established and high-quality jobs created as a result of foreign direct investment.

(Madam Speaker in the Chair)

We must examine how culture can contribute to economic development. In particular, tremendous opportunities to create substantial tourism revenue are presented by the Titanic Quarter and the centenary of the sinking of the world-famous ship, which will take place in 2012. Another world-famous event that could affect Northern Ireland in 2012 is the Olympic Games. It is important that we move ahead as quickly as possible to ensure that we are able to facilitate elements of the Olympic Games and bring some events to Northern Ireland. We can deliver on that, and we can deliver the multi-sports stadium at the Maze that would contribute to bringing elements of the Olympic Games to Northern Ireland.

I am not only concerned with the benefit that that would bring to the people who live in the Lagan Valley area — I am not one of those parochial individuals who talks exclusively about his constituency — but with the 80% of Northern Ireland's population who live within one hour's drive of the Maze and would also benefit from facilities being developed there.

Many people are paying huge amounts of money for tickets for the Ryder Cup and then travelling two and a half hours to get there, so travelling one hour to the Maze will be easy for people who will benefit from the wonderful facilities that will be available there. There is a lack of quality exhibition facilities in Northern Ireland and the Republic of Ireland, and there is a huge opportunity to develop them at the Maze.

Dr Birnie: If the case for the national stadium at the Maze is as overwhelming as the Member is arguing, does he agree that the Department of Finance and Personnel should, as a matter of service to the public, publish the full business case and economic appraisal so that everyone can see the arguments?

Mr Poots: The public should be made fully aware of everything that can be made public, but commercially sensitive matters cannot be revealed now. The stadium will only be developed if the business case stacks up, and I believe that it will stack up when everything is brought together.

I recently visited an exhibition facility in Valencia. It has an income of €70 million per annum, but the income to the wider Valencian economy is €700 million. Every euro that is spent in the exhibition facility is boosted by €10 spent outside it. That shows that there can be advantages for the wider Northern Ireland population as well as for those at the facility venue.

The Federation of Small Businesses mentioned business crime during its evidence session to the subgroup. Members are aware of the loss to Northern Ireland's economy of £600 million by the sale of illicit fuel, smuggled tobacco, alcohol and counterfeit CDs, DVDs, clothing and perfume on the black market. That significantly undermines the legitimate economy. Loyalist and republican paramilitary groups are the main organisations involved in that activity. The Secretary of State regularly complains about the cost of this place, which is not legislating and which is not doing what it was established to do. Nonetheless, Members, in most cases, are busy in their constituencies and are doing a substantial part of the work that they are required to do. The same Secretary of State who moans, gurns and whinges about this place appears to be turning a blind eye to what is taking place, particularly around the border areas, and to the £600 million that is being lost to our economy and going into the coffers of paramilitary organisations.

It is about time that the Secretary of State took the mote out of his eye and got on with it. If he is not prepared to deal with the amount of crime that is taking place in Northern Ireland, and if he is not prepared to acknowledge that the people who are engaging in those crimes are also closely associated to political parties, he can forget about his 24 November deadline and his attempts to create deals in hothouse environments. There is no prevarication there. If people continue to engage in those activities, there is no place for them in the Government of Northern Ireland.

HM Revenue and Customs believes that there are 200 illegal fuel-laundering plants in Northern Ireland. Current resources allow them to take out only 16 plants per annum. Therefore, it will take about 13 years to wipe out that activity — as long as no new

illegal plants are established. HM Revenue and Customs and the Assets Recovery Agency (ARA) do not have the resources; meanwhile, Sinn Féin/IRA, in particular, are not being pressured to deliver on removing those plants from Northern Ireland.

Mr Paisley Jnr: The Member mentions the issue of resources to combat serious crime. He will be aware, and would agree, that every effort should be made to try to combat that. I shall give Members an example. Queen's University recently put forward the idea of developing a "DNA mark" on all fuel so that it could be traced from where it was made to its purchaser. There has been some resistance to that idea on the part of the Government. I am sure that the Member will join me in pressing the Secretary of State to ensure that the DNA marking of fuel is developed and made available so that fuel can be traced from its genesis to its point of use.

Mr Poots: I thank the Member for that useful intervention. There are several ways to resolve these matters, and that is certainly one of them. Another way would be a reduction in excise duty on fuel in Northern Ireland. I understand that excise duty is being raised in the Irish Republic. If there were to be a closer convergence of fuel prices, there would be fewer opportunities for smuggling. However, it would not prevent the continued production of illicit fuel, whether it be red diesel — which has had the dye removed with acid — or kerosene. Ultimately, that would be a positive move.

HM Revenue and Customs and the ARA must be given the resources to do their jobs. The Secretary of State must make it absolutely clear that there will be no Government in Northern Ireland while those criminal activities continue and that he will support those democrats in Northern Ireland who are saying that there must be an end to organised criminality and that there must be support for the police and for organisations such as HM Revenue and Customs. Those organisations must be able to carry out their duties properly if we are to move forward to a situation in which we can have an Executive that delivers for the people of Northern Ireland.

Madam Speaker: Members will know that the Business Committee has arranged to meet at lunch time today. I propose therefore, by leave of the Assembly, to suspend this sitting until 2.00 pm. I hope that in the meantime the acoustics will be cleared up. There is something wrong with my microphone, as well as those in the Chamber.

The sitting was suspended at 12.28 pm.

On resuming (Madam Speaker in the Chair) —
2.00 pm

Madam Speaker: Before lunch, there were acoustic problems in the Chamber. I hope that those problems have been resolved and that we can all hear each other.

Mr McMenamin: I sincerely hope that we will be able to hear each other this afternoon, but I do not think that we will have any problem at the minute, as so few Members are present.

I commend the elected Members and staff who worked together to compile the report. The plight of West Tyrone and, in particular, the isolation of my home town of Strabane are historical facts. Thankfully, the lookout towers and the permanent army checkpoints have gone, but the infrastructure is lacking.

I welcome the report. The Federation of Small Businesses (FSB), which gave evidence to the subgroup, raised many issues that have an impact on the land border between the North and the South. European funding has not had the impact that it should in the west, and any Assembly must exploit the opportunities for developing infrastructure and rebuilding the regions that partition devastated. The Derry/Dublin railway is yet to be realised. A north-west motorway linking Dublin through Tyrone to north Donegal could become a linchpin of a North/South infrastructural upgrade.

Since the SDLP launched its North/South strategy and called for dedicated all-Ireland funds for infrastructural development, public support has grown on both sides of the border for a motorway that links Derry, Donegal, Tyrone and Fermanagh with the core of the Southern economy. People realise that the means are now available if the political will is there. Last year in Derry, the Southern Finance Minister told us that up to €100 billion will be spent on infrastructure on this island over the next 10 years. It is almost impossible to imagine spending of that sort not addressing the needs of what is possibly the most infrastructurally neglected corner of the island.

Ireland's eastern seaboard is in danger of being overdeveloped. Balanced regional development is in everyone's interest if the Southern economy is to continue to grow and if we in the North are to share in the benefits of the Celtic tiger economy. I welcome support from across the political spectrum for the north-west motorway; we will need cross-party action to get the British Government to play their part. I am sure that the cross-party goodwill exists in the South to make that motorway work.

Roaming charges may seem to be unimportant, but they are critical for the small and medium-sized businesses that make their living on cross-border trade. Corporation tax and industrial rating are the kiss of

death for many firms that work at the margins of profitability. Those firms are crucial to the survival and economic recovery of Northern Ireland, particularly the west.

As the FSB points out, there are issues relating to banking and how the big four banks rip off small businesses that need to trade in both sterling and euro. Banks must be taken apart for their rip-off practices, and only a restored Assembly can do that. I do not intend to expand further; rather, I intend to acknowledge that there are many innovative recommendations in the report that would benefit the people of this small island, North and South.

During the summer, we all worked together to compile the report. We can work together in the Committee but, unfortunately, we cannot get together in the Assembly. The deadline of 24 November is approaching fast. Let us hope that common sense will prevail for the future of everyone on our small island.

Finally, I emphasise the need for a massive injection of capital funding in the west to address many years of neglect. The Government cannot continue to treat the people of Strabane and West Tyrone as second-class citizens. We deserve infrastructure and facilities on a par with those in other parts of the North. Western development needs to be top of the Government's agenda, and links between Tyrone, Derry, Donegal and the rest of the region must be developed for people on both sides of the border. I support the motion.

Mr McClarty: Members will agree that the Northern Ireland of 2006 is a far better place than that of 1996. Fortunately, we have relative peace and a growing tourism industry. We can also agree that we have one heck of an international football team — except perhaps those of us who have a Spanish background. However, our economy is struggling. There are many reasons for that, most notably the mishandling of the Northern Ireland economy by direct-rule Ministers and the fact that our entrepreneurial private sector is much smaller than in other UK regions.

I commend the subgroup for compiling this extensive report. It highlights many important points and is a platform on which a future Northern Ireland Executive can work. Fundamentally, our economy will only receive the attention that it deserves when a stable, accountable and fully functioning Assembly is operating here at Stormont. As a unionist, I watch with great unease as the British and Irish Governments prepare Plan B in case the 24 November deadline should pass without a deal being done. No one in the Chamber knows exactly what is in store for the Province should that happen. However, we can surmise how the Northern Ireland economy will be managed. We got an indication from the Secretary of State

almost a year ago, when he told a New York newspaper that the Northern Ireland economy was:

“not sustainable in the long term”

and that:

“the island of Ireland should be marketed as a single entity.”

That was a disgraceful statement from a Minister of the Crown. What kind of message does it send to potential investors in Northern Ireland? It was neither reassuring nor positive. How can we market this country when our Secretary of State runs down our economy? That is the threat to Northern Ireland plc should devolution not be restored. The Plan B model of greater co-operation between Dublin and London will only inject confusion, uncertainty and instability into the Northern Ireland economy. With the Labour Government in turmoil and the Irish Republic preparing for a general election, does anyone in the Chamber really believe that our economy will be anywhere on London or Dublin’s priority list? The answer is an unequivocal “no”.

Of course, the economy must be our priority. If we want to build a strong, prosperous and peaceful Northern Ireland for our children and grandchildren, we must build a strong and prosperous economy. To do that we need this place to work. We know that there are difficulties and obstacles, but it is imperative that we resolve them as soon as possible. If we can get this place up and running, we can give the economy the attention that it merits.

Just think what a local Assembly could do almost immediately if power were restored. We could address the obvious structural weaknesses of the Northern Ireland economy, which have been correctly identified as the four drivers in DETI’s ‘Economic Vision for Northern Ireland’ — something that is also stressed in the subgroup’s report. We could also address the crucial issue of increasing rates and energy costs for our manufacturing sector. The direct-rule Administration’s treatment of Northern Ireland manufacturing is costing our economy massive job opportunities.

Furthermore, a devolved Administration could address the rates burden on small businesses in Northern Ireland — something that my colleague David McNarry raised in the subgroup. I wholeheartedly agreed with his assessment that, although most taxation issues are reserved matters, a fully functioning Assembly could act on aspects of the tax burden for potential and existing SMEs.

Mr S Wilson: The Member raises some important issues for small businesses, but if, as he suggests, the rates burden were moved away from SMEs, to whom would it be moved?

Mr McClarty: That is something for a future decision in the Assembly. The matter must be

considered extensively. The rates burden cannot be shifted to those who cannot afford to pay. Therefore, resolving the issue will require active thinking on the part of the future Minister and Committee with responsibility for Enterprise, Trade and Investment.

I will conclude by emphasising the need for the restoration of devolution in Northern Ireland. The economy is suffering. It will endure worse suffering if the 24 November deadline passes without a deal and Plan B is called into operation. Members on the Benches adjacent to me, and those who would normally sit on the Benches opposite me, realise that that is the case.

I welcome the work of the economic subgroup in producing its thought-provoking report. I hope sincerely that, in the not too distant future, a Northern Ireland Executive will act upon it. I support the motion.

Mr Storey: Northern Ireland’s economy has been forced to exist in extreme and torturous times. One example among many that I could cite is that of the traditional manufacturing jobs that have disappeared to low-wage economies in the Far East and eastern Europe.

Furthermore, no true debate could be conducted on the Northern Ireland economy and the need to take the right action now if Members were to fail to point out that, for several long decades, the business community in Northern Ireland, comprising local businesses run by local people and employing local people, was targeted by the republican movement. I pay tribute to those businesses, companies and workers who, despite what the leader of IRA/Sinn Féin described as a “morally justifiable campaign”, continued to provide our people with jobs and some sense of normality amid the economic wasteland created by terrorists.

The economy was placed under severe strain, not because of a lack of inventiveness on the part of Northern Ireland’s citizens or lack of ambition on the part of the business community, but because it was directly and systematically targeted by terrorists. Those terrorists calculated that by planting bombs, murdering the workforce, threatening businessmen and extorting money, they could not only terrorise the community, but destabilise the economy and make Northern Ireland appear less attractive to potential investors, thereby crippling the entire society.

Of Sinn Féin’s economic policy and its Marxist worldview, a senior politician from another House, whom, given the Speaker’s ruling this morning, I am unable to name, said that:

“They prefer the intellectual company of their friends in ETA, FARC and Havana. Like Fidel, Gerry would prefer an ideologically acceptable dictatorship to a liberal market economy.”

He went on to say that Sinn Féin’s record in Northern Ireland:

“shows that they have little or no interest in its well-being.”

Republicans, in their economic strategy, believed that they could advance their sectarian campaign by destroying Northern Ireland’s economic infrastructure. Therefore, they reasoned that their sectarian cause would be well served by crippling Northern Ireland’s manufacturing base, burning its economy to the ground, and condemning its people to lives on the dole. That they should now seek to block progress should surprise nobody. That they should seek to stitch up their own team, who agreed the subgroup’s report, is only in keeping with their character.

That they should run away and not have the guts to defend their desertion of the business sector, and not have the stomach to come and debate their abandonment of the labour market, is only further evidence of the deep-seated cowardice that compelled them to slink under cover of night when they were carrying out murderous activities.

2.15 pm

Mr S Wilson: I thank the Member for giving way. Does he not agree that it is a much more pleasant environment when the Benches opposite are empty, rather than full? *[Laughter.]*

Mr Storey: Of course I concur with my hon Friend.

Sinn Féin is very good at trying to bring its conscience and concerns to the public domain. Obviously, in real terms it is devoid of anything to say. I refer Members to the submission made by IRA/Sinn Féin. The party complained that:

“Neither did we have adequate time to resolve all of our differences in analysis”.

The party was looking for more time so that it could prevaricate and give a minimalist approach to the economic realities of the Province. Also, the submission includes the comment that:

“There is significant scope for moving security expenditure into a major strategy that can underpin the transformation of our society”.

That is the party’s attitude to law and order and to the forces of the Crown. It has nothing to offer and nothing to contribute, and its absence today seems to mean that it has nothing worthwhile to say.

Undoubtedly, inward investment and business growth was hindered during the years of the intense terrorist campaign. Northern Ireland is a small regional economy within the overall economy of the UK; similar to, but smaller than, for example, Wales or the north-east or north-west of England.

Despite all of the turmoil, violence and death visited upon the Province by terrorist organisations, the people displayed resilience, inventiveness, and dogged, iron determination to overcome adversity. Given fair

opportunity, business in Northern Ireland can prove as good as, if not better than, anywhere in the British Isles. I have only to look to Wrightbus in my own constituency for an example. The company is a world leader; it gave a submission to the subgroup in that capacity. Recently, I visited a city in England and marvelled at the number of Wrightbus buses I saw, a result of the determination of the company to seize the market and produce a world-class product.

Northern Ireland is the only part of the UK that has a land border with another European Union state. That brings with it significant challenges. Not only are we neighbours to another European country but we are neighbours to a country that realised long ago that, whatever the dogmas of Irish nationalism, it is in fact a competitor to Northern Ireland. The number of international businesses with European headquarters in the Republic of Ireland is testament to that. We must set ourselves to competing fiercely and to winning that competition, but that will not happen unless the Northern Ireland business sector has the opportunity to prosper. It must not be harnessed into some political pipedream or straitjacket of political aspiration.

We should remind ourselves of the terms of reference of the subgroup. It was given the task of identifying the major impediments to the development of the economy in Northern Ireland. Rather than pleasing Irish nationalism with a cosy political strategy on an all-Ireland economy, we should view our neighbours in the Irish Republic as competitors and go all out to ensure that Northern Ireland has the best possible advantage in those markets that it seeks to secure.

Other Members have spoken of the actions that are necessary to do that, and those will be dealt with at length later in the debate. I shall therefore refer only to some of the steps that are necessary to ensure a vibrant economy in Northern Ireland.

We must tackle the skills crisis to ensure that our workforce is sufficiently trained and capable of meeting the requirements of the job. Investment in research and development must be addressed, and, as the hon Member for Lagan Valley said earlier, we must have a Planning Service that is fit to deliver the best to our Province. On 24 April 2003, the Water Service applied under Crown Estate to have major infrastructural works carried out. The Planning Service did not approve that application until June 2006. That delay is absolutely unacceptable, and radical change is necessary.

We must continue to modernise our infrastructure to its full potential so that we can build a vibrant economy. As politicians, we must not let up in our campaign to reduce corporation tax to below that in the Irish Republic. We must recruit the business community in a co-ordinated approach so that pressure on Government in that regard is maintained.

I pay tribute to my hon Friend David Simpson, who is our party's Westminster spokesman on trade and industry. Not only do we finally have a working MP in Upper Bann, but I welcome the commitment that he has shown in taking those matters to the House of Commons. Today he will address the conference of the Trades Union Congress (TUC) on those issues. I am sure that he will be better received than the Prime Minister — and I have no doubt that, without my mentioning his name, Members will know to whom I refer.

I hope that democracy and the rule of law will soon be fully embraced by those who have not yet done so. I hope that the changes that are required to obtain unionist — and nationalist — support for the institutions will be made and that a fully functioning, properly accountable Assembly will be in a position to assist in the task.

It is grossly negligent for the Government to withhold the necessary action in an attempt to bludgeon democrats into an Executive with mafia godfathers. Those are ham-fisted attempts to play the school bully. Instead of playing political games with our prosperity — and in the process endangering our future — it is the solemn duty of Government to discharge fully and properly their responsibilities. Members must demand such action today.

Northern Ireland has the potential to transform itself into an economy in which there is greater balance between the public and the private sectors. Yet the Government's policies on industrial derating and corporation tax and their refusal to act in order to blackmail local politicians could cause the greatest damage to Northern Ireland's manufacturing industry in a generation. Shame on them for that.

I also remind Members that one word that occurs frequently in the report — and Sir George Quigley highlighted it — is "stability". We require, and the business community in Northern Ireland requires, stability. The question that needs to be answered in regard to that is: have the absent Members of Sinn Féin/IRA the capacity to create the conditions for stability? For 40 years they built their political future on creating instability, making Northern Ireland ungovernable. Therefore, the challenge is not to the democrats in this House who have proved through the years that they can create and work towards stable government; the challenge is to those whom the Secretary of State is so keen that we put in power to prove, over time, that they are committed to stable governance in Northern Ireland, not to a rolling process whereby they are brought closer to their political objectives. They must show that they are committed to a Northern Ireland that is at peace with itself and to a Northern Ireland that has a strong economy that promotes the country.

Madam Speaker: This is the first time that the Assembly will have heard from the next Member to speak, Mrs Diane Dodds. She will be making her maiden speech. As Members know, it is the convention that a maiden speech be heard without interruption.

Mrs D Dodds: Madam Speaker, I thank you for that introduction and for the warning to my colleague Mr Sammy Wilson. Undoubtedly, that is what he would have done today.

I support the motion. The report is certainly wide-ranging in its recommendations, in the evidence that has been gathered and in the large number of interest groups that provided that evidence. However, the report also emphasises and demonstrates the large amount of work that still needs to be done if we are to bring coherence to the vision for the economy and some cohesion and structure to the implementation. The real value of this report will be if it acts as a spearhead for further work and as a catalyst for the Government to act on its recommendations.

Much has been said over the past two days about the economy, but today I want to focus on tourism, which is the fastest-growing sector of the world economy. It is incredibly important, and it must be taken into account if we are to develop a vision that will take us further in this new century.

Tourism contributes £500 million to Northern Ireland's economy and has created 51,000 jobs, which is about 8% of all those in employment. Indeed, tourism is so important that, looking forward to the autumn, my colleagues on the Northern Ireland Affairs Select Committee at Westminster are to engage in a little tourism and go on tour around the Province to look at the problems with the tourist industry.
[Interruption.]

A Member: A junket.

Mrs D Dodds: I know that my colleague would never be involved in a junket.

Mr S Wilson: Absolutely right.

Mrs D Dodds: The visit highlights for me the importance of tourism, and I look forward to the Select Committee's report. Last year, Belfast hosted 6.4 million visitors, creating expenditure of £289 million. That accounts for almost half the tourist activity in Northern Ireland. This year in Belfast, despite the negative spin in the press and the whingeing and moaning of nationalist politicians, we had the busiest July on record — we had the most visitors to the city ever.

2.30 pm

Although that is all good news for Northern Ireland, the real size of the true problem becomes apparent if we consider the tourist industry of our two closest neighbours, the Republic of Ireland and Scotland. In

Scotland, the tourist industry adds £4 billion to the economy each year and accounts for 200,000 jobs.

In the Republic of Ireland, Dublin is the third most-visited city in Europe, behind Edinburgh, which is the most visited city in Europe. The tourist industry is clearly booming in the Republic of Ireland, particularly golf tourism. That will be evident shortly when those who are interested will, no doubt, be fascinated by the Ryder Cup.

The report and its recommendations mention a number of important aspirations common to all sectors of the economy. I shall highlight three aspirations that are of great importance to the tourist industry: strategic direction; investment in visitor servicing and product; and the lifeblood of any tourist industry — a marketing strategy.

The Belfast Agreement provides for co-operation with the Republic of Ireland on tourism. Tourism Ireland has the remit for marketing the island of Ireland in Great Britain and overseas. It is an all-Ireland body accountable to the North/South Ministerial Council, not the Assembly. During 2005-06, Tourism Ireland will cost the Northern Ireland taxpayer £12.2 million. For the same period, the funding allocated to the NITB is £11.7 million. In other words, more money is allocated to Tourism Ireland to market the island of Ireland than is invested in visitor servicing and product development in Northern Ireland. The question must be asked: is that value for money?

In his evidence to the subgroup on 10 August, the chairman of the NITB said:

“Sometimes NITB feels that generic marketing of the island of Ireland may not help the Northern Ireland tourism market.”

On hearing that, the Sinn Féin member of the subgroup began to get a little anxious; perhaps his dark green glasses started to cloud over a little. He asked whether any positives had accrued from marketing the island of Ireland as one entity. An intrepid NITB official replied that there had been positive outcomes. She said that the Tourist Board had been very successful in getting travel writers and journalists into Northern Ireland through Tourism Ireland, which paid the travel fares, with NITB picking up all the other bills for entertainment and touring round Northern Ireland. The hope was that the Tourist Board would get a glowing report in the local media.

I wish to give one further example to illustrate the glaring inadequacy of that marketing strategy. Last year, the screen adaptation of C S Lewis's book, 'The Lion, the Witch and the Wardrobe', was a major Hollywood production that was shown all over the world. The film should have been a huge opportunity to showcase Northern Ireland and the city of Belfast; it

was premiered in Belfast to celebrate C S Lewis's connections with the city.

Belfast City Council promotes and develops a C S Lewis festival each year in the city. Quite rightly, it was decided to seize the opportunity for promotional work with the tourist industry, so Tourism Ireland was called in. Short advertisements were commissioned, which were to be shown in cinemas before screenings of the film so that people would associate the film, and C S Lewis, with Belfast and with Northern Ireland. Indeed, I took my daughter to see the film 'The Chronicles of Narnia', during a few days' break in London following the lull after Christmas. That is where I first saw the advertisement, because they were not shown in Belfast cinemas.

I raised my concerns about the advertisement with a deputy secretary from DETI. His reply stated that the advertisement was screened in 600 cinemas across Britain and reached an estimated audience of 6.5 million viewers. However, his letter went on to add that the advertisement never once used the term "Northern Ireland". However, it mentioned Belfast once, and all the scenes in the advert were filmed in Northern Ireland. I ask Members how any marketing strategy can be successful when we fail to mention what we are marketing.

How could anyone in Sunderland, Newcastle or Leeds be expected to know that the pub that was featured in the advertisement was the Crown bar in Belfast? If that was a failure of marketing in Great Britain, how many more times was that failure multiplied when one considers the global market? If someone in Sunderland could not recognise the pub as the Crown bar in Belfast, what are the chances for someone in Sydney, Los Angeles or Hicksville, USA? That failure is the direct legacy of the Belfast Agreement, and this folly must stop.

Some Members: Hear, hear.

Mrs D Dodds: Marketing is essential to the future growth and development of the tourism industry. Indeed, it is the lifeblood of that industry. That marketing strategy takes no account of political reality and refuses to mention the term "Northern Ireland". Indeed, the Northern Ireland Tourist Board tells me that if one wants a campaign that is specific to Northern Ireland and mentions the term "Northern Ireland", one must pay over and above the £12.2 million that one has already paid. That strategy is failing, and we must examine the unaccountable cross-border bodies that have proved to be costly to our economy — and none more so than Tourism Ireland, which refuses to recognise the political reality of Northern Ireland as an entity. It is time for an open and honest debate on this issue with those on the Benches

opposite, so that we consider the future direction of the marketing of Northern Ireland as a tourism destination.

I wish to touch briefly on strategic direction and investment in the tourism industry. The lack of strategic direction is glaring and is sadly but a mirror of the lack of strategic direction in other sectors of the economy. I am told that seven out of 10 Departments allocate a budget for tourism. That is done without any reference to one another and without any strategic guidance or cohesion on the vision of what will be achieved in the end.

Quite rightly, we have seen a surge in tourism activity in our economy. However, we can be a discovery destination for only so long. We must develop a long-term infrastructure for projects that will sustain the tourism industry in the next number of years. The NITB identified five such projects and has since been struggling to identify revenue streams for every one of them. Londonderry fell on fortunate times with the city walls project because it benefited from the integrated development fund.

In Belfast, we have the biggest and probably the best known of the projects, namely the Titanic signature project. At the moment, just a matter of years from the centenary of that fateful ship, no Government funding has been earmarked for that project, and we are depending on a National Lottery application, which may or may not yield results.

There is clearly a need for direct Government investment in those projects. No new money could be found for tourism in the last spending review. The latest spending review, and any future financial package, must target those projects because of their infrastructural nature and the benefits that they will bring to the economy. No other country in the world can rightly own the brand of the Titanic like Northern Ireland and the city of Belfast. It would be a disaster if we allowed Orlando in Florida, Southampton or the impostors in Liverpool to get ahead of us.

I wish to mention another issue, which impacts on many other sectors. If we are to benefit truly from a boom in tourism numbers in this country, we must have a skilled workforce that is able to avail of the opportunities that such a boom would bring. So far, we have not invested in a strategy that allows us to do that.

Finally, Members may have noticed the welcome announcement in the news today of the investment in the Crumlin Road courthouse, which is in my constituency and in the Shankill ward, the most deprived ward in Northern Ireland. I particularly welcome that development, which will benefit local people. However, it will only be of benefit if the proper training systems are in place so that local people can gain the skills and knowledge to enable them to get a job, have a stake in

society and end the generations of unemployment that that area has long experienced.

I support the motion.

Mr Cree: I add my appreciation of the work that the subgroup and the staff did this summer on the economic challenges facing Northern Ireland, and I was pleased to play a small part in that.

At this stage of the debate, the contents of the report have been fairly well aired, and many Members have spoken about their pet subjects. I will resist the temptation to rehearse some of the arguments and will deal instead with an area that has not been so well covered.

Although many issues have been covered at length, the report makes little reference to the Investment Strategy for Northern Ireland (ISNI). We must ensure the success of that strategy, and I wish to highlight several important points. The strategy does not appear to be linked to the Programme for Government. It must display more vision for the next 10 years and we must be assured that it will deliver, unlike 'Strategy 2010', which has disappeared completely. ISNI is a new strategy, and there are still questions to be answered about methodology and how it is designed to fit into the wider economic, social and environmental processes. ISNI needs to address, in a more meaningful way, social and environmental benefits. I would prefer that the strategy be developed into a plan, with the commitment that that would entail to encourage all stakeholders. There are also revenue implications, and the likely outcomes of the infrastructure strategy should be dealt with more visibly. Delivery is crucial, and the strategy must be seen to deliver from the outset.

There is evidence of tardiness in Government systems and a complete absence of a risk-taking culture. That must be corrected, and the Government's reinvestment and reform initiative must tackle those issues.

Planning has been addressed in the report, but it is essential that our planning regime is not allowed to constrain project implementation. Many examples have been given, but there is none better than the draft Belfast metropolitan area plan. That began when I was still in school, was published in 2004, and, as we have recently been informed, the Planning Appeals Commission (PAC) will hear objections to it in April 2007. That is hardly good enough. ISNI does not address the major problem of implementation. We need a fast-track system similar to that employed in the USA and other progressive countries to ensure that approvals are not seriously delayed, as they are at present.

More clarity is also needed on the role of the Departments and of the Strategic Investment Board. Accounting officer responsibilities must be reconciled with Strategic Investment Board and ISNI requirements. Without a resolution of that issue, and without a real

joined-up approach by Government to infrastructure provision, ISNI will not be a real strategy. If it is, indeed, a strategy, who controls it, and who will shoulder the top levels of responsibility and accountability?

2.45 pm

After the failure of Departments to implement fully their budgets last year, one must query whether the Government have the capacity to deliver the £16 million strategy. However, I accept that ISNI is a new and bold process with the potential to create a step change in infrastructure provision. The strategy must be a main driver in developing our economy, and it is essential that it be allowed to succeed. I hope that Members share my views on the report.

Mrs Hanna: I thank everyone who was involved in the preparation of the report over the summer.

Every Member recognises the fact that the present fiscal situation is unsustainable. We also recognise that, in order to transform our society and economy, to reduce dependency and to maximise our greatest assets — the talents and abilities of our people — we must find a new, sustainable model for financing public expenditure. All Members realise that an essential element of an enterprise economy is an attractive taxation regime for business and an attractive economic environment. However, it is also important that home owners are not forced to bear an unsustainable burden. The taxation burden must be distributed fairly among all sectors of society.

Many enterprising people have created employment for themselves and others in my constituency of South Belfast. However, they face not only the prospect of industrial rating and exorbitant business rates in areas such as the Lisburn Road and the Ormeau Road, but a twofold or threefold increase in domestic rates.

I shall focus on the effects of the rating revaluation on thousands of home owners, particularly in South Belfast, where domestic rate increases have hit hardest. In 2010, the hike in rates will have a much wider impact. The direct rule Minister with responsibility for finance, David Hanson MP, has handled the rates revaluation in a perverse and misleading manner. Here are some of the sound bites that the Minister provided to the media: the rates bills of more than half of all homes will be reduced; the remaining 40% will face an increase of less than £450; and a mere 3% will have an increase in excess of £350. The reality for my constituents in South Belfast has given the lie to each and every one of those glib sound bites.

The South Belfast constituency comprises 19 wards, 13 in the Belfast City Council area and six in the Castlereagh Borough Council area. The effect of the rates valuation is that household rates have increased in 17 of the 19 wards in South Belfast — nearly 90%.

The overall increase in rates bills across the constituency is 28%.

To consider the extent of those increases, I shall give some examples. In the Malone ward, the average house value is £351,000. Last year, the average rates bill was £1,086. That has risen to £2,021 — an increase of 86%. In the Stranmillis ward, rates have increased by 65%; in Windsor, by 63%; in Botanic, by 52%; in Rosetta, by 34%; and in Ballynafeigh, by 53%. I could list many more examples. Increases for the vast majority of those South Belfast wards are grossly disproportionate for Belfast and for Northern Ireland as a whole. The Valuation and Lands Agency's website shows that the increase for Belfast as a whole is 56%; for South Belfast wards it is, in fact, 74%.

Mr Hanson gave an interview last weekend, when he added insult to injury. He said that he would not impose a cap on rates, as he was opposed to capping on principle. What a strange statement for a Minister of the Crown to make, considering that the Labour Government implement rates capping on principle. Capping may not be the best solution because it lets the wealthiest people off the hook; however, we need a fair system based on the ability to pay. The Minister may regret that statement because he may have left himself open to a challenge under human rights legislation.

At the weekend, the Secretary of State told us that the union was evolving. It certainly is. The richest person in England will pay a rates bill of no more than £3,000. Mr David Beckham, the footballer, who is a very rich man — and good luck to him — pays no more than £3,000 on Beckingham Palace. A constituent of mine in South Belfast, admittedly rich but hardly in the Beckham league, faces a rates bill of £14,000, five times what Mr Beckham pays. Such an unfair system can be challenged on grounds of equity.

South Belfast is the most integrated, vibrant constituency in Northern Ireland; the vast majority of people live there side by side in harmony. People want to live there, and, as a consequence, house prices rise. 'A Shared Future' describes a society that many in South Belfast are working towards. However, this new form of property tax is a penalty on integration. People from different backgrounds are forced to pay for wanting to live together.

Mr A Maginness: The Member referred to the double standards applied by the Labour Government to rating policy in Northern Ireland. In Britain, there is a cap on rates or local government tax. I bring it to the attention of the House that the Labour Government postponed the revaluation of properties before the last general election so that the electorate was not offended. So much for double standards.

Mrs Hanna: That reinforces my point: offending people in Northern Ireland does not matter.

I am a social democrat whose primary concern is for those on fixed incomes, those who live alone and those who were prudent and bought houses when they were cheap but who now see valuations rising all around them. Not only do they now face massive rates bills but, next year, they may face a double whammy when water rates are introduced. After their deaths, their families will face a triple whammy as inheritance tax is added. None of us is under any illusion that this new form of rating is anything other than a property tax. However, if it is a property tax, it is unfair on those who live in a pricey house that was bought a lifetime ago or on those who live on their own, while a family next door may have four or five separate incomes.

The justification for capping is that services themselves are capped. A widow living on her own will use only a fraction of the council services that a household of six or seven will use. The rating system must be fair, equitable and based on the ability to pay. The SDLP will oppose the Hanson “dog’s dinner” tooth and nail. My colleague Dr McDonnell, who is also the MP for Belfast South, will make the case forcefully for his constituency when the draft Order is laid before Parliament.

Mr N Dodds: It is a pleasure to follow the hon Lady. I noted with interest the intervention about what the Labour Party had done in England on revaluation. The Lady and her colleagues are members of the Labour Party’s sister party, so I expect them to have a great deal more influence over those matters than the rest of us. It will be interesting to see what they manage to get out of the Labour Party.

Mr S Wilson: Family in-fighting.

Mr N Dodds: I am sorry that I was not able to hear my colleague’s maiden speech —

Mr S Wilson: He will be sorrier when he gets home. *[Laughter.]*

Mr N Dodds: I heard that, but that is not the case. However, I am deeply sorry that, owing to other commitments, I was unable to hear the maiden speech of my wife, a Member for West Belfast. It is significant that her contribution was the first from a unionist Member for West Belfast in some 30 years. The people of West Belfast who are represented by the DUP now know that they are in good hands and will continue to be well represented.

It is appropriate that my wife made her maiden speech during a debate on economic matters, because both the unionist and nationalist sides of West Belfast have suffered greatly over the years from economic and social deprivation. The hon Lady for West Belfast will make a massive contribution, as she already has on the ground, in helping to improve conditions in that constituency. I think that I have done enough now, Madam Speaker, to earn my dinner tonight. *[Laughter.]*

I also congratulate those who worked on the report over the summer and the staff involved. The report is useful, because it gave people in the Province with a vested interest, from a wide range of organisations and backgrounds, an opportunity to come and put their views directly to elected representatives. That was one of the things that people most valued about devolution. It was not so much that people always got what they wanted or that their arguments prevailed, but that they felt that their elected representatives were listening. Ministers heard the arguments and responded — not always in a way that people entirely liked — but at least they responded. So, if only from that point of view, the report is a valuable piece of work. I have already come across people from the business community and trade unions who have made that point about it.

The report is entitled ‘First Report on the Economic Challenges Facing Northern Ireland’, and there are many such challenges. Before dealing with some of the major issues, I want to refer to matters that several Members have already mentioned. Sinn Féin Members continue to boycott Assembly debates. That bizarre situation deserves reiteration: Sinn Féin MLAs attended meetings of the economic challenges subgroup, they attended when witnesses gave evidence and they were present when the report was finalised, but they refuse to take their seats in the Assembly and contribute to the debate.

Anyone may wonder why there has been no progress and why there are difficulties in trying to restore devolution. The Secretary of State would be well advised to look at the record of this debate over the last couple of days and ask who is making an effort, and who is making a contribution to debating the issues. People are sick, sore and tired of hearing the one-way diatribe of excuses and arguments that suggests that it is all the fault of unionists. That is far from the case.

Today and yesterday, much was said about how essential it is to restore devolution and get the institutions up and running in order to make progress and ensure political stability. The report accepts, as do many of us, that it is essential to get the political stability that will be the bedrock of progress on several fronts, not least on the economic front. However, having listened to contributions from several parties, the DUP is conscious of the difficulties, problems and challenges that lie ahead in getting the form of devolution that the Government favour restored — namely, some kind of mandatory coalition. The DUP is concerned that that might not be achievable in the short or medium term because of IRA/Sinn Féin’s inability to sign up to policing and to act on criminality, illegality, racketeering and all the rest of it before the 24 November date set by Government. The DUP does

not know when those conditions will be met, but Sinn Féin looks unlikely to do so by then.

It was precisely because we recognised that that was not likely to happen that my party suggested, at the start of last year, that a form of devolution be set up that would at least allow elected representatives to have some say in matters as we try to make progress towards a time when IRA/Sinn Féin meets the conditions for full inclusive Government.

3.00 pm

Of course, some parties in this House rejected that proposal. The SDLP, in particular, said that it would not accept that kind of shadow Assembly. Now that party says that we shall be left in a situation in which there will not be devolution, and in which we will not have any type of Government. My party offered a way forward that would have bridged the gap between the current situation and a situation in which Sinn Féin/IRA meets the conditions required of it. Unfortunately, that was rejected, and issues such as rates and water taxes — which the Assembly could have had some power over in an elected, devolved capacity, even if Sinn Féin did not meet the conditions to enter Government — are not our responsibility. Therefore, we cannot help the people of Northern Ireland in the present circumstances. We must bear that in mind.

(Mr Deputy Speaker [Mr Jim Wells] in the Chair)

When the Secretary of State tells us that he and others in Government were inclined to move forward with that approach, but did not do so because of the strong and united opposition of Sinn Féin, the SDLP and the Dublin Government, we must be clear as to where the responsibility lies for the current situation. Madam Speaker, it is important to put that on the record because it goes to the heart of the debate. Political responsibility and stability are big issues for discussions on economic conditions. If movement had been made in that area, real progress would have been made.

I apologise, Mr Deputy Speaker; I did not notice you earlier. *[Laughter.]*

I am sure that you will forgive me. This may not be the first time that I have sought your indulgence.

The report presents several big challenges. The public sector in Northern Ireland is large compared with that of other parts of the United Kingdom; it equates to 61% of gross domestic product, compared with 42% across the United Kingdom as a whole. A total of 89% of companies in Northern Ireland employ fewer than 10 people. Those figures illustrate the dominance of the public sector vis-à-vis the private sector. We must try to remedy that situation. It cannot be done, however, by a short, sharp measure that will cause great disruption to the economy. It must be managed properly and effectively. Simply to slash

public expenditure and say that the private sector will have to take up the slack will not work.

Measures must be taken to develop those industries and sectors that have not been exploited to their full potential. Tourism is one such area. With the advent of cheaper travel, and as people's horizons expand, the tourism and leisure industry will undoubtedly be the sector that will grow most rapidly in the next decade or two. Northern Ireland, with its tremendous natural advantages, must not lose out to competition in that area. Some tremendous opportunities lie ahead as we approach the one hundredth anniversary of the voyage of the Titanic. We must also ensure that Northern Ireland is in a position to exploit the opportunities that will arise from the London Olympics.

Eloquent contributions have been made on the importance of education and skills, so I will not go over that again. However, it is important to say that our education system equips our young people for the challenges of tomorrow. Northern Ireland has a first-rate education system, but there are improvements to be made. We heard yesterday about some of the changes that are being introduced, such as the enriched curriculum and the changes to post-primary education — a debate we know all about. However, we are in danger of not building on what is best, and the Labour Government are in danger of tinkering for ideological reasons and not for the benefit of the people of Northern Ireland.

We have to deal with paramilitarism, criminality and organised crime, and that is rightly highlighted at recommendation 15 on page 5 of the report. Those issues cannot be glossed over. Organised crime and the large amounts of money that are being taken out of the economy and put into the black economy are seriously impacting on businesses here. The Northern Ireland Affairs Committee of the House of Commons recently highlighted that for the second time. The enormous sums of money that are being gained by illegal means, particularly in border areas, are damaging the economy, and that must be addressed. The DUP is determined that that issue will be dealt with in a way that will ensure that those who are in the Government, administering the law and dealing with these matters, are not tainted by that type of organised crime, paramilitarism or criminality. In the past, the mistake has been to not take a rigorous and robust position on all of this, but that will not be a failing on our part this time around.

The fiscal environment in which we operate is also important. Northern Ireland has the second lowest rate of formation of new businesses of any region in the United Kingdom, and that is a problem. Reasons for it, such as our high level of corporation tax compared to our competitor south of the border, have been highlighted and must also be dealt with. There is a raft of other issues, but a proper fiscal environment in which

indigenous companies will be encouraged to grow, and to which companies that presently go to our competitors in the south of Ireland will be encouraged to come, is essential.

According to press reports, there will be negotiations and discussions in the near future. The DUP has already made it clear that the economy will be at the top of its list of concerns. A report in the May/June edition of 'Economic Outlook & Business Review', published by First Trust Bank, contains this contribution by Michael Smyth:

"Meanwhile, as local politicians continue to agree to disagree, the somewhat parlous underlying condition of the economy barely merits a mention in their discussions. Perhaps by default it will fall to unelected (by the NI electorate) Direct Rule Ministers to administer the unpleasant medicine needed to rebalance the economy."

That was written this summer. Any fair and reasonable commentator who looked at the events of the Assembly and listened to local politicians' concerns over this summer would have to admit that that is not the case. Local politicians have been very exercised by the local economy, to the extent that this report has been produced. A lot of thought and consideration have been given to it, and the DUP is serious in its intention to make the report a major issue in negotiating a financial package for Northern Ireland as part of any discussions.

There are other matters that I could raise, but I will conclude by welcoming yesterday's announcement of the plans to convert the Crumlin Road courthouse, which is in my area, into a major hotel. That is tremendously good news, and it accords with some of what I said about tourism and the leisure industry. Barry Gilligan and those behind this development are to be congratulated. The DUP has worked with Mr Gilligan and the local community on this, and those who live in the community are heartened by the announcement. I hope that we can work together to make it happen.

Mr Deputy Speaker: Mr Burns will now make his maiden speech. As Members know, it is the convention that this speech be heard in silence.

Mr Burns: I am grateful to all the colleagues and staff who contributed to the making of the 'First Report on the Economic Challenges Facing Northern Ireland'. The absence of a devolved Government is our biggest obstacle to successfully meeting the economic challenges facing Northern Ireland. Whatever our political differences, this report demonstrates that we can reach consensus when tackling crucial issues such as the future of Northern Ireland's economy.

A strong economy is underpinned by a stable system of government. A stable, devolved Government is essential if Northern Ireland is to prosper in the years ahead. To achieve that goal, we must recognise that we have in our hands the means to deliver stability.

Without political stability, where do we go? All the grants, rates reliefs and economic initiatives will go to waste if we do not have stability. We cannot continue to rely on the public sector to meet our employment needs. We recognise that public-sector jobs will be shed as the British Government toughens its demands for efficiencies from all Departments in the North.

The people who will suffer are real people with mortgages, car loans, and children to be educated. They are our constituents, and we must always remember that they elected us. Without a stable system of devolved Government there will be huge financial pressures from central Government with little or no interest in the economic future of the North. Direct-rule Ministers have their own constituencies and their own voters in England, Scotland and Wales. They do not want to be here. We must remember that ordinary people will be hit hardest by the failure to grasp opportunities.

People want jobs. They want to live in their homes in safe and good areas; they want to own cars and take a fortnight's holiday. They want their children to be educated in good schools with the real possibility of getting jobs in their country. Without a stable system of Government, jobs will be lost. Young people will be pushed towards stronger economies with greater opportunities, and our economy will suffer a brain drain as the best educated seek employment elsewhere.

Faced with water rates and hikes in the cost of living, disposable incomes will fall. Spending will fall, and the victims will be the local businesses. If we fail to move ahead positively, a range of economic negatives will come into play. The North will become a stagnant backwater economy with no attraction for the inward investor or encouragement for local businesses to grow. Our hopes lie with the growth of the small business sector and the strengthening of organisations such as the Federation of Small Businesses. However, it is essential that the right conditions exist — conditions that allow local entrepreneurs to have confidence to move ahead.

We need to create new opportunities and build on existing strengths. In my constituency of South Antrim, and across the North, the economic potential of the tourism industry has been underdeveloped for too long. There are huge untapped opportunities. How many small businesses could be created and sustained in that sector? I say that the opportunities are countless.

3.15 pm

A strong, stable economy needs a strong, stable, devolved Government. We cannot shy away from our responsibility to overcome the challenges and deliver economic and political stability. The report on the economic challenges facing Northern Ireland is to be welcomed. It lays out the theory behind those challenges, and helps us to plan for a more prosperous future.

However, action is urgently needed on the practicalities of making that a reality. I appeal to my colleagues and to the Government, who have ultimate responsibility, to ensure that the education system is radically restructured. The education system must prepare young people for the job opportunities and economic challenges that are out there.

During the debate, it became obvious that we must address issues in a more intelligent, efficient and cost-effective manner. That can only be achieved through a good-quality, applied R&D strategy. I appeal to the Government to ensure that small businesses have access to R&D support and that those who avail of it receive generous tax credits. That is necessary now more than ever, with the Northern Ireland economy facing its biggest challenge ever through the introduction of industrial rating. Manufacturing industry is facing huge obstacles. Northern Ireland has higher energy costs than the rest of the UK and a higher corporation tax rate than our Southern neighbours. The Government plan to quadruple the level of industrial rates in the short term. That is a disastrous policy for manufacturing industry and for the Northern Ireland economy. I support the considered and reasoned approach of the Northern Ireland Manufacturing Focus Group in working to bring about a cap of 25% on rates.

It is scandalous that, in a modern Northern Ireland, almost 25% of school-leavers enter the job market with poor literacy and numeracy skills. We are building an economy on a hollow foundation. If we remove the bottlenecks of educational underachievement and low investment in R&D, the economy will surge forward with great opportunities for everyone. A stable system of devolved Government is essential if Northern Ireland is to prosper in the years ahead.

Mr S Wilson: I congratulate the Member for South Antrim on making his maiden speech. It is always a daunting experience. Members were well behaved this time, but they may not be as well behaved next time, so he had better watch out.

It has been an interesting debate, and I have enjoyed observing the various styles that Members have used. When we debate an issue where the contributions are similar, Members have to make their mark by using different styles. However, the Member for North Belfast Mr Dodds made the most enjoyable speech. He has confirmed to everyone that “sorry” is the hardest word to say. It took him two and a half minutes to apologise for not being present during the maiden speech by the Member for West Belfast Mrs Dodds, but he got round to saying it eventually. That is significant: it took him one minute to demolish the SDLP’s arguments against, and criticisms of, the DUP’s approach to devolution, but two and a half minutes to get round his wife. I am not sure whether he has done that yet, because, at the

end of his speech, he began a territorial dispute, undoing all his good work. The debate in the Dodds household tonight, and, perhaps, in many households across Northern Ireland, will be the question of where the courthouse is on the Crumlin Road. Is it in North Belfast or is it in West Belfast? Perhaps the Assembly can debate it at another time.

I enjoyed also, because it reminded me of my days at Queen’s, the speech that the Member for South Belfast Dr Birnie gave in the style of a measured economic lecture. He raised many important questions about one of the report’s recommendations.

Mr McNarry, a colleague of Dr Birnie’s from Strangford, lived up to his reputation as a kind of political thug. He is the only Member I know who can take a report that has achieved total consensus from all the parties and treat his speech as a means to give everyone a verbal kicking. I am not criticising him. In fact, I admire someone who can highlight so many differences in a report that has achieved such a degree of consensus.

I want to take issue with some of the points that have been made. Yesterday, the Member for South Down Ms Ritchie made an impassioned — if not misguided — speech in which she claimed that without devolution, Northern Ireland would be ruined and its economy would fall into total disarray. Her comments were made against the background of a Northern Ireland that, after many years of direct rule, is experiencing its lowest-ever rate of unemployment. It is even lower than it was during the previous Assembly. Perhaps Ms Ritchie over-egged the argument a little.

Although Members on these Benches want devolution and will work towards it, we will do so, as the Member for North Belfast Mr Dodds said, only when the conditions are right and when there can be confidence in the institutions’ being sustainable. Nevertheless, pro-devolutionists undermine their argument if they imply that devolution is a panacea by which all the economy’s ills can be wished away. Even with devolution, Members would be required to make some difficult decisions. Those decisions would be just as difficult for a direct-rule Minister to make, and they would be just as unpopular with the electorate. To present devolution as an easy panacea that would wipe away those difficult issues would not do us, as politicians, any good and would only make the electorate more cynical.

Some of my colleagues have commented on Sinn Féin’s absence today. On the one hand, I would have welcomed Sinn Féin’s being here: it is always good to have someone at whom you can direct your anger. Sometimes it can add to the sharpness of a debate. On the other hand, it is good that the opposite Benches are not filled with Members talking about the economy of

Northern Ireland and what they want to do with it when, in the past, they have bombed and flattened businesses, and they still support an organisation that bleeds businesses dry and which the Organised Crime Task Force (OCTF) recently said costs the economy probably £700 million a year.

Rather than repeat a lot of what has been said, I want to consider certain issues. Although there has been consensus on the report and the measures that are required, Members should be aware that some of those would be difficult to implement. Consensus on implementation will not be achieved. In fact, in some cases, the report glosses over some of the difficulties that will be faced.

A big issue that has arisen is the question of the public sector versus the private sector and the need to put more emphasis on the private sector and less on the public sector. Members cannot argue that structural change is not needed. Northern Ireland cannot continue to have certain areas of the economy up to 70% reliant on the public sector. However, paragraph 30(ii) on page 13 of the report notes that the economy is “unbalanced”. There appears to be the hope that, somehow, Northern Ireland can move painlessly to a more involved private sector by cutting back the public sector without experiencing the pain that that structural change will cause.

If we get to the point at which we as an Assembly have to start implementing that change, we will find that there will be short-term pain for many, as the public sector will have to contract first to allow the private sector to expand. That adjustment has not happened easily anywhere else. If the private sector is to expand, that will crowd out skills, investment and money unless the public sector contracts. That will mean job losses in all of our constituencies and trade unions knocking at the doors. If the Committees are working, we will get adverse representations from the spokespersons for those affected. We ought to be aware that the policy that everyone has espoused during this debate will bring pain.

Next, we must tackle economic inactivity. While the current Government have got the macroeconomic approach right, and unemployment now stands at 4.2%, a microanalysis shows huge swathes of people who should be contributing to the economy and enjoying a better standard of living — but who are not, because they are economically inactive. Many people who are currently getting incapacity benefit will be transferred into work. Members can imagine the numbers that will come through the doors of constituency advice centres complaining that they have been put off benefit. Of course, we will all try to pretend that it is not our fault, but that is one of the policies that we are agreeing to get the economically inactive back into work. Dr Birnie used the phrase “tough love” yesterday. Most

people will recognise the “tough” part and not the “love” part of this policy. As public representatives, if we put our names to a document like this, we must recognise that there will be some pain for us too.

It is significant that when the Labour Party put through measures such as this with welfare reform in the House of Commons recently, none of the SDLP MPs voted with it. I stand to be corrected, but I do not think that they voted at all. I do not know whether that was because they were not there, or because they recognised that there would be pain in that policy of moving people who are currently economically inactive into work. That will be an unpleasant move and a shaking of the nest for some.

I challenge the Member for East Londonderry who spoke on the question of industrial derating. That is also in the policy. The Member for South Belfast, Mrs Hanna, also made reference to changing the way in which the rates burden falls when she talked of capping the domestic rate. There is pain involved in that too, because if we do not take rates revenue from some people, we must take it from someone else. I am not so sure that we have thought through where the burden should fall; the response we heard from both Members who raised it is a fair indication that we probably have not. I imagine that there will be lots of different opinions when we debate that.

3.30 pm

Do we take the burden from manufacturers and load it onto shopkeepers? Do we take it from large manufacturers and load it onto small businesses? What do we do? Many businesses say that they are as much — perhaps more — in competition with firms from outside Northern Ireland, even though they are not classed as manufacturers.

Mr Poots: Does the Member agree that many people do not mind paying taxes if they provide tangible benefits? Is Government bureaucracy and the waste of so much taxpayers’ money not an issue? People get angry when they are taxed to the hilt yet see so much waste.

Mr S Wilson: I thank the Member for his intervention, but I am not sure that that is totally true. One of the arguments is not so much that businesses feel that the money has been wasted, but that they are at a competitive disadvantage compared to other firms because of the rates burden. We must ensure that the money collected is spent efficiently and that people know that it is put to a useful purpose. However, there will always be a resistance to the overall tax burden.

Another point — and I pick it out at random — is diversification in the rural economy. We have to move the emphasis of employment away from farming. However, when manufacturing or other businesses attempt to locate in the rural economy they come up

against local opposition, and the same applies to tourist facilities. When it comes to planning consideration, the Assembly must make sure that it is prepared to withstand the criticism that such a change in emphasis will create.

That said, there are many pluses in our economic situation. The necessary changes will be carried out against a background of almost full employment and in a buoyant world economy that boosts everyone's confidence. Many of the players recognise that change is required; therefore there is probably a degree of goodwill.

Even though we have agreed a document, there are still some very difficult choices to be made and some divisive debates to be held before we reach our goal of a changed economy in Northern Ireland.

Mr Buchanan: The report highlights in detail the economic challenges facing Northern Ireland, and Members have dealt with different aspects of the report during the debate. It is therefore difficult not to repeat what has already been said; nevertheless, I have some points to make.

Recommendation 15 of the report deals with the need to tackle organised crime, especially where it affects economic growth and stability. Organised crime has a much broader impact on the economy than a crime committed against a particular business or sector. It affects the perception of businesses and influences their willingness to invest in a region. Perhaps that is the reason for Sinn Féin's absence from the debate. That party pretends to talk the talk, but fails to walk the walk of democracy.

It is vital that everyone involved in improving the economic situation of Northern Ireland fully supports all efforts to tackle organised crime, which is a serious problem that affects the competitiveness of Northern Ireland's businesses. The most recent report of the Organised Crime Task Force (OCTF) highlighted the fact that more than £10 million worth of counterfeit goods and £30 million worth of illegal assets have been retained, confiscated or seized by OCTF, HM Revenue and Customs and the Police Service of Northern Ireland (PSNI) between 2005 and 2006.

No one here needs to be reminded of the scale of crimes involving fuel smuggling and laundering, and the sale of illegal cigarettes. However, when you add in the effects of robbery, money laundering and protection rackets, it becomes obvious just how sizeable the effect on the Northern Ireland economy is, no more so than in west Tyrone, where it borders the South of Ireland.

No business should have to face competition from paramilitary groups selling illegal goods at cut-price. No business should have to factor into its start-up or running costs the price of paying protection money to a

paramilitary criminal gang, and the public purse should not be robbed of income through the non-payment of taxes and duty.

We as public representatives are told continually that Northern Ireland must pay its way and that we have to ensure that more and more revenue is raised, yet at the same time, millions of pounds that should be going into financing public services are going into the pockets of criminal gangs. Progress has been made in targeting those criminals and in freezing their assets. I hope that this work continues and will be stepped up so that we can defeat those groups that are intent on continuing their illegal activities.

Although it could be argued that progress towards tackling organised crime is not within the power of Government to control, most of the proposals contained in the report are directly within the power of Government to implement. One of the simplest of those is recommendation 8, which states:

"That any savings that may be made from government efficiencies should be retained and used in Northern Ireland."

That was the basis of this party's proposal that, as progress towards a peaceful settlement moves forward, any savings made should be ploughed back into Northern Ireland in the form of an infrastructure package.

(Madam Speaker in the Chair)

There are also savings that can and should be delivered through the Secretary of State's commitment to examining a reduction in the number of Departments in Northern Ireland. As many Members mentioned, the Government should not do the job of business, but they do have a clear responsibility to ensure that the best possible conditions are in place for businesses to grow and prosper. For that reason, the Government must take the lead and show the same level of commitment to Northern Ireland that we expect from businesses that invest in this country. Significant savings can be made over the next few years, and those can be invested in the development of Northern Ireland at no new cost to the Government.

The circumstances in Northern Ireland must be borne in mind: it is not simply another region of the UK that is seeking to improve its economy. Spending was required to maintain security here. As a result, infrastructure and other areas suffered. Communities and businesses also suffered through 30 years of terrorism. The Government must recognise that and provide help to rebuild the Northern Ireland economy.

This report provides a very well-structured and detailed analysis of the situation. However, as it points out, it is not a finished work; the development of the economy will never be finished. We will always seek to improve and keep ahead of our competitors, wherever in the world they might be. Therefore in commending the report, I urge the implementation of the recom-

mendations as soon as possible for the betterment of the economy throughout Northern Ireland.

Madam Speaker: I call George Robinson. This is the first occasion that the Assembly will hear from Mr Robinson. He will be making his maiden speech. I hope that you are comfortable with that, Mr Robinson. I remind Members that the convention is that a maiden speech should be heard without interruption.

Mr G Robinson: Thank you, Madam Speaker.

No one can deny that this is a most detailed and constructive report, and credit is due to everyone who was involved in its preparation. The detail of the report shows that the significance of the issue to Northern Ireland, as a vibrant economy is absolutely vital for our communities.

It is unfortunate that not all the parties represented on the subgroup are present for the debate. However, that should not deter us from carrying on with our work. The one party absent for the debate, namely Sinn Féin, is the party whose military wing has done so much to destabilise our economy over the past 30-odd years.

The importance of education in developing a successful economy has already been mentioned. Northern Ireland is capable of producing a highly qualified workforce. That has already been shown, with many employers citing their highly qualified workforces as a major strength to their businesses. However, we must protect the best aspects of our high-class education system to maintain that, while at the same time improving those aspects that require attention in order to provide the best possible workforce.

Northern Ireland does not require only university graduates, important though highly skilled graduates are to any economy; it requires people with different educational backgrounds who can provide the variety of skills required by the economy. For that reason, a one-size-fits-all comprehensive education system will not deliver the high-class economy that we need. An education system tailored to the needs of different students is the best option for both students and the economy, as it will produce people with different skills that the economy requires at all levels.

After secondary education, there is real potential for the increased use of knowledge transfer partnerships, which link businesses, and small firms in particular, with educational establishments to help businesses source expertise, without which they cannot expand and grow. In addition to the benefits to businesses, knowledge transfer partnerships provide universities and further education colleges with a link to businesses, which helps students to engage with the private sector and get experience and help with their future careers.

Education can help lay some of the foundations for a successful economy; another key factor is infrastructure development. The subgroup correctly highlighted that as a crucial area in which a financial package for Northern Ireland should be focused.

Businesses must be able to realise that they can operate in Northern Ireland as easily — or more easily — than in the rest of the UK, the Republic of Ireland or from wherever in the world our competition originates. Over 40 years ago, Northern Ireland was ahead of the curve in respect of roads infrastructure. The situation is somewhat different today, but it is vital that the required improvements are started so that that competitive edge can be regained. Businesses must be able to transport goods, no matter in what sector they operate. There will always be a need for good transport links.

The state of our infrastructure contributes to the general impression of Northern Ireland to potential investors. We must show businesses the benefits of establishing a base in Northern Ireland. We have many of the required natural resources, but infrastructure and services must be brought up to the necessary standards in order to compete with areas that can offer much lower labour costs and other financial benefits, which Northern Ireland will be unlikely to match. In such circumstances, other aspects must be promoted to ensure that Northern Ireland is seen as a desirable area in which to do business.

No single measure will solve the problems facing our economy. However, I commend the report and pay tribute to everyone involved in its preparation. It highlights problems but, more importantly, offers many solutions. The report contains many of the building blocks that can put the Northern Ireland economy in a very strong position. I support the motion.

3.45 pm

Dr McCrea: I wish to congratulate my hon Friend on an excellent maiden speech; it is a pleasure to follow him. I also wish to congratulate my hon Friend, the Member for South Antrim Mr Burns, who made a very competent maiden speech. I trust that we will have the opportunity to hear again the Members who have made maiden speeches, and others, during other debates in the Chamber.

There is a deafening silence in parts of the Chamber, which should come as no surprise to anyone. Sinn Féin/IRA has decided to stay away from this debate. That is nothing new; Sinn Féin/IRA's boycotting an economic debate is quite typical, bearing in mind that its members offer nothing to society and, over the years, have been associated with those who have blown our economy to bits. Therefore, there is nothing unusual in its boycotting this debate. Debating is one area in which Sinn Féin has always been very weak. That party has used other ways and means to exercise

its power in the past, but certainly not the power of persuasion in debate.

Those who are here will certainly endeavour to debate the issues, which are very important to all our constituents. We are considering the 'First Report on the Economic Challenges Facing Northern Ireland', and I commend those who actively engaged during the summer to bring the report before us; their work is greatly appreciated.

It is interesting to note that Sinn Féin members of the subgroup agreed the report. When the report came before the PFG Committee, Sinn Féin tried to scupper it, kick it into touch and stop it from coming before the House. Finally, Sinn Féin caved in and agreed the report. After agreeing it, Sinn Féin went to the Business Committee to try again to stop it getting on the agenda for debate in the Chamber.

We are debating an important issue that impacts on all our constituents. The Member for East Antrim Sammy Wilson provided a good dose of reality, because it is very easy for politicians to blame everyone else. Some would try to deceive the electorate into thinking that somehow we are totally innocent of everything. For example, let us remember that the rates review came out of the womb of the Office of the First Minister and the Deputy First Minister. Therefore, responsibility for that review falls at the doorstep of the SDLP, the Ulster Unionists and the Belfast Agreement. The Secretary of State is now carrying that policy forward, but it originated in the Assembly.

Industrial rating was conceived in the very same womb. Let us not deceive people; let us be honest and admit where those policies started.

Dr Birnie: Will the Member give way?

Dr McCrea: No. I have a lot to say, and the hon Member has had an opportunity to speak. I assure the hon Member that there is much more that he needs to listen to. *[Interruption.]*

Madam Speaker: Order.

Dr McCrea: The Ulster Unionist Party needs a good dose of reality. The Member for Strangford Mr McNarry talked about magic wands and magic dust. Let us have reality, rather than getting on a magic roundabout.

Let us deal with some of the issues that must be faced. The Member for South Antrim Mr Burns made a valuable contribution in his maiden speech, and he said something very significant. He made it abundantly clear that the only way that we can really have an impact on our economy is by having a strong, stable devolved Government. He said that over and over again. That is important, and we must heed what he said. We need a strong, stable devolved Government, not something cobbled together — not something out of

the womb of the Belfast Agreement, which the general public has rejected, but something that will bring stability to Northern Ireland. The Ulster Unionists, the SDLP and Sinn Féin, which have supported the Belfast Agreement, had better realise that it is dead.

The people in our community want something that will bring stability instead of something that has the stench of death on it. They want life, a vibrant economy and a society that can move forward with a vision of hope for the future. Although we must face realities in any debate on the economy, we must also be careful to remind ourselves of the many good aspects of our economy. We need to talk up Northern Ireland.

I have heard certain Members remind the House of what is happening in the Irish Republic's economy. They tell us that what we really need is an all-Ireland economy. Let us get a wee dose of reality — the Republic of Ireland is our competitor. To use a good country expression, those Members would like to be on the hind tit of the cow instead of standing at the front and being the cow. Let us have confidence in ourselves instead of trying to tie ourselves to the tail end of a place that constantly relies on handouts from Europe.

On the one hand, the Irish Republic boasts of its Celtic tiger economy, while, on the other hand, it goes to Europe with a begging bowl every other day to ask for more money and handouts. I could solve many of the problems in my constituency if I were to get all the handouts from Europe that the Dublin Government receive. They plead poverty, but then they tell us that the Irish Republic is a vibrant economy and that everybody should try to emulate the success of the Celtic tiger. However, it relies on its begging bowl and on handouts from others. It is fine if the Irish Republic wants to behave in that way. All that I am saying is —

Madam Speaker: Dr McCrea, I take it that you are addressing your remarks through the Chair and not directly to Members. I do not mind where some remarks go, but other remarks should be made through the Chair.

Dr McCrea: Madam Speaker, I would not want to bypass you in any shape or form. However, I want to emphasise the attitude of the Members on the Benches opposite; it would be discourteous of me not to direct my remarks to them or to plead with them to get out of the muck and the mire. They must stop relying on others and have the dignity to stand on their own two feet and present their own case. Northern Ireland has much to present to the world. We should not be a tag-on in a Dublin tourist brochure. We have something to offer in our own right.

The Member for West Belfast Mrs Dodds gave one of today's most excellent and eloquent speeches. She pointed out that tourism is a vital ingredient that should be allowed to evolve in the interests of Northern

Ireland and that our tourism industry should not be a tag-on but a vibrant industry in its own right.

We must recognise the hardship that our economy and industries have endured over the past 35 years of terrorism. We must give them credit and praise them for sticking in there and for standing up against all the terrorism that has been thrown at them. We must say, "Well done" to our workers and to those who have invested money in our Province.

Much more remains to be done, however. We acknowledge that there is a skills deficit. I have a genuine concern about our education system. For one reason or another, the Government believe that a young person who does not have a university degree is somehow a second-class citizen. With the greatest respect, that is wrong. Some of the best contributors to our economy, past and present, have no university degree, but they have an entrepreneurial spirit, innovation and vision. They are able to capture the moment and take themselves, their families and the community forward. A balance must be struck. Some young people have university degrees, but it is not relevant to life. When they are asked what they will do with their degree when they finish university, they do not know. Sad to say, some of them have to honestly say that they do not know, and I give them credit for that. We must build up the skills base in Northern Ireland. We need the university graduate and the academic, but we also need a good skills base, as many skills in our society are being neglected.

The transport system in Northern Ireland creates problems for industrialists who want to come here. I appreciate the fact that my hon Friends in the Department for Regional Development had a strategy to take matters forward. They not only planned for the moment but for the future as well, and if something fell by the way, they had another scheme ready to take over. That was done by my hon Friend for East Belfast and my hon Friend for East Londonderry and not by direct rule Ministers, and it was deeply appreciated.

However, we need more investment in our infrastructure. For example, there is a vibrant economy in the mid-Ulster area, and that is not due to the multinationals but to the entrepreneurial spirit of the people. They have lifted themselves.

News came to the Magherafelt area one day that 528 jobs were to go like the crack of a finger, which was a total disaster for that area. Did the people lie down and bury their heads in the sand and rely on others to do everything for them? No: they decided to act, and now they have one of the lowest unemployment rates in the whole country — a result of what was done by the community for the community — and I appreciate that.

However, Magherafelt is being held back because the town does not have a bypass. The townspeople

need to get to Cookstown, and the area must be opened up so that the industrialists can get to the seaports and airports, but they are being hindered in the good that they want to do for the community. Many good things are happening that deserve praise, but the deficiencies must be identified and moved forward.

The report is a first step. Members should note that it is a first report, or a foundation report, which means that the subgroup has the desire to build on it, and the Administration in power must take it forward.

There is a lack of interdepartmental co-operation. It would appear that one hand does not know what the other hand is doing, so there must be more co-operation. There is plenty of talk about that, but there is little action. The Planning Service must come up to standard. Unfortunately, in many cases it is an impediment to moving forward. The Member for East Antrim Ken Robinson identified Global Point in south Antrim for industrial development, but it is sitting vacant. A former Minister with responsibility for the economy announced that it was the jewel in the crown, but the jewel in the crown is sitting in dust. In fact, the jewel cannot be seen for dust. Instead of being the jewel in the crown and being full of industrialists, it is covered with nettles and thistles. Global Point is vacant because of planning problems.

Joined-up government must move the economy forward. We have a great country and the best workers that anyone could ask for, and we want to improve their skills so that they can take industry forward, but we must give them the best tool, which is stability. We need a stable society. The hon Member for South Antrim spoke in a considered and passionate way when he said that we need a strong, stable, devolved Government, and that is what Ulster is crying out for. A devolved Government is needed, but we cannot have it while we have terrorism, criminality, and a political party inextricably linked with a terrorist organisation with all the minutiae of that organisation ready to break forth as it desires and wills. That will not bring stability.

We need to have integrity within our system, which must be based on the foundations of democracy. That is what the DUP stands for. My party is not seeking short-term fixes but strong, stable devolved government. If that is not on offer by 24 November, the Secretary of State had better realise that Ulster will not settle for second best. We have been living with second best for too long. We want the best for our future, and that is what our people deserve.

4.00 pm

Mr P Robinson: This has been a very worthwhile debate. There may have been those who thought that, 26 hours after the debate opened, we would have been tiring, but after the contribution from my hon Friend

the Member for South Antrim, they now know otherwise. They now know that we have the stamina to see any job through to the end.

As others have, I congratulate those who made maiden speeches today. We had three powerful speeches, including one from the Member for South Antrim Mr Burns, who indicated clearly the contribution that he will make to the Assembly, given the opportunity. He made a salient point about the need for stability, and I will return to that. I congratulate my colleague and uncle George Robinson, the Member for East Londonderry. *[Laughter.]*

I have heard George speak on many previous occasions. He is a first-class constituency worker, and he will make a real contribution in this Assembly.

What can I say of the Member for West Belfast? I can probably say quite a bit about her speech because, unlike her husband, I was here to listen to it.

Some Members: Hear, hear.

Mr P Robinson: She made important points about the tourism industry and how it has been taken down a side-road. I make those comments for the advantage of the Member for North Belfast, who did not hear the speech.

Mr N Dodds: I will read it. *[Laughter.]*

Mr P Robinson: Mrs Dodds talked about the courthouse in her constituency of West Belfast. She became a bit territorial, because she started talking about the Titanic Quarter in East Belfast, which concerned me. Perhaps her geography is imperfect. I have no wish to fuel any domestic difficulties, but I was here for my wife's maiden speech. I think it will probably take a contribution to the economy by the Member for North Belfast, perhaps in the shape of jewellery, to sort out that difficulty. *[Laughter.]*

Mr N Dodds: Thank you.

Mr P Robinson: I speak now of the missing Members, a topic that has been mentioned by a number of others. It was my understanding, and I believe it was the understanding of the Secretary of State, and certainly of my colleagues, that a distinct process was to be followed. First, there was a need to scope the issues. The Secretary of State lectured us all about the need to get the PFG Committee working. It had to identify the obstacles so that we would see clearly where future difficulties might lie. Secondly, there would be debates in the Assembly, which would enable Members to see more closely the nuances of one another's position. Thirdly, we would go into negotiations and try to resolve those difficulties. That was the progression that was laid out.

As I understood the position of Sinn Féin/IRA, it indicated that it would contribute in the Assembly

Chamber only when that was essential to preparation for Government, or to contribute to the setting up of a devolved Government. That was the justification it gave not simply for going through the doors of this Assembly, but for going into Committees. Therefore I am confused, because Sinn Féin felt justified in going into the subgroup that dealt with the economic report. Sinn Féin Members not only went into the subgroup, but contributed to its work and, along with all the others, reached a consensus, and we had an agreed report, which, as two Members have already stated, says in its executive summary that it is important that matters are dealt with fully in debate in the Assembly.

Sinn Féin's position was that it would be involved only with a report that was essential to the preparation for Government. Members of Sinn Féin were involved in the subgroup and were part of the Preparation for Government Committee when it considered the subgroup's report. Eventually, after a little hiccup, they were able to endorse that report. Why are they not here? If Sinn Féin had already recognised that the report was important to the preparation for Government and that its presence was required at the subgroup and the PFG Committee meetings, what possible excuse can it have for not being here today?

Sinn Féin has missed an important opportunity, and perhaps its absence exposes a lack of interest in the Northern Ireland economy. In his maiden speech, my hon Friend from East Londonderry George Robinson clearly outlined the role that Sinn Féin has played in undermining, destroying and setting back the economy through the terrorist campaign that it supported and in which it was involved.

The one message that came through clearly to anyone who stayed in the Chamber for any length of time was that every Department has a role to play in addressing the challenges that face the economy. Members rightly spoke about planning. Several Members mentioned the restraints placed on the establishment of businesses in Northern Ireland by the Planning Service's inability to fast-track applications with important job content.

When I visited Australia as a Minister of this House, I was asked to meet representatives from a major Australian company. They told me that their company wanted to invest here but that Northern Ireland had the slowest planning system in the entire world. That was the view of an international company that invests billions of pounds. Even then, the Planning Service's actions resulted in companies not investing here. Companies want a quick return on their investment: they do not want to wait. Indeed, the example was given of a certain business taking eight years to go through the introductory stages of the planning process.

Members also spoke about agriculture and the agri-foods industry, which is a vital and important part of the economy. I say that as a Belfast representative. Some Members referred to tourism, and even the film industry got a mention. Transport, energy, education and skills were also mentioned. Every Department has a role to play in the challenge to revive Northern Ireland's economy and make it less dependent on the public sector.

I will talk briefly about transportation, as I have a particular interest in it. The infrastructure of any area is vital to its economy. When goods are being brought in and taken out, it is essential that a good road infrastructure exists and that airports and seaports operate effectively and efficiently. As I have no time to go into detail, I will simply put on record that I have concerns about the consultation on some of the proposals about the future of Belfast port that would undermine its ability to continue stimulating the economy.

Belfast is an essential part of Northern Ireland's economy. I am delighted that the Titanic Quarter development will bring real life to the city: I can think of nowhere else in the civilised world where an area that is so close to the capital and of such significance as the hundreds of acres of the Titanic Quarter is available for development. The development of that area can bring job opportunities to people in Northern Ireland.

In its heyday, Harland and Wolff built ships day after day and employed 20,000 to 25,000 people. That same area of ground is capable of bringing that level of employment not only to east Belfast or greater Belfast, but to the whole of Northern Ireland. Undoubtedly, the type of industry will change — and that point is pertinent to the discussion about corporation tax or other incentives.

We should take into account the fact that the types of businesses that will be stimulated by reducing corporation tax may be different to those that might be stimulated if other incentives are put forward. Therefore, we must be careful with people who approach us, because they will have a genuine vested interest in one incentive rather than another, and it will depend on their business viewpoint.

I do not have the same difficulty as the Members for North Down and South Down who suggested in discussion yesterday that to ask for a differential tax rate might be considered anti-unionist. The Union is diverse in many ways. If we argue that we do not want special privileges, should we then have the same amount per capita in Northern Ireland as in every other part of the United Kingdom? Being in a family means that the part in greatest need gets the greatest help.

I am not in the least bit embarrassed about asking for a differential tax rate for a Northern Ireland that, I

hope, has come out of decades of destructive terrorism and has a neighbour to its south with a more competitive corporation-tax level. It will be difficult to secure a new rate of corporation tax and it is likely that some other incentive will be offered. I do not accept the argument that that is in any way anti-unionist. Indeed, the Union is based on the principle that we are a family — each with our own peculiar and diverse background, interests and advantages — and are able to help one another.

The Member for South Antrim referred to stability. Ultimately, any hard-nosed businessman seeking to invest anywhere in the world will want to be certain about that investment. He will not invest in a country with a stop-start Government. If there are suspensions from one month to the next; people coming in and out of the Assembly; violence and criminality continuing; and people associated with violence and criminality in Government, there will not be the background of stability that will encourage investment.

It is essential, therefore, that we hold out for real stability and that a level of certainty is reached, because that is what the business community will seek before it will invest. We must invest in our futures if they are to invest in our businesses. Both require a level of stability that can only come about when those who are in Government are committed to exclusively peaceful and democratic means.

This is the first report. Further reports must deal with infrastructure, a financial package, and whether a devolved Government can deal with issues such as the rates. People are being massively hurt by rates increases. However, as my colleague Mr Wilson said, what you give to one area you take away from another. If rates are to be capped, we must consider whether there should be a minimum level for the services being provided. Ultimately, however, people will have to pay.

Finally, some important contributions have been made in the debate and good work has been done in the preparation of the report. However, that will only be of any advantage if the report's recommendations are acted upon. Some recommendations could be taken forward by a devolved Government, but many concern reserved matters and can, therefore, only be taken forward by the Exchequer and the Government. The Secretary of State must consider the debate.

4.15 pm

As was said, the Secretary of State must not put this report on the shelf; he must deal with the issues in it. The Assembly can pursue other matters in a further report; we can push forward other issues if, hopefully, the right conditions are achieved and devolution is restored. However, the Secretary of State has the prime responsibility for resolving the issues placed before him and answering the people of Northern Ireland. The elected representatives of the people of Northern

Ireland have spoken. What is the answer from the Secretary of State?

Question put and agreed to.

Resolved:

That the Assembly approves the first report from the Committee on the Preparation for Government on the economic challenges facing Northern Ireland; agrees that it should be submitted to the Secretary of State for Northern Ireland and, pending restoration of the Institutions, calls on the Secretary of State, the Committee on the Preparation for Government and others to take action to implement the recommendations in the report.

Adjourned at 4.16 pm.

THE ASSEMBLY

Tuesday 19 September 2006

The Assembly met at 10.30 am (Madam Speaker in the Chair).

Members observed two minutes' silence.

ASSEMBLY BUSINESS

Madam Speaker: In accordance with the Northern Ireland Act 2006, the Secretary of State has directed that the Assembly should sit on Tuesday 19 September 2006 at 10.30 am, and again, subject to the continuation of debate, on Wednesday 20 September 2006 at 10.30 am, to consider business as it appears on the Order Paper.

COMMITTEE BUSINESS

Report on Law and Order Issues

Madam Speaker: Item 3 on the Order Paper is the motion on the second report from the Committee on the Preparation for Government (PFG), on law and order issues.

The Business Committee has agreed that the arrangements for today's debate should be the same as those for last week's debate on the Report on the Economic Challenges facing Northern Ireland.

Therefore, a Chairperson of the Committee on the Preparation for Government will formally move the motion, but will not attempt to represent the views of the Committee, and there will be no winding-up speech on behalf of the Committee.

Members will be called to speak to the motion, according to the usual conventions, with an upper time limit of 15 minutes to be applied to all those called to speak.

In view of the Secretary of State's direction that the Assembly meet today and again tomorrow, subject to the continuation of debate, I propose to suspend proceedings today around 6.00 pm and resume at 10.30 am tomorrow. Any variation from this arrangement will be discussed through the usual channels.

If that is clear, I shall proceed.

Mr Wells: I beg to move

That the Assembly approves the second report from the Committee on the Preparation for Government, on Law and Order Issues; agrees that it should be submitted to the Secretary of State for Northern Ireland and, pending restoration of the Institutions, calls on the Secretary of State and others to address those matters identified in the report as requiring resolution or further discussion.

At the outset, Madam Speaker, I believe that it is appropriate that the House congratulates a member of the PFG Committee, Mrs Arlene Foster, on the birth of her baby son yesterday. That is tremendous news. Mrs Foster was one of the most faithful attendees up to the last, as it were. Knowing her dedication, it would not surprise me if she were to turn up tomorrow to take part in the debate. We wish her, and her husband and family, all the best on this excellent news.

Mr Kennedy: Is there a name yet?

Mr Wells: No name has been chosen yet.

I am sure that many Members will make contributions on this lengthy and detailed report, so I do not intend to spend time dealing with its finer points. However, I place on record my gratitude to those who made the report possible. While some hon Members were, no doubt, lying on sun-kissed beaches in July and August, a select few were locked in rooms, working their way

through the details of the report. I am particularly grateful to those who attended all, or almost all, of the meetings for their dedication to the cause.

I also thank the staff who worked so diligently throughout the summer: the secretariat; the clerking staff; the Hansard staff who delivered such accurate and timely reports of the proceedings; and last, but not least, the catering staff who provided sustenance. I have nothing but praise for the staff who made the report possible. I ask Members to support the motion.

Rev Dr Ian Paisley: I welcome the opportunity to speak in this important debate. I welcome the publication of the report and the opportunity to debate the issues raised in it. I congratulate the Committee officials for their work on the preparation and presentation of the report. Its findings are detailed, and the debate will allow us to deal with the main themes.

In recent days, it has become clear that IRA/Sinn Féin is engaged in a wrecking agenda. Again, its seats in the Chamber are vacant. Yet again, the boycotters have refused to come to the Assembly and have, at every opportunity, frustrated the work of democratic parties on the Committee on the Preparation for Government.

The report highlights that all democratic parties represented on the Committee and in the Assembly are united in their view that Sinn Féin/IRA's refusal to support the rule of law is the main obstacle to progress. At the heart of IRA/Sinn Féin's agenda is a hatred for the police and the rule of law. The IRA machine is built on lawlessness and criminality — there can be no escaping that fact. To this day, IRA/Sinn Féiners cannot bring themselves to support the police and the courts, or to uphold the rule of law.

Although some progress has been made on the issues before the Committee, we cannot deceive ourselves into believing that all is well. Sinn Féin/IRA has done nothing to demonstrate practical support for the forces of law and order in our Province. There are those who lecture that all would be well if an Executive were established, but there will be no Executive that includes those who refuse to support the police by word and deed. We will accept no sleight of hand on this issue.

Law and order is absolutely fundamental to the establishment of any lasting democratic form of devolution in Northern Ireland. As representatives of the majority community, we intend to maintain integrity in the democratic process. A party that wishes to sit in Government over the people of Northern Ireland yet, at the same time, does not support the police, will be resisted by all right-thinking people.

We will have no truck with those who try to foist such a programme on us for their own narrow political agendas. Those who will not support the police will

not be in any Government over us. The days of those who would undermine democracy and the rule of law in Government are over for ever. All parties stated a preference for a single devolved Department for policing and justice issues. However, there will be no such devolution while the people of Northern Ireland have no faith that the IRA is out of business.

The unionist community must be convinced that the conditions are right for any transfer of policing and justice powers. Will we see in the days, weeks and months ahead the disbandment of paramilitary organisations, including the IRA? If that were to happen, it would greatly enhance the prospects of political progress in the Province and boost confidence across the entire community.

Sinn Féin/IRA is the only party in the House that refuses to support law and order. There can be no covering up that fact; no detailed reports are necessary to establish why it refuses to support policing. Sinn Féin remains committed at heart to crime, terror and an organisation that, by its nature, is structured to destroy our country. It is for Sinn Féin to step up to the mark. What is required from all those who aspire to Government is clear and simple. Support for the police cannot be, and must not be, a trade-off or precondition for undeserved rewards.

The unionist people resent the proposal that if the IRA gets all that it is promised — and we do not know what that is — Sinn Féin will have a party conference at which its members will decide our destiny as a member of the United Kingdom and how we should be governed. We cannot be governed by the party conference of any political party. We must be governed by the rule of democracy, and democracy demands that criminality be laid aside and that there be support for the properly constituted police forces.

Support must be offered and given without strings attached. It must be given with full recognition that the police are the exclusive, lawful, impartial upholders of law and order. There is no room for a second tier under the control of, or made up by, republicans. Suggestions that Northern Ireland should have a second tier must be rejected. There can be no second tier of the police in Northern Ireland. There is one tier and one police force.

The multimillion-pound crime empire must be practically and openly given up. Those involved in the £300 million empire must be handed over to the police. The ill-gotten gains of crime will be abandoned and law enforcement agencies will be supported in the seizure of those illegal gains.

There must be no reward for support for the police; it is a precondition of democracy. Republicans — like all other citizens — must submit themselves to the rule of law by the police and the courts. That means that the IRA must be stood down and abandoned. I regret the

recent statement that we should welcome the structures of IRA/Sinn Féin because that would help to forward peace in the Province. No terrorist structure can do that. Those republican activists who will not give up crime and who were integral to the republican movement in the past must be handed over to the police with any available evidence. There are no “get out of jail free” cards to be handed out to the IRA or any other terrorist organisation.

There could be no question of anyone sitting in the Cabinet of the United Kingdom who refused to support and endorse the police and the law enforcement agencies.

10.45 am

By the way, the same is true of the Government of the Irish Republic. In May, when the Irish Minister for Foreign Affairs, Mr Ahern number two, was asked whether he would sit in Government with anybody who did not, as a matter of principle, support the gardaí, he confirmed instantly that no, he would not. There would be no place for such a party in the Irish Republic’s Cabinet.

No western democracy would admit into Government a party that does not support its police force. The DUP intends to ensure that democracy and commitment to exclusively peaceful and democratic means applies to Northern Ireland. On this there cannot, and will not, be any lowering of standards.

It is not a move towards full acceptance of policing that is required before Government can be restored in Northern Ireland, nor is it a hint or a nod that some kind of acceptance might be required: it is full acceptance and support of the police. I disagree with the Secretary of State’s comments that we have made great advances in dealing with the matter; I do not know of any such advances. This week, it was quite clear from my meeting with the Prime Minister that there have been no advances in this area.

My message to republicans is that they must get on with delivering. Why should democratic parties have to wait for the IRA to decide whether it will go out of business? There is much other work to be done.

To date, the record of republicans has not been encouraging. Take, for example, the case of the young 15-year-old girl who was attacked by a man armed with a screwdriver while walking with three friends along Blacks Road in west Belfast in August last year. A second man used a metal bar to batter the three boys who were with her and stopped them from rescuing her. Their mobile phones and cash were stolen, and the girl was dragged onto a BP petrol station forecourt and raped.

In response to that most despicable of all crimes, a Sinn Féin representative for West Belfast was quoted in ‘The Guardian’ newspaper as saying:

“I would urge local women not to travel home alone and ... to be vigilant.”

When questioned on BBC Radio Ulster following that attack, he made it quite clear that he would not encourage anyone with evidence to come forward to help to bring those brutal attackers to justice. The current situation is that Sinn Féin/IRA advises people that if they fall victim to the most brutal and depraved attacks, they should say nothing to the police and do nothing. Victims are forbidden from going to the police. We also know of the wall of silence that was evident in the investigation into the murder of Robert McCartney.

I said at the outset that law-and-order issues go to the core of this debate and are fundamental to the possibility of progress. It is Sinn Féin that stands indicted by this report. It is Sinn Féin that must tackle its failure to support the police and the forces of law and order in Northern Ireland. That party must support the police and must encourage others to do so. When that happens, we will be on the way to establishing full democracy in our beloved Province.

Madam Speaker: I remind Members who wish to use examples in their contributions that sub judice rules apply in cases for which charges are being proffered. That may be relevant to this debate.

Mr McFarland: I thank the Chairmen of the Committee on the Preparation for Government, Mr Wells and Mr Molloy, for their outstanding handling of its business. So fair and impartial have they been, that each may shortly be looking for a new party.

I stand before you, a weary survivor of the Preparation for Government Committee. I warn the Assembly that there may be some Members so severely psychologically traumatised by their time in the PFG Committee over the summer that they may need treatment. I suspect that there may be a medical bill for the Assembly at the end of its proceedings. It is arguable that the mental torture of Room 144 will be synonymous with that at Camp X-Ray at Guantanamo Bay when the annals of infamy are written.

This is the first and probably only debate that we will have in this Chamber on the business of the full Committee on the Preparation for Government. Sinn Féin has blocked the other two reports. It agreed the content of the reports but refused permission for them to be printed. That, apparently, is based on a statement that Dr Paisley made, in which he drew attention to the fact that the DUP might have problems meeting the 24 November deadline. Sinn Féin’s objection was that he was strong and vociferous about that. Members have known Dr Paisley for many years, and I do not

understand why Sinn Féin is surprised that Dr Paisley is strong and vociferous about anything.

The Committee was set up to scope issues, and it was very particular about that. I want Members to note the word “scope”. On no account are they to use the word “negotiation”. That distinction was drawn daily by the DUP, which insisted that the Committee was not — whatever else it did — to become involved in any form of negotiation.

However, I could forgive Members who peruse Hansard for making that mistake, because they will discover that many issues have been agreed in the Committee. Other issues have been parked for the talks. Therefore, perhaps it could be argued that a small degree of negotiation was involved. Peter Robinson proposed in Committee that its reports should go forward to the Assembly for debate and be used as the basis for negotiation in October. That seemed to be a sensible use of the reports.

For the first time, the five major political parties in Northern Ireland sat in a room, around a table, and examined the issues that prevent a Government in Northern Ireland from getting up and running. That is encouraging.

I got into trouble over the summer, as some will have spotted, for pointing out in Committee that, for some reason that I could not understand, all of our work had entirely bypassed the media. The first journalist to spot that was Gerry Moriarty, who produced an excellent article for ‘The Irish Times’, which included some analysis. In that analysis, he examined Hansard — he had obviously read it — and worked out that there had been, over those months, a substantial thaw in the relationship between the Democratic Unionist Party and Sinn Féin.

The Committee started wearily, and members spent several weeks scrapping across the table. That is only to be expected. Members began without eye contact. The Committee developed like a Greek village main street on a Sunday evening, where chaperoned young ladies walk on one side, while chaperoned young men walk on the other, each trying to meet one another’s eyes, but refusing to do so. In this case, it looked as though the Ulster Unionist Party was chaperoning the DUP, and the SDLP was chaperoning Sinn Féin to get to a point where they could make eye contact across the room. That indeed happened.

Since August, there has been serious engagement in that Committee, with much good work completed. At one stage, with Martin McGuinness on one side and Rev McCrea on the other, Rev McCrea invited Martin to call him “William”, which was very exciting.

Mr Robert McCartney: It is difficult to discern how the contents of the report are the subject of the Member’s speech. Is it not time that he was asked to

confine himself at least to the general ambit of the report?

Madam Speaker: Mr McFarland’s contribution is relevant to the PFG Committee’s report.

Mr McFarland: That was my verbose Bob McCartney introduction, which Members were well used to for the four years of the previous Assembly.

Mr Robert McCartney: At least there was some content.

Mr McFarland: Well, I will give you content. I want to give some background, and get into the issue of where all this came from, which was the Belfast Agreement. At the beginning of this process, the Prime Minister reminded us that we were examining the Belfast Agreement, which was the “only deal in town”. It has to be said that if this process comes to fruition, a great deal will be owed to the courage of the Ulster Unionist Party in creating a peaceful Northern Ireland and getting Northern Ireland to where it is now, so that the DUP can take it the rest of the way.

We have to remind ourselves, of course, that in November 2004 we got within a grubby Polaroid of a deal, and we had the comprehensive agreement. It is worth reminding ourselves again what Sinn Féin said in the comprehensive agreement about the policing issue:

“As a result of our discussions we now have a commitment from the British government and the DUP to the transfer of powers on policing and justice to the Assembly as soon as possible, a DUP commitment to a speedy, time framed discussion on the departmental model and the powers to be transferred with a view to agreement by the time the Executive is established”.

Policing and justice were well on their way in November 2004, so we have, in fact, been revisiting several of these issues over the past few weeks. What are the issues? All five parties attended the meetings, and all agreed that whatever talks should take place, all five parties should be involved. However, in the end, it will come down eventually to the two largest parties having to agree what happens.

I wish to briefly examine the positions of those two parties on several issues. The Democratic Unionist Party raised three main concerns; the first, decommissioning, has raised its head again. Having said that, Dr McCrea and Ian Paisley Jnr accepted that substantial decommissioning had taken place, which is an encouraging step forward. The Independent Monitoring Commission (IMC) pointed out that some weapons were outstanding. Shortly after that, ‘The Sunday Tribune’ newspaper reported that the south Derry brigade of the Provisional IRA had seceded from the organisation, “taking its weapons with it.” We will have to wait and see whether the IMC’s October report shows that those were the outstanding weapons. If they were, that clears up the issue of decommissioning for the DUP.

The issues of criminality and paramilitarism were raised: those are as much an issue for us as they are for the DUP. We have the Organised Crime Task Force and the IMC, and it is suspected — *[Interruption.]*

Madam Speaker, there is a burble in my ear.

Mr Robert McCartney: It is your hearing.

Madam Speaker: Members obviously did not listen to what I said last week. Perhaps the Business Committee will revisit that issue today.

Mr McFarland: The Secretary of State then said that he and the Minister for Justice in the Republic accepted that the Provisional IRA leadership was now committed to peaceful means and that there had been a decrease in criminality. We will have to wait for the IMC report in the autumn to see whether that assessment is correct.

However, the key issue is whether or not Sinn Féin will sign up to policing. Where has Sinn Féin got to on that? It has told us in the press and in the PFG Committee that it has had discussions with all its people and that it intends, when it reaches agreement with the Secretary of State and the Government, to hold an Ard-Fheis and take a decision.

Mr Adams told us at the weekend that Sinn Féin is waiting for the Government to produce their part of the deal. We questioned the Secretary of State yesterday in the Senate Chamber as to what their part of the deal was. The Government claim that they have met their obligations, and that the legislation is in place. Technically, according to the Government, all that they are required to do for Sinn Féin has been done, so we await Sinn Féin's response.

Sinn Féin is demanding from the DUP agreement on, and a timescale for, the devolution of policing and justice. We know from the comprehensive agreement that Sinn Féin secured both of those in November 2004, so, presumably, some sort of deal will be achieved in the autumn.

11.00 am

Mr P Robinson: On a point of order, Madam Speaker. Like you, I am generous in allowing a substantial introduction. However, I am becoming a bit worried that Mr McFarland is so far into his allotted speaking time that he may forget to touch on the report at some stage.

Madam Speaker: I accept your remarks, Mr Robinson, but it is Mr McFarland's speech to make, so it is his time. If he does not speak as you want him to, that is his problem.

Mr McFarland: I am not speaking in the way in which the DUP would like me to speak. The DUP is clearly getting annoyed at what I am saying.

Mr P Robinson: On a point of order, Madam Speaker. Are you saying that we can speak about anything?

Madam Speaker: No. I am saying that the time is Mr McFarland's. If he chooses to make a lengthy introduction, that is his prerogative. If he were not to mention the report and not keep to the motion, I would have to say something.

Mr P Robinson: I simply want to be clear that we can all make a 10-minute introduction on any subject of our choosing, without touching on the report.

Madam Speaker: No. Members must touch on the report. Mr McFarland has referred to the report several times, and, in doing so, he is keeping to the motion. Every Member will be treated similarly.

Mr Attwood: On a point of order, Madam Speaker. Is it in order for the deputy leader of the DUP to interrupt proceedings repeatedly at the mere mention of the comprehensive agreement? I can understand why he would want to interrupt, given that he is the author of that insidious document, but is it in order for him to interrupt continually — *[Interruption.]*

Madam Speaker: Order. That is not a point of order, Mr Attwood. I remind all Members that they must speak to the motion. Mr Robinson, you are correct to say that I must ensure that everyone speaks to the motion. I contend that, so far, Mr McFarland has referred to the motion — however scant you may think that reference to have been — and I hope that he will continue to do so.

Mr McFarland: My entire speech so far has related to the work of the PFG Committee dealing with law and order issues that led to this report. All the issues can be found in Hansard, and they are mentioned in the report. The DUP may not like what I am saying, but it should at least sit quietly and listen.

Some Members: Hear, hear.

Mr McFarland: An aspect of the Secretary of State's speech in Glenties was slightly disturbing. He appeared to herald a two-tier police service, by which Sinn Féin does not have to be represented on the policing institutions as long as it supports policing on the ground. The Secretary of State was questioned again about that yesterday in Committee, but I am not sure that we received a clear answer. Some dealing may be going on in the background between Gerry Adams and the Secretary of State on how and in what format Sinn Féin will join the Policing Board.

Mr Donaldson: The Member has talked a great deal about other parties' policies and views. I ask him to elucidate a little on his party's policy. His leader has said that we must meet the deadline of 24 November. Does he share my party's view that that means that Sinn Féin must sign up to policing before that date,

and that if it does not, we cannot go into Government with it? *[Interruption.]*

Madam Speaker: Order.

Mr McFarland: The Member has clearly not read the Official Report of the entire PFG Committee dealing with law and order issues, because all those issues are dealt with therein. We have said that Sinn Féin must sign up to policing before anything goes anywhere. We remain to be convinced as to whether Sinn Féin will do that by 24 November, but, in the end, that is its choice to make.

There are institutional issues that need to be resolved before the establishment of any Executive, and policing will be at the core of any future agreement. Sinn Féin must sign up to policing. Despite DUP encouragement that Sean Kelly be allowed to join the PSNI, the outstanding issues need to be resolved. *[Interruption.]*

Madam Speaker: Order.

Mr McFarland: My colleagues will deal with other issues in detail, but one issue that I want to cover briefly before I finish concerns the fact that the PFG Committee decided that there should be one Ministry for policing and justice. That makes sense, as policing and justice are both currently handled by the Northern Ireland Office (NIO). It would appear to be effective and efficient to have one Ministry. Safeguards need to be put in place, however, and no doubt that issue will arise during the talks.

We discussed what some of those safeguards might be. The Government have a number of options from which to choose. The First Minister and the Deputy First Minister could have responsibility for policing and justice. Alternatively, responsibility could fall to two Ministers, or to a Minister and a “super junior Minister”. That issue will be a key part of any upcoming talks between Sinn Féin and the DUP, because we must have safeguards in place to ensure that no single party is allowed to have a free run on policing and justice.

Having said all that, a Department of policing and justice would be a strange organisation. As the Chief Constable of the PSNI has complete operational control, no Minister or Assembly Committee could interfere with his decisions. The PFG Committee has agreed that the Policing Board should remain in its present form, with the same number of MLAs in its membership. The Policing Board has responsibility for policing, and I cannot see a Minister being able to interfere in its work.

The legal system is fairly independent, and it is ring-fenced in such a way that it would be difficult to interfere with its structures. Indeed, as the Prison Service now has agency status, it is fairly independent. Therefore it is not at all clear how a Minister, outside

the authority of the Assembly, could interfere with policing and justice. However, public perception of policing is a sensitive issue, and the Assembly needs to take account of that.

I have dealt with some of the issues; my colleagues will cover the others. I support the motion.

Mr Attwood: First, I agree with the comments of my colleagues and the Deputy Speaker in acknowledging the work of the staff. I acknowledge also the work of the two Deputy Speakers in chairing the PFG Committee. I echo Alan McFarland’s belief that some useful work has been done. Although that work has centred on the soft issues rather than the hard issues of law, order and justice, it has been important.

It is also appropriate to acknowledge the catering staff who fed us during our meetings.

Some Members: Hear, hear.

Mr Attwood: Indeed, the Deputy Speaker wanted, in particular, to acknowledge the vegetarian options on the menu. On one occasion, however, he did not realise that he was eating duck sandwiches. *[Laughter.]*

He may want to comment on that later.

Madam Speaker: Mr Attwood, will you keep to the motion? *[Laughter.]*

Mr Attwood: The approach of Downing Street and the Secretary of State to law, order and justice is fundamentally flawed. The triple lock that sustains and builds confidence in policing, law, order and justice is the primacy of the police; full acceptance of policing responsibility; and the authority of the justice system. However, the British Government have undone that triple lock, replacing the primacy of the police with the primacy of MI5; the full acceptance of policing responsibility with the false policing responsibility outlined in the Glenties speech; and the authority of the justice system with a foolhardy protocol for restorative justice.

The combination of the triple lock is delicate. If we get it wrong now — given the possibility that there may be no Executive or Assembly — we will have to live with the consequences for a very long time. Given the potential impact of that scenario, the SDLP urges the British Government, even at this stage, to revisit those three issues.

At yesterday’s meeting of the PFG Committee, the Secretary of State was understandably evasive about MI5 primacy. He was repeatedly asked a simple question: could he confirm that, in fulfilling his executive responsibility, he has instructed MI5, when it takes primacy in the North, to share all information with the PSNI — not essential information, not relevant information, but all information? Despite being asked that question three times, the Secretary of State refused

to confirm that, in exercising his executive responsibility, he had so instructed MI5.

Every party and every Member should be alarmed that the British Government are not endorsing that principle. Consequently, when there is a serious incident that may have led to the death of a citizen or to important questions being asked about the administration of law and justice in the North, an Executive or a Minister of justice in this Building, a Chief Constable down the road or the Policing Board will not have the authority to find out what is happening. Members opposite talk about the stability of the institutions in the future. However, that lack of authority has not been addressed, and MI5 primacy is being revisited, so we will live with the grave consequences of that for a long time.

As Arlene Foster said during the Committee's deliberations on law-and-order issues, in his Glenties speech the Secretary of State established a new legitimacy on policing. He has now publicly stated that as well as the legitimacy that all parties in the Chamber signed up to — which is the legitimacy of the PSNI and the accountability mechanisms that surround it — there is now a second legitimacy in this part of Ireland: the legitimacy of merely having a relationship with the police. The Secretary of State refers to that as progress, and he has repeated that point since he made his speech in Glenties. The consequence of that is that the policing institutions and the authority of the police are devalued. That is a false position that creates a second authority in the delivery of policing in this part of Ireland. It is a little change masquerading as a big leap. As the Committee told the Secretary of State yesterday, that issue must also be revisited.

The Committee also said that all parties should face up to important policing issues; namely, they should recommend that anyone who wants to should join the police; everybody should be advised to assist the police with their inquiries; and no impediment should be placed in the way of those who participate in the police accountability structures. That is the proper way to resolve policing. The false dawn of the Glenties proposal will not suffice.

Restorative justice is the third issue that the British Government must face. In his speech to the Police Federation last week, the Secretary of State said that he accepted that the original protocol was “not sufficiently robust”. He told the federation and everybody else that they were right, and he said that the Government had listened. However, he did not listen hard enough. In that speech he outlined three areas in which the restorative justice protocol had been changed to be, in his view, more robust. First, he said that there will be direct communication between restorative justice schemes and the PSNI. However, no one has defined the nature of that direct communication. Will it merely be writing anonymous, vague or standard letters to the

PSNI to confirm that an incident occurred the previous Friday night on the Falls Road? Alternatively, does it mean full and proper co-operation with the police as they attempt to fulfil their duty? Direct communication is better than third-party reporting, but if it is undefined and ill defined, it will only harbour future problems.

Mr Robert McCartney: Does the Member accept that the three areas that he has so clearly pointed out do not square with the most recent IMC report, which suggests that it is helpful to the political process for the IRA's control and command structure to be maintained?

Mr Attwood: Ultimately, we need to reach a point when organisations that are currently illegal change their form to become no threat to anybody on any part of this island. It is one thing for those organisations to end up becoming “old boys' clubs”, to borrow a phrase; however, it is unacceptable for any such organisation that continues to exist in this part of the island to maintain its authority and impose its will on citizens. That extends not only to republican organisations but to loyalist organisations.

A complaints mechanism was the second issue that the Secretary of State discussed in his speech to the Police Federation. He said that a new complaints system will be established through the Probation Board for Northern Ireland.

11.15 pm

However, he fails to acknowledge that that complaints system will include no power to compel witnesses to be interviewed, to search properties or to seize documents. How does that measure up for the young boy in Ballymurphy who gets hit by some IRA commander masquerading under the banner of community restorative justice (CRJ)? How will that reassure that young boy and his family that, if he makes a complaint about that IRA commander and about his treatment under that restorative justice scheme, his complaint will be rigorously and properly investigated?

The third issue named by the Secretary of State in his speech to the Police Federation was that of oversight. He said that the Criminal Justice Inspectorate would have the power to inspect schemes. What he did not point out was that the Criminal Justice Inspection has no powers to seize documents and to investigate individual complaints. In any case, that body is already stretched in the light of the fact that it investigates 20 other organisations.

We say to the Secretary of State that, when it comes to the triple lock of sustaining confidence in law, order and justice, he should not go down the road of the primacy of MI5; he should revisit his protocol on restorative justice and, fundamentally, revisit the Glenties approach to policing.

I would like to make two comments about the Irish Government. Today, I ask the Irish Government not to wait a single week longer to help to fund the police college recommended by the Patten Report. Patten offered a range of reasons why the Irish Government should sign up to that. There could be joint training, joint planning and joint investigation — enough reasons for a multimillion-euro injection of Irish Government funds into a police college in the North of Ireland. I urge them, as this decision comes before the Minister, not to wait a week longer in making a commitment to the training of police on the island of Ireland.

There are wider reasons that the Irish Government should do that. They are involved in a wide range of reconstruction projects in conflict areas around the world, including Sierra Leone and Liberia. The British Government are also involved in such projects. The police college in the North can become an international centre for training. The British and Irish Governments' efforts to reconstruct societies that are emerging from conflict can enable the police services from those societies to come to this part of Ireland and share in the best training facility in Europe.

My third point relates to Sinn Féin. In one way, I agree with Ian Paisley; I anticipate that after 24 November 2006 and before 17 March 2007, for reasons of a political bounce before St Patrick's Day and an electoral bounce before the Dáil elections next June, Sinn Féin will convene a special Ard-Fheis. There will be a hullabaloo about that: Blair will have kittens about it, people will get excited about it, and Adams will deliver that Ard-Fheis. However, he will deliver it to the proposition outlined by the Secretary of State at Glenties.

He will deliver the Ard-Fheis to the point of the republican movement having a relationship with the police on the ground, when it wants it, where it wants it and on the terms that it wants it. That is what the republican strategy is going to be, and if it is not done at an Ard-Fheis, it will be done at some other event, manufactured and engineered for the sole purpose of a political and electoral bounce, rather than the compelling purpose of properly signing up to policing.

I warn the British Government, and the Prime Minister in particular, that he is particularly vulnerable to that approach at this time, given that he is interested in his legacy rather than in the right approach for this part of Ireland when it comes to the police.

I wish to say a few words to the DUP before I conclude. On some issues, when it comes to law, order and justice, I am on the same page as some elements of the DUP, if that page means the right approach to policing, the acceptance of the rule of law, and lawful authority.

However, I want to advise the DUP that, although we may share some issues and even have a few places of common concern, there is little sense that the DUP is serious about sharing power with the nationalist community. Nationalists understood why the SDLP went into this Assembly and participated fully in the Committee on the Preparation for Government. They understood that it was necessary for democratic culture and was needed in order to scope out political problems; they understood that it was necessary to look for some tentative agreement around a handful of issues.

The mainstream nationalists that we represent do not see any evidence or proof that the DUP is up for shared institutions. On behalf of that mainstream nationalism, the SDLP has challenged Sinn Féin, both in its absence and its presence, to sign up to the policing arrangements in this part of the world and to share responsibility for policing. However, there is another challenge that, in the run-up to the October negotiations and the 24 November deadline, the DUP still fails to live up to: the responsibility of sharing power with nationalists in this Assembly.

Madam Speaker: Members, this will be the first occasion on which the Assembly has heard from Mrs Long. It is her maiden speech, and Members will know the convention that such a speech is heard without interruption.

Mrs Long: Madam Speaker, I hope that you have not given me too much of a build-up, for I fear that I may not live up to it.

I want to associate myself with the comments made by my fellow members of the Committee on the Preparation for Government. I especially thank the Deputy Speakers, Mr Wells and Mr Molloy, who chaired and managed our discussions so effectively over the summer. I also thank the staff, who managed to extract a coherent and comprehensive report from the fog of those discussions.

Other members of my party will speak later about the definition of ceasefires, community restorative justice and fifty-fifty recruitment, among other issues. I want to begin my own contribution at the fundamental starting point for any discussion of policing and justice, which is the rule of law.

We must strive to ensure that we build our society, and the structures that govern it, on the foundation of democracy, human rights and the rule of law. Those values are intertwined; none can survive without the others. If we are to make progress on policing and justice issues, we must start by building a culture of lawfulness where the dominant or mainstream thinking in society is sympathetic to, and consistent with, the rule of law. By doing that, we prevent crimes and other violations of the law, as people have a common understanding of the role that they can play in creating

a lawful society by addressing their own behaviour and by actively working with the appropriate authorities to stop the lawless behaviour of those around them. In such a culture, most people act in a manner that is consistent with the law, because they expect others to behave similarly. Crucial to that is the need for the state and its institutions to act — and to be seen to act — in a lawful and impartial manner.

The alternative to a culture of lawfulness is a culture of lawlessness, where might equals right and the strong exploit the weak. While such a culture prevails, we cannot build a fair, equitable and just society. Northern Ireland suffers from a range of threats to the rule of law, including the continued threat of terrorist violence; the continued activities of paramilitaries and, in particular, their efforts to perpetuate social control over large areas of Northern Ireland; high levels of organised crime; and the highest rate of recorded hate crimes in the United Kingdom. Those threats have huge economic, social and personal costs for our community.

In far too many ways, the state and its agencies contribute to that situation through accepting that the local strongmen are the legitimate voices of communities and allowing them to broker what does or does not happen in certain areas. Often it seems expedient to cut deals and accommodations in such a situation rather than tackle it head on. What may seem to be a short-term gain often exacerbates the problem further.

Similarly, it is often the perception in the community that there is selectivity in how the law is enforced. Too often, it seems that those who engage in mass public disorder, or act with paramilitary muscle, or use implied threats, are only to be managed by the state rather than addressed properly. Such perceived impunity is a threat to the rule of law and undermines public confidence in it. There must be a wider debate on how, as a society, we can adequately ensure that the rule of law is not only upheld but is seen to be upheld. There must be a concerted plan to address paramilitarism rather than pander to it.

(Mr Deputy Speaker [Mr Jim Wells] in the Chair)

The Alliance Party believes that the recommendations of the Patten Commission represented a fair and realistic set of proposals for the creation of a single, professional police service for all the people of Northern Ireland. We recognise also that the proposals have, largely, been implemented. Those who allege that the Patten Report has not been implemented are often very vague on the detail.

Furthermore, the Northern Ireland Policing Board has been one of the few institutional success stories of the agreement. In fact, it is a good illustration of how bodies that are established on an integrative principle can make a successful contribution to positive change in a deeply divided society. The Alliance Party takes

the firm view that the Patten Report should be the conclusion of major policing reform. Accordingly, there are no grounds to open a wider debate on policing.

However, the Alliance Party recognises that, since the Patten Report was written in 1999, significant changes in best practice for policing have occurred, and it is appropriate for those to be taken on board. The biggest difficulty is the failure of all parties to recognise fully the legitimacy of the police and to give their full support to the rule of law. Even though such a situation has existed in previous Executives, it has become increasingly clear that, in the medium term, it is not sustainable for any party to be part of Government, with responsibilities for upholding the rule of law, while not supporting the Police Service.

If the suspended institutions of the agreement are to be restored in the near future, it is critical that they are placed on a durable and sustainable footing. A key element of achieving that is to ensure that all parties that would, potentially, be in Government support fully policing structures and the rule of law. To date, much of that need has been distilled into the simplistic demand for Sinn Féin to sign up to policing. However, what that entails has yet to be properly spelled out by the British and Irish Governments.

Although most attention might fall on the nature of Sinn Féin's commitment to policing and the rule of law, it raises questions for others who, while engaging or partially engaging in the structures of policing, are not consistent on the rule of law. It is important that both the British and Irish Governments define what is entailed in parties' signing up to policing in the coming weeks. To that end, the Alliance Party has designed five benchmarks to assess parties' commitment to policing.

First, are the representatives of the parties engaging with the PSNI in a regular, consistent and constructive manner, both locally and centrally? Secondly, are parties prepared to recognise the PSNI as the sole legitimate policing agency in Northern Ireland, and to promote such a view in their communities? Thirdly, are parties prepared to take the seats that they are entitled to on the Policing Board and on the district policing partnerships (DPPs)? Fourthly, are Ministers prepared to take a revised Pledge of Office, containing a specific commitment to upholding and promoting the rule of law in a fair and consistent manner? Finally, are parties prepared to co-operate with the lawful authorities to address so-called individual acts of criminality that arise from any paramilitary organisation with which they may be, or may have been, associated?

The devolution of policing and criminal justice powers needs to be handled with great sensitivity, as it goes straight to the heart of people's sense of security. More than any other aspect of current or potential devolved responsibilities, the conduct and control of

policing has been at the heart of the political disputes and conflicts that have afflicted Northern Ireland. Although there is little public discussion on the matter, that should not be mistaken for a lack of interest. Fear and tension, with the associated political repercussions, could easily build in the face of the imminent implementation of decisions.

Most of that fear may be based on a Sinn Féin Minister taking responsibility for policing and justice not long after the end of the IRA campaign of violence, and in the face of continuing republican criminality and ambiguity on the rule of law.

11.30 am

In other quarters, however, there will be concern over a unionist taking control of that Ministry, given the legacy of historical abuse of power in the 1921-72 Stormont regime, and the failure of unionist politicians in more recent times to demonstrate unambiguous commitment to the rule of law, primarily in relation to public order problems surrounding contentious parades.

In the worst-case scenario, a politicised Minister for justice or policing could seek to influence the operational decisions of the police — a situation that would, rightly, concern the public. Those fears can only be ameliorated by parties making the commitments that we have already outlined within the appropriate institutional structures. Notwithstanding such problems, the Alliance Party sees great potential in creating a sense of cross-community ownership of policing and criminal justice through the devolution of such powers to the Assembly. This party has been a consistent advocate of devolution in that area.

With regard to structures, the devolution of those powers to a Department that is part of a power-sharing Executive must go hand in hand with significant changes in the mechanisms for accountability and collective responsibility within that Executive. At present, the Executive structures in the Assembly are inadequate. There are few incentives for moderation and accommodation. Instead, once posts are allocated, Ministers have considerable discretion to take decisions within their own area of responsibility with little or no reference to their ministerial colleagues or to the Assembly overall. Although that situation is problematic with most portfolios, it could be disastrous in relation to policing and criminal justice. Structures must be put in place that recognise and facilitate the genuine interest in, and concern about, those issues, right across the community.

The Alliance Party does not believe that any of the structures offered in the joint declaration would provide an ideal way forward. In the absence of collective responsibility, the criminal justice and policing functions are far too politically sensitive to be given to one particular party through one Minister heading up a

single Department. The Office of the First Minister and the Deputy First Minister (OFMDFM) structure, either in its current form or in a replica for these particular functions, has proven to be far too unwieldy. Although there are international examples of policing and criminal justice functions being split between two Departments, this model could cause substantial confusion, on top of the split between the powers devolved to the Assembly and those retained by Westminster. In any event, even though powers would be distributed, the same problems of lack of accountability and collective decision-making would remain.

By contrast, the dangers of placing those functions within a single Department for justice would be substantially mitigated if that Department were part of an Executive working on the basis of collective responsibility. The Minister in question would be allocated his or her portfolio as part of inter-party negotiations, serve with the confidence of the Assembly and operate to collective responsibility, and could be removed from office — either with or without the collapse of the entire Executive — in the event of a major breach of faith.

The timing of the devolution of policing and criminal justice powers should primarily be determined by the correct conditions existing in society, not by an arbitrary timetable. Nevertheless, we can accept a target of two years from the restoration of political institutions for the transfer of such powers. Such a target was referred to in the comprehensive agreement and reflects my party's position on the matter. That is different from a firm timetable. The two years would allow the institutions to be tested through two marching seasons, irrespective of the starting point.

The Alliance Party supports the Secretary of State's assuming enabling powers with respect to eventual devolution, but that should happen after the parties reach agreement on the modalities of devolution, rather than before. Before powers are devolved, we recommend that a triple lock be put in place: first, and most crucially, a cross-community vote should be required in the Assembly; secondly, there must be a certification by the Secretary of State that the conditions are appropriate; and, thirdly, there needs to be an affirmative vote in Parliament. We note that in comments made in the House of Commons during the Second Reading of the Northern Ireland (Miscellaneous Provisions) Bill, Government Ministers outlined such a triple lock. In practice, however, it is a quadruple lock as the First Minister and the Deputy First Minister will be required to table any motion in the Assembly to support devolution.

The Alliance Party is generally content with the proposed policing and criminal justice powers to be transferred to the Northern Ireland Administration as set out in the Northern Ireland Office publication,

‘Devolving Policing and Justice in Northern Ireland: A Discussion Paper’. However, there is an additional need for checks and balances to prevent a Minister, through either direct or indirect pressure, from influencing operational decisions. That could be addressed through the ministerial code of conduct or the Pledge of Office. We recognise the need for powers to be retained and exercised at national level and regard the list of those to be transferred as fairly expansive.

There is some concern at the lack of accountability in how UK-wide structures relate to Northern Ireland. Part of the solution lies with a more general reform of the UK structures for tackling terrorism, defending national security, dealing with organised crime and addressing other policing issues.

Another related problem is the perception that there are different approaches and responsibilities for continued republican and loyalist terrorism, with the former being addressed at a UK level and the latter at a Northern Ireland level, based on the rationale that only the former is a threat to national security. The Alliance Party has major concerns about that differentiation.

Part of the problem lies in the traditional view of terrorism; in practice, the organisations involved have diversified into a wider range of paramilitary and organised criminal activity. The definition and parameters of the concept of terrorism must be restored, and the wider threat to democracy and the rule of law that is posed by paramilitary and organised crime needs to be better understood.

I call on Members to endorse the report and the work undertaken by the Committee on the Preparation for Government. I also call on all the parties of the Assembly, both those present today and, importantly, the party that is absent, to redouble their efforts to create conditions where a common understanding of, and support for, the rule of law can underpin the political process to the benefit of our entire community.

Mr Weir: I associate myself with the earlier remarks thanking the Committee staff for their hard work over the summer, and also with your remarks, Mr Deputy Speaker, congratulating our colleague Arlene Foster on the birth of her third child.

Before turning to the substance of my speech, I want to deal with two issues raised by Members who have already spoken. It is unfortunate that Mr Attwood has left the Chamber. He seemed to be labouring under a degree of confusion today, challenging the DUP by saying that it is not prepared to share power with nationalists. Let me deal with that confusion.

Some time ago, my party made an offer to the other constitutional parties, and the SDLP in particular, to let go of the hand of Sinn Féin and join us, and other constitutional parties, in a voluntary coalition. Today, and with respect to my party leader, I reissue that

invitation. If the SDLP wants to test the DUP’s bonafides on sharing power with nationalists, it should take up that offer. There could be a voluntary coalition tomorrow morning, with democrats running Northern Ireland. The ball is in the SDLP’s court.

Mrs D Kelly: On a point of order, Mr Deputy Speaker. That is not the experience of nationalists in many councils throughout the North. One need only look at Lisburn City Council.

Mr Deputy Speaker: I am sorry, Mrs Kelly; that is not a point of order.

Mr Weir: I turn now to the remarks — indeed, the lecture — of the second Member to speak in this debate, Mr McFarland. Perhaps he is now the script-writer of ‘Zorba the Greek’. I am here not to meet his eyes across a crowded table as in some latter-day love story, but rather to respond to his lecturing of the DUP on its record on policing and justice.

If I were to take a leaf out of Mr McFarland’s book, I could probably spend the next 13 minutes of my speech dealing with the record of the Ulster Unionist Party on that subject. I could deal with the fact that the origins of the proposals for fifty-fifty recruitment to the PSNI do not lie with Mr Patten; the original progenitor was a certain Mr Kenneth Maginnis MP. I could deal with the fact that the Patten Commission led to the destruction of the RUC, at a time when Mr Trimble was giving assurances that Ken Maginnis and Cecil Walker had saved the RUC.

Mr Kennedy: I congratulate the Member on his excellent memory. Can I perhaps bring him a little closer to the present? I ask him whether he agrees with his party colleague the Member for East Londonderry, who is unfortunately not present in the Chamber, that people who are repentant can, in some shape or form, join the police? That is more relevant and more topical. Mr Weir might advise his colleague to go down the same line as the Pope, who has recently apologised to everybody — although that raises the question of what has happened to papal infallibility.

Mr Weir: I do not intend to drag sectarian issues into this debate.

The DUP has made it clear that it does not support, and has never supported, terrorists joining the police or getting into Government. In order to repent, people must remember what they did. It was not Gregory Campbell who destroyed the RUC; it was the Ulster Unionist Party. It was not Gregory Campbell who put terrorists in Government who not only had not decommissioned a single weapon but who did not support the police. In relation to the issue of justice, it was not Gregory Campbell who helped to open up the jails, allowing the vilest criminals in western Europe out onto the streets.

Mr Kennedy: Which party was the Member in at that time?

Mr Weir: My views on this issue have been entirely consistent. However, let me, in a spirit of generosity, welcome the repentance of the Ulster Unionist Party, which today has adopted the DUP position that 24 November is not a sacrosanct deadline. Rather, that date is only applicable if people are committed not only to ending terrorism and criminality but have signed up to supporting the rule of law and policing. I welcome that party's conversion to the DUP position because, for many years, that was not its position.

I want to discuss the report on law-and-order issues. At least my introductory remarks have been slightly shorter than the opening contribution from the Ulster Unionist Party. In preparing for Government, and identifying obstacles to Government, it is commonly agreed that law and order is the most important issue. I attended a number of meetings of the economic challenges subgroup, where most issues gained consensus. However, it will come as no surprise to hear that, on the PFG Committee that dealt with law-and-order issues, agreement was not reached on a wide range of issues, the reason being that many of those issues go to the very heart of how we should proceed in Northern Ireland and, indeed, demonstrate why we currently have no Government.

I want to deal with three issues from the report. Mr McFarland referred to the fact that the DUP position on the devolution of policing and justice powers is that they should be devolved as soon as possible. He threw up that fact as if it were a revelation. In fact, the DUP took that position on the Committee.

Where Mr McFarland has gone wrong is that he has misread the comprehensive agreement. We should not be surprised to learn that, given that he also misread the Belfast Agreement in 1998. The key point is that the conditions must be right before policing and justice powers are devolved. That is why, when proposals were put forward regarding a time frame for the devolution of those powers, the DUP said no. The DUP wants the people of Northern Ireland to have maximum powers but only if the system is run by democrats. It must be recognised — and at least it was recognised in 1998 — that there must be a higher level of public confidence in the devolution of policing and justice powers than in the devolution of any other powers. At this stage, there is not enough public confidence for policing and justice to be devolved. We must wait until the conditions are right.

Mr Attwood has already mentioned restorative justice, which is an important issue that was examined in great detail by the Committee. There are two key points about restorative justice. In the same way that there cannot be two-tier policing in Northern Ireland,

there cannot be two-tier restorative justice. Groups that do not co-operate with the police cannot be put on an equal footing with groups that do co-operate. Everyone must sign up to precisely the same protocols. Government cannot ease the way for those who do not support policing by trying to use restorative justice as an alternative, back-door form of policing.

11.45 am

Page 311 of the report lists the proposals that were not agreed by the Committee.

A number of parties raised concerns in Committee about the present protocols. Unlike other aspects of policing here, restorative justice does not appear to have an accountability framework in place that would enable it to be scrutinised. The protocols seem to provide a loophole that allows criminality to be covered but not antisocial behaviour. All who are involved in restorative justice will say that cases of antisocial behaviour make up about 80% or 90% of their work. We cannot have the primacy of the police being undermined. Above all, the police should be responsible for vetting anyone working in restorative justice schemes.

Four out of the five parties on the PFG Committee were able to agree all the propositions that are outlined in more detail on page 311 of the report, should Members wish to read them. However, our voting system allows parties a veto, and the party that vetoed those proposals was Sinn Féin. It is clear throughout the report, not simply on restorative justice issues, that the flaw that lies at the heart of this matter is that Sinn Féin has a fundamentally different view of the rule of law. Indeed, it lacks an acceptance of the rule of law, and that makes Sinn Féin fundamentally different from the democrats in the Chamber.

That goes to the heart of the problem. We cannot have two-tier policing or two-tier support for policing. I join others in expressing concern about the Secretary of State's Glenties speech. Sinn Féin cannot just mumble a few words and, at some Ard-Fheis, sign up to a particular line that the Secretary of State has put out. Indeed, we cannot have Sinn Féin signing up to anything that falls short of full support for policing.

Mr Robert McCartney: Does the Member recall that Sinn Féin played exactly the same card with the Mitchell principles? Its alter ego, the IRA, then ran a coach and horses through them.

Mr Weir: Yes, and we should all benefit from our experience of what happened.

No half measures on policing are acceptable. There must either be full support for the rule of law, or nothing. As other Members have said, that should not only entail support for the institutions of the rule of law, such as the Policing Board. People could join the

Policing Board tomorrow yet not support the police. Sinn Féin must recognise the police and co-operate with them. It must encourage people to provide information on crime, and, by saying that it is a worthwhile occupation, it must encourage young people, from the nationalist community in particular, to join the police.

Sinn Féin is a long way behind the rest of its community on policing. Many brave young men and women from the nationalist community have joined the police force, and there is a gradual acceptance of the police in the nationalist community. Sinn Féin's mindset is lacking, and there is no greater illustration of that than what we saw at the weekend in New Lodge, where 11 police officers were injured simply for making an arrest.

As one would expect in a riot-type situation, the local representative, who happened to be a Sinn Féin councillor, was interviewed afterwards. What were her conclusions? Did she condemn the rioters? No. She complained that the police had been provocative and heavy-handed. Presumably, they were being heavy-handed when they put their shields in the way of missiles. Presumably, the way in which they headbutted the missiles that were being thrown at them was provocative. When faced with a choice between the lawless and the law enforcers, Sinn Féin still consistently comes down on the side of the lawless. The fundamental challenge for Sinn Féin is to cross that Rubicon. As my colleagues have made clear, that is a fundamental prerequisite to the establishment of any Government of which Sinn Féin hopes to be a part.

At yesterday's meeting of the PFG Committee, my colleagues asked the Secretary of State whether he would accept Ministers of the realm who did not support the rule of law anywhere else in the United Kingdom, and it was clear that that would not be tolerated in any other jurisdiction. If a junior Minister in Tony Blair's Administration spoke in defence of rioters over the police, he would be out of office that day.

Similarly, in the Republic of Ireland, Michael McDowell or Bertie Ahern would not tolerate any Minister taking that sort of line. That is a fundamental point. We were told yesterday that we could not wait for perfection. Let me make it clear: to seek support for the rule of law and policing institutions is not to seek perfection; it is to seek the bare minimum that any democracy requires. It is a reasonable position, and without that bare minimum the DUP will not be moving forward to any Government that involves Sinn Féin. Sinn Féin must sign up in totality to policing.

The report highlights repeatedly, on a range of issues, the gulf between Sinn Féin and the other constitutional parties. That shows how far Sinn Féin has yet to go. Whether it is on 24 November or any other date, unless

Sinn Féin signs up to the rule of law and policing, there will be no place for it in the Government of Northern Ireland. I commend the report.

Mr Cobain: I want to address the issue of restorative justice, which is included in the report.

Restorative justice, as a concept, can be of tremendous assistance to the police in large working-class areas across the United Kingdom, in which antisocial behaviour restricts the quality of life for many, and traditional policing is often seen as ineffective.

This matter was recognised by the Prime Minister himself in his Respect Action Plan launch speech in January of this year, when he said:

"spitting at an old lady on her way to the shops is and has always been a crime; graffiti is a crime and always has been. Petty vandalism, the same."

He continued:

"In theory, in each case the police charge, the prosecutor prosecutes and the court decides."

However, he added:

"Except that, in practice, it's not what happens. In practice, the person who spits at the old lady is not prosecuted because to do so takes many police hours, much resource, and if all of that is overcome, the outcome is a fine."

That is how the Prime Minister summarised the challenge posed by antisocial behaviour in communities across the United Kingdom. It is a reminder that alongside the headline crime stories is a harsh reality of vandalism, abusive and loutish behaviour and other antisocial behaviour, which mars the lives of individuals, families and entire communities.

Restorative justice offers an effective alternative to the status quo, which, as the Prime Minister said, can at best result in a fine. Too often victims and local communities can be left asking what exactly the system has done to make them feel more secure. In Northern Ireland, the situation is made worse by the presence and activities of paramilitaries. The beatings and shootings carried out by paramilitaries in response to antisocial behaviour can only further intimidate communities, reminding them that the rule of law does not apply to their locality.

How does restorative justice offer an alternative to the status quo of a hard-pressed policing and judicial system and to the rule of fear imposed by paramilitaries? Restorative justice seeks to change the behaviour of offenders. In other words, it seeks to end antisocial behaviour rather than merely impose fines.

I am aware that people across the community have voiced genuine concerns about community restorative justice. Some fear it will legitimise paramilitary justice; others fear that it will become an alternative policing service. To allay such fears, the Government

have prepared draft protocols dealing with restorative justice, which are currently out for consultation.

The UUP position has always been that the restorative justice concept is valuable, but it must be done right and policing must be central to the entire process. My colleagues and I were relieved when, in July, Minister of State David Hanson recognised that:

“the centrality of the police to the way in which schemes operate is non-negotiable.”

The UUP believes that as an integral part of the restorative justice system, all organisations wishing to participate must give unqualified acceptance to the role of the Police Service within the criminal justice system of which CRJ schemes will become a part.

When the draft restorative justice guidelines were published in December 2005, I said that the Government’s proposals contained numerous grey areas and loopholes and that it was a loose system that practically invited manipulation. That was implicitly acknowledged in July when the Minister himself accepted that the first draft guidelines were not sufficiently robust to command public confidence.

In March, the Northern Ireland Policing Board published its detailed response to the consultation on the Northern Ireland Office draft guidelines on community-based restorative justice schemes. One of the main aspects of the first draft guidelines was that offences could be reported through a third party, bypassing the police. That is completely unacceptable. The Ulster Unionist Party is in no doubt that confidence in the system could be adversely affected if any participating organisations, endorsed by the Government, did not acknowledge the legitimacy of one of the scheme’s key partners, namely the police.

For that, and other reasons, the Ulster Unionist Party considers the Northern Ireland draft guidelines unacceptable and wishes new guidelines to be drafted. The party has also asked for a clear definition of the types of low-level crime with which the community-based restorative justice schemes would deal. Although the UUP welcomes the need for adherence to robust international standards, it believes that overall responsibility for ensuring that the schemes are held to account should be given to an oversight body and that a new organisation be established for that purpose.

My party also found it unacceptable that any complaint made by a victim of crime involved in the community-based restorative justice process would, under the current draft guidelines, be referred back to the same scheme about which they complained. The UUP believes that a truly independent external complaints system must be established. We also demand that the scheme operate to the highest human rights standards and that robust human resources and

training management systems are in place to enable schemes to recruit, train and access their staff.

Northern Ireland Alternatives is an organisation that is active in the restorative justice field within certain working-class unionist areas. It operates in north Belfast, the greater Shankill area, east Belfast and north Down. Northern Ireland Alternatives found that there is a desire in working-class communities for an effective system for addressing crime, other than the paramilitary system. Its annual report published in December 2005 indicated what could be achieved when such schemes are properly operated and resourced.

The report stated that the recruitment of new staff enabled the areas where Northern Ireland Alternatives operates to become much more rooted at local level, enabling the prevention of many punishment attacks. The organisation works intensively with young people, and each group has intervened in approximately 20 cases.

In total, Northern Ireland Alternatives has prevented approximately 80 young people from being beaten, shot or exiled by local paramilitary organisations. Furthermore, those young people have been involved in intensive personal work, which has helped to change their offending behaviour choices. They have also participated in restorative processes with their victims, resulting in £4,000 being paid back in restitution last year. In the year up to December 2005, Northern Ireland Alternatives said that its work had reduced the incidence of violent punishments for antisocial behaviour to almost zero in areas where it has a presence and that there had been a dramatic decrease in paramilitary violence in all those areas.

The Northern Ireland Alternatives central office has spent much time liaising with Lord Clyde and the Independent Monitoring Commission. The first IMC report was extremely negative towards community-based restorative justice initiatives. However, Northern Ireland Alternatives addressed that issue by meeting directly with the commissioners and inviting them to meet the young people and victims who had participated in the restorative process through its organisation. That helped the commissioners to change their opinion of the work, and the next two IMC reports were extremely positive, reflecting the shift in attitudes.

In the 12 months leading up to December 2005, Northern Ireland Alternatives were involved in the delivery of 25 training sessions and 120 presentations; it facilitated 43 workshops and participated in approximately 60 radio, television and student interviews. There is no doubt that Northern Ireland Alternatives represents a good example of best practice in this field, and I commend it and wish it every success.

As I said earlier, it should be obvious and self-evident that if restorative justice schemes were to offer

a genuine way forward for communities facing both antisocial behaviour and paramilitarism, they must work in conjunction with, and have direct involvement with, the PSNI. That is why robust protocols are fundamental to wider communities having confidence in restorative justice schemes.

Crucially, referrals to any restorative justice scheme must be made from the Public Prosecution Service (PPS) or the PSNI.

12.00 noon

Accredited training for those involved in the schemes must be monitored, and an independent complaints procedure must be in place to protect those who are referred to the schemes and to ensure public confidence in their operation.

All of that is essential if restorative justice schemes are genuinely to help communities to overcome both antisocial behaviour and the legacy of paramilitarism. The schemes cannot exist in a shadowy parallel universe outside the rule of law. Acceptance of, and full co-operation with, policing and judicial structures must be the rule for all restorative justice schemes. Otherwise, the schemes would represent a backward step, condemning communities to more injustice and preventing the wider community from having confidence in the schemes.

The Government's continued failure to ensure significantly robust protocols has already undermined political and community confidence in restorative justice and has the potential to undermine the positive work done by groups such as Greater Shankill Alternatives. The Government's duty is to promote public confidence in restorative justice through the publication of robust protocols that demonstrate that restorative justice schemes have a positive role to play, alongside the police and the legal system, in addressing antisocial behaviour effectively. To date, the Government have failed in that duty.

Community restorative justice schemes have an important role to play. New, innovative schemes are needed to deal with the increasing levels of antisocial behaviour in some working-class areas. Community restorative justice schemes that are properly policed and which have all the appropriate protocols and safeguards in place offer a unique opportunity to address those issues for the benefit of all.

Mrs D Kelly: Thank you, Mr Deputy Speaker. I congratulate you and your Co-Chairman, who — much to his regret, I am sure — is absent today, for completing the report's journey. Once again, Members have been invited to speak to a report that is the result of many hours of hard work by MLAs from all parties and Assembly staff.

The report sets out many areas that require greater discussion on an all-inclusive party basis. However, as

the Secretary of State acknowledged at yesterday's meeting of the Preparation for Government Committee dealing with law and order, there has been much more agreement than he ever thought possible. For example, all parties agreed that the institutions, the structures and the independence of the Policing Board and the DPPs should remain. They agreed further on one Department for policing and justice. During discussions, all parties expressed their desire that, to maximise confidence across the community, appropriate community safeguards be built into the functions of that Department.

Both Sinn Féin and the DUP said much about wanting the devolution of policing and justice to happen as soon as possible, but under certain conditions. In effect, each of those parties has agreed to give the other a mutual veto. The DUP has done that by saying that it will not agree to the devolution of policing and justice unless, and until, Sinn Féin signs up to policing, participates fully in its structures and works with the police at a local level. On the other hand, Sinn Féin says that it will not sign up to policing until it has been given a date. Indeed, not just any date: the date must come from no less than the DUP. The SDLP believes, however, that the devolution of policing and justice could happen on day one in week one of month one of the restoration of the Assembly.

What does the failure to agree mean for the restoration of the institutions of the Good Friday Agreement? Due to the never-ending and changing preconditions set by the DUP, which has stated publicly that it will not be pushed to commit to an agreement on 24 November, it could be up to 10 years before devolution is again possible, according to the Secretary of State yesterday.

Mr Paisley Jnr: Although I understand the political reasons for Mrs Kelly's wanting to attack the Democratic Unionist Party, as she is perfectly entitled to do, would the debate not be enhanced by nationalism's taking on the real impediments to progress: the Provisionals and their mouthpieces in Sinn Féin?

Mrs D Kelly: Mr Deputy Speaker, perhaps the Member could wait until the conclusion of my speech.

A failure to reach agreement will mean that British direct-rule Ministers will continue to make decisions about the future of our health and education services. It will mean the introduction of unfair water charges and increased rates. What will Sinn Féin do then about policing and about law and order, since the devolution of those matters can happen only on restoration of the Assembly and its institutions?

Sinn Féin waxes lyrical in the report about the sanctity of the Patten Report and about how its recommendations must be fully implemented. However, Sinn Féin conveniently ignores the fact that Patten envisaged that all parties would have signed up to policing from the outset. What holds Sinn Féin back? According to its

representatives who are quoted in the report, the only barrier to its signing up to policing is a date.

Sinn Féin has overplayed its hand on policing. It is out of step not only with the SDLP but with the wider nationalist community, which is represented by organisations such as the Catholic Church and the Gaelic Athletic Association (GAA). Irish America now also supports the police here. Indeed, there has been a recent seismic change in the attitude of Fr Seán McManus, who described the senior officers whom he met at Garnerville Police College as “fine, decent men”.

What does Sinn Féin’s intransigence mean for nationalists and for the wider community? It has not prevented young Catholic men and women from joining the PSNI, because applications have already exceeded Patten’s expectations. However, I acknowledge that young people from republican areas face much greater difficulties. Sinn Féin’s lack of moral courage and its political self-interest mean that many people who live in nationalist and republican areas are denied a police service that seeks to prevent and detect crime and to ensure greater community safety. People who live in those areas are forced to suffer antisocial behaviour, vandalism and much more serious crime, such as rape, in silence.

Sinn Féin’s continued failure to support the PSNI — despite reports from the Oversight Commissioner that state that the PSNI meets the highest standards of any police service in Europe, with human rights at its very core — and its failure to deliver on policing, have meant that, far from creating an “Ireland of equals”, many people who live in nationalist and republican areas live under the jackboot of an alternative police force.

An incident happened in my constituency less than two weeks ago. A group of young girls and boys was sitting in an open space in one of the housing areas of north Lurgan. A white van approached them. Out of the back of the van emerged not the A-Team but eight to 10 brave and strong men, who jumped out and scattered the young people. A 15-year-old girl was hit in the stomach with a crowbar. That is not what one expects in an Ireland of equals. Recently, a brutal and callous attack on an 18-year-old man in west Belfast resulted in part of his leg being amputated.

Is that what Sinn Féin means by safeguarding the rights of the child and preventing human rights abuses? Mr Deputy Speaker, that type of behaviour is not acceptable in any democratic society. The failure of Sinn Féin and the DUP to show leadership and to agree to restore all the institutions condemns countless people, young and old, to a life of fear and allows that type of behaviour to endure.

Mr Robert McCartney: I want to say at the outset that those Committee members who formulated the report, Mr Weir and Mr Attwood, must be highly

commended for the detail and the principles that they have so clearly stated in this debate. It is sad that Mr Weir’s invitation to Mr Attwood and other SDLP Members to join a power-sharing Executive of unionists and nationalists is still unavailed of.

The DUP states with force and conviction that a democratic society cannot have in its governing body those who do not subscribe to the most fundamental principles of democracy, namely the rule of law and those lawfully appointed for its implementation. That is at the core of the debate.

(Madam Speaker in the Chair)

On Sunday, I listened to Minister of State David Hanson, who, with a robotic and Dalek-like delivery, stated that 24 November is the cut-off point, as a consequence of the refusal of democratic parties — I believe that the UUP shares the DUP’s view — to enter into an enforced power-sharing arrangement with a party that refuses to acknowledge, accept or implement the most fundamental principles of any democratic state.

I am disappointed that the SDLP has assumed the role of saying, “A plague o’ both your houses!” — those of the DUP and Sinn Féin — in an ostensible attempt to be fair. However, there is no comparison between their respective positions. Therefore when we deal with the rule of law and support for the police, we should be mindful of the British Government’s orchestration, at all levels, to produce a situation that, as Peter Weir, Dr Paisley and others have emphasised, would not be tolerated in the democratic institutions of the United Kingdom or the Republic of Ireland. Neither Government would tolerate Members who would not commit fully to the rule of law and its implementation. That is fundamental.

Some months ago, I spoke to Mr Hanson about restorative justice. He said that regulations and protocols would be put in place to control the concept of restorative justice. He seemed so confident that those would be effective that I told him that he should remember that he was not putting in place regulations to control beet-growing in Norfolk. This is a much more fundamental situation. Loyalist paramilitaries in north Belfast or republican paramilitaries in west Belfast will flout those regulations by setting up counter-law-enforcement agencies.

It is all very well to say that some people want to deal with young people, particularly those who are involved in antisocial behaviour, but the truth of the matter is that Sinn Féin/IRA has retained firearms. The Independent Monitoring Commission now tells us that it is good that the IRA retains its control and command structure, because it will push that organisation along the democratic process. When I read the most recent report of the IMC, paragraph 3.5 about the IRA stood out:

“The leadership is opposed to the use of violence in community control”.

There is scarce evidence that that is the case. The report continues to say that the IRA:

“has taken a stance against criminality and disorder amongst the membership, and has been engaged in successful dialogue to prevent violence during the 2006 parades season. Senior members are taking on roles in Sinn Féin and are encouraging other members to do the same or to engage in community work.”

What is new about that? For the past 30 years, senior members of Sinn Féin have been graduates of the IRA school of democracy. Is the suggestion implicit in that paragraph that the IRA needs to retain its control and command structure to ensure that its members conform to the leadership’s policy? How is that to be done? How will that be enforced? Are the Government and the IMC saying that they will condone whatever methods — including the covert use of violence — the command and control structure of the IRA deems sufficient to ensure that the political progress of Sinn Féin continues along the adopted path?

12.15 pm

Ten or 15 years ago, members of the hierarchy said that they were confident that the IRA command structure would exercise sufficient control to ensure that the IRA ceasefire was not broken. They were appalled at any suggestion that the command structure would ensure its magnificent control by the use or threat of violence. However, in its most recent report, the IMC is apparently saying that we should not probe too deeply into that control and that we should accept the assurance that the control and command structure is required — by whatever means the IRA command considers necessary — to ensure the continuation of the political progress of the party that is inextricably bound to the IRA.

After reading that section, I was interested to see the reiteration of the IMC’s guiding principles in annex II of the report:

“The law can be legitimately enforced only by duly appointed and accountable law enforcement officers or institutions. Any other forcible imposition of standards is unlawful and undemocratic.”

However, the implicit thrust of allowing the control and command structures of the IRA to remain appears to be the antithesis of that lofty aspiration.

The IMC’s guiding principles continue:

“Political parties in a democratic and peaceful society, and all those working in them, must not in any way benefit from, or be associated with, illegal activity of any kind, whether involving violence or the threat of it, or crime of any kind, or the proceeds of crime. It is incumbent on all those engaged in democratic politics to ensure that their activities are untainted in any of these ways.

It is not acceptable for any political party, and in particular for the leadership, to express commitment to democratic politics and the rule of law if they do not live up to those statements and do all in their power to ensure that those they are in a position to influence do the same.”

However, the Secretary of State, in his Glenties speech, and on other occasions, said that it is enough if some nominal commitment to support for the police is granted at community level. The real position is that the British Government, whether to ensure some sort of historical legacy for the present incumbent of the office of Prime Minister or to get rid of Northern Ireland as a problem, are willing to do a deal with Sinn Féin that they would not contemplate doing in their own backyard.

Therefore it is incumbent on the SDLP to say that it agrees not just with some of what the DUP advocates: the SDLP must go right to the heart of the democratic process in so far as it relates to the rule of law and its implementation and say that, all things considered, the DUP got it right and that it supports that party.

If the SDLP does not do that, it risks bringing into the core of the democratic process a canker that will eventually destroy that process — despite the outward manifestations of reasonableness by people such as Mr Martin McGuinness or Mr Gerry Adams and despite their voyages to the Basque region and Palestine to give others lessons in democracy. It must be made perfectly clear to both Governments that the democrats of Northern Ireland will not tolerate any form of enforced Government that does not conform to the most basic principles of democracy as they are recognised throughout the civilised world.

When I look at events in Baghdad and Afghanistan — suicide bombers and car bombers — and look at the fountain and origin of most of those tactics and strategies, I come back to Sinn Féin/IRA, in all its manifestations. It has given lessons in terror to the world and shown how a minority of a minority can utilise terror to bring forth benefits for that minority and distort democracy in a place where democracy and the principles of democracy apply. Terror can raise Mr McGuinness to a point at which he can sit and nod with the benign gravitas of some sort of statesman; terror can elevate these people to the status of world figures.

The British Government have been responsible for that over the past 30 years. Unless the democrats of Northern Ireland, and the parties that represent them, show strength and courage, the final fruits of that terror, those tactics and that strategy will be delivered to those who have perpetrated violence, bloodshed, terror, murder and mayhem in Northern Ireland.

I endorse the Committee’s report.

Madam Speaker: Members will know that the Business Committee has arranged to meet at lunch time today. I propose therefore, by leave of the Assembly, to suspend the sitting until 2.00 pm.

The sitting was suspended at 12.23 pm.

On resuming (Madam Speaker in the Chair) —
2.00 pm

Lord Morrow: I congratulate my party colleague Mrs Foster on the birth of a son yesterday. I am sure that the House will join me in wishing her and the baby every success. I am glad to say that mother and baby are doing well. I expect to see Mrs Foster back in the House in the near future.

As a member of the Committee on the Preparation for Government, I thank all those who laboured so hard over the summer to bring about the report. It is a large report, and it took much time, effort and conscientious work, not only by MLAs, but by staff, to produce it. It is right that Members show their appreciation of their efforts.

Today's debate provides Members with an opportunity to discuss one of the most important issues for any society, and, in respect of law and order, Northern Ireland is no different to any other society. It has had to endure 35 years of unmitigated, relentless sectarian terror. It is now, or is on the verge of becoming, a mafia-run or lawless state. Those are not my thoughts. They are the thoughts of a prominent senior police officer, who warned that that is the direction in which Northern Ireland could drift.

Recent remarks made by NIO Ministers lead me to expect them to offer Northern Ireland less than the best. The DUP will not accept less than the best. It will not accept second best for law and order. Ministers should be getting that message loud and clear. I would be amazed to find that they have not got it already, but sometimes they are hard of hearing, and we have to keep repeating ourselves. However, I can tell them in clear and unambiguous terms that there will be no fudge on law and order.

Since the signing of the pernicious Belfast Agreement, with all its ramifications and fudges, and the subsequent emasculation of the police, Northern Ireland has been left at the mercy of the thugs, hoods and corner boys.

The Patten proposals, which were the son of the agreement, left Northern Ireland in a state of disarray. Not only did they create a police force that seems unable to cope, but they introduced legislation to enforce fifty-fifty recruitment. Could those Members who do not sit on the unionist Benches, and who are not part of the unionist community, put their feet in our shoes and understand how we feel about legislation that discriminates against members of our community joining the police? Alas, that legislation came out of the Belfast Agreement.

Mr A Maginness: The Patten Report advocated fifty-fifty recruitment to create a balanced police service, in which both sides of the community — Catholic and Protestant — would be reflected fairly.

That was clearly not the case in the RUC. Can Lord Morrow suggest an alternative method to that proposed in the Patten Report, which would enable that very necessary balancing act?

Lord Morrow: I heard what Mr Maginness said, but I refer him back to the merit principle, for which there is no substitute.

After all, how did the imbalance in the RUC come about? It came about when nationalists or Catholics wishing to join the RUC were intimidated by the thugs that I have already mentioned. Unfortunately, those thugs are still on the loose today. I say to Mr Maginness that as far as I am concerned, Catholics are welcome in the police force, and they should take up their places. If legislation were put in place that discriminated against Mr Maginness's community, in whatever sphere of life, he would speak against it, and rightly so.

Sinn Féin has decided not to be here today to debate the issues. It is strange that having been involved in the preparation of the report, when it comes to debating matters in the Assembly, that party is far away. There must be a reason for that, and it is that Sinn Féin does not want the spotlight turned on it, because it would be exposed as anything but democratic. Sinn Féin demands to be a part of Government. Indeed, it claims that the policing portfolio in any future Administration should be its own. That would be the equivalent of putting the fox in charge of the chicken coop. I cannot think of anything worse.

Sinn Féin's ambivalence is costing its own community dear. Its refusal to assist the police in establishing law and order in areas such as west Belfast, south Armagh and many other places across Northern Ireland is nothing short of a downright disgrace. Sinn Féin leaves its own community exposed to thugs who administer their own course of justice. We had an example of that in west Belfast at the weekend. Sinn Féin's idea of policing is to let the young hoods take over. One hood turns on the other, and they batter the life out of each other. Sinn Féin says that this is the way forward. We are saying that it most definitely is not the way forward.

Sinn Féin's record over the past 35 years is clear for everyone to see. It was the Prime Minister himself who said that Sinn Féin and the IRA were "inextricably linked". Of course they are, and of course they are more paramilitary than political. Smuggling, racketeering and all the other shenanigans that go on along the Armagh, Fermanagh and Tyrone borders bring these criminals countless millions of pounds. They have built up an empire, and the addiction to that lifestyle is something that they are finding it difficult — well-nigh impossible — to divorce themselves from.

The vacant seats in the Chamber are a clear indication of Sinn Féin's attitude to the most important of issues — law and order. Reality tells us that if we do not have

an effective, efficient and professional police force, the fabric of society will fall apart. We can see that happening all around us today.

Criminality and paramilitarism are alive and doing very well. They are bringing in high returns for those engaged in them. Yet, Sinn Féin and its masters turn a blind eye to what is going on. People across the Province are gripped with fear; they are afraid to speak out because they know that if they do, the thugs, hoods and corner boys will either drive their windows in round them or drive them out of their homes altogether. Then the hoods and thugs will step in with their own type of justice

Sinn Féin is conspicuously silent on those issues. I have referred to the incident in west Belfast at the weekend, and that young man who was taken out by thugs. I am not commenting on what that man was doing; I am saying that no one except the forces of law and order is responsible for dealing with that type of nonsense.

The business community is paying dearly for the lack of law and order and for the Government's failure to grapple with that. None of us should be proud of the fact that Northern Ireland is now at the top of the UK's crime league. The 'Lifting the Barriers to Growth 2006' survey clearly shows that 57% of businesses have been victims of crime in the past year alone. As crime is now one of the main barriers to running a successful business, the Federation of Small Businesses continually highlights it. Crime has closed down many businesses, particularly those that are in areas in which racketeering and extortion are prevalent.

Many businesses face problems due to the hassle that louts and vandals hanging around causes. That affects trade because potential customers and clients are intimidated. Crime, and the fear of crime, is a concern for most businesses in Northern Ireland, and there is a genuine perception in the business community that no one really cares.

Crime stretches already slim budgets and causes disruption and anxiety in the workplace. Research reveals that the true extent of business crime is not reflected in official figures because many businesses have effectively opted out of the criminal justice system. What does that mean? It means that businesses tend to report crime mainly for insurance purposes. They have no confidence that the thug who committed the crime against them will be brought to book. That shows the lack of confidence in the present policy. Of those businesses that have experienced crime, only 60% reported the crimes. The main reason by far that crimes are not reported is that business owners believe that it will achieve nothing.

The elderly, the most valued and the vulnerable are also victims in our lawless state. It is an indictment

against society that those people cannot live in their homes without the constant dread of being on the receiving end of thugs who feel confident that they will not be apprehended and will not have to face justice for their cowardly crimes.

The Secretary of State said some remarkable things in his speech to the MacGill Summer School in Glenties, County Donegal. It is clear that he is preparing Northern Ireland for another fudge. However, I have news for the him: fudge might have been the order of the day when the Belfast Agreement was put together, but there will be no fudge on law and order. Sinn Féin/IRA will have to come up to the mark or they will never be in Government. I do not care whether 24 November comes 10 times between now and my next birthday. Even if it takes 10 years, I emphasise that we will not sign up to anything that has even a semblance of fudge about it. I hope that the Secretary of State is listening. If he feels that he will take a whole cabal to St Andrews or to St Anywhere-Else and set them down, feed them, wine them and dine them, groom them and send them out, I tell him now that he will fail. We are not going over there to sign up to nonsense. This will be the real thing or nothing at all.

Alex Attwood made a comment, and Dolores Kelly repeated it as though it were a mantra. They cast doubt as to whether the DUP is ready for Government and whether we will share power with their party. I do not know whether those Members have seen our document 'Devolution Now: The DUP's Concept for Devolution' but if they do not have it, I will get one for them because we have them in abundance. We are throwing down the challenge to the SDLP now. They are standing in the way of progress.

2.15 pm

If the SDLP detached itself from the Provos and Sinn Féin, and led its community, it could be in Government tomorrow.

Mrs D Kelly: Will the Member give way?

Lord Morrow: I am nearly finished. The SDLP could be in Government with the DUP tomorrow, but it has decided that it wants to hang close to its colleagues.

Mr D Bradley: We would go into Government with the DUP tomorrow under the agreement.

Lord Morrow: The Member will get his chance to speak in a moment. The DUP is not standing in the way of devolution. We are up for it, and we are ready to go.

Mr McNarry: Many eloquent and emotional points have been made today. Much of what has needed to be said has been said, although subsequent contributors, including my colleague Danny Kennedy, will address further significant points with the same eloquence and emotion that we have already heard.

I listened to Lord Morrow's well-made criticism and condemnation of Sinn Féin's ambivalence to participating in debates. The House should address that by asking the Secretary of State to intervene on abstentionism being used as another veto weapon against the integrity of hon Members. It is incredible. Lord Morrow has sat with me on numerous days opposite Sinn Féin Members and participated with them in Committees, yet when it comes to their taking advantage of issues that not just they, but others, have raised — which is what we are allowed to do in the House — tactically, they duck out.

Madam Speaker, as I have asked you previously, when will the question of Sinn Féin's participation in the Assembly be addressed? When will the integrity of the House be raised by some decision or declaration on this issue?

I would like to say something on behalf of ordinary people and in respect of good citizenship. Ordinary people who are looking for help come with problems to our offices each day or week. Unfortunately, and sadly, they will not have had the opportunity to hear the eloquent speeches that have been made on law and order in the House today. They will not pick up on those, and they will not know that we care. They will not know that we have opinions. Therefore it is up to the House to make a difference in restoring respect for those who uphold the law in a manner that reinstates visible confidence in the public's expectations of order. The jury may still be out on whether paramilitarism will go away completely and disappear for ever, to be no more. However, even if Utopia came, do we seriously believe that all those who have killed, maimed, bombed, robbed and dished out punishment beatings will leave those skills behind them with a promise for the future? We would be quite foolish to believe that. They may move away from a political terrorism that is linked to a bloodstained cause, but some will move into highly organised mercenary gangs for hire and self-plunder, which is what the pundits and commentators say is afoot.

There are two natural progressions. One is to give up paramilitarism, and the other is to go into criminality. The pundits talk about that as though it has not happened, but in fact some people have already moved. Such outfits were prepared in advance of any proposed end to paramilitarism, and they present a prospect every bit as frightening for society as the terrorists do, and have done. The ordinary people — the far greater number of law-abiding people — who yearn for normality want to see law and order working in tandem with positive action.

Some call for zero tolerance. When one does that — as I did in my constituency to fight yobbishness, antisocial behaviour, a knife culture and a couldn't-care-less disrespect culture — bright sparks ask what you mean. What people mean is that society's tolerance for yobbish behaviour, for old people being

attacked and robbed, for daytime carjacking, and for wanton disrespect for the police, is exhausted. That reflects on society and on our politics.

The report makes many fine points. One that jumped out at me is under the heading "Building a lawful society". I suspect that it would be appropriate to add the word "again". We are talking about renewing confidence by building a lawful society again. That appears to be the prospect facing the House. When the need to build a lawful society is identified, what people are really saying is that the law has fallen, for all of the reasons that I have mentioned. The onus is on the House to build that up again.

The House owes our people a demonstration that whatever it takes to renew confidence in the law will be done here. Representations have to emanate from here. I do not think that our direct-rulers believe that there is any great problem out there. Why would they? They are not elected by anybody here; they do not have constituency offices here; they do not meet the public.

When we talk about confidence, surely we are saying that the elderly should not be living in fear, and certainly not in rural areas such as the one that I represent. It may have lovely tree-lined avenues, and it may be an area of natural beauty, but there are still folks condemned to their own houses, frightened to come out, because of what has happened to them or to their neighbours.

Are we really accepting that crime is OK and that it is allowed to pay for someone's drugs and drink habit? Are we really saying that mothers cannot go shopping with their children without being harassed and molested? Are we really saying that gangs can roam about? They do roam about. In lovely, beautiful Comber there is a gang of 50 louts that no one will stand up to. We do not have the police in Comber to stand up to them.

Lord Morrow and I talked together in Committee, and wondered why so many children do not achieve in education and why there is a great numeracy and literacy problem. Our shared opinion is that something is going wrong in the home. The problem is generational, and it did not happen yesterday but during those 30 years that Members often talk about. This is a big issue that must be addressed.

Madam Speaker, I probably have not got my head around the exactness of this, but shoplifting to you, me and everybody else is an offence. However, the shopkeeper has been told: "Give it to them. Do not take a risk. If they are coming to rob you of cigarettes or whatever, just hand it over. Give it to them." What on earth is happening when "give it to them" is a recommendation?

That is easy to say from here, because I am not a shopkeeper, and I would ask no one to put his or her life at risk. However, what a lovely thing to say to a thief: "If you want to rob a shop, go into that one over there

and no one will stop you.” What is the point of informing the police? Has a crime been committed if a shopkeeper hands over goods without even being asked?

People want to know, and they deserve to be told, that they will be protected, and that detection and punishment are in place. Society’s view — and I suppose it is an old adage that renowned lawyers and people on soapboxes would use — is to let the punishment fit the crime.

Mr Robert McCartney: Gilbert and Sullivan.

[Laughter.]

Mr McNarry: Well put, sir. Ordinary people work with and accept that, and the disappointment can be seen on their faces when the punishment dished out for a crime does not meet with their approval. However, those who have had the punishment served on them wear the broadest of smiles, because they are free to carry out the crime again and again.

We must see the duty of appropriate punishment performed immediately. If the House can do anything, surely it can bring some real pressure to bear on those who govern us to listen and take note of what is said today. They are in Government now — how about their reporting back to us and telling us what will be done about it, rather than continually hanging threats of 24 November around our necks?

Page 20 of the report lists the key issues that were discussed — excellent issues that needed to be discussed. Five proposals of significant importance to society and to ordinary people are detailed on page 21. Unfortunately, none of those proposals was agreed, and we know where the block came from.

I draw Members’ attention to page 20 and three points that will resonate with the public. First:

“The importance of public support for and co-operation with the police, to making the police more effective in tackling crime.”

Secondly:

“The steps needed to establish trust in the police within all sides of the community.”

Thirdly:

“The role of political parties in providing leadership to the public in extending and enhancing support for the police in terms of recruitment, assisting investigations, etc.”

All of us can put our names to those points and support them.

The House should sign up to those expressions of support, and we must communicate that to the public. Madam Speaker, can you find a way to ensure at this important time that the feelings expressed in the House during our consideration of the report, today and tomorrow, are heard by the public? It is a worthy report, and I support it.

2.30 pm

Mr Hay: As many Members have said, this is a very important debate on policing and law and order. Some have referred to Sinn Féin’s absence from the House. It would be very difficult for a party to participate in a debate on policing and law and order when it does not support, and has not signed up to, policing and law and order in Northern Ireland. Those issues should be at the heart of every community. No part of Northern Ireland should be beyond the reach of law and order; no community should be isolated or cut off from policing.

The British Government have been prepared for a number of years to open a side door for Sinn Féin/IRA to come into policing, particularly in the past few months. In his speech in Donegal, the Secretary of State almost encouraged Sinn Féin to agree at least to the principles of policing, as if that might be enough to get its support.

For a long time the British Government and their officials worked with others to examine how they might create a second tier of policing in Northern Ireland in the form of restorative justice schemes. I will deal with the issue of restorative justice later. It took the Policing Board, of which there are many members in the House, quite a while to persuade the British Government not to go down that road. In fact, the Secretary of State and his Ministers talked to everybody else about such schemes while totally ignoring the views of the board. It was only after we made it absolutely clear that if they were not going to consult us before issuing the draft guidelines and protocols, we would certainly have something to say publicly about the issue. It was only after a number of meetings with Ministers and with the Secretary of State that we managed to persuade the Government to come on board with some of the suggestions that we made regarding restorative justice schemes in Northern Ireland.

I would be the first to say that there are schemes in unionist areas that are working in line with the protocol and with everything that the Government have asked them to do. There are other schemes that are not working at involving the police or the criminal justice system. Unfortunately, those are the schemes that are being funded. The ones that adhere to the Government’s protocols regarding the police and the checks and balances are not being funded.

My party and I have continually raised that issue on the Policing Board. The Government need to address some issues and grey areas if we are to support restorative justice schemes in Northern Ireland totally and absolutely. That view is shared by my party and by Policing Board members generally. I say to the Government that schemes that do come up to the mark — and I believe that there are schemes that can do so with the

correct protocols in place — should be funded. It is important to say that in the House.

Members must be reminded that we are dealing with a Government with no morals or principles in relation to policing, law and order, and allowing terrorists into Government. Yesterday, I asked the Secretary of State where else in this United Kingdom, in all its Assemblies and Parliaments in England, Scotland and Wales, would a political party that did not support policing or support and sign up to law and order be incorporated into Government. Nowhere else would have it, and we in Northern Ireland are not going to have it here. That is the message that the Secretary of State needs to get.

Lord Morrow is right: there can be no question about supporting the police and law and order. It is a moral issue for the people of Northern Ireland, and there can be no compromise on it. If the British Government believe that by taking us away to Scotland or anywhere else, they can square the circle on those issues, they are mistaken. It will not happen until we are absolutely sure that Sinn Féin, the IRA and the republican movement are absolutely signed up to policing and law and order in Northern Ireland.

The report mentioned the future role of the British Army in Northern Ireland during what the British Government call normalisation and afterwards. The presence of the British Army in Northern Ireland is vital, because we do not believe that terrorism has gone away. We do not believe that the republican movement is totally and absolutely signed up to policing in Northern Ireland, or even to the rule of law.

The future role of the Army in supporting the Police Service of Northern Ireland is crucial. The Government are currently considering a number of areas and responsibilities for the Army after normalisation. Our party believes that the Army must remain in Northern Ireland to support policing and to be called upon at any time to deal with public disturbances and many other law-and-order issues in Northern Ireland. The British Army is still very much needed to back up the police when necessary.

National security was discussed in the Chamber this morning and, from some Members' contributions, one might think that this was the only part of the United Kingdom with an operational intelligence service. We certainly do not agree with Patten's views on policing, but he made a remark with which we can agree: he made it absolutely clear that, only for the expertise of our intelligence services and of Special Branch, many more people would have been murdered and maimed in Northern Ireland.

There are concerns about accountability in respect of national security and about how intelligence will be shared in Northern Ireland. However, the protocols in place will, I hope, address the misgivings of some

Members in relation to intelligence-gathering in Northern Ireland.

Mrs D Kelly: Will the Member acknowledge that yesterday, at the Preparation for Government Committee meeting, the Secretary of State admitted that the forthcoming Police Ombudsman's report on the murder of Raymond McCord Jnr will result in serious embarrassment for the British state when it is revealed how agents were handled and that some agents were allowed to commit offences, including murder?

Mr Hay: The SDLP continually raises that issue in the House and on the Policing Board. I do not support everything that RUC Special Branch did over the past 30 years in Northern Ireland. Some Policing Board members learned the lesson over the Omagh bombing that the intelligence services could have done things differently. Intelligence should be shared, and I acknowledge the fact that, in the past, intelligence was not shared as it should have been.

However, for the past 30 years, there has been a vile terrorist campaign in Northern Ireland that has murdered and maimed many thousands of people. The police, RUC Special Branch and the intelligence services were under great pressure to deal with that thuggery. When members of the SDLP talk about the intelligence services, they seem to forget that Northern Ireland has not been a normal society for the past 30 years. They have had a memory lapse. Now that various police departments, including RUC Special Branch, have been reorganised, and intelligence is being shared, we will have better intelligence services in Northern Ireland.

Mr A Maginness: I agree with the Member that many problems in the past arose from intelligence not being shared. Does the Member agree that that problem could be replicated by handing over intelligence issues to MI5? There is a great danger that intelligence will, once again, not be shared and that MI5 will not be responsible to local people.

Mr Hay: The Chief Constable and Assistant Chief Constable Peter Sheridan, who is responsible for the PSNI crime operations department, have made very good presentations to the Policing Board. When board members questioned them, they made it absolutely clear that they will not sign up to anything whereby all intelligence is not shared with the Police Service. A protocol already exists. However, the Chief Constable has indicated that some issues still need to be addressed. I say to the SDLP and to the rest of the House that the bottom line is that an effective Police Service needs an effective intelligence service that works for everyone. We must try to achieve that in the House for the future of policing in Northern Ireland.

The police college has been a bone of contention for Policing Board members for some time. The British Government agreed to fund the entire college but, once

again, they failed to come up to the mark. Alex Attwood spoke about that issue this morning, but I totally disagree that we take our begging bowl to any Government — and especially the Southern Government — to make up the shortfall that is needed to get the police college up and running. An effective and efficient Police Service needs a good training service.

2.45 pm

The college at Garnerville is third-rate. In fact, it is even worse than that. I do not know how we get away with what we do in that training college, but we should not go anywhere with a begging bowl to ask for the funding shortfall. The British Government should come up to the mark, as they said they would, and if they do not, it has been agreed that the Policing Board will investigate funding the shortfall. The matter is with the Secretary of State and the Treasury, and the Secretary of State must take the final decision. We should not approach any other Government for the funding to get the college up and running.

Mr P Ramsey: Today's motion is about the future of law and order in Northern Ireland. As public representatives, it means making our streets safer for all our constituents and ensuring that we have a well-resourced, effective police force to service the needs and concerns of local people.

I welcome the Committee's discussions on the roles and functions of the DPPs and the community safety partnerships. It is essential that we review those to ensure best practice and accountability in all the district commands across the North. The DPPs should have a stronger role in outlining priorities for the local policing plan, and, to avoid duplication of effort and to maintain the integrity and authority of the policing structures, the Policing Board should direct those priorities. In particular, such an approach would ease the tensions that exist between the DPPs and the community safety partnerships.

It should be the police's job to respond to local needs. The DPPs are in an excellent position to outline the views and needs of their communities and to ensure that the police recognise and address them. For example, in my constituency of Foyle, the DPP recognised the need to prioritise and address the rates of domestic violence, homophobia and hate crime. Those protocols have reduced the number of homophobic attacks and city-centre assaults in Derry. In response to concerns, the district commander developed partnerships with a range of agencies, introduced real protocols, which have reduced instances of hate crime, and developed new and innovative ways to report incidents to the police.

That is an example of how the DPPs can feed into local policing priorities and make the police accountable for addressing local problems and concerns. Those

protocols and successes should be used as models of best practice and shared among DPPs throughout the North.

In Derry, the number of themed public meetings has increased greatly, with many members of the community attending and pupils from local schools taking part in question-and-answer sessions. A recent meeting, which was based on road safety, was well attended, with good contributions from victims' families and young people.

If the Policing Board decides to review the DPPs and their structures, thought must be given to developing what does work. How can the DPPs develop and share best practice? How could the excellent work that they do be built upon? How could their work be improved? How could their accountability be increased? How could they be made more accessible to local communities? Only by doing that will policing become accessible to all the people in our communities. There is excellent potential to maximise the role of the DPPs and to make policing in the North of Ireland fully accountable.

Mr Hay: Does the Member agree that the Review of Public Administration (RPA) might result in there not being 26 DPPs?

Mr P Ramsey: I agree with the Member for Foyle. The SDLP does have concerns, and Margaret Ritchie will deal with them. The RPA will cause a loss of ownership, and we are also concerned about the future of the councils.

As I said, there is excellent potential to maximise the role of the DPPs and to make policing in the North of Ireland fully accountable. Working practices must be examined to ensure that police officers are used to maximum effect and, in particular, can respond quickly and effectively to calls for assistance.

One of the mechanisms to achieve that is for Government to take forward the review recommended by the Committee of the respective roles of district policing partnerships and community safety partnerships. There is clearly confidence, trust and satisfaction, especially with the office of the Police Ombudsman. People now believe that their complaints are being investigated impartially. We should be ensuring, even in the absence of devolved government, that there are no changes to bodies such as the Police Ombudsman's office. Their roles should be strengthened to continue after May 2007, as they have built and developed capacity and skills over recent years.

As the Committee's report outlines, we need further debate and discussion around issues of community restorative justice. I support restorative justice. What I am opposed to, however, is state-funded paramilitary vigilantism. Restorative justice has an important role to play in the criminal justice system, but we must get it right, so that concept and practice are not jeopardised in future.

The NIO has argued that the new protocol meets the SDLP's concerns. That is not the case. Real change requires groups to work directly with the police. My party has many unresolved concerns with the proposals.

Under the Government's protocol, community restorative justice groups can be funded, even though the party establishing many of them, Sinn Féin, refuses to support policing and the rule of law, and is absent from the debate on those very issues. Groups will be funded even though the culture of paramilitary control persists in our communities, leaving people too scared to speak out. Groups will receive funding without proper inspection arrangements for non-criminal work and without a proper legislative framework for their activities.

Overall, the defective protocol is damaging the rule of law. It weakens efforts to build a lawful society, and leaves working-class communities such as the one I represent in danger of very rough justice. The British Government would never introduce such guidelines in Britain; nor would they be tolerated in the South. Why should people in the North have to live with them?

In conclusion, we, as elected Members, and political parties must be the guardians of young people, giving them encouragement and motivation, and preventing them from returning to the divisions of the past. We must support the police from across the political divide, and we must support those who see a career in the Police Service as their future.

We must support the police so that we can all have a future free from violence and create a safer environment so that everyone will feel secure and content to go about their daily activities with confidence, peace in their own homes, and freedom from sectarianism, hatred and fear. The police must work in partnership with local organisations, communities and individuals to bring about effective, efficient service and a sense of confidence and ownership in their work. The challenge for the future of policing in Northern Ireland is for all political parties to be a part of policing, by being members of the Policing Board, by encouraging young people from their communities to join up, by supporting policing inclusively and by assisting and convincing others to assist policing.

(Mr Deputy Speaker [Mr Jim Wells] in the Chair)

The bottom line is that Sinn Féin must sign up to policing and a lawful society. That would help considerably in building confidence — not because we or others say so, but because it is the right thing to do. There is no doubt that if Sinn Féin signed up to policing, we would have a much greater chance of devolution and the devolution of policing and justice.

Chris Patten said in November 2003 that:

"I think the Patten report is being implemented in full and I think that they [Sinn Féin] should get off the fence and support the police service in Northern Ireland and take their responsibilities".

It is now time for Sinn Féin to share the workload and responsibility of becoming part of a new beginning for policing.

Mr Kennedy: I am extremely pleased to speak in this important debate. I want to express my thanks as a member of the Preparation for Government Committee to the new occupant of the Speaker's Chair, Mr Wells, and to Deputy Speaker Molloy, for the impartial way in which they administered business. I also thank all the staff, including the catering staff. Those of us who are trying to rebuild our lives in the aftermath of the Preparation for Government Committee will acknowledge the important assistance given to us by Assembly officials.

The Member for Strangford Mr McNarry predicted that I would make an eloquent speech. I am not sure where he got that from. However, that reminded me of something: Lord Byron said of his mother-in-law that she had lost the art of conversation but not, alas, the power of speech. I hope that I do not fall into that category in what is traditionally known as the "graveyard slot". I could refer to many important issues, and I will attempt to cover as much ground as possible.

Although all of us in the Chamber today welcome the publication of the report, and the opportunity to examine it, let me, along with others, place on record my anger and frustration at the abstentionist policy adopted by Sinn Féin. That policy is now widespread in the Preparation for Government Committee. It is clear that there is an attempt to wreck the Assembly and to damage seriously any prospect — no matter how remote — of agreement between now and the end of November. Sinn Féin carries responsibility for that and should be indicted by all Members.

The PFG Committee with responsibility for institutional issues, and the PFG Committee with responsibility for rights, safeguards, equality issues and victims are in the advanced stages of preparing and agreeing reports, but Sinn Féin has effectively blocked their publication, which means that the process for a debate in the Chamber could be seriously compromised. The matters have been gone through in detail at Committee level. I call on the Secretary of State to intervene directly to ensure that the reports produced by the Committee be published and a debate organised in the Chamber, so that Members can properly exercise their democratic right to express their views on the reports. I hope that the Secretary of State will give the matter his urgent attention.

The report that we are debating covers many issues. The national security issue was mentioned earlier, and the SDLP, in particular, appears to have concerns with that. All parties are interested in any new arrangement. However, the Secretary of State could not have been

clearer about the issue of national security when he spoke to us yesterday — although he might not have been clear about everything. Decisions that have already been taken at senior Government level mean that the arrangements and guidelines for intelligence services will be set and administered by Downing Street. That must be accepted. The SDLP displays some paranoia in respect of those issues. I, like William Hay the Member for Foyle, am content with the assurances of the Chief Constable and his senior officers — unanimously supported by the Policing Board — that the new protocols to be arranged and engaged in will deal adequately with the issue and give the Chief Constable, and his officers, sufficient insight into the role of the national security services in dealing with issues affecting Northern Ireland.

Mr D Bradley: I thank the Member for giving way. Considering what has happened on the British mainland as a result of the activities of the national security agencies, we need to be very careful about this issue. The national security agencies were in cahoots with the Government over the dodgy dossier that led to the death of Dr David Kelly.

3.00 pm

Therefore, the SDLP has good reason for refusing to treat national security lightly and would prefer local accountability.

Mr Kennedy: I thank the Member for his intervention. However, may I say to him that —

Mr McFarland: Will my colleague give way?

Mr Kennedy: Yes, I will.

Mr McFarland: Does Mr Bradley recall that the issue of national security has moved in this direction partly because the SDLP spent so much time whingeing about Special Branch? Members of the first Policing Board were hefted weekly by the appalling complaints from his party about Special Branch. The Government listened to the SDLP and, at its behest, moved intelligence operations out of Northern Ireland, giving that responsibility to MI5. Therefore, it ill becomes the SDLP to complain now, when the Government have done what the SDLP asked them to do by moving intelligence from Special Branch to MI5 — which makes a lot of sense.

Mr Kennedy: I am grateful to my hon Friend for accurately predicting what my response was going to be.

[Laughter.]

The UUP and other parties consider matters of national security to be important. However, the SDLP must be careful not to give succour to Sinn Féin opposition to the lawful action of the security services. Also, much of the SDLP's paranoia is based more on MFI than MI5.

I want to talk briefly about a range of issues contained in the report. The bottom line for all parties present in the Chamber today is the importance of the rule of law, support for the rule of law and support for the PSNI and all policing institutions. I particularly welcome the SDLP's expression of its views on that.

The report considered the role of the Police Ombudsman in some detail. It examined how that role might be improved to make it more acceptable to the entire community, and particularly to the unionist community, in which there is a significant chill factor. It would be a mistake not to recognise that.

I do not doubt the integrity of the Police Ombudsman, Nuala O'Loan. I do not criticise her personally. However, her position is slightly compromised by family relationships that link her to the SDLP. In the perception of the wider unionist community, that still creates a significant chill factor. I put that to the House in, I hope, a responsible fashion.

There is a widespread perception that the Police Ombudsman is not only anti-police but particularly anti-RUC. The office of the Police Ombudsman will have to address that significant problem at some stage.

Through my constituency work, I have used the office of the Police Ombudsman.

Mrs D Kelly: Does the Member acknowledge that recent surveys found that the majority of serving police officers welcomed the Police Ombudsman and her office, and encouraged members of the public who remain dissatisfied to go there? Is the Ulster Unionist Party saying that police officers who committed crimes in the past should not be brought before the courts? Why have the backwoodsmen of the Police Federation so much to fear from the Police Ombudsman?

Mr Kennedy: That is a misrepresentation of the views of the Police Federation.

Current structures deal effectively with complaints about policing. However, some people seem to have an unending desire to continually dig at the work of the RUC and, in particular, Special Branch, which is not helpful. In the context of other matters, it is particularly unwelcome.

Mr Paisley Jnr: Does the Member agree that it is a gross misrepresentation, especially from a party that purports to be a labour party, to describe members of a trade union as backwoodsmen? That union fights for better pay, standards and opportunities for its members. I am sure that he agrees with me on that.

Mr Kennedy: I agree with the hon Member. I also agree with points that were raised earlier with regard to fifty-fifty recruitment of PSNI officers. That is an insult to democratic standards. The SDLP's support of that measure is a stain on a party that was apparently founded to bring about civil rights in Northern Ireland.

A party must either be for discrimination or against it; it cannot be ambivalent. It appears that the SDLP supports discrimination.

I was pleased that there was widespread agreement in the report that the Policing Board should retain its current powers and that its political membership should be based on that of the Northern Ireland Assembly. That will be helpful and will affirm the status of that body. However, certain issues must be carefully considered, such as the relationships — following the devolution of policing and justice — among an Assembly scrutiny Committee, an established Ministry, the Chief Constable and the Policing Board. There is much work still to do in order to establish how those relationships will function.

I was pleased that the Committee endorsed the proposal from the Ulster Unionist Party to condemn the practice of exiling and called for it to be ceased forthwith. However, it is not sufficient simply to make that call without giving it practical expression. I hope that that message will be heard loud and clear in all communities.

The issue of the police college was touched on by William Hay, and rightly so. I do not agree with the comments made by Alex Attwood, the West Belfast MLA and Policing Board member, who said that he expects the Irish Government to put money towards the new college. As Northern Ireland is part of the United Kingdom, one expects that Her Majesty's Government will fulfil those requirements. Modern facilities must be provided. Although the training package offered at Garnerville is excellent, the facilities and conditions that student officers have there are frankly unacceptable. I urge the Government to fund the new training college immediately.

Mr Paisley Jnr: I want to be associated with the comments that were made by the Deputy Speaker at the commencement of the debate, when he thanked the Clerk, the Committee staff and Hansard for their copious work in the preparation of the report, for which we are all truly grateful. I also want to be associated with the congratulations for our absent colleague, Arlene Foster, and to wish William Benjamin Thomas Foster well. I look forward to 18 years from now, when he will be able to vote for his mother to be the Member of Parliament for Fermanagh and South Tyrone.

I welcome the report, which I believe contains several issues that deserve consideration.

It is important to have a single Department for policing and justice. Partitioning those Departments would be bad for management, resources and joined-up government. That is a solid proposal.

I welcome the report's recommendation that the Policing Board retain its current powers. The ability to hold the police to account must remain with the board,

and MLAs should remain its key members. Mr Kennedy, who spoke previously, mentioned the issue of exiling. I, too, believe that it is important that the practice of exiling has been highlighted and that an agreed recommendation appears in the report.

I shall call a spade a spade. The key impediment to progress has been identified in the report: the resistance by the party that is absent today to support the rule of law. That is the substance of the report. If people want to acknowledge the elephant in the room and want to know why the Government are not up and running, it is because one party aspires to Government but wants to use criminality, terrorism and everything else in the armoury of evil to pursue its ill-gotten gains.

I wish to comment briefly on the issue of MI5 accountability. Some Members touched on it, but we should continue to push the point. I can understand why people want the intelligence services to be accountable, but there will never be full visibility of everything that happens in the intelligence world. It is a murky world; it is designed to be so but, I hope, that it is a world that helps to save lives.

The DUP's proposal is that, when responsibility for intelligence services in Northern Ireland is transferred to Westminster, Northern Ireland MPs be invited to sit on the Intelligence and Security Committee, with their colleagues from England, Wales and Scotland. Parties with representatives in that House — and who attend that House — should be able to put themselves forward for that role. It is important that that issue is addressed.

The DUP has encountered criticism of the report, most notably from Captain McFarland. It is important that we address the hypocrisy —

Mr McFarland: Major McFarland. [*Laughter.*]

Mr Paisley Jnr: I beg your pardon. Sorry, the Member was not wearing his epaulettes.

The issues that Major McFarland identified highlight his double standards. When the Committee on the Preparation for Government was set up, all parties were asked to draw up working documents on the key issues that they wanted addressed. My party, and the Alliance Party, brought forward many issues in respect of the rule of law, paramilitarism, criminality and decommissioning. Sinn Féin, the SDLP and the Ulster Unionist Party Assembly Group (UUPAG), as it was then, did not bring forward any such issues. The agenda shows the glaring gaps —

Mr McFarland: Will the Member give way?

Mr Paisley Jnr: No, let me make the point on the glaring gaps that appeared.

That reluctance to put those issues on the agenda has forced those parties to adopt a very different position from that which got many of them elected.

Most of the Members opposite, with one or two notable exceptions, are pro-Belfast Agreement, and they all campaigned on such a manifesto. However, when those Members spoke today about how awful it is to let people out of jail free, the skin of the noble Member for Upper Bann — who is no longer in the Chamber — crawled at those Members' contempt for an agreement and a manifesto on which they got elected to this House.

That tells its own story. The double standards that Major McFarland claimed were the DUP's were, in fact, those of his own party.

3.15 pm

Mr McFarland: Page 3 of the Official Report for the Committee on the Preparation for Government sitting of 28 June is there for everyone to read. It shows that Mr Paisley Jnr's previous comments are absolute nonsense. The Ulster Unionist Party's views of that time are clearly expressed, and for Mr Paisley Jnr to say that the Ulster Unionists did not highlight any outstanding issues is daft.

Mr Paisley Jnr: All I have in my hands is the agenda paper — a Committee for the Preparation for Government working document. It shows a huge gap on the issue of criminality and the rule of law, and that gap belongs to the Ulster Unionist Party. My party did not draw up the working document; it was drawn up by the Clerks, whom we have thanked already for their hard work.

Another criticism must be responded to, and when I do so, I will move off the controversy. It was alleged that there was some sort of love-in between the DUP and Sinn Féin, with exchanges of coquettish glances, admiring blow-kisses and wolf whistling across the Committee Room. However, at yesterday's PFG Committee meeting, Conor Murphy was essentially pulling stumps because he said that there has been no progress and no engagement between Sinn Féin and the DUP. That tells its own story. The advancements that Mr McFarland dreamt of are his own nightmare. Major McFarland should stop eating cheese before he goes to bed at night so that he stops having those nightmares.

Mr Kennedy: Does the Member accept that there was an element of flirting between himself and his party with all of us who were engaged in the PFG Committee? I do not wish to be disingenuous, but at one stage it looked as if the DUP was prepared to go a-courting.

Mr Paisley Jnr: I have two points to make. First, when the Member is in a hole, he should stop digging. Secondly, he should not flatter himself.

The Secretary of State came to yesterday's meeting of the PFG Committee — at long last — and gave

evidence. He said that some Members were looking for perfection. I want to make it loud and clear to the Secretary of State that, although we may want to pursue it, the DUP is not looking for perfection. The DUP is demanding normality, justice and equality. The Secretary of State has an attitude problem, and somehow deems it wrong for the DUP to seek those things, and he thinks that its members ask for too much.

How can that be so, when a party says that it wants to be engaged in criminality on the one hand and engaged in Government on the other? It is not asking too much to ask for that to be severed for all time.

Dolores Kelly, a Member for Upper Bann, and Pat Ramsey, a Member for Foyle, have commented eloquently on the torture inflicted on members of their society and community, and that clearly illustrates that there cannot be a double standard from Sinn Féin/IRA. It is either Government or crime. If a party is on the side of crime, it is opposed to law and order, and it cannot be in the Government of Northern Ireland.

In his comments yesterday, the Secretary of State for Northern Ireland said that there has been an absolute sea change in the attitude of Sinn Féin. He is living in a different world. There has been no such sea change. I wish that there had been, because this society would be a lot better than it presently is.

There has been no sea change from Sinn Féin; it is still out there torturing members of its own community and holding society to ransom. Eleven police officers were hospitalised in the past 48 hours — is that a sea change? A young man in west Belfast was so brutalised that he has lost part of his leg — is that a sea change? There has been no sea change in the republican movement's attitude to its own members and community or to law and order in Northern Ireland.

Mrs I Robinson: Is the Member aware that the only sea change that is happening in the community is that this Government are trying to change the face of terrorism? In Omagh and Castlereagh, we have been asked to remove photographs and collages of the victims of the Omagh bombing from the ambulance and fire stations, as well as the photographs at Knockbracken of the La Mon bombing. It is as if Sinn Féin/IRA never did any harm to the communities in Northern Ireland. The sea change is happening in those areas, not within terrorism.

Mr Paisley Jnr: I appreciate the Member's well-made point. There will be an attempt to airbrush from history the real victims of Northern Ireland. However, they will never be airbrushed from the hearts and minds of the relatives who have suffered so much, seen so much and felt so much pain, and who continue to grieve for their loved ones. There are enough men and women in Ulster today who will continue to grieve for

them and who will not allow their memory to be expunged from the record.

I will turn briefly to the structure of the Provisional IRA. Very different messages have emerged from the various organisations that have tried to identify the structure of that organisation. Page 13 of the eleventh IMC report states:

“structure is an important element in maintaining the organisation on its chosen path.”

I do not think so — that is “mom and apple pie”. That statement is in stark contrast to the statement that Her Majesty’s Government issued in the report of the Organised Crime Task Force just four months ago. In terms of the structure of the Provisional IRA, it indicated clearly that:

“Organised crime is used by paramilitaries as a means of raising finance both for their organisation and for personal gain. They also use their paramilitary associations to exert control over communities.”

It also says that paramilitaries — the Provisional IRA:

“bring to organised crime networks of associations familiar with operating clandestinely, experience and a readiness to resort to violence and threats. The disciplined structures which were already in place in the paramilitary organisations have allowed them to evolve from effective terrorist organisations into lucrative criminal enterprises”.

Those are not the words of the Democratic Unionist Party, or of dissidents or naysayers in the press — of whom there are a few. They are the words of the Organised Crime Task Force, the chairman of which is a Parliamentary Under-Secretary of State, yet the Secretary of State tries to tell us that those IRA networks are to everyone’s advantage. They are not to our advantage; they are part and parcel of the poison that affects Northern Ireland.

(Madam Speaker in the Chair)

Look at the Provisional IRA’s record over the past few weeks. There was the situation in New Lodge, and there was a punishment beating. In June, a Provisional IRA man, Richard O’Donnell, was convicted of extorting £300,000. Who spoke out against that conviction? None other than a Sinn Féin Assembly Member, who said that it was terrible that that man was convicted of extortion. A Sinn Féin councillor also told us how awful that conviction was. Sinn Féin is betrayed by its own words and actions.

In Dunloy, in my constituency, we witnessed Sinn Féin’s actions on the ground. Its members held a protest by sitting down on the road, stopping men and women from going to church. The police and the courts failed to prosecute them. Fuel smuggling costs this country £2 billion. Former members of the Provisional IRA have been murdered by the Provisional IRA — including Mr Donaldson, who once worked in this Building. Ongoing daily crime has been aided and

abetted by the Provisional IRA. Sinn Féin has a significant distance to travel —

Madam Speaker: Order. The Member will resume his seat.

Mr Paisley Jnr: I was interrupted on a number of occasions. I thought that I had at least another few seconds.

Madam Speaker: The ruling is that if a Member has over 10 minutes’ speaking time, he does not get any allowance for being interrupted.

Mr Shannon: A gang of drunken youths attack at random two men eating a takeaway; an elderly man asleep in his front room in broad daylight awakens to find a knife at his throat and his property stolen; young foreign women are attacked and brutalised; pornography is rampant; sex offenders are on street corners — that is not the streets of Thailand, the slums of Brazil or the ghettos of Johannesburg, but a sad portrait of any number of towns in our Province. With this picture comes the message that the reform of law and order is imperative, as the report recognises.

Although I support the motion, I am disappointed that, because agreement could not be reached, many of the big issues have not been settled or even touched upon. I am disillusioned — as I expected to be — with the parties that would not subscribe to law and order and which will not recognise the law and policing governing bodies. I am disillusioned with those Members who will not fulfil their duty to encourage their constituents to cease resisting the police and to build up networks to support officers in their roles as peacekeepers and crime-fighters in the Province.

Some of those Members advocate the community restorative justice model. That system should operate in tandem with the police and be applied in minor cases. I do not approve of the proposals from Community Restorative Justice Ireland (CRJI). When we met representatives of that body, they told us that the system should be applied on an “M-to-M” basis — and I am not talking about M&M sweets; it stands for “from milk bottles to murder”. Community restorative justice can never be allowed to take over the role of the police. It must be applied only in minor cases, as it is in Protestant areas, with the total support of the police.

I agree with the report’s commendations of the DPPs and the community safety partnerships. As chairman of Ards District Policing Partnership, it is incumbent on me to highlight where it has worked effectively in the community. The idea behind the DPPs is for elected representatives and independent members to be the voice of the people by communicating their needs and fears to the police and, subsequently, implementing initiatives to relieve those fears and to foster a stronger, more unified and safer community.

It is up to the police and the DPPs to co-ordinate on community issues, which include antisocial behaviour, the protection of the elderly, crime rates and paramilitary activity. They must address public concern in a proactive way that builds good faith and confidence in the local police force, which will, in turn, benefit the police through the return of information that good relations inspire.

The more the community feels that the police are working for it, the more it will strive to aid the police in all possible ways. In my area, the DPP has implemented several effective schemes, such as the distribution of personal alarms, the Lock Out Crime initiative and the local policing strategy. All those programmes encourage belief in crime prevention. Although they are not always perfect, they show an ability and willingness to co-operate with each constituent who contacts the police. They show that the police value community involvement.

A few minutes ago, I mentioned community restorative justice. Some Protestant areas are notoriously underfunded and neglected. It is important for Government to understand that and to encourage people to restore the community's faith in the PSNI.

The report refers to a concern that has been expressed by my constituents: fifty-fifty recruitment to the PSNI. That practice is definitely a law and order issue. Renewed consideration of departmental structures is needed, and recruitment practices must be reformed. I do not wish to labour this point, but when a Protestant man who applies for a job in the PSNI is unsuccessful because he does not fall into the right religious category, how can that not be classed as an infringement of his human rights? I am referring to a very disillusioned and disgusted constituent of mine. Although he passed all the selection criteria and subsequent tests, he could not become a police officer, because the quota from his community background had been filled. Six times he applied, and six times he was turned down. No longer is it the case that the right person for the job is selected; the person with the right religion is selected. That is wrong.

We must ask the Government to ensure that police numbers are maintained so that any devolution of policing will not create a deficit of officers that is greater than that which the service already suffers.

3.30 pm

A reform of the provision of part-time officers is necessary. The Chief Constable ran a successful pilot scheme in four policing districts for part-time officers. We need more of those schemes, and we need more bobbies on the beat. Ards police allotted a great deal of overtime to its staff, and that led to a substantial percentage overspend — the biggest in the region — of the predicted budget. That amount of overtime was

granted because 109 full-time reserve officers were operating pre-Patten, but post-Patten there were 86, with a further 17 of those to lose their jobs between June and September.

Has there been a huge drop in crime? The answer is no. In fact, the opposite has happened. The Chief Constable's annual report showed an increase in crime of over 4%. That is a Province-wide increase of more than 5,000 additional crimes. Surely it would make more sense to have more, rather than fewer, police officers on the street. An increase in part-time officer numbers would allow the full-time officers to concentrate on other matters, it would increase public confidence in the police, and it would give those who have a valuable contribution to make the opportunity to do so. For example, someone could perform the dual role of mother or carer and part-time officer.

It makes sense to have an additional, and vital, police presence at weekends and in the evenings as well as for general community policing. The part-time officers can then give the full-time police effective support. The well-publicised attacks in Ards last Christmas Eve highlighted the critical need for the immediate implementation of such a programme.

Although I welcome the progress that has been made on departmental structures, the Historical Enquiries Team (HET) compiled a computer database — the first of its kind in the UK — that is so detailed and intricate, it is on a par with the Federal Bureau of Investigation's (FBI) system in America. Its UK-wide links enable police forces to share information on criminals and hold them liable for their actions. It showcases modern policing in Northern Ireland, and its information will halt a great deal of criminal activity.

It was satisfying to witness the all-party condemnation of the practice of exiling from Northern Ireland. Even the self-exiled party, which is not here today, condemned that practice. We all find that hypocritical, but it is refreshing to note that those who have been involved in exiling in the past now accept that it is wrong. However, we wait to be convinced that those people have recognised the error of their ways.

My colleague William Hay mentioned the role of the Army in supporting the police in public order situations. There can be no doubt that the British Army needs to be available in a reserve role to support the police in the event of an upsurge in street violence. It must have a clear, mandated presence in the Province to be able to respond to urgent police needs. There is no logical argument against that point; therefore, it definitely requires further consideration and implementation.

In light of the few areas that other Members and I have highlighted, I support the motion. However, I also support the insistence that rationalisation should lay the foundation for any and all reform. Any future

Government must, without exception, support the rule of law in Northern Ireland. How can we expect peace and stability in the Province if those who are endeavouring to implement that peace do not have the support of the Government that they serve? A stable society cannot exist without a strong and unified police force that keeps the peace, defeats crime, upholds justice and seeks the truth behind the scenes and on the streets. Let us ensure that that is the police service with which this Assembly will be working.

Mr Elliott: I commend the work of the Committee in producing the report. When reading it, it is interesting to note the names of those who took part in the Committee's proceedings. It is particularly interesting that Sinn Féin members, such as Gerry Kelly, are now working on the law and order of the Province. I understand that he was imprisoned for a long time for his membership of the IRA and that he also escaped from the Maze Prison.

Francie Molloy is also a long-time republican. I almost question whether those Members, if they were opposed to law and order in the past, are still opposed to it. Most people will ask if it is a positive step that Sinn Féin is getting involved in law and order. The answer is yes, with the proviso that it is genuine in doing so.

Like many Members, I question how Sinn Féin can participate in Committees but not in the Chamber, where the debate is taking place. It makes me question Sinn Féin's ability, its reason for doing that and how genuine that party is. If Sinn Féin is truly genuine, why are its Members not here?

Are republicans preparing to hold the Northern Ireland political process to ransom?

Mr A Maginness: On a point of order, Madam Speaker. Mr Elliott mentioned the Deputy Speaker, another Member, and Sinn Féin Members in general and questioned their genuineness in relation to law and order. Is it in order for the Member to impugn the Deputy Speaker in relation to a Committee to which he was appointed as a Chairman and in which he acted as a Deputy Speaker of this Assembly? It is unfair to impugn the Deputy Speaker in that context.

Madam Speaker: I have listened carefully to Mr Elliott's remarks, and I think that he was asking a question rather than impugning anybody. I would like him to continue.

Mr Elliott: You are absolutely right, Madam Speaker. I did not impugn anybody; I was merely asking questions. If Sinn Féin's participation is progress, I welcome it, as will the majority of Members in the Chamber.

Are republicans preparing to hold the political process to ransom over policing as it was held to ransom over

decommissioning for a long time? Are policing and law and order arrangements the next issue that will be used to hold this entire process to ransom? I sincerely hope not. Must we continue to wait until more and more concessions are extracted from our Government, or can we expect Sinn Féin to sell the idea of being fully involved with, and supportive of, policing and law and order in Northern Ireland?

Will that party encourage grass-roots republicans to co-operate with the services of law and order throughout the Province and to stop all criminal activity in which its supporters may be involved? Will those criminals listen to Sinn Féin public representatives? Will they be content to accept the directive to give up what, for many, is a very lucrative and financially rewarding business to which they have become accustomed?

I note that the report mentions little about the future role of the Army in respect of law and order in this Province, which was touched on by the previous Member and a couple of others. It is very important that those issues be agreed. I ask that, in further negotiations, agreement be reached on them. In particular, there is no mention of the consequences for law and order in the Province as a result of the disbandment of the home service battalions of the Royal Irish Regiment.

For the first time in the history of Northern Ireland, there will be no locally recruited back-up service for the police. During their lifetime, the home service battalions of the Royal Irish and their predecessor, the Ulster Defence Regiment, have stood squarely behind the law-abiding community of this Province. I deeply regret that this regiment, which has bravely and successfully served the community during three decades of conflict — and suffered dreadfully, with over 200 of its members murdered in brutal and cowardly fashion, and another 60 murdered after leaving the regiment — will not have the opportunity to serve the community in what we all hope will be a peaceful future.

Although many will accept the financial package offered to members of the regiment on retirement, I have serious concerns about the future ability of the civil police service to deal with all the law-and-order issues that may arise in the years ahead. Given the troubled history of this Province, I am sure that most of us share those concerns. Although I have respect for the ability of the PSNI to deal with its work and its role, I have grave concerns that it might not be able to deal with the problems that could arise due to civil unrest without the services of a locally recruited back-up.

Equally worrying is the removal of most of the Army bases in Northern Ireland. For example, the traditional garrison town of Omagh is to have its military presence totally removed, as is the entire west of the Province, with the possible exception of Ballykelly. There will be no bases in Armagh, Fermanagh or Tyrone.

That is an unthinkable problem, with potentially serious consequences for the civil powers of this Province. It appears to be a substantial military withdrawal.

Mr Shannon has already mentioned DPPs and community safety partnerships. That is dealt with quite a bit in the report. Those are both community organisations and they often duplicate each other's work. It is important that the roles of those organisations in support of the Policing Board be looked at and joined up. Both often produce lengthy and detailed reports; many of the details are duplicated. I would like to see those two organisations looked at in detail to see how they can become more proactive and, indeed, more useful to society.

Madam Speaker, I have been very brief. My colleague Mr Kennedy said that he had got the graveyard slot. I do not know what this slot is called; it is quite a bit after his. I support the motion.

Mr D Bradley: Go raibh míle maith agat, a Cheann Comhairle. Ar fud phróiseas na síochána, táimid cráite ag páirtithe a deir go bhfuil siad ar son an Chomhaontaithe ach atá ag cur moille ar dhul chun tosaigh an phróisis.

Is é an toradh a bhí ar an mhoill seo dochar a dhéanamh don Chomhaontú a deir na páirtithe seo go bhfuil siad ar a shon.

Mar shampla, chuir an UUP moill ar Fheidhmeannas a chur ar bun; agus chuir siad moill ar oibriú ceart na Comhairle Aireachta Thuaidh/Theas.

Throughout the peace process, we have been bedevilled by parties that say they are pro-agreement but that hold things back. All of that has served only to damage the very agreement that those parties claim to support. For example, the UUP held up the establishment of the Executive and the proper running of the North/South Ministerial Council. An even more apt example in the context of this debate is the position adopted by the Provisional movement on decommissioning. It argued that decommissioning was not necessary; that it was not desirable; and that it was dangerous even to suggest it, even though the agreement clearly required it to happen by May 2000.

Yet, last year, in a welcome but long overdue move, it decommissioned, and its members should ask themselves what they gained by waiting. The answer is that they gained very little.

3.45 pm

They pulled the rug from under pro-agreement unionism; they helped to grow the DUP's electoral support; and they helped to bring about four years of suspension, which might never have happened had they moved on decommissioning in time. That suspension has continued for more than a year after decommissioning because of the intransigence of the

party that benefited most from the failure to decommission: the DUP.

There is a lesson there for Sinn Féin and for all of us. The peace process works best when we move forward; as soon as people hold progress back, things begin to unravel. That is why I urge Sinn Féin, having made one mistake on decommissioning, not to make another on policing. Sinn Féin admits that it is only a matter of time before it has to sign up to policing. Everyone knows that, so why not do it now? Sinn Féin will respond that it needs a commitment from the DUP to the devolution of justice. The SDLP also wants such a commitment, but it was never in the Patten Report that parties should stay away from the Policing Board until that commitment was given.

Where would we be today had the SDLP adopted Sinn Féin's stance? The Policing Board would not have been established; we would still have had the old, toothless Police Authority. The PSNI would not exist; we would have the old RUC instead. There would be no new leadership, as put in place by the Policing Board — Ronnie Flanagan, or his anointed successor, would be there now. Fifty-fifty recruitment and all the rest would have been put on hold, and the Patten Report would have been shelved.

Let us be honest about the gains to be had from the devolution of justice. It is important, because the Assembly will be able to pass its own laws on criminal issues. If we do not like antisocial behaviour orders (ASBOs), we can change them. If we want an all-Ireland criminal assets bureau we can bring that about. Those are the gains.

However, it is not about wresting power from the securocrats, as Sinn Féin claims. After all, under British plans, MI5 will be expanded. What is the British trump card in justifying that move? It is Sinn Féin's refusal to endorse policing. Sinn Féin's demand for the devolution of justice seems to be little more than a stalling device. After Weston Park, its demand was not for the devolution of justice but for new legislation to remedy the defects of Peter Mandelson's Police (Northern Ireland) Act 2000.

Just before publication of the new legislation — the Police (Northern Ireland) Act 2003, which implemented commitments obtained by the SDLP at Weston Park — Sinn Féin tried to take the credit for it. Mitchel McLaughlin said on BBC Northern Ireland's 'Good Morning Ulster' on 28 August 2002 that Sinn Féin had:

"secured a commitment from Tony Blair that he will introduce amending legislation that will bring policing arrangements up to the minimum threshold of Patten. That will be a significant development and it will be a challenge that Sinn Féin will rise to if and when it happens."

The challenge did come, but Sinn Féin did not rise to it. Suddenly, the new legislation was not enough.

There was a further demand: the devolution of justice. All we had from Sinn Féin was a new way to avoid signing up to policing.

The truth is that there is no good reason for waiting for a commitment from the DUP to the devolution of justice. It is no more than a stalling tactic; worse, it is one that hands the DUP a veto on Sinn Féin's policing position at a time when nationalist communities are crying out for better policing. At times, Sinn Féin appears to accept that. In an 'Irish Times' interview in May 2006, Gerry Adams said:

"Policing may be a necessary element in the resolution of the outstanding matters to do with the Assembly. But policing needs to be dealt with anyway ... If the DUP cast about for reasons why they will not be involved in powersharing, that's their choice. But I think we have clearly said the policing issue needs to be resolved."

If Sinn Féin will sign up to policing without the devolution of justice, why can it not do so now? Why wait, and jeopardise the chances of getting restoration? Why jeopardise the chance to get the agreement up and running? Perhaps the reason is that Sinn Féin does not really want restoration or the agreement. That is what many will conclude, if Sinn Féin does not make the move required. If Sinn Féin does not sign up to the new policing structures and continues to block police investigations, it will have to share the blame for not getting a deal by 24 November. After all, how can they create confidence that they are against criminality if they do not support policing and a lawful society?

If Sinn Féin really wants restoration, it should realise that its refusal to sign up to policing makes it easy for the DUP to reject any deal. Does it not see that it is playing right into the DUP's hands? Sinn Féin should sign up to policing, not because the DUP says that it should, but because doing its all for Patten and the agreement means that it should.

Endless foot-dragging by the DUP in accepting the agreement's political institutions or by Sinn Féin in accepting the agreement's policing institutions damages the process and undermines hope for a breakthrough. Both the DUP and Sinn Féin know full well what they have to do to make progress. In the next few weeks they will be put to the test, and we will see whether they are serious about delivering.

Finally, several Members have today invited the SDLP to join them in a voluntary coalition. The SDLP is most willing to do that — under the Good Friday Agreement. It is not willing to join any shabby coalition such as that agreed between the DUP, Sinn Féin and the two Governments — the so-called comprehensive agreement.

Madam Speaker, go raibh míle maith agat.

Mr Storey: I am glad to speak in this debate and to put on record the DUP's position and not some assertion by the SDLP in a foreign language that we

cannot understand. I will state my party's position in the Queen's English: there will be no deal under the terms of the Belfast Agreement. It is clear that the Belfast Agreement is dead and it is not coming back. Members on the opposite side of the House should take that as read.

The motion does not stand in isolation. It did not appear out of thin air, nor did the political stork deliver it to the Chamber. The motion exists within a set of circumstances that helped to make it necessary and to shape its contents. Most Members of this Assembly hope that Northern Ireland is in the process of moving out of the nightmare visited upon it by terrorist organisations over many years. One of the crucial tests of this, and one of the key indicators of how realistic that wish will prove to be, is the issue of the rule of law.

No society can hope to prosper or grow closer if there is one law for the rich and another law for the poor; one law for white and another law for black; one law for one religion and another law for another religion. As a Presbyterian, I know that the history of the United Kingdom and the island surely tells us that that is the case.

We cannot hope to move on to a better and brighter future if there is one law for Protestants and a different law for Roman Catholics. We can never hope to achieve a lasting and real peace in Northern Ireland if there is one law for everyone else and another law for Sinn Féin/IRA. That is a truth that this Government, and particularly the Secretary of State, have been unable to grasp. It is a lesson that this Government and the Secretary of State have so far been unable to learn.

Just one example will prove my point to Members' satisfaction. In an interview with Adam Boulton of Sky News on 2 April 2006, the Secretary of State said:

"in the end the politicians have to decide are they going to discharge their responsibilities, assume the jobs for which they're being paid or do they want the curtain being brought down on this whole attempt, including stopping their salaries and allowances and that's going to be a choice for them."

He continued:

"people need to take up their responsibilities, assume their duties and carry out the functions for which they are elected, which frankly they've not been doing."

If I must make a choice between losing my position in the House and allowing into Government those who refuse to accept the rule of law, my personal circumstances are, quite frankly, of little consequence.

Attention must be paid to the fact that, despite the refusal of Sinn Féin MPs to take up their responsibilities and represent their electorate in the British Parliament, the very same Secretary of State does not utter so much as a squeak. Indeed, he is deafeningly silent. In short, he believes in one law for everyone else and a different law for those who represent the Provos. That

is no example to set, it is no position from which to lecture others, and it is no basis for the future.

The behaviour and the example of the Secretary of State merely encourages Sinn Féin/IRA to continue in the belief that it is different, in that it can stick up its two fingers at democracy and the laws that govern everyone else. The spineless attitude of the Secretary of State must end.

The circumstances surrounding the report drip with the belief of Sinn Féin/IRA that it can flout the normal standards and practices of the rule of law that govern everyone else. We need hardly be surprised. In July 2005, the IRA gave its stand-down order, claiming that its campaign of sectarian murder was “entirely legitimate”. Sinn Féin gave this statement full and uncritical support — as did, I must say, members of the SDLP. Planting bombs, wreaking havoc, attempting to murder the entire British Cabinet and all the illegalities of the Provisional movement were not entirely legitimate. The issue is that Sinn Féin endorsed the republican statement in July.

Today we assemble in the Chamber. Sinn Féin holds with the wholesale sectarian slaughter of its neighbours, solely on the grounds of their religion. For an up-to-date assessment of the attitude of republicans to law and order, we only have to recall the words of the Member for Foyle who, commenting on the murder of Jean McConville — something that the IRA denies and says is a result of British securocrats and the secret services — said:

“It was not a criminal act.”

That is the attitude of Sinn Féin and republicans to law and order. All those years ago, Sinn Féin believed that the campaign was entirely legitimate, just as it does today.

4.00 pm

The report exposes a republican mentality that is confused about its identity. It is republicans who are the problem, not the PSNI. Sinn Féin alone rejects the structures of law and order, yet it singularly demands the transfer of the very powers that it refuses to accept. It is little wonder that there is a deafening silence in its own communities when it cannot bring itself to condemn the actions of IRA punishment gangs and finds justification for the maiming of joyriders. Why does Sinn Féin stand aside when drug dealers are murdered in cold blood on our streets? Let us cut to the quick. Sinn Féin is not fit to hold the reins of responsibility, or hold any powers relating to law and order, when it cannot bring itself to accept the rule of law. Sinn Féin has failed miserably, and the tombstones and the sorrow that it heaped on this Province for more than 30 years are the testament to its bona fides.

Dr McCrea: Does the Member agree that if Sinn Féin members join the Policing Board, that does not automatically give them credentials in support of law and order?

Mr Storey: I agree entirely. Joining the Policing Board makes Sinn Féin members no more committed to the rule of law than coming into this Building makes them unionists. When the Sinn Féin cavalcade passed Carson’s statue, no one believed that, all of a sudden, its members had become unionists. I commend the comments made by the Member for West Belfast earlier in the debate, when he painted a picture depicting the choreography that will undoubtedly take place over the next few months in a subtle, masked attempt to ensure that Sinn Féin yet again deceives the people of Northern Ireland. That will not wash with the DUP. In the past, the Ulster Unionist Party was bought and suckered by Sinn Féin, but the DUP will not be suckered.

What about the events that took place over the weekend, to which reference has already been made? What happened when police officers tried to carry out their duties? What attitude did republicans take? They said: “Let us attack the police and wreak havoc on them as we have done in the past.”

Mrs D Kelly: Is there not an inherent hypocrisy with the DUP: last year, during the Whiterock clashes, it failed to complain about police tactics, when live rounds of ammunition were fired, not bricks from a skip?

Mr Storey: When I was a child growing up in the early days of the troubles, SDLP representatives did not encourage their community to support, or join, the RUC. The party is late in joining the debate on policing. The party has now destroyed the morale and capabilities of the RUC. SDLP Members come out with diatribes, while offering some semblance of support for the police. This Assembly has no credibility if it continues to speak to Sinn Féin in the hope that it will metamorphose into a truly democratic party.

The time has come to leave Sinn Féin behind. Sinn Féin does not want to see progress here unless it is progress inside the narrow lines of the republican agenda. However, time has now run out for that party, which wants its own way on law and order. It sticks out like a sore thumb, because it is so opposed to the structures of law and order that the democratic parties that are committed to the rule of law advocate.

The details of debate and discussion contained in the PFG Committee’s report on law and order issues highlight one thing clearly: Sinn Féin and republicans want the transfer of the maximum number of law and order powers to a power-sharing Executive. That is totally removed from reality, because republicans have singularly failed to stimulate any real flow of trust in unionists. They are held in contempt, and that contempt

is well deserved. They failed to speak out against punishment beatings; they have failed and failed again.

What is republicans' attitude to policing in my constituency? The public perception is that they do not engage and that they attack the police. We all know, however, that there are members of the republican community who go through the back door to talk to the PSNI. It is time that we had honesty, although honesty and Sinn Féin do not sit well together.

The answer is simple: Sinn Féin is caught in the shadows when it comes to law and order. Made up of paramilitaries, terrorists, ex-cons and those who never got around to doing anything violent for the armed struggle, Sinn Féin has delivered an anti-police tirade for years. How could it support the very police force that it has opposed? Sinn Féin's one avowed intent is to bring down this state. We have had disruption, civil unrest, muddying of the waters and confusion on the issues on law and order.

That deep-rooted cultural attachment to paramilitarism, law breaking and crime must end. I also congratulate the Member for Fermanagh and South Tyrone Mrs Foster, and I want to ensure, for my children and for her children, that we do not put into Government those who are interested only in ensuring that they pursue their political agenda by minimalism, by destruction and by casting every possible aspersion on the security forces.

I pay tribute to those members of the security forces who lost their lives. There are widows and orphans; there are those who will look at today's debate and really wonder why we are paying any attention at all to the organisation that was responsible for creating their circumstances. I concur with what Lord Morrow said earlier: this party will not be putting that party in control of law and order in a Government.

Madam Speaker: A number of Members have indicated that they wish to speak to the motion tomorrow. I propose, by leave of the House, that proceedings be suspended and resume at 10.30 am tomorrow.

The debate stood suspended.

The sitting was suspended at 4.08 pm.

THE ASSEMBLY

Wednesday 20 September 2006

The sitting begun and suspended on Tuesday 19 September 2006 was resumed at 10.30 am (Madam Speaker in the Chair).

COMMITTEE BUSINESS

Report on Law and Order Issues

Debate [suspended on 19 September 2006] resumed on motion:

That the Assembly approves the second report from the Committee on the Preparation for Government, on Law and Order Issues; agrees that it should be submitted to the Secretary of State for Northern Ireland and, pending restoration of the Institutions, calls on the Secretary of State and others to address those matters identified in the report as requiring resolution or further discussion. — *[Chairpersons, Committee on the Preparation for Government.]*

Ms Ritchie: I am pleased to participate in the debate. Members' contributions yesterday ranged from full-frontal attacks by the DUP and UUP on new policing arrangements to those that fully embraced such structures and wanted to see violence and criminality removed from our communities. The DUP and UUP Members who ranted about the various new policing arrangements showed an arrant disregard for the need for change, for respect for difference, and for the need to address the problems, imbalances and injustices of the past.

Sinn Féin is yet again absent. Its unwillingness to sign up to new policing arrangements and its non-participation in these plenaries is simply giving the DUP a veto over political progress and development. Do Sinn Féin and the DUP want to derail policing and the political arrangements for their own political advantage and to perpetuate the problems of the past, or do Members want to build confidence in the community and ensure that political structures are restored? That choice lies with each Member.

The message from the community is clear. We all must move on and accept the rule of law, a lawful society, an end to criminality and an objective to work the institutions. No one wants a return to bombing, killing, maiming and destruction.

I want to concentrate on district policing partnerships (DPPs). The Committee jointly and collectively recommended that DPPs be reviewed in

order to ensure best practice and effectiveness, and to maintain the accountability of policing arrangements. As a member of a local DPP, I agree with that.

Sinn Féin has thus far failed to countenance the new policing arrangements. On 'Sunday Sequence' this week, Gerry Adams said that the people of the North of Ireland need proper policing. What did he mean? What did Gerry Kelly mean on Monday when he said that the people need to be protected? Were they both referring to the community restorative justice (CRJ) programmes perpetrated by members of the IRA? Are they and their colleagues willing to embrace the new policing arrangements that are already in place, or are they still waiting for the Government to deliver on the devolution of justice and policing before they make that jump? Are they waiting to wring more concessions from the Government on policing and justice issues?

Perhaps the most fundamental question is whether Sinn Féin is serious about devolution or is simply using the policing tool as another stick or brake to prevent the restoration of the political institutions, in order to secure its own political advantage. Would signing up to new policing arrangements dismantle the summary-justice programmes that have been operating in republican and loyalist areas for years?

Sinn Féin must be asked other questions. Will it encourage people to join the Police Service? Will it encourage and persuade people with information on crimes, vandalism and antisocial behaviour to give those details to the police, so that those responsible can be subject to the due process of the law? Will it fully support the policing structures?

For the benefit of the electorate, Sinn Féin must answer those questions now. By not doing so and by not participating in this debate, that party is abdicating its responsibilities to the electorate.

Undoubtedly, policing has been transformed over the past number of years. A large proportion of the Patten reforms have been implemented: the Policing Board and other architecture of the new policing arrangements have acted as the drivers and catalysts for that change. New policing arrangements would not exist had that architecture not been in place or had the SDLP and others not taken the courageous steps that were necessary to reform policing. In fact, policing is the one area in which significant advances have been made as a result of the Good Friday Agreement.

I am a member of Down District Policing Partnership. DPPs have been one of the many enduring features of the new policing arrangements in Northern Ireland. Indeed, all 26 DPPs have facilitated partnership and dialogue between the Police Service and the community. They have ensured that members of the Police Service have been held to account by councillors and independent members, who represent a wide spectrum of public

opinion. Once police district commanders have delivered their reports at public meetings, there is a mechanism by which the public can question them on issues such as antisocial behaviour, crime, vandalism and burglary. Members of DPPs and the public can submit written questions to the district commanders, who are then subject to further questioning. Members of the Down DPP have continued to monitor the local policing plan and its impact across the district. We have also developed outreach programmes so that the views of the citizens of Down on policing issues can be heard.

However, those who are opposed to the new policing arrangements have subjected some members of the district policing partnerships to vile crimes and acts of terrorism. Those people see violence as a means of venting their opposition and a way in which to obstruct the DPPs' good work. Members of DPPs throughout Northern Ireland have remained resolute in the face of that violence. They have stood strong and firm, and this Assembly should salute them.

Sir Reg Empey: I echo and support the Member's final comments. However, the purpose of a district policing partnership is to get across local views and opinions to the police. Does the Member agree that if the proposed changes to local government go ahead, the consequent policing arrangements would be anything but local and that the nuances of each locality could therefore be drowned out by virtue of their being part of large and unmanageable areas?

Ms Ritchie: I thank Sir Reg Empey for his point of information. I agree, and I intend to talk about the Review of Public Administration (RPA) and the impact that it will have on district policing partnerships in future. However, suffice it to say, after the RPA has been introduced the RPA, we will operate in a very different political landscape.

Much work has yet to be done on policing arrangements. People consistently raise the same issues with us, their public representatives, in our constituency offices and at public meetings of district policing partnerships. They want greater visibility of the police on the ground and more action to be taken to eradicate crime and antisocial behaviour. They also want to be able to live safely in their homes, and they want their streets to be free from crime. To that end, the district policing partnerships must be able to monitor the police to ensure that they are doing their job. However, the community also has a responsibility to co-operate with the police to ensure that they are best equipped with the necessary information.

Legislation and dialogue have ensured that problems with the new policing arrangements have been aired and resolved. However, because of the restructuring of policing command units as a consequence of the RPA,

next year will probably be one of the most important that we will face.

I understand that the number of district command units will be reduced to seven or eight in order to mirror the new council divisions. Last week, the Policing Board gave a presentation to chairpersons and managers of DPPs outlining that. A reduction in command units will not provide the best administrative vehicle for the delivery of policing.

For example, the Down District Council area has been placed in the same group as those areas represented by Castlereagh Borough Council, North Down Borough Council and Ards Borough Council, which is the arrangement under the RPA. That happens to be the area with the greatest population concentration. Down has been placed with council areas in the greater Belfast metropolitan area, despite its being a totally different area politically, socially and geographically. Down is also a rural area, with different problems.

Castlereagh, north Down and Ards are essentially urban areas, with associated problems. What will be the impact of a reduction in command units on the delivery of staffing and financial resources? What will be the impact on community policing? How will response times be improved? Will current delays continue because of a lack of personnel?

Down District Council would be much better placed with Newry and Mourne District Council and Banbridge District Council. I urge that the matter be addressed immediately, as the new arrangements are due to be introduced in April 2007.

Another concern is the time that it has taken to recruit and allocate part-time police officers. After a pilot scheme in 2003, it was February 2006 before a further allocation of such officers was made. The areas selected were Moyle, Ballymoney, Newry and Mourne, Derry and south Belfast. Other district policing areas, such as Down, have been advised that expansion of community beat policing relied on the intake of part-time police officers.

The Policing Board has advised DPPs that police community support officers, who have been successful in tackling low-level neighbourhood crime in parts of Great Britain, are to be introduced. The legislation and vetting arrangements are expected to be in place in February 2007, and the officers are expected to be in post by the following year. I hope that that is the case. However, the delay in bringing that into operation is to be deplored.

The constituents of South Down want to see community police officers on the ground helping to eradicate crime. I hope that the new command unit structures will not interfere with the need for more community beat officers in Down. I have a significant fear about

that, because it will no longer be local versus local; it will be distant versus local, which is a different problem.

Mr Paisley Jnr: I appreciate the Member's point. It is deplorable that the recruitment of additional police officers has been delayed. However, the Member's party must take some responsibility for blocking the recruitment of an additional 900 part-time reserve officers and for voting for the removal of 600 full-time reserve officers, hence the shortage of staff and the current crisis in police numbers.

Ms Ritchie: I thank the Member for North Antrim for his information, which is useful, although I am already aware of it. The discussion is about new policing arrangements and what must be addressed now: new training; new police; and new action on the ground in communities. I hope that the Member will take that on board and not hark back to the past.

At the most recent public meeting of the Down DPP in Downpatrick, which was held two weeks ago, members of the public told the DPP and the police that they want more community policing on the ground. They want community beat teams out and about to tackle problems such as antisocial behaviour, vandalism and under-age and after-hours drinking. It is extremely unfortunate that a member of the DUP — a colleague of the Member who gave a point of information a few moments ago — deliberately tried to scupper that meeting by putting political questions on the agenda. That so happened to precipitate a phone call from an unidentified organisation using an identified code word, which ensured that the DPP meeting was cancelled.

10.45 am

Two bodies were responsible for that. Clearly, the blame lies with elements in republicanism as well as with elements in the DUP. Does that party want new policing arrangements or not?

Mr Paisley Jnr: On a point of order, Madam Speaker. If the Member is suggesting that a member of this party was associated with telephoning a DPP meeting and giving a coded message that alerted a bomb scare, that is —

Dr McCrea: It is despicable.

Mr Paisley Jnr: It is a despicable claim that is completely unjustified. It was made maliciously, Madam Speaker, and you must make a ruling on a claim that identifies one member who asked a question and an entire party as being associated with a terrorist action. That is despicable, Madam Speaker, and you should make a ruling on it.

Mr P Robinson: The Member should sit down.

Madam Speaker: Order. What you say is correct, Mr Paisley. I am not sure whether that is what the

Member said; however, I will read Hansard and make a ruling on it.

I remind Ms Ritchie that she is nearing the end of the allotted time for her speech.

Ms Ritchie: Thank you, Madam Speaker. You have confirmed what I said; I was very careful in those arrangements. Suffice it to say, the people want to see —

Rev Dr Ian Paisley: On a point of order, Madam Speaker. Is it right for the Member to put words into your mouth? You said that you were going to see exactly what she said; you did not say that you would confirm what she said.

Madam Speaker: You are quite right, Dr Paisley.

Rev Dr Ian Paisley: The hon Member should withdraw that comment. It was a gross exaggeration of her imagination.

Ms Ritchie: Thank you, Madam Speaker —

Madam Speaker: I did not confirm your point, Ms Ritchie, so I want to make clear what I said. I said that I did not think that that was what you meant. I will make a ruling when I have read Hansard to see exactly what you did say.

Ms Ritchie: Thank you, Madam Speaker. I will abide by your ruling. However, suffice it to say, there are problems, and people have to assume responsibility for their actions.

It is quite clear that the community requires policing on the ground and that it wants the police to co-operate with the community. We also want the community to co-operate with the police. Again —

Madam Speaker: I am sorry; I am afraid that your time is up.

Mr Moutray: I welcome many aspects of the report, particularly the all-party condemnation of the disgraceful practice of exiling. I hope that the report will indicate that a small degree of progress has been made towards reaching the point at which all the main parties oppose all forms of paramilitary and criminal behaviour.

The idea that a party could be in government yet continue to refuse to support the police or the courts is nonsensical. Nowhere in the democratic world would that be dreamt of; no society could operate in such a way. Equally absurd is Sinn Féin's idea that policing and justice powers should somehow be devolved before it decides whether to support the authorities.

One specific matter that affects many people in the Province must be dealt with. Business crime is a problem that must be resolved, because even if we achieve stability and peace here, it will prevent our society from progressing. Research has shown that 57% of businesses in the Province have been the victims of crime in the past year. That is a staggering

statistic and is a much higher figure than anywhere else in the United Kingdom. Crime is proving to be a major barrier to running a business. Anyone who is contemplating starting or continuing a business must consider that fact. Crime has closed down many businesses, particularly in areas in which racketeering and extortion are rife.

In its investigation into organised crime, the Westminster Select Committee on Northern Ireland Affairs heard evidence from the Northern Ireland regional director of the Confederation of British Industry (CBI), Nigel Smyth, that the illegal sale of cigarettes, alcohol and other goods was having a serious impact on legitimate traders. That makes it difficult — if not impossible — for those traders to abide by the law and stay in business. He argued that businesses incurred extra costs in ensuring that their premises were adequately secure, such as the threat of attack by organised criminal gangs. He also said that businesses sometimes incurred extra welfare costs, because employees had been victims of armed robbery or other violent crime.

Certain retailers decide not to locate premises in areas known to be affected by organised crime. The potential for businesses to be targeted for extortion, coupled with the risk of being undermined by illicit sales of alcohol, tobacco or other goods, means that some businesses do not deem it profitable to operate in certain areas in the Province.

Extortion is a particular problem for small and medium-sized businesses. The practice appears to be growing across Northern Ireland, extending into new locations outside the Belfast area where extortion has historically been more prevalent. One of the most disturbing aspects of extortion is the fear that it engenders in communities and the consequent willingness of those who are threatened to pay up and keep quiet.

The true extent of business crime is not reflected in official figures, as many businesses have opted out of the criminal-justice system. It is estimated that only 60% of businesses report crime, and they tend to do so mainly for insurance purposes rather than because they expect the crime to be investigated. The Government must make greater efforts to protect businesses from the consequences of crime.

Business crime should perhaps be recorded as a category distinct from domestic crime. That would give a more realistic indication of the problem. Business crime could become a key performance indicator, which would enable the police to receive the required funding. Consideration should be given to relaxing planning regulations in order to allow businesses to install closed-circuit television (CCTV), metal shutters and any other security measures deemed necessary.

In July, the Northern Ireland Affairs Committee report on organised crime stated that petrol retailers in Northern Ireland have come under particular pressure to accept cheaper smuggled fuel, and they face threats when they refuse to do so. Many in the construction industry have been subject to extortion from loyalist and republican paramilitary organisations. Construction managers feel that they have no choice but to make protection payments, such as the threat and consequent fear of reprisals that follow a refusal to pay.

Demands for protection money are also common in the licensed trade. Although Her Majesty's Revenue and Customs (HMRC) has made some progress in combating oil fraud, the quantity of illicit fuel in circulation remains unacceptably high. Government efforts to regulate properly the private security industry, including door supervisors, are long overdue.

No police service in the world is perfect — it would be foolish for anyone to claim that that might be the case. As elected representatives, we should scrutinise and question the actions of the police. Members of my party have criticised individual police officers, policy decisions and operations. However, like the majority of the community, my party and I have supported the police and policing as a whole.

That attitude stands in sharp contrast with that of another party, which is absent today and which imagines that it has an entitlement to serve in the Government of Northern Ireland. Republicans give no allegiance to any force other than their own fellow travellers; they offer no support to any form of justice other than their own. Sinn Féin representatives continually and actively discourage people from reporting serious crimes to the police. Sinn Féin's basic refusal to support law and order is a clear impediment to progress.

In its most recent interim report, the Independent Monitoring Commission (IMC) confirmed that the natural instinct of Sinn Féin/IRA is not yet to live peacefully beside its neighbours or to uphold the rule of law; rather, it requires the bridle of terrorist command structures. That is simply not good enough. Republicans must begin to assist the police with their investigations and encourage their supporters to help in the fight against crime.

As well as ending terror and criminality, there must be an acceptance of, and support for, the rule of law and order. Unless parties sign up to the basic standards of democracy and the rule of law, and abide by them, there can be no place in government for them. The motion calls on the Secretary of State to address those matters that require resolution or further discussion. On this principle — that the rule of law must be upheld and supported by any party that wishes to have a place in government — the Secretary of State's duty is quite clear.

Mr McGimpsey: There are so many policing experts in our society that it is a wonder that policing presents problems and that crime goes undetected — everybody knows how to do it; everybody knows how it should be done. Policing, however, goes right to the heart of our problems and is the most vexing problem facing the political process. We are all aware of how the costs of a failure to support law and order, the police and the courts are paid in a society such as ours. Those costs, in human terms, have been well documented over the past 25 years.

At a time when we are trying to move forward, I was struck by last week's debate on economic matters. The costs of terror and of our failure to support the rule of law and to support law and order over a generation or so have resulted in the types of economic problems that were highlighted in that debate. Northern Ireland is facing a projected Treasury subvention of about £16 billion and a tax yield of about £10 billion. That is a massive deficit for Northern Ireland.

Although the Government here in the 1960s were criticised, they had a track record in creating jobs and investment. The difference between that record and the present is evident, as is the difficulty of attracting investment into an unstable society or into a society in which the state cannot guarantee — as far as a state can guarantee — respect for the rule of law and the courts.

Policing is about upholding the rule of law and protecting life and property. However, 25 or 30 years ago, the situation was entirely different. Our police force, the RUC, had to become an anti-terror police force. The RUC became society's first line of defence against terrorism, both republican and loyalist. The RUC won that war and defeated terror: roughly 10 years ago, the IRA sued for peace and entered the peace process.

Policing is a very emotional subject for unionism; a flavour of which was apparent in yesterday's debate. However, 10 years ago, the RUC understood the need for change and for a dramatic and fundamental review of the force. In fact, the report drawn up by the RUC's change management team, headed by Sir Ronnie Flanagan, was titled 'Fundamental Review of Policing'. In those days, the SDLP, and principally Alex Attwood, would shout about no Flanaganisation; an end to Flanaganisation; and that there would not be Flanaganisation. However, that was exactly what the fundamental review of policing gave us, and that is how the Patten Report progressed.

The Patten Report made 175 recommendations, 160 of which came from the fundamental review. In effect, Patten lifted the plan drawn up by Ronnie Flanagan and the change management team and put it into that for the new police force.

Mr Weir: Will the Member give way?

Mr McGimpsey: If I may develop my point a little, I will be happy to give way presently.

Some 160 of Patten's recommendations came straight from the fundamental review. Unfortunately, Patten decided to add some poison as an incentive to bring nationalism on board. That poison produced the measures that most offended unionism and most offended the force itself: the change in name, badge, flag, and so on and, above all, the refusal to acknowledge the sacrifices made by the force.

Mr Weir: I was seeking clarification, although the Member has just given a little clarity. Is the Member saying that, more or less, he supports 90% of the Patten Report?

Mr McGimpsey: I am setting out the record.

Unionism has had an emotional discussion about policing, although a proper debate has yet to be fully developed. However, the fundamental review made up the overwhelming bulk of the Patten Report. Whether one agrees with Ronnie Flanagan and his change management team's recommendations, the Patten Report is the fundamental review plus some poison. As I said, it is the poison that was added to the Patten Commission Report that did so much damage in unionism and in the force itself.

Most importantly, there was a failure to acknowledge the sacrifices made by the force, with 302 officers down and thousands injured in the line of duty. That remains a matter of great concern for those of us who rely on the police to protect us.

11.00 am

For the benefit of Mr Weir, when the Patten Report was published, the Police Federation for Northern Ireland publicly stated that it welcomed the report, and that there was much in the report to recommend it. Its former chairman, Jimmy Spratt, is now the Member's colleague and sits on Castlereagh Borough Council. It was he who welcomed the Patten Report and said that there was much in the report to recommend it. However, I am not here to talk about individuals. Parties have their own views and they will promote those views, but the Patten Report is what we are dealing with.

The comprehensive agreement of 2004 between the two Governments, the DUP and Sinn Féin is the next important piece in the jigsaw. It was the agreement that did not quite catch on.

The timetabling for policing in the comprehensive agreement was that following the Independent International Commission on Decommissioning (IICD) confirmation that 100% of IRA arms were decommissioned — and guess what happened recently — a shadow Assembly would be established and, within that Assembly, a Committee would be set up to consider

the modalities for the devolution of criminal justice and policing. Agreement on that would be reached within two months.

There was a carefully plotted plan and, as far as I can see, it is still in effect.

The British Government would then introduce legislation giving effect to the devolution of criminal justice and policing. They were to promote confidence to allow a vote in the Assembly for such devolution to take place within two years.

Therefore, in 2004, it was anticipated that the devolution of policing and justice would take place within two years of the establishment of the shadow Assembly. That was the agreement between the two Governments, the DUP and Sinn Féin, and both parties made fulsome statements on that. The agreement did not work, but both parties added statements to the agreement saying that they welcomed it and had worked hard for it. It is quite clear that both parties accepted the Patten Report — practically and effectively — through the comprehensive agreement.

The comprehensive agreement was a non-runner due to the failure of republicans to provide proper evidence of 100% decommissioning. A key part of the comprehensive agreement was that the IICD report would confirm that 100% of IRA arms had been decommissioned. The IRA's failure to provide evidence of that halted the agreement. Everyone knows that the planning of the Northern Bank raid was taking place in the background. If suspension legislation had been abandoned through the comprehensive agreement, we could have found ourselves locked into a Government with Sinn Féin, irrespective of bank raids. The only way to deal with that would have been through a scorched earth policy and the full dissolution of the Assembly, which is now being threatened in the next six weeks.

That puts into context the fact that policing goes right to the heart of the political process. The notion that Sinn Féin can support policing only if it gets a handle on running the police and if republicans are involved is something that society — regardless of political allegiance — finds absolutely repulsive. There is some way to go before unionists can accept Sinn Féin's bona fides.

Mr P Robinson: The Member outlined what he saw as the context, but he omitted one thing. Will he tell the House the wording of the document agreed between Sinn Féin and the Ulster Unionist Party in October 2003 to have policing and justice powers devolved to the Assembly by the midpoint of the Assembly's life? The Assembly election was called after that, scuppering the outcome of that agreement.

Mr McGimpsey: There was no agreement that there would be devolution of powers. However, if that

had been the case, the DUP has followed straight down the same pathway, because it has agreed the establishment of a shadow Assembly to consider the modalities for the devolution of criminal justice and policing within two months of the comprehensive agreement's publication, and to the British Government's introduction of legislation, in the early summer of 2005, giving effect to devolution of criminal justice and policing. The DUP also agreed that a vote on the devolution of criminal justice and policing would take place within two years of the introduction of legislation. *[Interruption.]*

That is clear. Members are making comments from sedentary positions. It is the same old situation; Members should be able to sit and listen to other people's contributions. The Member's behaviour might pass as mature debate in the DUP, but that Members cannot listen without whinging does not pass for mature debate in the Assembly.

We are coming up to exactly the same dance that we have had before. From 8 October to 10 October, the DUP, Sinn Féin and the two Governments will be brought together, in some shape or form, in a place in Scotland. I am glad that the DUP is consulting with its grass roots on whether it should go into Government with Sinn Féin.

For the sake of unionism, the Ulster Unionist Party agrees in principle to the devolution of policing and justice. The document that Peter Robinson alluded to reflects that, and it is reflected in the report that is before the House. However, my party is not confident that the time is right for that to happen, and it will not be right in the foreseeable future. The premature devolution of criminal justice and policing would damage confidence in the police force.

The view within unionism is that somehow or other Sinn Féin is running the police or has a say in their running. That is Sinn Féin's boast. Its members are telling their volunteers and supporters that they can support the police force because they are going to be running the police. That is a damaging charge that can be made — *[Interruption.]*

Are we having a conversation or a debate here? The devolution of policing would damage public confidence in the force. Unionists are asking about the good intentions of republicans; we remain unconvinced of their existence. The political process is one thing, but political institutions are another step, and the courts and policing are something altogether different. It would be wrong for those who have had so much as a whiff of terrorism about them to be involved in the Government, the police and the courts.

There is absolutely no reason why Sinn Féin and republicans cannot join the Policing Board. *[Interruption.]*

The sedentary remarks of Mr Donaldson serve only to illustrate the points that I am making; therefore I will not respond to them. Sinn Féin should be able to join the Policing Board and be able to show support for the police, and it does not need devolution of policing and justice to do so.

Madam Speaker: Mr McGimpsey, your time is up.

Dr McCrea: I am delighted to follow Mr McGimpsey's 'Alice in Wonderland' — or, rather, blunderland — speech. His contribution follows the contribution of Margaret Ritchie, a Member for South Down, who became carried away this morning. Seemingly, in her kind of democracy, one cannot even ask a question. One dare not ask a question or one is allowing somebody to make a telephone call or one is suggesting that one aided and abetted a telephone call. What a wonderful democracy the SDLP is recommending. However, that is no surprise, given that the party has been tied so long to Sinn Féin's coat-tails.

The hon Member Mr McGimpsey spoke about a friend of mine, Jimmy Spratt. I am just wondering whether that is the same Jimmy Spratt that wiped Mr McGimpsey off the map at the last election and put him into absolute disgrace with the people of South Belfast. A little humility from Mr McGimpsey would be very helpful because he is part of yesterday's team. Northern Ireland has moved on. His blushing says it all — it goes right over his head.

Not only does Mr McGimpsey seem to living in an 'Alice in Wonderland' world, but so also does the hon Member Mr McFarland, who is not here at present. On several occasions, members of the Committee on the Preparation for Government were taken aback by Mr McFarland's comments. When the Committee was in difficulties and really getting to the heart of major problems, he said that it was making encouraging moves forward. In fact, the Committee was taking 10 steps back at a time. In the midst of all that, he still said that the progress was encouraging. I am delighted that Mr McFarland has now entered the Chamber.

Furthermore, he said in yesterday's debate:

"Rev McCrea invited Martin to call him 'William', which was very exciting." — [Official Report, Bound Volume 20, col 1, p 74].

That was further encouragement to him. In fact, I do not speak to Martin McGuinness. As far as I am concerned, those with whom he has been associated have tried to blow me out of existence, so I will not be inviting him to call me "William". Mr McFarland knows that his claim is totally untrue. It is a lie, and he knows that the Hansard report will prove that. Of course, truth does not always necessarily come into the debate.

Mr McFarland: Will the Member give way?

Dr McCrea: No. The Member made a fool and a jackass of himself yesterday, and he will not do the same today.

Madam Speaker: Order. Dr McCrea, you should be careful about the statements that you are making. I know that you understand —

Dr McCrea: I am quite happy to stand over my statements. Madam Speaker, this House should have defended an hon Member against the untruths being said about him yesterday. The House should defend Members as they have a basic right to be defended.

Madam Speaker: Dr McCrea, I think that you know that it is not correct to challenge the Speaker, which is what you are doing at the moment. Could you be careful: as a parliamentarian, you know what you can and cannot say here. You were very close to saying something that you should not have said.

Dr McCrea: Thank you very much, Madam Speaker. Those who want to talk about —

Mr D Bradley: Madam Speaker, on a point of order. I noticed during my colleague Ms Ritchie's earlier contribution, Mr P Robinson usurped your position several times by ordering her to take her seat.

Madam Speaker: No one usurped my position, Mr Bradley.

Mr McFarland: On a point of order, is the tradition not that if a Member is accused of something, he or she has the right of reply? In the past, the Speaker has allowed Members to exercise that right.

Madam Speaker: You can reply at the end of the debate, Mr McFarland.

Rev Dr Ian Paisley: Further to that point of order, Madam Speaker, it is in order that when you stand everybody should sit down. You should make a ruling on that. You have mentioned the House of Commons over and over again. In the House of Commons, the whole House cries out to a Member to sit down, and a Member is quite entitled to call for the Speaker to be respected when she is on her feet.

Madam Speaker: Thank you for those remarks, Dr Paisley. You are quite right. That point was reinforced when the Whips were in the Chamber at 2.00 pm on Monday.

11.15 am

Dr McCrea: I agree wholeheartedly with Mr McFarland that Members against whom accusations have been made have a right to defend themselves. That is exactly what I am doing. Mr McFarland wrongly accused me yesterday when he tried to be a smart alec and rewrite the history of the meetings of the Committee on the Preparation for Government. He was so positive

during those meetings that when things were moving back, he claimed that they were moving forward.

When Mr McFarland was on the Ulster Unionist Party's negotiating team, he was easy meat for Sinn Féin, the SDLP and others. However, he is dealing with different folk today. He will not be allowed to put inaccuracies on the record. I defend my right as a parliamentarian to be correctly quoted. I remind the House that, instead of our being buddies in the Committee, Martin McGuinness accused me of trying to have him killed. He went on to say that he did not like Willie McCrea, and that he did not think that he would ever like him. What kind of buddies are we if he tells me how much he dislikes me? I could not care tuppence whether Martin McGuinness likes me, loves me or anything else. I was elected to talk about what is right and to take a stand for the unionist population of Northern Ireland, which has been tramped into the ground for years. DUP Members stand tall today. Unlike the Ulster Unionist Party, we are no longer crawling. We stand tall for our people, because we have something to say, and we are standing by what is right. I will defend my rights and those of my constituents.

Naturally Sinn Féin/IRA is not present for the debate. Why would it be? What, except heartache, has it contributed to law and order over the past 30 years? It has scattered the bodies of our innocent — Protestant and Roman Catholic — across the community. It has blown our businesses to bits. Why would it come to the Chamber? Why should Members be surprised at its absence? Sinn Féin would have a brass neck to be here to discuss law and order, especially when it could not even agree to the proposal that political parties should support the police and encourage others so to do. That is an ordinary democratic trait that is expected of any political party.

What was the mindset of the Sinn Féin members who were in the Committee? Let me remind the House of what they said. When I challenged Sinn Féin's position on criminality, Conor Murphy said that he did not regard racketeering, murder, extortion, money and fuel laundering or bank robberies as crimes. What kind of a mindset is that for a party that claims to be ready for Government? What kind of a mindset does the SDLP have to have allowed those people to get into Government in the past? I remind the hon Member for South Down that SDLP Members of the Executive did not require Sinn Féin to support the police. SDLP Members sat on the Executive but never squeaked about that because they loved their positions more than democracy. Therefore I will take no lectures from anyone.

In the very Committee that dealt with law-and-order issues, Sinn Féin members claimed that murder, racketeering, extortion, money and fuel laundering, bank robberies, exiling, etc are not criminal activities. Why would they say that? How did they justify it?

They said that if such activities were carried out with the authority of the Provo leadership, they were not crimes. If they were done for personal gain, they could be regarded as criminal. Therefore those people could blow businesses to bits, manage fuel laundering and a rob a bank of more than £20 million, but as long as the wee group of thugs that sits at the top of the Provo organisation said that those things were done for their organisation, they were not criminal activities. What kind of society would we have if this party allowed such persons to take positions in Government?

Mr McGimpsey referred to the DUP consultation exercise. The difference between David Trimble and us was that he was always afraid to consult his people. He was afraid to talk to his colleagues lest they found out what he was doing behind their backs. The Ulster Unionists did not consult their people; they did not talk to their constituents.

Let me make it abundantly clear; we are not asking whether or not we should go into Government with the IRA. It is unfit for Government. We are keeping our people up to date on where we stand and on the leadership that we are giving to the unionist population. Let no one get carried away. This party does not believe that those who have the mindset that murder is not a crime are a party for Government. They never were a party for Government, and until they renounce and repent for what they stood for, and until they turn their backs completely on all of those things, they will not be in Government.

That does not just apply to 24 November. They are not ready for Government while they hold on to the belief that they can carry out all their activities with the authority of the Provo leadership and at its behest. There is a lot more being done under their authority at this moment that they are not claiming.

We need a reality check here today. Look at the minutes of the PFG Committee meetings from start to finish. Policing is one ingredient of the situation; it is not the only one, with all the other matters solved. Does anybody think that if Sinn Féin joins the Policing Board that that means it supports policing? Does anybody think that it will have a total change of mind because it joins it? I know other people who have joined the Policing Board who are still anti-police; they attack the police constantly.

There is also the issue of total decommissioning. Let me say this to Mr McFarland, who made play on certain grounds.

Mr McGlone: Will the Member give way?

Dr McCrea: I will not. The Member will have plenty of time to talk, and I have only another four minutes.

Mr McFarland said that Ian Paisley Jnr and William McCrea had somehow moved on and had accepted that

there had been decommissioning. This party has said that over and over again. The reason there was decommissioning was because of the DUP's stand. We did not crawl like the Ulster Unionists did in the past. What did they get for their decommissioning? They got two or three guns at the very beginning; a haul of weapons that had been wasted and buried in the ground. Let me just remind — *[Interruption.]*

Madam Speaker: Order. Please let the debate continue.

Dr McCrea: I know that the corner boys do not like these things, but let me remind them.

Madam Speaker: I am sorry to have to interrupt again, but Members are your colleagues, not corner boys.

Dr McCrea: I shall remind Members that there was significant decommissioning, but we have made it abundantly clear that it was not complete decommissioning. We are not going to be sold half a story. We are going to hold out to get total decommissioning, because that is in the interest of the people. Why would people who are supposed to be democrats want to hold on to guns? Why would they want to hold on to a terrorist organisation except they want to go back to what they do best whenever it suits them?

We are not willing to play the Provos' game. We are not suckers for Sinn Féin or the IRA. Not only must the intimidation and the exiling end, but certain people have to be allowed to come home. What about the Disappeared? What about those whose loved ones have never been able to give them an honourable and decent burial? We are not willing to close our eyes to what is happening. We believe that all those issues have to be dealt with to the satisfaction of the unionist population, who have been led by the nose by the Ulster Unionist Party for far too long. Thank God that the people caught them on. The unionist population has given the DUP the task, and by the grace of God we will do it, in the interest of this wee country that we love and cherish.

Let us not bury the facts about Robert McCartney. I was reading a document that came in the post this morning entitled 'Survey of Public Attitudes Towards Conduct in Public Life'. It contains a section with the heading "Key Political Events in Northern Ireland". In that section, it says that in December 2004 an armed gang robbed the Belfast branch of the Northern Bank of £26.5 million, and described it as one of the biggest bank robberies in history. That was when they were supposed to be behaving like good boys. It describes how in January 2005, Robert McCartney, a Catholic, was murdered outside a crowded Belfast bar by a gang including, allegedly, members of the Provisional IRA.

In February 2005, the Justice Minister of the Irish Republic accused three senior Sinn Féin members of

sitting on the IRA Army Council. In December 2005, Denis Donaldson publicly admitted what he had done in the past. In April 2006, the body of Denis Donaldson was found; he had been shot dead.

People may attempt to treat those events as though they do not count. As far as the DUP is concerned, if violence is over, it must be over for good. It does not matter from where that violence comes. There is no place for terrorist organisations to sit alongside those committed to democracy. I am in no way equivocating on that issue. There is no place whatsoever for terrorists, whatever their political persuasion.

There are legitimate forces in this country, which serve under the Crown. Those legitimate forces are the Army and the police, and we, as democrats, must give them our total unreserved support to ensure that we have a peaceful and stable society in Northern Ireland. There can be no situation of move forward; move back; move forward; and move back. The DUP will not be party to any agreement that does not create a stable society.

Some Members: Hear, hear.

Mr McGlone: I heard Mr McCrea calling for a reality check on law and order. I strongly wish to place on record that I resent sanctimonious lectures directed at my party from the DUP — the red beret revolutionaries; the mountain-top mutineers; those who have marched on the streets with paramilitaries. No more lectures. Those in glass houses should not throw stones.

Mr A Maginness: Billy Wright.

Mr McGlone: Yes, there is also the Billy Wright issue. To move to the issue that I was going to address —

Mr Donaldson: The battle of the Bogside.

Dr McCrea: Yes. I would not go down that road, if I were the Member.

Madam Speaker: Order.

Mr McGlone: I have the Floor, I presume.

I turn to a material issue that is of more concern in my constituency. I wish to address the confusion that has arisen due to Minister Paul Goggins's comments yesterday on the location of the new police college. The decision on that location came about after a detailed and objective analysis of a number of locations. The site at Desertcreat in Cookstown emerged as the central preferred location for a state-of-the-art, twenty-first century policing college. That decision was accepted unanimously by the Policing Board as an integral part of a new beginning to policing.

Yesterday, the Minister injected some uncertainty into that new beginning to policing. It must be noted that the longer the Government dither on this matter, the more costly the project will become. I ask the Government directly whether they are prepared to

invest the necessary funds for new policing arrangements. I call on the Minister to forthwith give his stamp of approval and to go ahead with the plans for Desertcreat in Cookstown, which are already at an extremely advanced stage.

A complete package must be put in place. The opportunities for enhanced training processes should be grasped immediately. That should have been done a long time ago. Those opportunities extend not only to improved training and enhanced facilities for our existing Police Service, but to national co-operation in the island of Ireland with an Garda Síochána and internationally with other policing services. The message to the Government from the Chamber today should be to stop dithering and do it now. The plans to commence work at Cookstown are at a very advanced stage in the Policing Board, and I know that meetings on that very topic have been scheduled for next week.

I am sure that those views are accepted by Members, including Rev William McCrea, who I am sure, despite our earlier differences, will support me.

Dr McCrea: Hear, hear.

Mr McGlone: The Government should press ahead, accept the views that have been expressed today, and proceed with what has already been accepted, planned and agreed by the Policing Board. Those views should be communicated to the Northern Ireland Office (NIO) forthwith.

Rev Dr Ian Paisley: Will the Member give way?

Mr McGlone: I have finished, but OK.

Rev Dr Ian Paisley: I just wished to say that —

Madam Speaker: Order. I was about to call the next Member, because Mr McGlone has finished. No doubt, there will be time at some other stage, Dr Paisley. The Member had sat down.

Rev Dr Ian Paisley: I wanted to tell the House that I raised that matter with the Prime Minister when we met. It is an important issue for all of us.

Madam Speaker: Order. I am now standing.

11.30 am

Mr B Bell: I am not a member of the Preparation for Government Committee, but I recognise the excellent work that it has done over the summer, for which I thank the Committee members. I also thank the Committee staff and other Assembly staff who assisted the Committee. It is an excellent report, and I welcome it. The DUP and Sinn Féin have sat on the PFG Committee throughout the summer under the chairmanship of both Sinn Féin and DUP MLAs. That is a clear indication of how the two parties have been prepared to sit down together, and it may be a portent for the future.

Dr McCrea compared my party to 'Alice in Wonderland'. I wonder when we are going to get an invitation to his tea party. *[Laughter.]*

Building a lawful society with support for the police and for the rule of law and order is the foundation of all civilised societies. One major problem in Northern Ireland has been the reluctance of the nationalist and republican community, and its politicians, to give active support to the police over the years. It is important that that should be said. There has been a welcome thaw in recent years with the presence of the SDLP on the Policing Board. I welcome that. The onus is now very much on Sinn Féin.

Sinn Féin must accept that the republican community is entitled to have an effective police service. It constantly claims that it is being denied equality on this, that and the other. However, in the field of policing, it is Sinn Féin itself that ensures that its people do not receive the same level of policing as the rest of us, because it will not support the police.

As a unionist, I must say that Sinn Féin still has a lot to do to convince the unionist community that it is serious about pursuing a truly peaceful and political path. It could take a step along that road by giving unequivocal support to the Police Service of Northern Ireland and by encouraging its supporters to do likewise. The disgraceful scenes on the New Lodge Road in Belfast on Sunday night must be consigned to the past. There must be no more of that. As I have said before in other circumstances, nationalists and republicans must actively support the police.

As the Member for Mid Ulster Mr McGlone has said, a NIO Minister was on TV last night talking about the delay in building the new police training college. Unbelievably, it is nearly two and a half years since the chairman of the Policing Board announced that it was to be built in Cookstown.

That delay is completely unacceptable. New recruits need the best possible facilities, and I call on the Government to make the funds available so that the job can be progressed. If the Government had not squandered almost £200 million on the Bloody Sunday inquiry, they might have been able to find the £40 million that is needed for the police college, which will benefit everybody in Northern Ireland.

I want to say a word about law-and-order issues in my constituency of Lagan Valley. I thank the local police for all their work. The staff in my constituency office, and the staff of my colleague in Lagan Valley, Jeffrey Donaldson, work closely with the local police. We deal with many local community issues, and the police are also on hand for law-and-order issues. Recently, we worked closely with the local community police on the KJET project, which highlighted the issue of young people who have attention deficit

hyperactivity disorder (ADHD) and how that disorder affected their lives. ADHD was a factor in many antisocial-behaviour cases. A seminar held in Stormont on the issue was a huge success, and we continue to pursue the issue.

Over the past year, a spate of burglaries against older people has been a big problem in Lagan Valley and, indeed, throughout Northern Ireland. Older people do not feel safe in their homes, and they are scared to answer the door, especially after dark. I have some personal experience of those burglaries. My 86-year-old mother-in-law was a victim of such a crime. While she was at home, a criminal gang broke into her house. She tried to resist the burglars, but they stole her handbag, which was found the following day at the border, just outside Newry. Needless to say, all the money, her bank cards, her passport, and so forth, were stolen. In addition to the theft of the handbag and its contents — especially the passport — such incidents are very traumatic for older people.

It took my mother-in-law a couple of months to recover completely from the burglary, and she is still unhappy about answering the door at night. She deserves to be praised for tackling those people.

Some Members: Hear, hear.

Mr B Bell: I could quote many other incidents. The police in Lagan Valley have a good record in tracking down these criminals. The police have a good record with both communities in Northern Ireland, and I want both communities to support them.

I support the motion.

Mr Ford: I join other Members in expressing thanks to the staff who serviced the Committee on the Preparation for Government. I also thank the staff throughout the secretariat — the doorkeepers and, most notably, the catering staff merit a strong mention — and the two Deputy Speakers who chaired the Committee.

Undoubtedly, those who worked over the summer achieved more than the Secretary of State could have expected when he asked the Committee to consider issues relating to law and order, and criminal justice. Unfortunately, the Committee has not achieved enough. For example, the Committee agreed that there should be a single justice Department, rather than splitting the functions over more than one Department, as suggested by the Government. However, much work needs to be done on that issue before the Committee reaches full agreement.

Naomi Long has already outlined the Alliance Party's concerns about the community having confidence in an Executive that have powers over justice. Collectivity is required. If progress of that kind cannot be made, maintaining the silo mentality of the previous Assembly will not garner confidence from

those who, on the one hand, might fear a unionist Minister, or those who, on the other hand, might fear a nationalist Minister having untrammelled powers.

Therefore there is much still to do. I do not intend to go over everything that Members said yesterday, or even everything that Mrs Long said. However, as she had only 15 minutes, there is a little left to say.

One of the key issues that the Government have failed to address properly, even yet, is how to define a "ceasefire" in terms of the relationship that the political parties and their associates have to policing and justice. There are two parallel standards: the traditional definition that has been around for at least a decade since the IRA announced its ceasefire; and the rather more comprehensive approach that was formally set out in the joint declaration of 2003 and subsequently adopted by the IMC.

The Alliance Party does not accept that a ceasefire is whatever a paramilitary group defines it to be. That could mean that it would take no further actions against the state or against economic targets but would maintain some kind of quasi-policing role in what it regards as its section of the community, allowing serious crimes to be perpetrated against ordinary citizens by members of the paramilitaries. It is essential that we move the Government's focus from a definition that, in its early days, was a simplistic way of trying to encourage the political process to be one that recognised that there must be a complete end to all violence. People should not be allowed to continue operating violence against troublemakers or those who fall out with the paramilitary godfathers in particular areas.

Simplistic demands for the IRA to declare that the war is over have compounded the problem. We should not be asking whether the war is over; rather, we should be demanding full reassurance that the IRA's campaign is over in every respect and, equally, that loyalist campaigns are over in every respect. The sad reality is that crises in the peace process have arisen largely as a result of events such as the Castlereagh break-in, "Stormontgate" and the Northern Bank robbery, rather than as a result of much more serious crimes directed against individuals. There will be real problems if that is not acknowledged. The authorities have slowly come to recognise that all paramilitary activity, of whatever kind, undermines democracy, human rights and the rule of law. Those key values must continue to underpin any sustainable progress that we are to make.

Paragraph 13 in the joint declaration of 2003 established a clearer definition of paramilitary activity than we have ever had before. It includes military attacks, sectarian incidents, training, targeting, intelligence gathering, acquisition and development of arms, so-called punishment attacks, involvement in

riots and threats against exiles. It is a pity that Government Ministers are still using terms such as “punishment attacks”. In the time of the previous Conservative Government, Baroness Denton promised that they would not describe paramilitary assaults as punishment attacks. Only one group of people in this state has the right to inflict punishment — the lawfully constituted courts. Government Ministers should not suggest otherwise.

Building on that definition in the joint declaration, the IMC has continued to establish its standards with regard to paramilitary activity. Clearly, Governments that previously would have swept such incidents under the carpet are no longer able to do that; the IMC has shone the light on the dark deeds of paramilitaries. That has helped to develop the standard.

We should also recognise that there has been movement by the IRA, culminating in its July 2005 statement. The ambiguous language that it used initially to justify its actions — to say what did or did not fail the test of constituting an end to violence — has become much less ambiguous. To a degree, we can now understand that the IRA is talking a language similar, if not identical, to that of other people. That wider concept of what constitutes involvement in paramilitary activity will be a crucial issue when we come to consider paramilitary activity and organised crime in the autumn.

11.45 am.

We have only to look back to summer 2005, however, to find incidents that involved the UVF. The Government did not treat the murder of an entirely innocent citizen, Craig McCausland, as a breach of the UVF ceasefire, because he was a Protestant murdered by loyalists. However, the Whiterock riots were deemed a breach of the ceasefire even though, fortunately, no member of the Police Service was killed — despite live rounds being fired at them. It seems that the institutions of the state cannot recognise that a ceasefire cannot be a proper ceasefire if the lives of citizens are threatened during it. The Government must develop their benchmarks based on those used by the IMC to determine how all paramilitary groups must be treated, because there is clearly a major element of work that they have not yet covered completely.

I want to refer to police recruitment and, specifically, to the fifty-fifty quotas. It seems that that issue will be increasingly batted around the Chamber. Indeed, it is one of the brickbats being thrown between the DUP and the Ulster Unionists at the moment, and it shows the bitterness that the issue generates on one side of the House alone — and that is without the presence of certain people on the other side of the House. The Alliance Party has opposed the fifty-fifty quotas from the beginning for three reasons.

They are unnecessary, because there are better ways in which to address the current under-representation of Catholics in the Police Service, including wider methods of affirmative action. The Government in their statistics could give us information on which to assess whether the removal of the threat of violence, the wider political support from the nationalist community in general and the change of attitude in the Catholic Church on encouraging police recruitment might have had just as big an effect as the fifty-fifty quotas.

The quotas are discriminatory and contrary to European legislation, and we wonder why we should be seeking derogations of European legislation when there are other ways of encouraging Catholics to join the police.

They are fundamentally divisive, because people have a perception that only one section of our society can get into the Police Service and because those police officers who are appointed through the fifty-fifty quotas are looked on askance by certain people in the community. We need to move away from all those problems.

There are also problems with the entirely necessary recruitment of people from ethnic minorities into the Police Service. Fifty-fifty recruitment is based on the concept of Catholics versus all others. There are opportunities to recruit people from wider ethnic backgrounds, particularly given the law-and-order problems that afflict people from different ethnic backgrounds in many parts of Northern Ireland. There is a need for much wider recruitment into the Police Service, and fifty-fifty quotas damage that possibility.

There is another unresolved issue: it is possible to produce a simplistic figure of the number of perceived Catholics in the Police Service. However, there is no evidence about whether those are fully representative of the entire community. There would be a difference between the son of an Alliance MLA who is perceived as a Catholic and the son of a Sinn Féin MLA joining the Police Service.

The problem comes from crude, simplistic assumptions that this society is divided into two mutually exclusive homogeneous groups, with no interplay between them. It is almost certain that the Government will extend the quota system for another three years, until 2010, but if we are ever to move this society on to a more normal plane, we must ensure that we get away from such divisive actions. We want to ensure that citizens are represented as citizens and that applications come to the Police Service from every part of Northern Ireland and from every social class, political belief and ethnic background. If we do not do that, we will fail in the task of building a modern police service, and quotas do nothing to address the vast majority of those issues.

Finally, there has been much talk in the House and in the Committee about signing up to policing and about the so-called obligations on Sinn Féin to sign up to policing.

At different times, certain parties have taken part in and, due to political protests, walked out of DPPs. They have therefore failed to play their parts in the structures in which they are entitled to participate. It seems to be somewhat illogical for certain parties to demand that another party signs up to policing when their own members have failed to do so when given that opportunity. If those parties wish to talk about obligations, they should recognise that they apply to all parties.

Although the Alliance Party does not have a representative on the Policing Board, it cannot be suggested that it does not fully support policing. It does so through local co-operation, recognising the Police Service as the only legitimate force, and supporting the institutional structures in which my party can play a part. On the other hand, although the Progressive Unionist Party has a member on the Policing Board, it would be difficult to make the case that all its associates fully support policing structures.

Yesterday, my colleague Naomi Long outlined the five principles on which the Alliance Party will judge other parties' attitudes to policing. They include: constructive engagement; backing and acknowledging the role of the Police Service as the only legitimate policing agency in Northern Ireland, and calling on their supporters to do so; a revised ministerial Pledge of Office that would recognise that responsibility; and co-operation between a party and the lawful authorities to address criminality emanating from close associates of that party.

The outbursts in the Chamber this morning, and the virulence of the exchanges between the Ulster Unionists and the DUP in particular, should not cloud the fact that those requirements must apply to every party that aspires to be in government. It is simply not acceptable that, even one of the more reasoned contributions, which was made by Mr Bell, focused only on nationalists and republicans having a duty to support the police. It is absolutely clear that all parties have responsibilities, but all parties have yet to fulfil those responsibilities.

Mr Dawson: Inevitably, much of the debate has centred on the need for all parties to support the rule of law. Perhaps I should put that another way: the need for one party, which refuses consistently to support the rule of law, to do so. I refer, of course, to the representatives of IRA/Sinn Féin who should be seated on the Benches opposite.

As Mr Ford rightly outlined, support for the rule of law is a basic building block of democracy. In a democracy, it is acceptable for parties to criticise and question the implementation of policing policy. In a democracy, it is acceptable for parties to bring to

account those responsible for leading policing, to question the delivery of services, to press for higher resources to be made available, and to campaign for the reduction of crime to be at a higher level. Those expectations are acceptable.

However, it is not acceptable for any political party, or any interest group that is seeking legitimacy, to systematically and continuously reject the right of the Police Service to exist and to carry out its legitimate role in society. Fundamentally, policing and the rule of law stand between society and those who seek to rule by the law of the jungle.

Over the past 35 years in Northern Ireland, Sinn Féin/IRA has sought to operate by the law of the jungle, murdering at will and terrorising communities. It is for those reasons, therefore, that Sinn Féin remains opposed to the rule of law and to the Police Service of Northern Ireland. The operation of law and the activities of the police have stood between it and its inflicting genocide on an entire community.

Sinn Féin did not wage a war in Northern Ireland. There was never any legitimacy for its so-called campaign. That movement waged terror — a dirty, sordid, cowardly, murdering rampage of terror directed at men, women and children across our Province.

Yesterday, with some colleagues, I had occasion to attend a funeral. In the graveyard, as I was following the family to the graveside, I came to be standing alongside the headstone of a young Protestant man. He had no connections with the security forces, but he had been murdered by the IRA in 1990. The only reason for his murder was that he was a Protestant. He was building a home for his family in an isolated rural community.

In any other part of the world, Sinn Féin's leadership would stand accused of crimes against humanity, yet, in Northern Ireland, Peter Hain wants to put them into Government. The current campaign against the Police Service of Northern Ireland — the legal and legitimate authority — is a continuation of terror by different means. Republicans have left off with the bombs and the bullets as a means of destabilising society, but they continue to use basic elements of destabilisation in their anarchist campaign.

In its current form, Sinn Féin/IRA is incapable of normal politics and of accepting the norms of a modern democratic society. It demands access to the levers of Government simply to undermine the very constitutional realities in which those levers operate. The rejection of policing and the rule of law are simply indicators of the underlying nature of that revolutionary movement. I see no evidence today — 20 September 2006 — that Sinn Féin has any desire to live at peace with its neighbours; rather, it is intent on continued destruction of

the rule of law. I doubt that by 24 November that situation will have changed one whit.

That attitude is unacceptable. There is no room in a Government for those who will not support fully, unequivocally and absolutely those responsible for upholding the rule of law. Sinn Féin was not fit for Government in 1998 and on the other two occasions on which the Ulster Unionist Party put that party into Government.

As Mr Ford has said, all parties in a Government must support the police. They must encourage their supporters to join the police and to tell the police about individuals who break the law. The police must be able to arrest those individuals without fear of physical attack. There must be no equivocation as to what activities are legal and legitimate in society, as my colleague Dr McCrea has ably pointed out this morning.

On the current application and operation of policing in Northern Ireland, it is my view that Sinn Féin's influence on policing has gone too far already. As a result, Northern Ireland today does not have the police service that it deserves or one that is fit for purpose. The PSNI has been robbed of accumulated knowledge of terrorists and their activities by the destruction of the specialist branches of the old RUC, as a result of the implementation of the Patten recommendations.

The PSNI is the only emergency service not to operate efficiently. The Federation of Small Businesses (FSB) recent report indicates that businesses have stopped reporting incidents to the police because they do not believe that there will be any response from the PSNI. That cannot be acceptable in our society.

If the Northern Ireland Fire and Rescue Service responded in the same way as the PSNI, there would be many more burnt-out buildings across the Province, and much more loss of life. Consistently, police officers on the ground relate stories to us of the non-availability of resources, even to tackle major incidents. They have not the personnel available to go to the elderly families who are attacked and whose homes are burgled. The leadership of the PSNI continues to ignore and deny that there is a problem with resources. Instead, it points to comparisons with police service numbers in other parts of the United Kingdom.

I am not interested in comparisons with other under-resourced forces in other parts of the United Kingdom. We are in the midst of the political conference season in Great Britain. I am sure that we will hear repeated calls for extra resources to be made available to police services across the UK. We may even hear promises at the Labour Party conference that further police resources will be made available. Why should Northern Ireland have to settle for comparisons with under-resourced forces elsewhere, while its Police Service needs to be resourced to deal with issues at home?

Northern Ireland still has to deal with a higher level of local terrorist threat and with higher levels of organised crime — which is led by the paramilitary organisations — than other parts of the United Kingdom.

12.00 noon

The FSB report also states:

“Compared with the UK as whole businesses in Northern Ireland are more likely to experience threatening behaviour/intimidation and less likely to experience vehicle theft.”

As the Member for Upper Bann Mr Moutray has already said, Police Service resources must be used to deal with incidents of specific types of crime in Northern Ireland.

A tangled web of legislation lies alongside the lack of resources, and that limits police ability to deal with vandals and criminals. For example, over several evenings, some youths vandalised the property around a local primary school with which I am familiar. A resident telephoned the local police station to tell officers what was happening. However, due to a lack of resources, they could not make available anybody to go to the primary school to stop the vandalism. The resident who contacted the police then telephoned the principal of the school, who then contacted the police, only to be told that nobody was available to stop the vandalism. The principal offered to stay at the school the following evening and photograph those who were responsible for the vandalism, which cost thousands of pounds. She was advised that taking photographs of the vandals would be an infringement of their rights. That is a scandalous situation, and it reflects the lack of enforcement of the rule of law in Northern Ireland.

As well as the lack of resources, the loss of accumulated knowledge and the legislation that hinders police ability to take effective action, there are some in the Police Service of Northern Ireland who are believed to have sympathies with Sinn Féin/IRA. Those sympathies are such that their colleagues have to be careful about discussing in police stations the details of operations. They also have to be careful when discussing the names of individuals who are under investigation. I know the names of the police stations that are involved, as does the leadership of the Police Service of Northern Ireland.

Those truths may be unpalatable. However, the fact remains that the appeasement process has led to a neutering of effective police action in Northern Ireland. All the while, however, the antidemocratic forces, which are represented by Sinn Féin/IRA, demand further concessions and changes to policing, as well as access to the levers of Government.

I welcome the report. It exposes the inadequacies of Sinn Féin/IRA and demonstrates — for all who are willing to see — how far that organisation has to go

before it can be regarded as part of the normal political process in the Province.

Mr Hillis: I welcome the opportunity to comment on the Committee on the Preparation for Government's report on law-and-order issues. I hope that those matters are dear to all our hearts.

I am not a member of the PFG Committee and therefore do not have intimate knowledge of the minutiae of the report. However, the law-and-order issues that the report deals with touch every citizen of Northern Ireland.

I watched carefully on the closed-circuit TV the interesting contribution of the representative from Mid Ulster Dr McCrea. I do not necessarily disagree with the sentiments that he expressed. However, given that we are here to discuss a report from the Committee on the Preparation for Government, I find it hard to believe that the Member will ever accept Sinn Féin into Government.

Therefore, I wonder whether the DUP is engaging in real consultation or a public relations exercise. I am not sure whether the DUP is waiting for Sinn Féin to "repent", which seems to be the current buzzword.

As I entered the Chamber, I heard the DUP say that the UUP put Sinn Féin into Government. That is true, but it is worth remembering that we also put Sinn Féin out of Government. Sinn Féin is a party that aspires to share, or shape, power here in Northern Ireland, and perhaps, as has been widely trailed, hold a Ministry for policing and justice. However, if we ever reach the stage of choosing Ministries, which I think highly unlikely, it would be up to the party with the biggest mandate to decide who gets what.

It is ridiculous, if not farcical, that Sinn Féin has participated in numerous meetings of the PFG Committee on law and order over the summer, as is reflected in the report, but refuses to participate in this debate. However, that is nothing new for Sinn Féin. In my East Londonderry constituency, a former member of the SDLP jumped ship to join Sinn Féin: presumably it was a career move and he could see a more guaranteed political future in doing so. Prior to that, he had manoeuvred himself into the chairmanship of a local community forum that met with the police. Needless to say, I am more than happy for everyone to participate in those forums. However, following his Damascene conversion from the SDLP to Sinn Féin, those of us on that forum never again saw hide nor hair of the new Sinn Féin member at any policing meeting. What is most bizarre is that that Sinn Féin man was, in fact, a former member of the RUC. How can anyone be taken seriously when in one moment he clamours to be involved in overseeing the police, and in the next he does not want to be seen in the same room as the PSNI?

If Sinn Féin is as serious about wanting to change the police as it seems to be, it should, as an absolute minimum, express confidence in the police, join the Policing Board, and encourage young nationalists and republicans to join the PSNI, instead of being constantly critical. When burglars are out and about and break into someone's house, they do not ask the householders whether they are nationalists or unionists. When the police are called, they do not ask that question either. We all suffer at the hands of the same criminals, and everyone should support those who try to clear up criminal activity in this country.

Paragraph 70 on page 21 of the report says that:

"The Committee considered a proposal that this Committee believes that association with, or support for, those involved in criminal activity is incompatible with the holding of Ministerial office."

Sadly, there was no consensus, and the proposal fell. The Ulster Unionist Party firmly believes that those who are lawmakers during the day cannot be lawbreakers at night.

The Committee discussed a wide range of matters relating to the rule of law. I wish to highlight the increase in racially motivated crimes in many parts of Northern Ireland. Sadly, I note from the statistics provided by the PSNI that that increase has been considerable. In Newtownabbey the number of incidents rose from 15 to 52 over the 12 months to the end of March 2006; in the borough of Coleraine, which is in my constituency, the number of reported crimes went up from 22 to 37 — an increase of 68·2%.

Although those figures are relatively small, I am sure that Members will agree that they are unacceptable. They are just two snapshots of Northern Ireland. Sadly, there are other figures that are also fairly negative. Immigrants from other parts of the EU and further afield make an important contribution to the workforce and, consequently, to the overall well-being of the general population.

The report addresses the need to enhance public confidence in the police's ability to tackle crime. I want to highlight the success that the police have had in improving confidence among victims of domestic violence. The number of reported incidents of domestic violence in part of my constituency, Coleraine, has risen by 30·1% from 824 to 1,072. However, the PSNI has made a difference. Victims who were previously afraid to report such crimes now come forward. I urge the victims of domestic violence to come forward and point the finger at the perpetrators: let us give them the punishment that they deserve.

I have listened carefully to the debate. We can do all the political posturing that we want in the House, but we must remember that the real world is outside this Building. When night falls — and even during the

daytime — crimes of all descriptions are carried out. Unless the Assembly makes a positive difference to the lives of the citizens of Northern Ireland, we will not be doing the job that we were elected to do.

Madam Speaker: The Assembly will hear from Mrs Mary Bradley for the first time, as she makes her maiden speech. Members are aware that by convention a maiden speech should be heard without interruption.

Mrs M Bradley: Madam Speaker, I welcome the report, as far as it goes. However, I criticise the DUP for dragging its heels on a date for the devolution of justice, which would allow the Assembly to make its own laws on justice matters. DUP foot-dragging on that issue will cost us dearly. It means that the Assembly cannot pass laws to fight crime and ensure safety, such as stronger laws for the seizure of criminal assets. The Assets Recovery Agency (ARA) is bogged down in needless procedure, and is the poor cousin of the Criminal Assets Bureau (CAB) in the South. The Assembly could change that. It could establish a strong, all-Ireland criminal assets bureau.

Prisons are systematically used as dumping grounds for mentally ill people, who take up spaces that should instead be used for serious offenders. The Assembly could change that. The Assembly could also ensure that sex offenders are not eligible for automatic remission or have their sentences routinely slashed when they plead guilty. Those are measures that we should be taking but which we are not. That is the cost of suspension; it is a loss to us all.

I am also critical of Sinn Féin. Just as the DUP has dragged its heels —

Madam Speaker: I pointed out that a maiden speech should not be interrupted. However, I must advise that it is against convention for a Member to criticise a party in his or her maiden speech when Members of the party criticised cannot make an intervention.

12.15 pm

Mrs M Bradley: There is a heavy cost to the community for such matters. Nationalists are crying out for better policing, yet Sinn Féin is standing in their way. It will not encourage witnesses of crime to go to the police so that justice can be done. Sinn Féin does not want a policeman about the place, but how else can crime be solved: by vigilantes?

There is deep hypocrisy here. Gerry Adams and Gerry Kelly have told republicans to contact the police in the event of a car crash, as it is a legal requirement. That is correct, and failure to do so means that people cannot claim on their car insurance. Yet, no one was encouraged to go to the police with information about the rape of a 15-year-old girl in Belfast. Sinn Féin is encouraging republicans to contact the police if they

have insurance claims but not, for example, if they have information about sex offenders. That begs the question: why does Sinn Féin put the no-claims bonuses of republicans ahead of a child-rape-victim's right to justice? Should the victims of such awful crimes be asked to bear the cost of Sinn Féin's refusal to endorse the Patten structures?

Sinn Féin is not the only party to operate double standards. When it suits them, other parties do likewise. Following the Whiterock disturbances, in which 100 shots were fired, the DUP and the UUP left the Belfast District Policing Partnership, yet both parties were content to remain on the Parades Forum along with those who carried out the shootings.

We cannot pretend that policing is perfect: it is not. This is the fourth year of Patten's 10-year programme of change. Even then, policing will be unable to rest on its laurels. We will always have to push policing forward to ensure that it changes as our community changes and as crime changes. We will always have to work harder to ensure that older people are safe in their homes; young people feel safe on the streets at night; there is a respectful and responsive Police Service, and that it responds to calls when it is contacted.

We can achieve more if everyone works together. Communities can beat crime when people work together. The reduction in car crime in west Belfast is an example of that. In Derry, there has been a great increase in car crime, and that is worrying. We must build on that progress by getting politicians, Ministers and members of boards and partnerships to work with the police and the community. That is at the heart of Patten's vision. It has been seven years since the publication of the Patten Report, so it is high time that all parties got on board.

Some Members: Hear, hear.

Madam Speaker: Alex Easton will now make his maiden speech, and it is the convention that such a speech is made without interruption.

Mr Easton: It is no surprise that the Sinn Féin/IRA Benches are empty for this important debate on law and order. I am unsure whether Sinn Féin/IRA is boycotting the debate because it is running away from the issues, or whether it is simply scared of my speech. Members can decide. The only people they are letting down are themselves and the people of Northern Ireland.

Addressing law and order and policing is fundamental to the secure and democratic future of Northern Ireland. There must be an unequivocal commitment to peaceful and democratic means by all parties. The twin towers of that society must be law and order and policing. Listen up, Sinn Féin, when I say that you have been weighed in the balances of policing and law and order and found wanting, and that there will be no place for you in any Government of Northern Ireland while you

are found wanting. On the one hand, the IRA claims to have stopped its activities but, the other day, there was rioting in north Belfast, and a young man was shot in the leg. Yet, we are told that all is well.

It is the same with decommissioning. Although I accept that some decommissioning has occurred, why were two IRA dumps found in the Irish Republic recently? We were told that all weapons have been handed in and destroyed.

I want to know what has been decommissioned. It is only fair and right that the people of Northern Ireland know the truth about decommissioning.

The United Kingdom did not gain lightly its reputation of having the mother of all Parliaments. Its deserved reputation was gained through the commitment and practice of the fundamental precepts of law and order. Progress has been made in the Committee, with the agreed recommendation in its report that one Department should be responsible for policing and justice. Let me make it crystal clear: that can only happen when there is public confidence in the establishment of such a Department. Public confidence is fundamental for a policing and justice Department to function. It is not optional or something for the future; it is mandatory, and the public must have confidence in it. That confidence does not exist at present.

It is not for democrats to generate that confidence; it is for the criminal terrorist organisations to prove that their organisations have disbanded, their criminality is at an end and their membership is stood down and gone for ever. Involvement in organised crime, bank robberies and extortion must be demonstrably left behind. I appreciate that that means a sea change and a seismic shift for some people, and in that respect there can be no constructive ambiguity. I challenge Sinn Féin/IRA that its position is untenable. It is impossible to be half-committed to law and order and policing, just as it is impossible to be half-pregnant.

I challenge the republican movement to move on; society has done so already. I challenge it to give up on its go-slow policing policy on law and order. No one should doubt the DUP's commitment to law and order. Its commitment to policing and law and order is non-negotiable; it is not subject to constructive ambiguity or side letters that the Ulster Unionists have tried and failed in the past.

Let us learn the lessons of the Ulster Unionist Party's failures. Remember the saying: "Fool me once, shame on you; fool me twice, shame on me." Members should not forget the Patten Report and the destruction of the RUC. It was the Ulster Unionist Party who agreed to the biggest disaster for policing in Northern Ireland's history by signing up to the Belfast Agreement.

The lessons of Trimble's troubles started when he embraced retarded republicanism and allowed into

Government its representatives, whose commitment to law and order and policing was just not acceptable. Did Ulster Unionism bring Sinn Féin/IRA on? Did it lead, as democracy requires, to an appropriate commitment to policing and law and order? The answer to both those questions is no, and we are all the poorer for it.

There is no alternative to policing. I salute the police in my constituency of North Down who, in recent weeks, have dealt with an horrific murder, domestic burglaries, domestic violence and child abuse, as well as antisocial behaviour, which is rapidly getting out of control. Police numbers in North Down have dropped because of Patten Report recommendations. As a result, Holywood police station's hours of service have been reduced to part-time. Its gates are locked, and members of the public are not allowed to enter the station at night. A security guard is employed to guard the gates at night because there is not enough manpower. That is a disaster for the area, which has a population of 10,000 people. When that reduction of service was being implemented, Mr McFarland had very little to say on the matter, and he has had little to say since.

These men and women deserve the support of all right-thinking people in the Chamber. It is time for Sinn Féin/IRA to come up to the mark. The reputation of the DUP as the party of law and order will not be lost; the legacy of those who made the supreme sacrifice in defence and law and order is a honourable one.

Our challenge is to build that future on the foundations of law and order and policing. I appreciate that many who bear the physical and emotional scars of policing, in the face of the most severe terrorism that the world has seen, will be listening to today's debate. They have handed us the baton to build a society rooted in law and order and effective policing. It is to that challenge that the DUP has set its face, and we will work ceaselessly for a society where terrorism and criminality have no place. We will build on progress from this report; the challenge is for others to join us.

Sinn Féin/IRA must appreciate that the DUP will hold it accountable in respect of law and order and policing. The day of half-measures from Sinn Féin/IRA on this matter died with the Ulster Unionist electoral mandate. A fair deal demands commitment to law and order and policing, and it is for that fair deal that the DUP will continue to strive and why my party supports the report.

Mr Attwood: On a point of order, Madam Speaker. When my colleague Mary Bradley was speaking, you chose to correct her in relation to comments that she made about another political party, yet when Mr Easton on three occasions — and Hansard will confirm this — reprimanded another political party, in one case naming a Member of this House, you did not take the opportunity to correct him in the way in which you

chose to correct Mrs Bradley. Both Members were making their maiden speeches. Is it in order for the Speaker of this Assembly to conduct herself in an inconsistent manner?

Some Members: Withdraw.

Madam Speaker: I will check the Hansard report, and I will comment on speeches this afternoon. Mrs Bradley was making her maiden speech, as was Mr Easton, and I told her that the convention is that it is not good to begin such a speech with criticisms, given that other Members cannot intervene. As far as I know, Mr Easton made one remark on which I was going to give way, but no other parties gave way, including the party that was named. I will be making a statement on the matter very soon. I regret that Mr Easton named another Member, even if that Member was present in the Chamber at the time. That is not the practice, and it is not courteous.

Mr P Robinson: Madam Speaker, is it in order for a Member to challenge your rulings and authority, and to question your role in this Chamber? Surely there is only one mechanism through which it is permissible to do that — a motion of no confidence.

Madam Speaker: I absolutely agree with you, Mr Robinson. As I said to Mr Attwood, I will comment on this matter this afternoon. However, as you said, it is not in order for Members to challenge my ruling. I will read the Hansard report of this sitting.

Some Members: Withdraw.

Madam Speaker: Order.

Mr Attwood: On a point of order, Madam Speaker. Hansard will confirm that at no time did I challenge the Speaker's ruling.

Some Members: He did.

Madam Speaker: Order.

Mr Attwood: I did not challenge the ruling of the Speaker.

Some Members: Withdraw.

Madam Speaker: Order.

Mr P Robinson: You questioned her ruling.

Mr Attwood: I did not question the ruling. I made a point of order —

Madam Speaker: Mr Attwood, please resume your seat. I will take that as a withdrawal if you did not mention —

Mr Attwood: On a point of order, Madam Speaker. I did not challenge the ruling of the Speaker; I argued for consistency in the ruling.

Madam Speaker: I thank the Member for his comments. I do not honestly believe that my remarks

were inconsistent. I hope that that will be made clear at the start of this afternoon's sitting. It is my ruling, and if the Member is challenging it, he should please do so as convention dictates.

Rev Dr Ian Paisley: Further to that point of order, Madam Speaker. In considering that matter, will you also consider accusations that Members make about parties' behaviour in certain areas? An attack was made that could not be answered because it was made during a maiden speech.

Madam Speaker: I thank Dr Paisley for his remarks. I tried to address that issue in my earlier comments. I will examine the matter again and give Members further information on it. Members will be aware that the Business Committee has arranged to meet at lunch time today. I propose therefore, by leave of the Assembly, to suspend the sitting until 2 pm.

The debate stood suspended.

The sitting was suspended at 12.29 pm.

On resuming (Madam Speaker in the Chair) —
2.00 pm

ASSEMBLY BUSINESS

Madam Speaker: Earlier today, Mr McFarland sought a right of reply, as he had been referred to by another Member. I agreed to return to the issue. Yesterday, Mr Maginness asked for my view on comments, made by Mr Elliott, referring to Mr Molloy and other members of Sinn Féin. In view of further comments made shortly before lunch, I wish to make some remarks before the debate is resumed.

On the request for a right to reply, there is a clear convention in place following previous rulings from the Speaker. That may be found on page 32 of the ‘Northern Ireland Assembly Companion’. The Member’s reference to Mr McFarland did not allude to any breach of the law. Although the comments were not courteous, they were not unparliamentary. I will not, therefore, provide an opportunity for Mr McFarland to reply in this instance. Mr Elliott’s comments were also not decorous, but, again, they were not unparliamentary.

However, I remind Members that business should be conducted in a spirit of co-operation and respect. It is clear that, on occasion, Members choose to sail close to the wind when referring to fellow Members. Such an approach makes the conduct of debate more difficult. I do not wish to stifle debate, but I hope that Members will bear that in mind. I should be grateful if Members would assist me in upholding the dignity of the Chamber by offering courtesy in their personal references to other Members.

Other Members raised issues regarding maiden speeches, particularly about the content of certain maiden speeches and my interventions during one of them. I have asked the Clerks to prepare guidance for Members, on all sides of the House, in respect of that matter. Members will be advised through their representatives on the Business Committee as to my views on those matters. Indeed, the Business Committee is often a more appropriate channel through which to raise such matters, rather than the Floor of the House. I will not take further points of order on those issues.

COMMITTEE BUSINESS

Report on Law and Order Issues

Debate resumed on motion:

That the Assembly approves the second report from the Committee on the Preparation for Government, on Law and Order Issues; agrees that it should be submitted to the Secretary of State for Northern Ireland and, pending restoration of the Institutions, calls on the Secretary of State and others to address those matters identified in the report as requiring resolution or further discussion. — [*Chairpersons, Committee on the Preparation for Government.*]

Mr M Robinson: I welcome the opportunity to make a contribution to this debate today. On the second day of dealing with such a report, the biggest challenge is perhaps finding something new to say. As someone once put it, everything that could possibly be said on the subject has already been said, but yet everyone has not yet had the opportunity to say it.

I nonetheless welcome the opportunity of putting my views on this subject on the public record. This is my first speech in this version of the Assembly, and I would like to take this opportunity to welcome you, Madam Speaker, to the Chair.

Before turning to the detail of the debate, I would like to join with the tributes that have been paid to the Committee staff and others who have played such an important role over the past few months. I think that we have learnt over the last few months that, even if the politicians may not be ready to have devolution back by 24 November, the Assembly staff certainly will.

As I indicated, it is not easy to find much new to say in a debate of this length, but there are a few issues that, I believe, do warrant some attention. In particular, I want to focus on the challenges that are facing the republican movement over the next few months in the area of policing. I do not believe that the present weakness of the republican position, or, indeed, the comparative strength of unionists, is yet fully appreciated — perhaps on either side. It is a mistake to believe that the real pressure in the weeks ahead will be on the DUP. It will, instead, be on republicans.

It must be pretty clear by this stage that unless and until Sinn Féin can support the rule of law in Northern Ireland there will not be an inclusive Executive. The sooner that is faced up to, the sooner the problem can be addressed. While Sinn Féin Members are not in the Chamber today, I do hope that they will reflect on what has been said in the debate over the last two days.

The Preparation for Government Committee was tasked with the responsibility:

“to scope the work which, in the view of the parties, needs to be done in preparation for Government”.

It is apparent from the report that, while there are many areas of disagreement, only one really presents an obstacle to the return of devolution. If we were

debating the issue of the devolution of policing and justice, there would be many, many more. The issue in this area that is an impediment to devolution is the lack of support for the rule of law.

In virtually every other society around the world, support for the rule of law would be taken for granted. Indeed, no one would even question the commitment of those who aspire to hold office to support the rule of law — but Northern Ireland is different. First, let us be clear about what we mean by the rule of law and what we do not. The rule of law is about the acceptance and legitimacy of the law of the land and decisions of the courts over any arbitrary or competing power. Support for the institutions of the police and the courts are implicit in support for the rule of law.

It is not about saying that every law is a good law but that every law should be adhered to. It is not about saying every decision of the police is the right one but that the police force, as a whole, must be supported, and people must be encouraged to report crime. It means an end to the absurd notion of the legitimacy of the IRA, and that the IRA is incapable of committing a crime. It does not mean that those who have offended in the past can have no part of the future, so long as they have changed.

The fact that someone has broken the law in the past does not mean that they cannot support the rule of law. Continuing to be involved in organised crime, on the other hand, would render one beyond the democratic pale. While other issues that are blocking devolution have seen progress made, there is still a huge distance for republicans to travel in this area.

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

For some republicans, this issue is even more sensitive than that of decommissioning. Decommissioning was about getting rid of guns that had served their usefulness and were now an impediment to the expansion of Sinn Féin. Support for the rule of law is an acceptance of the legitimacy of, if not support for, the state — this from an organisation that did not accept that murders, punishment beatings, robberies or extortion before July 2005 were even crimes. I have real concerns that it will not be able to do so in the weeks before 24 November.

The historical precedents are not good. It took seven years from the Belfast Agreement and 11 years from the first IRA ceasefire to bring about substantial decommissioning, and Sinn Féin has now found itself with a real problem. For the first time in the political process, it is at the mercy of — rather than dictating — events. With the IRA decommissioning last year and the IRA statement, what cards has it left to play? If it does not like our terms for a return to government, what options does it have? Going back to war? Even if it could, it would be politically destroyed with no hope

of future success. Concentrating on elections in the South until next May is purely a short-term option until Sinn Féin discovers that it is still a fringe political party with limited influence in the Republic of Ireland.

Ultimately, Sinn Féin and the republican movement have no option but to support the rule of law. As a political movement, it has nowhere else to go — a fact that must be recognised by the leadership. However, that process could take a long time. On the issue of progress towards support for the rule of law, in recent times the record of Sinn Féin has been mixed. I believe that it would be a mistake to dismiss entirely some of the comments that have been made by senior republicans, which demonstrate an inching in the right direction. For example, Gerry Adams has said that four men who failed to appear for sentencing at a Belfast court should have turned up, and he appealed to them to do so. That is progress. So too is the denunciation by Martin McGuinness of the vodka heist in the Republic. However, these are too little, too late.

What is now required is not inch-by-inch movement, or even small steps, but big jumps. On a few occasions, there has been some evidence of movement, however slight, but there is also the knee-jerk reaction and the reversion to the old mantra of “political policing”. The credibility of any positive signs was destroyed by comments such as Gerry Adams’s about Slab Murphy, when he said:

“Tom Murphy is not a criminal. He is a good republican.”

We have also seen, in recent days, the same kind of nonsense, both in comments from Martin McGuinness to the Secretary of State and, on the ground, from Sinn Féin councillors. We should not underestimate the task facing Sinn Féin to persuade its own core voters to support the institutions of the state — and it is the core support, not the wider nationalist or even republican constituency, that needs to be persuaded. I have little doubt that, even among Sinn Féin voters, there is an acceptance of the police force.

Where the problem comes is trying to persuade the people who the republican leadership has indoctrinated for the last 30 years that the time has come to change. The republican leadership has created a monster that it is now having to deal with. As one republican put it, the difference between the Stickies and the Provos is about 25 years.

It is one thing to persuade its members to bring their criminal activity to an end; it is quite another being prepared to turn them over to the police if they do not, but this is the kind of action that is required if people are to be persuaded that things really have changed. I fear that, for too long, Sinn Féin has assumed that this issue would go away or that difficult decisions could be avoided. If we were to turn a blind eye now to this, when would we ever be able to deal with it?

The challenge of persuading those who have lived on the margins of criminality for a generation to move away from it will not be easy, but it must be done. Mr Deputy Speaker, I wish to congratulate all those who have played their part in the process of producing this report. If this report has achieved nothing else, it has highlighted an issue that must be resolved before devolution can be restored. For that reason, I believe that we can say that the work of the Committee over the summer has not been in vain. Whether or not Sinn Féin and the republican movement have the will or the desire to address that will become clear very soon. That decision will dictate, Mr Deputy Speaker, whether this debate represents, as Churchill might have put it, the end of the beginning or the beginning of the end of the Assembly. I welcome the report.

Mr A Maginness: I take this opportunity to thank everyone who was involved in the preparation of the report that is before the Assembly. I also take this opportunity to congratulate my sister in law, Arlene Foster, on the birth of her son. Perhaps I should have said: “my sister in the law”. *[Laughter.]*

There is some puzzlement on Dr Paisley’s face. *[Laughter.]*

I hope that her son will enjoy a peaceful childhood and an even more harmonious adulthood in which this society is truly reconciled through the mechanism of this Assembly and the other institutions of the agreement. That is the objective of the agreement, and it should be the objective of all Members.

Over the past two days, I have listened very carefully to colleagues on the DUP Benches. They may have misunderstood the name of the Committee, which is the Preparation for Government Committee, not the Preparation for Dissolution Committee. Given the comments made by members of the DUP, I sense an almost lemming-like approach to 24 November; that they are looking towards dissolution rather than restoration of the institutions. I hope that I am wrong.

I left the Chamber yesterday feeling rather pessimistic due to some of those comments, and I hoped that, today, I might be proved wrong and that I might be elated by the contributions of the DUP. However, I then listened very carefully to the contribution of William McCrea, which was full of emotional political froth, negativity, and absolutes. It seemed to be designed almost to wreck the process of restoration rather than to assist it. I do not believe that that is a constructive attitude for anyone in this Chamber to adopt.

2.15 pm

The SDLP wants to work with the DUP, with the Ulster Unionists and with Sinn Féin, which is absent today. I do not understand why Sinn Féin is absent. If that party can work in the PFG Committee, and if it believes that that work is leading to some progress —

and I think that it agrees with that proposition — why do its Members not come into the Chamber and make a further contribution towards that progress? I simply do not understand Sinn Féin’s position, which is inconsistent and contradictory.

Sinn Féin is not the only party, however, that is being inconsistent and contradictory in this process. I have heard much about the rule of law from the DUP during this debate. I do not understand how the DUP squares that with its position of last September, when DUP members walked out of the Belfast District Policing Partnership in protest at police actions during the Whiterock riots. How is that compatible with the strict application of the rule of law? How does that uphold the authority of the PSNI in Belfast and throughout Northern Ireland?

There was an incident on the New Lodge Road at the weekend when a Sinn Féin councillor criticised the police for apprehending a joyrider, thereby — she said — causing a riot. What is the difference between her trenchant criticism of the PSNI and the DUP’s criticism of the PSNI? Indeed, the DUP walked away from an institution that is designed to monitor the police, to keep an eye on them and to ensure that they do their jobs properly. That is a contradictory and inconsistent position.

If the DUP is going to preach to Sinn Féin about this issue, it must look into its own soul. The DUP must regard not the mote in Sinn Féin’s eye, but the plank sticking out of its own eye. If the DUP is going to commit itself to criticising Sinn Féin, it must get its own act together on law and order. It seems to me that the approach that the DUP is taking is one of “our law and Orange Order”. That is partial support for the rule of law, which should be neutral and wholehearted. The DUP’s position is negative, and it is doing great damage to the entire political discourse on law and order.

I have heard DUP Members saying that if Sinn Féin signs up to policing, by joining the Policing Board, that would not be sufficient. What is sufficient? The DUP keeps creating more and more preconditions.

Mr S Wilson: I do not know whether the Member was present at the PFG Committee meeting when his party colleague proposed what he believed to be essential when signing up to policing. That is found at page 21 of the report, in paragraph 67: “The Committee considered a proposal that this Committee calls on all parties to recommend that people join the police, assist the police with enquiries including into organised crime, encourage people to participate in the policing structures and co-operate with other agencies addressing crime and organised crime.”

That was an SDLP proposal. That is what we mean by signing up to policing, and I thought that it was also what the SDLP meant.

Mr A Maginness: I am glad that Mr Wilson adheres to that proposal. However, I would like to see the DUP sticking to it. I agree with that proposal — so does my colleague, and my party. However, we are not saying that that is a precondition for the restoration of the Executive. That was not a condition in the old Executive; it should not be a condition for the new Executive either.

Mr Paisley Jnr: The Member says that it is not a precondition. In Saturday's 'Irish Times', his party leader was asked whether he was making Sinn Féin's endorsement of the police a precondition. He replied that, although "precondition" might not be his word, it was a political reality. The SDLP is stating that Sinn Féin's acceptance of the legitimacy of the rule of law is a precondition; the DUP shares that view.

Mr A Maginness: My party leader said, quite straightforwardly, that a party cannot continue to ignore policing arrangements if the integrity, stability and sustainability of the Executive as a political institution are to be preserved. The SDLP is not saying that that is a precondition; it is saying that Sinn Féin must, at some point, sign up to policing. If Sinn Féin does not do that, further instability will be created. The current levels of criminal and antisocial behaviour on our streets constitute a crisis that we cannot address fully until all parties support policing. That is the goal.

Sinn Féin has said, in Committee meetings and to the Secretary of State, that it will accept policing if two conditions are met: first, policing and justice powers must be transferred to the Northern Ireland Assembly; secondly, the Assembly and the Executive must be up and running. It is my understanding that Sinn Féin is not looking for anything else. If it is looking for something further, it should tell us, either inside or outside the Chamber.

At the Preparation for Government Committee meeting on Monday, Mr McFarland asked the Secretary of State about the Government's obligations in relation to policing. The Secretary of State replied that the Government had fulfilled their obligations and that the only outstanding issue was the implementation of the transfer of policing and justice powers. That implementation can only happen with cross-community support in the Assembly. All parties must agree that. That support must be won through all the parties entering into the argument.

The challenge for Sinn Féin, and for all of us, is to create a new dispensation in which we can grow together in harmony and peace, in a spirit of reconciliation. It is the view of the SDLP that that is the political goal that we should all set for ourselves. Let us forget about negative politics and abandon the emotional residue of the past in order to move on to new politics that we can build together in a coalition.

There has been much talk in the Chamber about voluntary coalitions. The previous Executive was a voluntary coalition.

Mr Paisley Jnr: It did not work.

Mr A Maginness: Why does the Member laugh?

Lord Morrow: Will the Member give way?

Mr A Maginness: Let me just finish my point. Nobody was forced to join the Executive. Joining that Executive was a voluntary act. Therefore, it was a voluntary coalition.

Lord Morrow: I thank the Member for giving way. Does he accept that a big shortfall was the fact that the previous Executive did not have the support of the Democratic Unionist Party, which is now the major party in Northern Ireland? Does he also accept that the previous Executive simply did not work? Why did that Executive break down on three different occasions?

Mr A Maginness: The previous Executive did not work because of external — not internal — politics. The DUP did not have to join the Executive, but it did so voluntarily. The DUP may not have attended meetings of the Executive Committee, but it took part in decisions and played its part in the Assembly.

Mr S Wilson: Will the Member give way?

Mr A Maginness: No, I am running out of time.

With regard to voluntary coalition of the type that has been suggested, the SDLP is a party of inclusion, not exclusion. Even if we were to accept the DUP's premise and join that coalition, how sustainable would it be? How stable would it be? One cannot exclude a substantial and significant section of political opinion and hope to have stable political institutions that encompass everybody. That is the reality of the situation. We are right in principle, and we are right in practice. The analysis is quite correct.

I come now to the vexed question of fifty-fifty recruitment to the PSNI. When the RUC was set up in 1922, one third of the positions was set aside for Catholics. That was a sensible idea, but, because of many political factors, it did not come into being. Nonetheless, that should be borne in mind. In relation to membership of the RUC — Lord Morrow made this point — Catholic representation, at its peak, was 11%. That was at a time of peace, so it is not simply a matter of intimidation. A mechanism is required to create a fair balance in the PSNI, and fifty-fifty membership is the way in which to do that. It is a derogation from the normal standard, but it is a temporary one.

Mr Kennedy raised the matter of RUC Special Branch. The SDLP was right to criticise Special Branch and to put great emphasis on that issue. Special Branch abused its power and caused serious problems for policing in Northern Ireland. If Members do not believe me, they should ask Jonty Brown.

Mr G Robinson: I want to commend all those who worked so diligently on the PFG Committee over the summer months and to welcome the report.

I shall restrict my remarks today to the problems of organised crime in Northern Ireland. That is influenced significantly by the involvement of paramilitary organisations, loyalist and republican. Their disciplined structures have allowed them to evolve into lucrative criminal enterprises and to utilise their terrorist expertise when required.

All paramilitary groups in Northern Ireland have been heavily involved in organised crime as a means of raising finance for their organisations and also for personal gain. PIRA is closely involved in cigarette smuggling and has hijacked a number of lorries in the past couple of years. The UDA, the LVF, the Red Hand Commando (RHC) and republicans have been deeply involved in the drugs trade. One loyalist brigade was paying another brigade £250 a week for permission to trade in its area. A loyalist gang from County Londonderry has been responsible for a number of robberies over the past few years, netting many tens of thousands of pounds. Last year, one building contractor was believed to be paying the UDA £2,500 a week in protection money.

The Independent Monitoring Commission has recognised the fact that organised crime is a major continuing legacy of terrorism, with some 60% of all organised crime gangs in Northern Ireland, and some two thirds of the most serious gangs involved in international activity, having paramilitary links. The IMC has pointed out that those paramilitary associations brought to organised crime a ruthlessness, expertise and infrastructure unique to Northern Ireland.

An indication of the proceeds of those crimes can be seen in the amounts of money involved when law enforcement agencies conduct successful cases — and those cases represent only a small proportion of all illegal activity. In 2001-02, HM Customs and Excise seized 88·5 million cigarettes in Northern Ireland.

2.30 pm

Fuel laundering plants that have been detected in Northern Ireland can produce up to 20,000 litres per week. The loss of duty to the Exchequer, from which the criminal profits, could be up to £90,000. Counterfeit goods to the value of nearly £7 million were seized in 2002. Tackling organised crime here is particularly difficult, given the sophistication of the criminals, including paramilitaries. There is evidence of the existence of highly developed methods of marketing, distribution and sale. The criminals are flexible and resilient. Some operations involve vast sums and the services of skilled lawyers and accountants.

The involvement of paramilitaries in organised crime is deep-rooted. It makes the threat of such crime

more complex and its impact more serious. It affects all levels of illegality, because organised crime depends on other criminal activity, such as the selling of drugs, illicit fuel and tobacco and the use of intimidation and violence to maintain the local control on which those activities depend. The funds that are secured from crime feed paramilitary groups.

In the year before last, the activities of 16 high-level, prolific gangs were frustrated, disrupted or dismantled, and 126 individuals were arrested. The majority of the gangs that have been identified in Northern Ireland's annual threat assessment report remain active. Violent crimes such as cash-in-transit robberies are on the increase, as are the so-called tiger kidnappings, which have a huge psychological impact on their victims and their families.

If we are to have a truly peaceful society, organised crime must be eradicated. The police and the authorities of law and order deserve the support of all elected representatives in their endeavours to stop that crime.

Mr S Wilson: The part of the report from the Committee on the Preparation for Government that deals with law and order issues is the most important that we will debate. Last week we debated the report on the economic challenges facing Northern Ireland. That was an easy subject to discuss, because everyone wants a share of economic prosperity. Of course, we were all asking the British Government to hand over money to do the job.

The issues in this report require some movement from parties in Northern Ireland. This is where local people have to divvy up. We have made it clear that, as far as we are concerned, these matters will be the bedrock on which we will have either strong and stable devolution or no devolution. It is as simple as that. For years we have tried to fudge the issue, mostly for the benefit of republicans. What is their attitude towards the rule of law, the police, policing structures and a proper democratic society? Every time, whether it has been local parties, the Irish Government, or the Westminster Government the issue has been fudged simply to allow Sinn Féin off the hook. Some people will praise the Ulster Unionist Party for that, but some will condemn it. Many times the UUP took a step forward or jumped over the edge of the cliff hoping that others would follow, and every time it was let down.

The electorate has put the DUP in the position of either acquiescing and letting devolution happen, or of withdrawing support and not letting it happen. I am sure that party colleagues have put repeatedly on the record that we want devolution to happen.

It must happen in a way that will ensure that it can be sustained next year, the year after that and the year after that. For that to happen, there must be unanimous support for the police.

During the summer, the PFG Committee dealing with law and order met on Wednesdays, and I would challenge any Member to say that my party's representatives did not try to play a constructive role in achieving levels of agreement. Indeed, at times, the DUP members helped to pull the Sinn Féin members out of some of the holes that they were digging for themselves. On occasion, because it was a bit difficult for members from Sinn Féin to consent to unionist proposals, and we thought that they might come better from the SDLP, we told the SDLP members that if they were to take forward certain proposals, we would support them to see whether we could get agreement on some of the policing issues. Even that did not work.

The signs do not look good. Let us consider just two of the unsuccessful proposals. They were not put forward in an aggressive way by the DUP: the SDLP made them. The first, which is in paragraph 67 of the report, states:

"That this Committee calls on all parties to recommend that people join the police, assist the police with enquiries including into organised crime, encourage people to participate in policing structures and co-operate with other agencies addressing crime and organised crime".

Members cannot expect to become Government Ministers unless they support that principle. The only party that refused to support it was Sinn Féin. The Committee went further and said that Ministers should have to adhere to certain standards, one of which should be dissociation from criminal behaviour. The second unsuccessful proposal that I wish to highlight is in paragraph 70. It states:

"That this Committee believes that association with, or support for, those involved in criminal activity is incompatible with the holding of Ministerial office".

Which party opposed that proposal? Sinn Féin, of course.

I listened closely to the Member for North Belfast Mr Maginness, who talked about the report's being part of preparation for Government, but parties cannot say that they have prepared themselves for Government if they renege on those two important proposals which were put forward by the SDLP and rejected by Sinn Féin. Unless those who wish to participate in the process make a commitment to abide by those two principles, Government in Northern Ireland will never be sustainable.

That is why the signs are not good. It is not because, as the Member for Foyle Mrs Bradley suggested in her maiden speech, the DUP wished to drag its feet. It is not because, as the Member for West Belfast Alex Attwood suggested yesterday, the DUP is not up for power sharing, and it is not because, as has been suggested, the DUP is not prepared to take the plunge.

I noticed that, after my intervention, the Member for North Belfast Mr Maginness said that if we did not

achieve a commitment to policing, it would be a recipe for more and more instability. How can we hope for long-lasting devolved institutions if we choose a route that even those who criticise the DUP believe will create instability? It would be pointless to set up institutions that would be as unstable as those in the past. How could they work when those Members who want to be Government Ministers are not prepared to give their full support to the people who would have to uphold the laws that they would pass? How could they work if those Members are not prepared to dissociate themselves from those who are involved in criminal activity?

Mr D Bradley: I take it that the Member is dissociating himself from his party's past actions in challenging the rule of law. I am referring to the red beret brigade and to marching up and down hills in County Antrim, waving gun licences. I am also referring to the presence of one of the Member's colleagues on a platform with a member of the Loyalist Volunteer Force (LVF). Do I take it that that section of his party's past has been forgotten?

Mr S Wilson: For a Member of a party that tiresomely tells us that we must leave the past behind and look forward to the future, Mr Bradley has a great memory to drag up all of that. I am making it as clear as I possibly can that to participate in Government, Sinn Féin must support the police and dissociate itself from those involved in criminal activity. The Member should not try to cover up his embarrassment that his party is prepared to go into Government even when those conditions are not met, because he is afraid either that devolution will not happen and he may lose his job, or that he will offend Sinn Féin.

Our position is simple. You cannot have devolution, not because we say so, but because it will not work unless those conditions are met.

Mr Attwood: I submit to the Member that his position is somewhat inconsistent. Maybe he was on holiday or did not read the papers that weekend, but in the last 10 days the deputy leader of his party explicitly said that it was not a requirement for Sinn Féin to be on the Policing Board in order to have restoration of the Executive. Rather than berate Members on this side of the Chamber, I suggest to the Member that he has an urgent conversation with his deputy leader to clear up his quite evident confusion about his own party's position on Sinn Féin going into Government.

Mr S Wilson: I know the Member gets confused quite often, and I hope to have time to talk later about his confusion on the Policing Board. The current reason for the Member's confusion is that the deputy leader of my party has gone further and said that the sole requirement proposed by some people that being on the Policing Board makes a party eligible to be in Government is not sufficient. Supporting the Policing

Board or being on a district policing partnership is not sufficient. There must also be a commitment to going out to encourage others to join the police and support the police. That is the DUP requirement, unlike watered-down requirements proposed by others.

We will be doing Northern Ireland a disservice if we let Sinn Féin off the hook once again. It has been let off the hook time and again. If it wants to be in Government, now is the time to pay up. Credit has been extended to the party for far too long; it has been given tick for far too long. It will not get that any longer. It will have to pay up. It is important for the whole of society that Sinn Féin be pushed down that path. If Sinn Féin needs more time, it will get more time. If it has so poisoned the atmosphere in its own community that it cannot turn people around quickly enough, we will give it time to do that. However, we are not going to take that party on its word that when we have handed it what it wants on a plate, it will eventually have an Ard-Fheis and present the matter there.

Committee discussions over the summer indicated that it is not the DUP, but Sinn Féin, that has a long way to go. Much as my party dislikes the idea of having Sinn Féin in Government, and much as it will rankle with many people across Northern Ireland, if certain conditions are met, we will accept that the Executive will be inclusive, but we will not move from the conditions we believe to be necessary.

The Member for South Belfast Mr Attwood made a point about the timing of all of this. There was much discussion during the Committee about timing. The conditions are important, not the timing, and the SDLP has accepted that.

2.45 pm

The SDLP supported the Northern Ireland (Miscellaneous Provisions) Order 2006, which stated that the timing would be right when there was sufficient confidence for the First Minister and the Deputy First Minister to introduce a motion on the devolution of policing. The Assembly would then ratify that motion and the legislation would go through Westminster. That has been accepted, and no timescale has been set. It is disingenuous for the Member for South Belfast Mr McGimpsey to suggest that a two-year period has been accepted by the DUP. Of course, the Member renounced some of the policing arrangements that he had agreed to in the past, and I notice his dissociation with the Patten recommendations. However, I am not sure which of the Patten recommendations he supports and which of them he does not support. The one thing I do know — *[Interruption.]*

Mr McGimpsey: Will the Member give way?

Mr S Wilson: I think that the Member for South Belfast and the Member for North Belfast both want to speak. I was having a go at the Member for South

Belfast, and the Member for North Belfast wants to answer for him. That would be very unfair. The Member for South Belfast should have a chance to speak.

Mr A Maginness: Does the Member, together with the rest of his party, now disown the comprehensive agreement completely and absolutely? Was that what the DUP agreed to do when it signed up to it?

Mr S Wilson: I am very happy to defend what was said in that part of the comprehensive agreement, which makes it quite clear that there could be devolution of policing only when there was confidence. Rather than allow the British Government, the Irish Government, or any other outside party to decide when there was sufficient confidence, the DUP asked for a triple lock, which, fortunately, went through Parliament with the support of the SDLP. The DUP appreciates the fact that Mr Maginness's three colleagues in Westminster supported it on that and allowed the triple lock.

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

Mr S Wilson: The requirement for confidence has been accepted, and the DUP will have the final decision.

Mr Donaldson: This has been a lively debate and I welcome the opportunity to discuss the report in plenary session. As my comments will be the last of the day, I reiterate the thanks that have been conveyed already to the Committee staff and to all those who participated in its proceedings.

The DUP welcomes the publication of the report. The Committee has made some progress, and there is cross-party support on the modality for the devolution of policing and justice powers in that they will be devolved to a single Department. There is a measure of agreement on issues relating to ministerial arrangements, although further discussion is required. There is also significant agreement on matters dealing with the powers to be devolved, and the areas that will come under a new Department's remit. However, further discussion is also required on those issues. There is scope for further discussion on the timing of the devolution of policing and justice, because there is no agreement on when that should happen.

The timing of devolution is very important. Indeed, reference has been made to the comprehensive agreement, and I will read an extract from the preamble. It states that:

“Despite intensive efforts over a number of months and very considerable progress, not all elements were agreed.”

I do not think that any of the parties signed up to every single aspect of the comprehensive agreement. However, the Democratic Unionist Party does not resile from the main thrust of the agreement and the major changes required to the political institutions. The DUP believes that those changes will be delivered in the

fullness of time through the legislative process at Westminster. The DUP does not resile from the timetable contained in the comprehensive agreement on policing and justice.

I listened to the comments made by the Member for South Belfast Mr McGimpsey, who has inferred that somehow the Democratic Unionist Party had signed up to a two-year time frame for devolution. That is simply not the case. If Mr McGimpsey looks at the timetable that forms annexe A of the comprehensive agreement, he will see the following:

“British Government introduces legislation giving effect to devolution of criminal justice and policing. Legislation to come into effect once sufficient confidence has been established, as expressed in a cross-community vote in the Assembly, proposed by the First and Deputy First Minister.”

There is no mention of a specific time frame. The devolution of policing and justice is conditional on confidence rather than on a time frame. Those commitments are secured in the Northern Ireland (Miscellaneous Provisions) Act 2006, and the triple lock to which my colleague the Member for East Antrim Sammy Wilson referred is now enshrined in that legislation.

In effect, that means that the DUP and unionism do not have to sign up to the devolution of policing and justice, and see that legislation given effect, unless we are satisfied that sufficient confidence exists in the community, which must be verified by a cross-community vote on a proposal put to the Assembly by the First Minister and the Deputy First Minister. Parliament would then give effect to the legislation by way of an Order being passed in both Houses.

A number of safeguards ensure that the Assembly has control over the timing of the devolution of policing and justice powers. The DUP did not fall into the same trap as others did in the past. I have a copy of the agreement that Mr McGimpsey's former party leader, David Trimble, entered into with Sinn Féin and the Government in October 2003 that specifies that devolution should take place at the mid-point of the Assembly. Had that timetable been followed, the devolution of policing and justice would have happened by now. The DUP will not make the mistake of being tied to a timetable. It is important that the conditions are right: Sinn Féin must have endorsed the police and the rule of law, and there must be sufficient time to judge whether its commitment is genuine and unequivocal. Then, and only then, will the DUP consider whether the conditions are right for the devolution of policing and justice powers.

In that sense, the DUP has served the community well by ensuring adequate safeguards. Policing and justice are big issues: rest assured that, nine times out of 10, the lead news story on the radio in the morning will relate to either a policing issue or to a justice issue.

No other subject that will come under the remit of the Assembly is potentially as controversial. That is why it is essential to get this absolutely right — the Member for East Antrim was absolutely correct — and that is what the DUP is determined to do. The DUP does not want to leap into agreeing to the devolution of policing and justice only to discover that it got it wrong, that the timing was wrong or that there was not sufficient confidence.

The Member for North Belfast Mr Maginness told the DUP that a requirement for Sinn Féin to sign up to policing and justice should not be a precondition to the devolution of powers. However, in the DUP's experience, unless Sinn Féin has signed up to something before a move is made, there will be a long wait for it to sign up afterwards. Let us learn from past mistakes, when people leapt into Government only to discover that they had leapt over the precipice and there was nothing below. That is why it is essential to pin down Sinn Féin on this issue.

(Madam Speaker in the Chair)

After all, when it comes to prerequisites, preconditions, and so forth, the SDLP is a past master: for years, it would not sit on the Police Authority for Northern Ireland because the conditions were not right. I doubt whether the SDLP would have signed up to the Belfast Agreement had it not been for the inclusion of the elements that led to the Patten Report. Those were the SDLP's preconditions and prerequisites. Yet the SDLP tells the DUP that it cannot have any prerequisites or preconditions.

It tells us that we should put blind faith in Sinn Féin, that one day it will come good and sign up to policing. I am sorry, but experience tells us that it is better to have such matters firmly tied down and unequivocal commitments made, rather than go into a situation where those may not be achieved for some time. I agree with the Member for East Antrim: it is unsustainable to have Ministers in Government who do not accept the rule of law and who are not prepared to support the police. That would not happen in Dublin, London or Washington. Why should it happen in Belfast? That is why it is important to get that right.

The Member for South Belfast Mr McGimpsey berated the Democratic Unionist Party about there being, potentially, a Sinn Féin Minister in charge of policing. What is the difference between policing the streets and being in charge of the education of our children? Does the principle of the rule of law not apply in that situation? Of course it does; yet the Ulster Unionist Party was in a Government in which Martin McGuinness, the Member for Mid Ulster, was Minister of Education. The rule of law did not matter much to that party then.

The Ulster Unionist Party has berated the DUP about the comprehensive agreement. However, it has the potential to create greater accountability in the political institutions. Everyone must welcome that. It repairs some of the damage that was done and the mistakes that were made in the Belfast Agreement: it is not mere tinkering. As the Member for Foyle and leader of the SDLP said in a recent statement, contrary to what the Secretary of State — whom I will not name, so as to keep on the right side of you, Madam Speaker — has claimed in the House of Commons, the so-called comprehensive agreement does not provide for “mere tweakings” of the Good Friday Agreement. In other words, as the leader of the SDLP accepts, the comprehensive agreement brings about major, substantial changes that will be of benefit to Members. Indeed, the hon Member for South Belfast might have seen the new maternity hospital located in his constituency had there been the level of accountability in the last Assembly that there will be in the next one. The Assembly said that the maternity hospital should be located in south Belfast. However, the Minister decided that it should go to west Belfast. That is why there must be accountability.

Mr McGimpsey: The matter of the location of the maternity hospital was subject to a vote in the Assembly. My recollection is that the Minister won that vote. I agree with the Member’s remarks. However, the Minister was able to get support for that.

Mr Donaldson: I was not a Member of the Assembly at that time, but my recollection is that the Committee for Health, Social Services and Public Safety voted in favour of the Jubilee Hospital. The Minister, however, issued a directive over the heads of the Assembly and went against the wishes of the scrutiny Committee.

I congratulate the Member for Foyle Mrs Bradley on her maiden speech. She cited a long list of laws that the Assembly could change. I agree with her and look forward to the day when some of those judicial laws could be changed with regard to dealing with offences. She blames the DUP for the inability of the Assembly to do that. My party supports the police and wants there to be devolution of policing and justice. Sinn Féin does not support the police and blocks the creation of circumstances in which there could be devolution of policing and justice powers. I want to clarify that my party does not stand in the way of devolution. The DUP is a devolutionist party. It wants the Assembly to be fully functioning. It is worth bearing in mind that the unionist Government of 1972 resigned because their policing and justice powers had been removed. The DUP wants those powers to return to Stormont, but only in the right circumstances.

3.00 pm

Mr Attwood: If the Member supports the police, perhaps he will respond to Alban Maginness’s comments

about elements in the DUP and in the Orange Order — of which Mr Donaldson is a member — who failed to support the police and to dissociate themselves from criminal behaviour last September. I ask so that there will be no ambiguity on the matter. Will the DUP dissociate itself from anyone in its organisation who acted in such a manner?

The Member said that he expected the comprehensive agreement to be legislated for. Given that this is an important matter, and in advance of the negotiations on 11, 12 and 13 October, will he confirm to the Assembly that the DUP has a commitment from the British Government to legislate for the comprehensive agreement, independent of whatever transpires in St Andrews?

Mr Donaldson: I thank the Member for West Belfast for his intervention. I condemned the acts of violence that took place last summer. The DUP met with police commanders and, where we felt that the police had acted inappropriately, we said so, and where we felt that there had been violence against the police, we condemned that unequivocally and will do so again.

The Member for West Belfast supports the police in principle, but he is always quick to criticise when he feels that they have stepped out of line. Does he not accord the same privilege to other Members who, when they feel that the police have got it wrong, tell them that they have got it wrong? Every Member should have that right.

With regard to the comprehensive agreement, the Secretary of State has said publicly that he will introduce legislation in the autumn to give effect to changes that are required to make the institutions more accountable. The DUP welcomes that. I hope that we can make further progress, but the obstacle to that progress is the party that is absent and its failure to fully engage on this issue. Sinn Féin stated that when it got legislation on policing and justice, it would call an Ard-Fheis and make a decision to support the police. That legislation is in place, so what is holding it back? Why is it delaying? Why will it not step over the line, embrace democracy and the rule of law and join the rest of us in building a better future that is based on respect for that rule of law?

Question put and agreed to.

Resolved:

That the Assembly approves the second report from the Committee on the Preparation for Government, on Law and Order Issues; agrees that it should be submitted to the Secretary of State for Northern Ireland and, pending restoration of the Institutions, calls on the Secretary of State and others to address those matters identified in the report as requiring resolution or further discussion.

Adjourned at 3.02 pm.

THE ASSEMBLY

Tuesday 26 September 2006

The Assembly met at 10.30 am (Madam Speaker in the Chair).

Members observed two minutes' silence.

ASSEMBLY BUSINESS

Madam Speaker: In accordance with the Northern Ireland Act 2006, the Secretary of State has directed that the Assembly should sit on Tuesday 26 September 2006 at 10.30 am to consider business as it appears on the Order Paper.

THE LATE MR MICHAEL FERGUSON MLA

Madam Speaker: Members, it is my sad duty to inform the House of the death of Mr Michael Ferguson, a Member for the West Belfast constituency. In accordance with convention, as a mark of respect for Mr Ferguson, the sitting will now be suspended until 11.00 am.

The sitting was suspended at 10.33 am.

On resuming (Madam Speaker in the Chair) —
11.00 am

ASSEMBLY BUSINESS

Madam Speaker: Before today's business, I wish to address the issue of references to members of other elected chambers. Members will recall that, on Tuesday 12 September, I drew attention to a convention previously observed by the Northern Ireland Assembly.

For the information of the House, I will quote the words of the former Speaker, which can be found on page 77 of the 'Northern Ireland Assembly Companion'. In referring to comments made on the Floor about two Northern Ireland Members of the European Parliament, which were capable of being construed as personal criticism, the former Speaker said:

"It is generally accepted in most responsible elected bodies that Members should not comment on Members of other elected chambers, not least because those Members are not present to defend themselves."

I would also refer Members to the twenty-third edition of Erskine May, which refers, at page 439, to the need to guard against all appearance of personality in debate. I believe that it is appropriate for the Assembly to adhere, where possible, to the guiding principle of guarding against the appearance of personality in debate.

In reminding the House of this principle, and given the range of issues that emerged in the ensuing exchanges with Members, it is apparent from Hansard that the issues on which I sought to offer guidance became less than clear. I would like to take this opportunity to restore some clarity by dealing with each of the areas of apparent confusion in turn.

I will turn first to the issue of naming officials. It has been the convention in the Chamber that references to civil servants should be to an official position and not to a named individual. Indeed, Members may recall that I drew this convention to the attention of the House on 5 June 2006, when I reported that the head of the Civil Service had agreed that Northern Ireland Civil Service officials would attend relevant debates and sit in the officials' boxes.

With regard to the comments about members of other elected chambers, I have already referred to the background of the existing convention. The convention appears to be more concerned with the avoidance of comments that could be interpreted as being of a personal nature, and to be closely associated with the importance of maintaining the dignity of the House. It is clear that critical comments of a personal nature are equally out of order whether the reference is to a named individual or to that person's official title.

The two earlier rulings may have become confused, particularly the misconceptions that arose about the use of names. This confusion then became further compounded by reference to "other elected chambers" and "criticism of Ministers", to which I will now turn.

Always mindful of the dignity of the House, to which I have already referred, it would seem that the proper role of Members of this Chamber would be to comment on, and challenge, the policies of the Government and its Ministers — whether by name or office — in the interests of the electorate. As Speaker, I can think of many occasions since 15 May 2006 on which this has been the case, and I consider that it is perfectly in order for Members to do so.

In the same context, and subject to it being relevant to the business being conducted, I would not generally consider it to be out of order for a Member to comment on the policies of the Government of any country in the world. In so doing, references might properly be made to particular Ministers or, indeed, to the heads of those Governments, with regard to the policy in question.

However, what I would not consider to be in order, in relation to remarks about members of other legislatures, is where comments stray into the arena of personal insults, vitriol or invective.

I would have no hesitation in asking a Member to temper his or her comments where, in my view, a line has been crossed.

My original intention in reminding the House of our conventions stemmed from noting a number of references in the previous day's Hansard both to civil servants and to current and former Ministers, here and elsewhere. I therefore considered that it might be timely to draw attention to the earlier ruling.

I hope that there is now greater clarity about these issues. If Members continue to have concerns, or seek further clarity, they can be addressed through the usual channels or on advice from the Clerks in the Business Office.

I trust that those matters are now clearer. I shall move on.

SECRETARY OF STATE MOTION

Report on Rights, Safeguards, Equality Issues and Victims

Madam Speaker: The Business Committee has agreed that Members will be called to speak to the motion, according to the usual conventions, with an upper time limit of 15 minutes to be applied to all those called to speak. The debate will continue until all those who have indicated that they wish to speak have been called to do so. I intend to send a copy of the Official Report of the debate to the Secretary of State.

Motion made:

That the Assembly notes the work of the Committee on the Preparation for Government and the report on Rights; Safeguards; Equality Issues and Victims. — [*The Secretary of State.*]

Mr McCausland: In the elections to the Northern Ireland Assembly, the Democratic Unionist Party committed itself to seeking a fair deal. That principle of fairness is very much in keeping with the core principles of the document ‘A Shared Future’, one of which is equality. The work of the Committee on the Preparation for Government (PFG) was to scope and explore areas that needed to be addressed, and I wish to examine several of those this morning.

The first is the issue of victims. In the course of our discussions about victims, Sinn Féin attempted to remove real differences and to argue that the perpetrators were victims, just as much as those who suffered at the hands of the perpetrators. That position is dishonest; however, it is very much part of republican thinking, because there has been no remorse from the IRA, and there is certainly no sign of repentance. Furthermore, Sinn Féin continues to glorify and extol the role of the IRA in its terrorist campaign over the past 30 years.

Our position is absolutely clear. There is no correlation or comparison between, on the one hand, the terrorist who planted a bomb in a shop on the Shankill Road on a busy Saturday and was blown up by that bomb and, on the other hand, the innocent victims, including children, who were killed by that bomb.

The PFG Committee touched on the issue of the past and how to deal with it, and how to explore and remember the past. However, although those issues were raised, there was no agreement, in spite of the confusion on one occasion in the ranks of Sinn Féin. How can we hope to get to the truth when Martin McGuinness is bound by an IRA code of silence, and Gerry Adams cannot even remember being in the IRA. We may ask what his role was in the republican movement in west Belfast, for example, at the time of the Bloody Friday bombings, but we are unlikely to get much help from him in answering that question.

On the question of victims, the DUP put to the Committee the possibility of developing a border fund. Along the border are Protestant communities that suffered a campaign of ethnic cleansing by the IRA. Many of the victims were farmers and young Protestants, who carried on working on border farms, but who were selected by the IRA and murdered in order to drive the families off the farms. The way in which that was done was sustained, systematic and sectarian. The IRA took its terrorist campaign to every part of Northern Ireland, but that aspect was unique to border areas. Those communities that suffered in that way deserve special support to rebuild themselves.

For that reason, there should be a special border fund for those border communities that have been targeted by terrorists.

The PFG Committee touched on the parades issue; it is now quite a number of years since Sinn Féin started to agitate around parades of the Orange Order and other Loyal Orders. As part of its strategy of broadening the battlefield, the republican movement organised residents’ groups, orchestrated protests against parades, demonised orangemen, and cultivated a hatred of them. That cynical political decision was aimed at damaging the Orange Order, demoralising orangemen, dividing the unionist community and diverting unionists from other important work.

Today, we live with the legacy of Sinn Féin’s strategy, which claims main arterial routes as the property of republicans and demands that those who wish to use those roads seek Sinn Féin’s consent. There must be an end to the Parades Commission and the current processes. A new approach is needed, based on a shared future, that sees our main arterial routes as shared public space. Sinn Féin says that it wants to share Government with unionists, but at the same time refuses to share main roads with us. Sinn Féin has created a poison that pollutes the life of our society. If the desired stability and peace are to be achieved, that problem must be resolved.

‘A Shared Future’ envisages a society with equality at its heart. However, the Government continue to pursue policies based on inequality and discrimination, one of the most notorious examples of which relates to the funding of festivals, particularly in Belfast. For many years, the Government have given substantial annual grants to the West Belfast Festival. Indeed, one civil servant, whom I dare not name, told me that a way had to be found of “laundering the money” so that it would find its way to the West Belfast Festival — an organisation whose board reads like a who’s who of the republican movement.

Money also went to the Ardoyne Fleadh, which benefited from the renowned cultural skills of Eddie Copeland, and to the New Lodge Festival, which has

more than a nodding acquaintance with Sinn Féin. Over the years, millions of pounds have been handed over to those festivals, enabling a growth in infrastructure, expertise and skills that is not available to unionist communities. This has enabled the construction of other cultural projects that now operate almost, or entirely, independently.

The disparity in funding was brought to the attention of the Government, which, after years of prevarication, initiated a review. In the meantime, the Government decided to fund only those festivals that were already being funded. As a result, the three republican festivals were locked into funding and unionist communities were locked out. The equality implication of that decision was ignored. The review took several years, and throughout that period unionist festivals remained locked out while republicans were assured of continued funding.

Eventually a new, fairer system was introduced — something for which the DUP had lobbied for years — in which everyone was to be treated equally. However, that was not good enough for Sinn Féin. After both Gerry Adams and Gerry Kelly made their way to the Northern Ireland Office and met the Secretary of State, republican festivals received not only money from the new scheme, but additional money on top. Such arbitrary decisions, which give a preferential position to Sinn Féin, create anger and frustration.

Sinn Féin talks about equality, but is not interested in equality. Sinn Féin is interested only in patronage and preferential treatment. Despite its references to equality, the Belfast Agreement entrenched and increased cultural inequality — in fact, the agreement's section on equality is a prime example of inequality, as illustrated by the difference in funding between the Ulster-Scots Agency and Foras na Gaeilge. Since the creation of cross-border bodies, there has been a massive differential in the level of funding of the two cross-border language bodies, and year-on-year that differential increases. It has been suggested — and I have heard this from the former Department of Culture, Arts and Leisure Minister Michael McGimpsey — that the Ulster-Scots Agency was unable to spend its budget. That is a somewhat disingenuous comment, because from the time of the Belfast Agreement, there has been a substantial need within the Ulster-Scots community for funding for its projects and programmes. The problem did not lie with the Ulster-Scots community but with the way in which the agency was operated. It was also the result of Government policy.

11.15 am

A report that I submitted is included in the Committee's report. It is a copy of an internal Government memo that dates from before devolution, when the old Central Community Relations Unit (CCRU) directed

language and cultural policy. It was the Government's social engineering unit. In that memo, the Government set out how, on one hand, they wanted to depoliticise language, but, for political reasons, would give concessions on the Irish language to encourage Sinn Féin. At the same time, they would hinder the development of Ulster-Scots and, therefore, deny equality. The programme set out how that would be done. The policy shaped the cultural element of the Belfast Agreement. That is why it was such an unfair document.

The legacy of that discriminatory policy remains. In 2006, the budget for the two language bodies meant that for every £1 that was given to the Ulster-Scots Agency, Foras na Gaeilge received £6. In one year, that disparity amounts to around £10 million, which continues year-on-year. Moreover, the Ulster-Scots Agency has to pick up the tab for educational and other projects that Government Departments, such as the Department of Education, should fund but fail to.

Cultural equality requires much more than money. There is also the issue of broadcasting. The BBC provides extensive broadcasting in Irish and gives extensive coverage to Gaelic sports. The treatment of other cultural traditions, however, in particular Ulster Scots, has been paltry and sporadic. The BBC has deliberately attempted to conceal that. When it reported to the Council of Europe, it did so in such a way that was so misleading as to be dishonest. Indeed, the BBC eventually had to submit an amended report to the Council of Europe. That discrimination in language broadcasting, which is symptomatic of a deeper problem in the BBC, continues.

I am glad that the Committee managed to reach agreement on one issue, which was that of the UN Convention on the Rights of the Child, which sets out specific cultural rights for children and young people and puts those in the context of the education system. Those rights are implemented across some of the education sectors, in particular the Irish-medium sector, which is based on Irish cultural tradition, and the Roman Catholic-maintained sector, which also has an Irish cultural ethos. The cultural identity of schoolchildren in those sectors is affirmed through teaching and learning. However, in many controlled-sector schools, there is a different approach to cultural rights. As a result, children from unionist and Protestant homes, the vast majority of whom attend schools in that sector, are denied the cultural rights that the Irish-medium and Roman Catholic-maintained sectors have by a significant margin.

I am glad that the Committee agreed to call on the Department of Education to initiate a programme of work so that the cultural rights of children, as set out in the charter, are implemented and monitored across all sectors. That will require guidance for school governors, appropriate training for teachers and the production of

school resources. The overall responsibility for the implementation and monitoring of those rights lies with the Department. I hope that, in the light of that broad agreement, the Department of Education will face up to its responsibility. Whatever the culture in the home, whether it be Ulster-Scots culture or orange culture, children have a right to learn about that culture at school, just as other children have a right to learn about Irish culture.

I want to mention two aspects of cultural tourism and two organisations that are involved in its development and promotion. The Northern Ireland Tourist Board has the role of product development for tourism, but it has treated cultures other than Irish culture in a shoddy and shabby way and has failed to recognise their potential in the development of Northern Ireland's cultural tourism product.

International marketing is the role of Tourism Ireland. There is a vast potential market in America among the 20 million Scots-Irish Americans, just as there is an equally vast market among a similar number of Irish Americans. Only recently has Tourism Ireland taken its first tentative steps to look at that Scots-Irish American market. Northern Ireland's product development through the Tourist Board and the international market must be reviewed and reshaped to ensure that all its cultural divisions have a place within the cultural tourism industry and, through that diversity, ensure the product differentiation that is necessary in the marketplace.

The divisive nature of various aspects of Gaelic culture must also be considered. The Gaelic Athletic Association (GAA) is the governing body for Gaelic sports. It is unique among sports' governing bodies in that political aspirations and a political agenda are built into its constitution.

That agenda is nationalist, and that is why grounds, clubs and competitions are often named after republican heroes. A primary school in west Belfast has even named its club in honour of Bobby Sands. That sets him up as a role model for children.

During the recent debacle when Sinn Féin staged a rally in Casement Park, Francie Brolly defended his party's position by saying that he did not understand how representatives from the GAA could say that it was not a political organisation. Casement Park was named after Roger Casement, not due to his hurling skills, but due to the fact that he was a republican icon. The old IRA paraded at the opening of Casement Park in 1953.

I urge the Sports Council for Northern Ireland and the Community Relations Council to work with the GAA to address the issue and to depoliticise the sport, shed the political baggage and become a genuinely sporting organisation like others in Northern Ireland.

Some items in the report deal with the differential in the voluntary sector's capacity in the two communities,

unionist and nationalist. There are some issues that recent reports from the Committee on the Administration of Justice (CAJ) and the Northern Ireland Council for Voluntary Action have attempted to disguise. I am glad that there is also agreement for a non-lottery funding source for those who have difficulty in securing lottery money for moral reasons.

The Committee on the Preparation for Government was asked to scope issues that needed to be addressed. We did that, but there was no agreement. There is a range of issues that the Government have tried to ignore and put on the long finger, but equality delayed is equality denied. We are not looking for concessions, but for equality.

Madam Speaker: Mr McCausland, your time is up.

Mr Nesbitt: I shall primarily address equality and human rights issues, and my colleague Mr Hussey will address the equally important subject of victims.

Recently, CAJ — a body that has had much to say on equality over the years — launched a report entitled 'Equality in Northern Ireland: The Rhetoric and the Reality'. The first sentence of the report states:

"Issues of equality and non-discrimination have fed and fuelled the conflict in Northern Ireland over the decades."

Much has been written to support the notion that equality and rights have been central to the problems in Northern Ireland. Therefore I welcome the motion. It is important that we discuss this matter, but I regret that Sinn Féin is absent.

Equality and human rights are sensitive topics. As Sir Walter Scott said:

"Oh, what a tangled web we weave, when first we practice to deceive!"

I see much deceit in the equality statements. I am also struck by the comment attributed to Benjamin Disraeli:

"There are three kinds of lies: lies, damn lies, and statistics."

If you combine statistics with a tangled web, you end up with a sensitive issue called "equality". What can we say about it today with reasonable objectivity? Prof Eithne McLaughlin and Neil Faris were appointed to conduct a review of equality policy in Northern Ireland. They concluded that Northern Ireland was internationally unique in that it has one of the most rigorous, strenuous and legalistic equality processes anywhere in the democratic world. An article in 'The Irish Times' some time ago described Northern Ireland as the consultation capital of the world, such is the intrusive nature of the equality agenda in our society.

In the preparation for Government in 1997, it was concluded that the consultation was required as there was a lack of employment opportunity and a need to promote equality and to combat discrimination. Indeed, the Queen's Speech of 14 May 1997 heralded that the

new Government would take measures to combat discrimination in the workplace.

There is a clear motive for Government policy and section 75 to show the need for equality of opportunity, equality impact assessments and equality schemes. How do we know whether there is equality? UNISON and CAJ, the two bodies that organised last Friday's seminar, said that the unemployment differential was a clear measure of discrimination and must be addressed. The SDLP and Sinn Féin were also clear about that. In the booklet published last week, CAJ said that success in eliminating the unemployment differential was the acid test of the commitment to equality. It remarked that the Department of Enterprise, Trade and Investment (DETI) and Invest Northern Ireland (INI) had not delivered on the equality commitment to eliminate the unemployment differential.

I do not want to get into statistics, but I want to place on record my belief that the argument put forward by CAJ in the 1990s, and in the booklet published last week, are based on fundamentally flawed statistics and cannot be used as an measurement tool to assess whether Government are delivering on policy. I challenge CAJ today. Why? I do so because, three times over the summer, I wrote to that organisation about a wider human rights issue — I still await a response. I presented a 30-page statistical analysis to the Committee and during meetings, I challenged parties, particularly Sinn Féin and the SDLP, to meet with me to discuss the issues. I am still waiting for a response.

Mr Robert McCartney: Will the Member give way?

Mr Nesbitt: If I give way, will I be allowed extra time? Yes.

Mr Robert McCartney: Does the hon Member agree that Sir Robert Cooper and other members of the Fair Employment Agency (FEA) repeatedly confirmed that discrimination and lack of equality were absolutely minimal factors in any disparity between Catholic and Protestant unemployment?

Mr Nesbitt: The evidence shows that those had no direct relevance whatsoever to the unemployment rates in the 1990s.

It is annoying that Sinn Féin said that I have a "flat earth" policy, and an SDLP member said that my writings on the matter rival the best-selling book, 'How to lie with statistics'. Those who made such statements should step up to the plate and discuss the matter with me.

I recognise disadvantage in Northern Ireland, and I have always said that it must be addressed. However, let us be honest with ourselves about some of the data. Let us take the example of INI and the report it published yesterday. Of course, there is more assistance to the east than to the west, but there is a

greater population in the east than in the west. In fact, spending on assistance per head of population is much higher in the west, at £1,273, than it is in the east, where it is £1,200. Similarly, more is spent on foreign direct investment (FDI) in the west than in the east.

CAJ cited the fact that far more is spent in South Belfast than in West Belfast. However, 30% of the spend in South Belfast was put towards centres of excellence at Queen's University to enable more research to be carried out. As Dr McDonnell pointed out two weeks ago, such research will not only benefit South Belfast, but all of Northern Ireland.

People often use parliamentary constituencies as a comparator for employment figures. However, that is not a good comparator — travel-to-work areas often cut across parliamentary boundaries.

Of the 37 foreign companies investing in Northern Ireland, 74% were in New TSN areas, almost matching the target of 75%.

The Government are silent on the issue. They crouch so low below the parapet that they are virtually non-existent. They need to step up to the plate and make it clear that the analysis of the 1990s was wrong and that there is equality of opportunity in recruitment. An FEA booklet provides evidence of that, using the benchmark of social mobility and showing that in the 1990s — at the very time when the Government set out to combat discrimination — religious base had no bearing on recruitment. Regrettably, the UK Government have failed to come up to the mark — never mind the foreign Governments that you, Madam Speaker, have asked us not to mention.

I turn now to human rights. We have had a conflict in Northern Ireland. Often, in addressing that conflict, international standards are mentioned. We must understand and observe human rights; that is a central plank of a modern democratic society. However, when war broke out in the Middle East this summer, Dermot Ahern said that Israel must abide by international law. On 18 July, he maintained that Israel must abide "strictly" by that law. The Prime Minister Tony Blair, the Foreign and Commonwealth Office Minister for the Middle East Kim Howells, and even Sinn Féin have said the same: Israel must abide by international law.

11.30 am

Sinn Féin often waxes eloquent on what should be done abroad. In the Committee on the Preparation for Government, I challenged Sinn Féin members to tell me whether their party would subscribe to the principles of international human rights law in the context of Northern Ireland. The answer I received was fudged; it was no answer. When Gerry Adams went to the Middle East, he spoke of principles that applied not only to the Middle East, but to Northern Ireland. He stated that there should be respect for human rights and

international law. I put it to Sinn Féin in Committee, and I say again today, that if Sinn Féin had respect for human rights and international law, this would not be a shadow Assembly but a full and functioning one.

Sinn Féin walks the world stage pretending to be moderate, modern and internationalist. It pretends to champion human rights. However, at the very core of that party is a form of aggressive nationalism and a lack of respect for the institutions of state that has been rejected everywhere in the democratic world.

Where are the Government? They have made an interesting statement. They have asked Sinn Féin to draw a distinction between constitutional and practical policing; at one stroke, the Government have undermined their commitments to international obligations. They are playing fast and loose with the democratic values needed to underpin any stable settlement in Northern Ireland. With regard to human rights and equality, stark questions must be asked.

How is it that the UK Government expect unionists and nationalists to sit in an Administration with Sinn Féin, when they themselves have undermined the necessary ingredients for a stable, functioning Administration to exist in Northern Ireland? I am being penalised because Sinn Féin does not abide by standards of international democratic practice. The party I represent signs up to all these standards; Sinn Féin does not.

Yesterday, the Chancellor of the Exchequer Gordon Brown said that all in our country are to play by the rules. The United Kingdom is a member of both the Council of Europe and the European Union. When one is in a club, one plays by the rules. However, the United Kingdom Government are not playing by the rules, and Mr Brown's statement is not relevant to Northern Ireland.

I read thoroughly the words that were carefully crafted by Dr Seán Brady, Archbishop of Armagh, and, I regret to say, they did not match up to the international standards that are meant to apply in a democracy.

Mr Robert McCartney: What did he say?

Mr Nesbitt: I have said all that I wish to say in 14 minutes.

Some Members: Hear, hear.

Mr Nesbitt: I have been asked to tell what the archbishop said, and I will do that in the minute of my time that remains. I request some latitude, because Mr McCartney has requested that I tell the House what the archbishop said. He said that those people who tolerate criminality are incompatible with those who have responsibility for Government. That implies that if one does not have a responsibility, the toleration can be wavered. He also said that where there is a commitment to the institutions of policing, there should not be a problem in the formation of the

Government, especially if that Government do not have policing responsibility. Dr Brady's implication there is that we should form the Government now, and the commitment will be given and then, possibly, delivered.

My problem, Madam Speaker, and I finish on this —

Madam Speaker: Mr Nesbitt, your time is over.

Mr Nesbitt: Will you not give me another 30 seconds to respond to Mr McCartney?

Madam Speaker: Mr Nesbitt, your time is up.

Ms Lewsley: I preface my contribution by thanking the Committee Clerks for the hard work, commitment and professionalism they showed during the PFG Committee meetings, and for the endurance that they demonstrated during the debate about two boxes, particularly. I also thank the Hansard staff for their professionalism and commitment, especially considering that it was the summer holidays and the team was 12 short.

The fact that all the parties got round an oblong table — not a round table — at the beginning of the proceedings was progress, as was their achieving consensus on nine proposals or basic principles. Sadly, that consensus was turned into censorship by Sinn Féin just over a week ago when it vetoed the opportunity for many of the political parties — including some of its own members who attended the meetings during the summer and who gave their time and commitment, none less than the late Michael Ferguson — to engage in this debate, and, worse, the right to have the report printed. Sinn Féin's excuse for that action was that it was not taking part in any Hain talking shop. However, in the comprehensive agreement, that same party, along with the DUP, agreed to a shadow Assembly that was nothing more than a Hain talking shop.

I welcome the opportunity to speak in the debate, and I will touch on many of the issues that were debated in the PFG Committee. The issues debated in the Committee were not contributory to suspension, and, therefore, should not be viewed as preconditions to the restoration of the Assembly and its institutions.

The first proposal or basic principle agreed by the PFG Committee was the need for a bill of rights. All parties in the Committee agreed to follow agreement on that proposal with a half-day seminar on 5 October 2006, which will be facilitated by the Human Rights Commission, and that must be seen as progress. The SDLP, like many other parties, wants to see the best possible bill of rights for Northern Ireland, one which reflects socio-economic rights as well as political rights.

Above all, we want a bill of rights that everyone in Northern Ireland can buy into, so that rights are not solely for nationalists or for unionists but for every individual. The best way to reach agreement on a bill

of rights is through a round-table forum that involves the political parties and civic society. The chairperson of that forum should be someone of international standing, appointed by the two Governments, and able to choose his or her own independent secretariat.

The round-table forum should report its findings to the Northern Ireland Human Rights Commission, which, in turn, should report to the Secretary of State. The Human Rights Commission should also, at the request of the chairperson, contribute to the round-table discussions. The SDLP would like that round-table forum to be set up straight away. Members should remember that the DUP and Sinn Féin agreed, as part of the comprehensive agreement, that that forum should be set up.

We, and many other parties, have lobbied direct-rule Ministers, past and present, to get the round-table forum up and running. While the SDLP supports a bill of rights for Northern Ireland, we also want to see an all-Ireland charter of rights, which would be at the cutting edge of rights in Europe. It is also important that any future Administration engage the help of the Northern Ireland Human Rights Commission to rights-proof any policies and legislation throughout all Government Departments.

I want to make three points on equality, the first of which is the issue of need. The Good Friday Agreement is clear that need must be targeted objectively. If real need is targeted, all communities — Catholic or Protestant, unionist or nationalist, or from any other background — will be enhanced. There is also an opportunity for perceived need to be dealt with.

I know that there is educational underachievement in Protestant communities. The SDLP believes that, by tackling that need, that issue will be addressed. However, the proportion of Catholics who leave school with no qualifications is higher overall, and that is a fast track to unemployment. Therefore, it is important that that problem also be tackled on the basis of need. I welcome the proposal on that matter that was agreed by the Committee.

Secondly, there can be no regression in equality laws. Those laws are a given, and the SDLP will consider opportunities to enhance them. However, we will not support any dilution of those laws. An integrated equality agenda is needed, and that should be brought about through a single equality Bill that harmonises our laws upwards as far as practicable. During the lifetime of the previous Assembly, its two junior Ministers hoped to take Northern Ireland into the lead with a single equality Bill. Unfortunately, because of EU regulations on age and sexual orientation, the Assembly had to defer that Bill. I hope that that matter can now be moved forward.

Equality of opportunity can be created through the realisation of the promise of section 75 of the Northern Ireland Act 1998. In order to do that, the standard of equality impact assessments must be improved. Often, they lack statistics and rigour, and they should place greater focus on key policies. A strategy for the implementation of section 75 would be helpful.

Thirdly, the commitment to the eradication of unemployment differentials referred to in the agreement must be realised. The unemployment differential in 1971 was 2·5; it has now been brought down to 1·8. I want any differential to be eradicated.

Mr Nesbitt: Will the Member accept a point of information?

Ms Lewsley: Yes.

Mr Nesbitt: Between 2·5 and 1·8, the employment differential was as low as 1·6, and is now up to 2·1. It moves and varies over time. There are two ways of measuring the unemployment differential: one is a ratio, and one is an absolute gap. I support the latter and not the former, which is statistically flawed.

Madam Speaker: There is no such thing as a point of information, Mr Nesbitt. However, I am sure that Ms Lewsley accepts your comments.

Ms Lewsley: I gave way to what I regarded as an intervention.

As with unemployment, there are differentials in economic activity. There are many unemployment black spots, especially west of the Bann. A process to deal with those problems must be introduced, and the Government must also take responsibility centrally to ensure that differentials in housing allocations are dealt with.

11.45 am

Progress has been made; however, there is more to do. As well as being a right in principle, equality of opportunity will help to build a more harmonious and cohesive community.

Creating a shared future is the purpose of any peace process and is about equal citizenship and human rights for all. All public goods, services and facilities should be accessible to everyone. A shared future should be about living, working and playing together. When making policy, a new Executive must take account of 'A Shared Future' and give it their full support.

As things stand, those who are intimidated, rather than the perpetrators of that intimidation, are moved on. It matters that people are frightened when they go through our city and town centres at night and that flags and murals — and, more recently, football regalia — intimidate people. Such attacks cannot be justified, nor can the failure to reach political agreement.

'A Shared Future' cannot be seen as a small, side policy; it must be a major structure of Government.

That means opposing all forms of sectarianism and taking a firm stand against all that is said and done in a sectarian way, rather than explaining, minimising or making excuses for sectarianism. It means removing flags from all public properties.

The Committee heard about the building blocks of 'A Shared Future'. There are many such building blocks; for example, good relations. Good relations must be the mainstay of central Government and their Departments, as it must be of our current councils and the new ones that will emerge from the Review of Public Administration (RPA). Good relations should be implemented as a key part of section 75 alongside the new power-sharing arrangements that will promote working partnerships when the RPA is put in place. Good-relations committees have been set up in most councils; however, a few have yet to be established, some are working while many are not, and some are paying lip service to the idea. All our councils must reach a standard, and it is particularly important that political parties on councils sign up to the concept of good relations and ensure its delivery.

In trying to reach a compromise, we need to understand respect and diversity. As I said, good relations can help to achieve that. We have talked for a long time about a shared future, and it is time that we made that talk a reality.

The SDLP believes that, on a moral basis, we must leave the past behind. There is a danger in our society if we do not face up to that past. Moreover, it is deeply unfair to deny victims the truth, if that is what they seek. It is also important that the language used is more sensitive to the needs of victims and survivors. The very least that those people should expect from us is the acknowledgement of their terrible loss and a commitment to ensure that they do not carry the burden of remembering on their own.

More can, and must, be done to address the needs of victims and survivors of conflict. As we rebuild our society, they struggle to rebuild their lives. The SDLP wants a greater platform for victims so that their needs can be articulated and their stories heard and acknowledged. It wants to ensure that any process for dealing with the past is victim-centred. That is why my party supports the role of the Interim Commissioner for Victims and Survivors, although the manner of the appointment of the person in that post was unfortunate. My party also supports the establishment of a victims' and survivors' forum.

The Committee agreed the proposal to make victims' needs a priority in the Programme for Government. Through that, we will have the opportunity to address how services for victims can be improved and better compensation payments given to those who have received little or nothing. Funding has often been

mentioned. Only last night, those in a meeting of a victims' group in north Belfast asked why £3.3 million has been given to loyalist communities to remove murals from walls, given that that group often finds itself scraping around for funding to help victims. The entire sector needs more focused funding. Funding should be more flexible, as some victims are now elderly and their needs may have changed. For example, they may have mental health issues or problems with dementia.

A strong monitoring role is needed to oversee how money is spent and to assess its impact. That should be reviewed regularly to ensure that the funding targets those most in need.

Victims have told me that the restoration of the Assembly is important, as it would give them the opportunity to talk more freely about the issues that concern them, as well as greater access to Government. Any future Government should ensure that victims' needs are centred, rather than policy-driven, so that those needs are taken into consideration. Services must be monitored and matched to need. The Interim Commissioner for Victims and Survivors could carry out that monitoring role.

The commissioner's office should be a one-stop shop where victims can get direction on the issue that concerns them. Services must be equitable across Northern Ireland and across all age ranges. I commend the commissioner on her latest report, 'A Forum for Victims & Survivors: Consultation Responses', which is a summary of feedback from consultation seminars on the role and purpose of victims' and survivors' forums. It represents the voices of victims and survivors, not that of the commissioner.

Lastly, Madam Speaker, I would like to address the issue of the disappeared. The British Government recently responded to a series of recommendations on the disappeared made by the independent Commissioner for the Location of Victims' Remains. Although that announcement is welcome, it is long overdue. The SDLP has already expressed its concerns about the delay and is pleased to see the commitment being made at last that there will be a liaison officer for the families; the Committee agreed that in principle.

There must be a renewed will to find the bodies. Some people mistakenly believe that everything that can be done has been done; that is simply not true. No amount of good work by Governments will make up for the lack of co-operation shown by those in the IRA or INLA who were involved in those terrible crimes in the first place. Their victims' lives and bodies were stolen. If the perpetrators have any conscience at all, they must do everything they can to ensure that they do not rob the families of a Christian burial.

Some Members: Hear, hear.

Mr Ford: I join Ms Lewsley in expressing thanks to the staff of the Committee, the co-chairpersons, and the important people such as Hansard and the catering services who kept the work flowing over the summer.

Madam Speaker, the debate is supposed to be on a report of the Committee on the Preparation for Government. That Government will by necessity involve power sharing, so it is regrettable that much of the debate so far has actually concentrated on accusations in one direction or another about equality issues. Mr McCausland's speech was almost entirely about equality — or rather, his perception of Protestant inequality. He was backed up by Mr Nesbitt, who devoted almost all of his speech to the same topic. Ms Lewsley countered with her version of statistics, in a speech which at least covered rather more than the single issue of equality. It seems that the statisticians will have much work to do, and also, given the reaction in the Chamber, that it does not matter what they say, as we each have a set of inbuilt prejudices.

Mr Nesbitt: Will Mr Ford give way for a moment?

Mr Ford: Oh, give us a chance. *[Laughter.]*

Mr Nesbitt: Will he?

Mr Ford: I think that it is customary, Madam Speaker, that Members are allowed at least to start to develop their argument before being asked to give way. I would have thought that an experienced former Minister like Mr Nesbitt would be aware of precedent.

The equality section of the report also talks extensively about a shared future. One of the more interesting points of debate was between Michael Ferguson and the Alliance Party as to whether the issue of a shared future was solely about equality. The Alliance Party believes that it clearly is not. An enormous amount of work needs to be done — the debate this morning has proved just how much — to change mindsets and start to build a shared future.

I do not believe that there would be any stability in the institutions that we are seeking to restore by 24 November if we did not also actively work to build a shared future. Community relations is not an add-on to be done by nice people in their spare time. If we cannot establish good relations in every Government institution and build a shared future in every aspect of the working of this Assembly and the institutions that depend on it, ultimately there is no chance that the process that we are engaged in will succeed.

It is, of course, unfortunate that the devolved Executive were unable to make any progress prior to suspension on the shared future agenda. We were promised that the publication of the report was imminent several times, but we depended on direct-rule Ministers to take that forward.

Now is the time when we must turn the general statement of a commitment to build a shared future, contained in paragraph 23 of the report, into a meaningful commitment to address the issues. We must first address the issues of the way in which Members arrived in this place. We must get away from the notion that Northern Ireland is a society neatly divided into two antagonistic communities with no connection between them, each of which is completely homogenous internally. That was never correct, and it is certainly less and less correct as society changes, yet this society continues to bear the huge costs — economic, financial, social and political — of trying to maintain a society as if that were the case.

The simple reality is that, economically, we cannot afford to waste £1 billion a year on managing segregation. As a community that needs to be modern, forward-looking, outgoing and welcoming to visitors — whether they be tourists or those wishing to set up businesses — we cannot afford the cost of neglecting that need, while maintaining segregation and division.

Although I welcome the fact that parties gave a commitment to building a shared future, it is a matter of considerable regret that the Committee was unable to achieve the consensus to sign up to the specific documents: the 'A Shared Future' framework document; and even the first triennial action plan. I cannot understand how Members can carry out their commitments to build a shared future unless they are prepared to work on the basis of the available documentation.

I keep thinking, Madam Speaker, that Mr Nesbitt is about to take the opportunity to intervene.

Mr Nesbitt: Shall I do it now?

Mr Ford: Certainly. The Member was shuffling his papers.

Mr Nesbitt: I was passing something back to my colleague; it was nothing to do with this.

When I invited any or all the parties around the table to enter discussions, they did not respond. Alliance was one of those parties, and it too has not responded. I am more than happy to discuss any statistical dimension with Mr Ford and to try to reach an objective conclusion. However, I am afraid that Alliance, like the other parties, said no, and that it did not want to talk.

Ms Lewsley: We did not say no. We have not got around to replying.

Mr McCarthy: We never say no.

Mr Ford: My colleague has spoken for the Alliance Party, as has Patricia Lewsley for the SDLP. The timing priorities, while the Committee was working so hard, perhaps countered the opportunities for the delights of further discussion on employment and equality, such as I had on one occasion that I remember,

on a particular sunny morning in Hillsborough some years ago. I have no doubt that Mr Nesbitt will be his usual informed and erudite self, and I look forward to those discussions, perhaps around the environs of a golf course in Scotland shortly.

I wish to consider the wider issue of the past and its legacy. There is a mood within this society that it is dangerous to talk about the past, that that is counter-productive to attempts to move forward, and that to do so opens wounds. However, all that we know about seeking the healing that individuals require, and the reconciliation that this society needs, is that we must deal with the wounds of the past in a comprehensive and holistic fashion. We must provide a measure of closure to those who have suffered more than others. If we cannot do that, we will again threaten the possibility of making progress.

There have been far too many piecemeal events in the past. Indeed, the rather unfortunate manner of the appointment of the Interim Commissioner for Victims and Survivors was an example of that. I welcome the work that Mrs McDougall has been doing; my party has met her, and I believe that she is doing the job to the best of her ability. However, the manner of her appointment gave her a profoundly difficult start, which was most unhelpful.

We need to look at a variety of options in an open way and not always retreat into the immediate holes that people retreat into when difficulties arise. Is there scope for some form of memorial? There is almost certainly not scope for a physical memorial — that might create too many difficulties. However, a day of remembrance or reflection might enable individuals, in their own ways and in whatever company they feel content and safe, to think back over the suffering of the entire community.

12.00 noon

We need to find a way to allow victims to put their stories on the record. Clearly, we will never have a South-African style truth and reconciliation commission, but people should at least be given that opportunity. It would help them to define how they felt and how they suffered, and it would allow them to experience the healing that having their stories recognised by the wider community would bring.

Although it would be extremely difficult, maybe we could consider a wider truth and recovery process. There are international precedents that we need to consider. There is a real need for the Government to take that measure on board, perhaps in conjunction with an incoming Executive. Doing so would ensure that, instead of just talking about what needs to be done and having occasional debates, we would be engaging in a wider process that would enable that to happen.

It is clear that a large number of victims still suffer in this society. I wish to highlight two groups in particular. The first is the families of the disappeared, who still suffer from not having Christian burial sites to which they can go to visit their loved ones. There is no doubt that, even after all these years, more could and should be done. Since my election as a constituency representative, one of the most moving experiences has been my visit to the house of a constituent to attend the wake — it was 30 years late — for his mother, Jean McConville, and my attendance at her funeral a few days later. To some extent, that family's suffering has been eased, but other families are still suffering in silence, and we should never forget them.

The second group that we must remember are the exiles: those who remain outside Northern Ireland because of threats, fears of threats, and because the practice of exiling certain groups and people is not over. We must ensure that, in any attempt to move forward and to address the needs of victims, we remember those who are active victims, as well as those who are victims because of events that occurred years ago.

I urge unionists, who seem to be prepared to countenance a day of remembrance, to consider seriously whether it is a possibility. It does not need to be an event that, for particular reasons, their political opponents could easily hijack.

Finally, I want to consider human rights and the proposed bill of rights for Northern Ireland. My party has supported the introduction of such legislation for a long time. I believe that historians have recorded that, as long ago as 1962, in the Northern Ireland House of Commons, the Liberal MP for Queen's University, Sheelagh Murnaghan, proposed such a measure in this Chamber. The incorporation of the European Convention on Human Rights went some way, but, as a document from 1948, it is somewhat out of date. It solely covers civil and political rights; it does not deal with the social and economic rights that concern us so much now. Therefore, we need action to address the bill of rights.

We need action from the parties in the Assembly and from civil society to work with the Northern Ireland Human Rights Commission (NIHRC) — the body that has the formal statutory duty — to draw up an appropriate Northern Ireland bill of rights. There is precedent in European and international work. There is much that could be drawn on. We need to encourage NIHRC in its work by participation in a round-table format. It is to be hoped that our meeting with NIHRC in October will enable us to move forward on that process, to establish the round table, to tease out the areas of agreement and disagreement, and to make a constructive input to the work of NIHRC, as it makes its proposals to the Secretary of State.

Earlier, Patricia Lewsley referred to the belief that the SDLP has in human rights for every individual. I endorse that, but let us be clear that that means human rights for everyone as an individual. It refers to the rights of people who belong to minorities, and to the rights of those people who choose not to define themselves as belonging to groups into which others may wish to place them. It is not a matter of a bipolar society's looking at the balance of two groups. It is the right, which is in line with modern European and international legislation, to assert the rights of each and every individual to ensure that each and every individual has the same rights and abilities to make the most of his or her opportunities in this society.

Mr Robert McCartney: I am grateful to the Member for giving way. The Member has stressed rightly, along with Mrs Lewsley, that these rights are individual.

That being the case, what about the rights of those individual applicants to the PSNI who come from the unionist or Protestant community? They, as individuals, are discriminated against by Order.

Mr Ford: I thank the Member for making the Alliance Party's point using a somewhat unionist form of language.

The issue for the Alliance Party is not whether unionists or Protestants are discriminated against in their applications to join the Police Service. Rather than simply designate on the basis of religious belief, affirmative action must be taken to encourage the widest possible recruitment from every section of this society. To get the best possible Police Service, each and every individual should have the right to apply.

Mr Kennedy: Therefore the Member supports discrimination?

Mr Ford: It would help if the deputy leader of the Ulster Unionist Party learned to listen rather than to interrupt.

We should not impose quotas, which are based on an inappropriate way of dividing up this society. We should take affirmative action to ensure that we attract people to apply to the Police Service, and then ensure that the best possible people are recruited.

Mr Nesbitt: Will the Member give way?

Mr Ford: No. I do not have much time in which to give way. The Member has already had his one go.

I welcome the report, because it records that there has been progress on a number of items. However, on reading the report, and especially when one reads Hansard, it is clear that a vast amount of work remains to be done, particularly on building a shared future, meeting victims' needs and building a culture of human rights for everyone in Northern Ireland.

Mr Dawson: My colleague Mr McCausland covered a wide range of issues that appear in the report. I take this opportunity to associate myself with his comments.

I shall focus on one of the equality issues that comes out of the report — section 75 of the Northern Ireland Act 1998. I welcome Mr Nesbitt's comments, and his analysis of the equality issues debated in the Preparation for Government Committee, but I remind him that, in agreeing to and accepting the section 75 provisions as part of the Belfast Agreement, and as part of the Northern Ireland Act 1998 that flowed from the agreement, his party compounded the problem.

Mr Nesbitt: Will the Member give way?

Mr Dawson: I shall perhaps give way to the Member later. Let me develop my comments in line with precedent, as Mr Ford reminded the Member.

Ms Lewsley has spoken about section 75 in glowing terms. On this side of the House, section 75 of the 1998 Act is seen as a charter for the persecution of those who hold to a Christian world view. Section 75 establishes equivalence in the name of equality among groups for which no equivalence exists. For example, individuals have no choice over their race or their disability, but all individuals have a choice about whether they wish to engage in a homosexual lifestyle.

It should be remembered that section 75's remit goes much further than simply equality of employment; equality, for the categories listed in section 75, must be promoted in every aspect of Government policy. It is there that section 75 goes much too far. Section 75's approach to sexual orientation springs from the false notion, which the gay lobby promotes as an agenda item, that homosexuality is healthy, natural and normal. In fact, it is none of those things.

From that false basis, section 75 has delivered to Northern Ireland an industry of paper production and report writing, much of which has little relevance to the whole community and adds nothing to our country's economic well-being. In fact, it deters inward investment from many organisations.

I said at the outset that section 75 is a charter for the persecution of Christians. Section 75 requires that individuals promote equality of opportunity among the named groups.

There can be no disagreement that equality of opportunity should be promoted on the grounds of race, gender, disability, politics, religion, and so forth. However, those categories and the category of sexual orientation clearly differ. Given that the categories listed in the Act are used to screen every Government policy, and that there is a responsibility to promote equality, Christians in government and in local authorities are being asked to promote an agenda and a lifestyle that they find morally and ethically repugnant,

unacceptable and contrary to their religious beliefs. It is not acceptable that, in the name of equality, the religious beliefs of the majority of the population in Northern Ireland, from the two main traditions, are being undermined on the subject of homosexual practice.

Let me illustrate my point with a few examples. During the debates on civil partnership in Northern Ireland, many councillors, because of the provisions of section 75, were unable to resist the creation of a false equivalence between marriage and civil partnership. Those provisions mean that the groups listed under section 75 must have access to exactly the same facilities as those who want to marry in council chambers. Councillors were systematically bullied into offering council facilities to those who wanted civil partnerships, including the marriage suites and full ceremonies. Let me put it on record again: there is no equivalence between marriage and civil partnership. There is no justification for forcing councils to treat marriage and civil partnership as being equal. In those debates on civil partnership, the deeply held religious and moral views of councillors were trampled on and ignored in the interests of equality.

I want to refer to the attitude of the Police Service of Northern Ireland to Christians on its staff. A report jointly commissioned by the Police Ombudsman and the Northern Ireland Policing Board, 'Policing, Accountability and the Lesbian, Gay and Bisexual Community in Northern Ireland', states that police officers must not display homophobic attitudes. We have been told that police officers are always on duty; there is never an occasion when a police officer is off duty. The Ombudsman has confirmed to me that a police officer who is a lay preacher or a Sunday school teacher who decides to preach on Genesis, chapter 19, Romans, chapter 1, or First Corinthians, chapter 6, would be guilty, in the eyes of the law, of expressing a homophobic attitude and would be subject to discipline. It is unacceptable that freedom of speech and an individual's beliefs are curtailed in this way in the name of equality.

The view of the Equality Commission for Northern Ireland is that the home and property of a school governor would be at risk if he or she allowed his or her religious views on homosexuality to influence the decisions that he or she might take on a school board. Councillors are voting and acting against their conscience, policemen and policewomen are unable to express their religious views, and teachers and governors on school boards are under threat of having their homes seized. That is the equality under which we live in Northern Ireland.

However, it does not end there. Consultation ended yesterday on proposals to outlaw sexual-orientation discrimination in the provision of goods and services. If the proposals are accepted in their current form, churches will be guilty of an offence if they do not

allow their church halls to be used by gay and lesbian groups or do not allow their property to be sold to such a group if it happened to be for sale. Christian owners of bed-and-breakfast accommodation will have to put up gay and lesbian couples under their own roofs. Schools will become battlegrounds about gay lifestyles, and Christian teachers will be forced to promote the gay agenda in classrooms, against their conscience and beliefs.

Scripture unions could be banned from schools for being anti-gay. Bible colleges, care homes, adoption agencies, Christian conference centres — the list goes on — would be required to offer double-bed accommodation to gays and lesbians who present themselves at the door.

12.15 pm

Laws that are promoted in the name of equality are attacking, undermining and destroying the rights and beliefs of ordinary Christian people. That cannot be right; it cannot be allowed to continue. That is equality gone mad. It is not equality; it is the dictatorship of a vocal minority, inflicted on the morality of the people, with no sound basis.

While section 75 remains in place in its current form, Christian moral attitudes will continue to be unacceptable in society and the persecution of Christians will increase. It will not be long before the first pastor or layman finds himself before the courts for holding to the moral teachings of the Bible that he seeks to promote. The irony, of course, will be that in the courthouse —

Dr Birnie: I thank the Member for giving way. Does he not agree that the source of the problem that he identifies may not be section 75 itself, but the current interpretation of European law? In a sense, therefore, section 75 is not all that relevant to his argument. It is European law that is the driver.

Mr Dawson: I thank the Member for that. European law is in place but, as he will know, section 75 goes further than European law in giving rights to Northern Ireland that do not exist in the rest of the United Kingdom. For example, the issues that councils here have faced in relation to civil partnerships have not been faced in the rest of the United Kingdom. It is section 75 that brings those problems to Northern Ireland.

As I was saying, the irony will be that when that pastor or layman goes to court, he will be asked to swear his truthfulness on the Bible from which his attitudes are taken, and the law of the land will oblige him to reject those attitudes.

I wish to turn to the issue of parades, which is also referred to in the report. Members will know that, with colleagues on the joint Loyal Orders working group, I have been engaged since autumn 2005 in seeking to bring about a resolution to the present issues about

parading. We have consulted a wide range of stakeholders and a large number of interested parties to present our concerns, seek their views and provide a way forward on the issue. We have worked from the premise that the present arrangements are neither satisfactory nor desirable. The Parades Commission has become the third party in parading disputes. It is not seen as an independent body; indeed, it is not an independent body. Rather, it is contributing to the extent of the conflict and to the division that is seen on our streets over parades.

We have also approached our task in the belief that there is no system or set of procedures that cannot be improved. Any set of rules formulated by man can be improved on. The attitude of our colleagues in the SDLP — which seems to believe that the Parades Commission must be in place, and its procedures continued, because they cannot be improved — is one that we reject.

Now that the summer is over and the immediate objective of ensuring that the season passes peacefully has been achieved, it is time for a fundamental review of the legislation governing parades and of the structures and procedures that flow from it. The Secretary of State is aware of our various proposals. He is aware of a process that could transform the situation. The Secretary of State is always keen to remind Members of this House of the importance of meeting deadlines.

I warn the Secretary of State that his time is ticking away. It is the end of September. If I may paraphrase his words, I am not threatening anyone, but I must point out that there are consequences and dangers in delay. It is time for the Secretary of State to make a choice, and it is time for him to deliver.

The Committee's report rightly points out that parading has a direct impact on the overall political process. The Secretary of State's failure to deal with the legitimate grievances of the Loyal Orders will render political accommodation impossible, now and in the future. It is the Secretary of State who holds the key to progress on this matter; it is he who must act. The Secretary of State's time is running out.

Dr Birnie: I wish to refer to the linked themes of diversity and rights. In this debate, we should concentrate on some of the major impediments and obstacles to the restoration of devolution. The point can be made that an exclusive emphasis on the so-called two communities model of our conflict could be hindering the very necessary move towards peace and prosperity because it fails to allow for the richness and diversity of our society.

Northern Ireland is clearly becoming more diverse. There is a long-established ethnic minority population here. In the early years of this decade, it was probably in the order of 15,000 persons. Since 2004, the arrival of migrant workers, particularly from new European

Union member countries, has probably boosted that ethnic minority population by two- or threefold.

It is important to say from the outset that migrant workers have performed a major service to our economy. In the short to medium term, that inward migration has allowed the Northern Ireland economy to continue to grow and not be held back by labour shortages, which might otherwise have become critical.

There are, of course, other important longer-term concerns. For example, why has it been necessary to import so much migrant labour when there are still such large pockets of long-term unemployment? As has been said in previous debates, policy-makers must ask why our own long-term unemployed and economically inactive are either unwilling — or unable, because of the skills they have or do not have — to do certain jobs. A question can also be asked of parts of the Health Service, where there is a preference, perhaps on cost grounds, to bring in staff from third-world countries rather than train local people.

It must be emphasised that, on balance, the arrival of outside labour has been economically beneficial. Sadly, as we well know from reports in the media, even as recently as last weekend, this process has been accompanied by a terrible rise in racist activity. There are up to 1,000 attacks every year, and the number is rising. That is a horrendous total, and the figures have doubled or tripled in a small number of years.

It is probably still true that the rate of racist attacks per head of population is less here than in England. That is from a comparison between PSNI and Home Office figures. There is little solid statistical basis to the claim made by 'The Guardian' in January 2004 that Northern Ireland is the race hate capital of Europe. However, we should all redouble our efforts to ensure that that never becomes the case.

A joined-up response is required from Government Departments, agencies and the private sector to welcome migrant workers, to ensure that neither they, nor the more established population, are exploited and to deal with some of the underlying social problems that perhaps are exacerbated, such as housing problems, particularly the ongoing debate about houses of multiple occupation.

The private sector group Concordia has pointed out a number of policies that could be adopted to help to absorb migrant workers into our economy and society. The five political parties at Stormont have formed an ad hoc all-party working group on ethnic minority issues, working with the Northern Ireland Council for Ethnic Minorities (NICEM), other charities, and non-governmental organisations in that sector.

The Ulster Unionist Party recognises the challenge posed by recent research from the Joseph Rowntree Charitable Trust and the Electoral Commission, which shows that only about 40% of the ethnic minorities

here are on the electoral register, and of which only about half have actually voted — barely one in five. That is a challenge for the political parties, and it is also a challenge for the ethnic minorities to engage with the parties in political activity.

My colleague Mr Nesbitt has already referred to human rights, and the issue generates a strong sense of déjà vu. On 25 September 2001, a debate was held in this Chamber on the motion that the NIHRC had exceeded its remit under the Belfast Agreement. The 1998 agreement instructed the NIHRC to advise and consult on the scope for human rights, supplementary to those in the European Convention on Human Rights, to reflect the particular circumstances of Northern Ireland. Eight years on, the Human Rights Commission has not done that, and it has failed to realise its stated objectives under the 1998 Belfast Agreement. Instead, it has spent its time — some parties, including mine, would argue that it has wasted its time and resources — drafting two versions of a bill of rights, which were grandiose, maximalist and very complex.

It was significant that the PFG Committee with responsibility for rights, safeguards, equality issues and victims agreed in principle that there should be a bill of rights for Northern Ireland, but there was no agreement among the parties as to what should be included in it. Hansard for that meeting of the Committee shows that there was disagreement around the notion of so-called social and economic rights.

Members should wish that every member of our society avails of excellent health services, the best possible standard of education, the cleanest environment in the world and the highest possible wage, etc. However, will a statement of those rights — or alleged rights — in a bill of rights help to achieve any of those very laudable objectives? The productivity of the economy and the level of resources available to both the private and the public sectors determines the adequacy of health care, and who gets an operation and when, not the judgement of judges and lawyers.

The argument against so-called social and economic rights, or at least their enshrining in statements of bills of rights, is extremely old and valid. An argument was made on this island as early as 1791 when the great Irish political philosopher Edmund Burke argued against a statement of human rights coming out of the French Revolution. He said, and rightly so, that if somebody was sick, they turn to a doctor and not to a metaphysical statement of human rights, as that would do no good.

It would seem bizarre for the Assembly to struggle to restore devolution, only to strangle any future Assembly within the straitjacket of an all-encompassing complex bill of rights that would remove discretion

from any future Northern Ireland Executive, take decision-making in areas such as health policy, education, the environment, industrial development, etc, out of the hands of elected politicians and hand them over to unelected lawyers and judges.

Someone once argued that the human rights project is politics by another means. If that is so, it is politics in which most of the population are denied the right to vote.

Finally, I shall return to diversity and its relationship to rights. It is a necessary condition for a free society — and I hope that that is what we all want — that sometimes we have to endure the expression of views that we find deeply offensive. Mr Dawson referred to the danger, or perhaps the actuality, of the situation we are now in, that on occasions the freedom to express one's self, particularly in religious terms, may be infringed.

Sadly, especially in the context of parading — though it does not only occur in that regard — there is the crazy notion that there is some right not to be offended. We have to wake up and realise that in a free society there will be occasions when we, and our views, be they political or religious, will be offended. That is the price of freedom and democracy.

Mr P Ramsey: I wish to make a few comments before I read from my prepared script. Almost a year ago, the Police Service of Northern Ireland introduced clear guidelines, aims, objectives and protocols to deal with homophobic attacks occurring in the Derry City Council area. The circumstances were such that all the political parties on Derry City Council participated in drawing up the guidelines. We wanted to ensure that those people, irrespective of creed, colour or background, had the same fundamental human rights as everyone else.

It was therefore disappointing to hear the comments of the Member for East Antrim Mr Dawson. He has a right to those opinions —

12.30 pm

Mr Dawson: Will the Member give way?

Mr P Ramsey: No — I wish to develop my argument. Mr Dawson had eight or nine minutes to talk about homophobia. I shall spend a few minutes talking about homophobic attacks in my constituency. Whether it is a young lady from Antrim who is a lesbian, or a young man from the Bogside who is gay, both have every right to be a part of our society, and no one should intimate that they be excluded in any way.

In general, the debate to date has been very good. I support David Ford's idea of a day of reflection and reconciliation. A good opportunity will present itself next year when two distinctive events will take place commemorating the Plantation of Ulster and the Flight of the Earls. We should ensure that one of those days is

used as a basis for helping people towards reconciliation. I do not have any difficulty supporting that.

Patricia Lewsley made the point that the discussions by the Preparation for Government Committee on rights, safeguards, equality issues and victims did not play a part in the suspension of the Executive and the Assembly. Therefore, they should not be used by any party as a precondition for restoration. They should be a priority for a Programme for Government after the restoration of the Assembly.

All parties reached agreement on several issues in the Committee, but there are many proposals that require further work and discussion. I am delighted that all parties involved in the Committee stressed their commitment to building a shared future. As elected representatives we need to show leadership in our communities. What use is sharing power if we cannot share our streets?

Over the past 20 years in politics, I have been proud of my ability to reach out to the Protestant community in my constituency in Derry. Several years ago, my colleague William Hay and I set out on a course of action as a result of the first phase of the peace programmes. We were instrumental in setting up the Shared City project in Derry. It was obvious that Protestant communities had not taken advantage — and were not in a position to take advantage — of the first phase of funding.

After a major consultation process, visiting and talking to community groups across the city of Derry, Mr Hay and I established that there was a relatively weak community development infrastructure. That had resulted in a lack of confidence, limited capacity, low self-esteem, poor leadership skills, a sense of neglect and isolation, and a perceived disparity of funding in favour of nationalist areas.

The aim of the project was to establish an outreach support programme targeted at marginalised and disadvantaged communities in Protestant areas. It is still in operation, thankfully, and I hope that it will become part of the mainstream within Derry City Council and the Department for Social Development. The project is a model of good practice on increasing capacity, confidence-building measures and addressing the serious alienation and marginalisation that a number of Protestants in Derry still, unfortunately, feel. It should be replicated across Northern Ireland to involve all marginalised communities in civic society.

The Committee agreed that there should, and must, be support for a bill of rights for Northern Ireland. However, when the SDLP put forward a proposal to reach agreement on such a bill, members could not achieve consensus. What has any party to lose from participating in this forum? The best way for all parties to contribute to a bill of rights is to participate in round-

table discussions with members of civic society. If all nationalist and unionist politicians and members of civic society were to agree on a bill of rights, it would have the widest possible ownership and public confidence and could not be ignored by the Northern Ireland Office.

The SDLP has consistently called for the establishment of a forum for the victims and survivors of the troubles. Any process of truth, remembrance and justice must be victim-based. Sustainable peace and true reconciliation will be achieved only through acknowledging and accounting for the past and helping somehow to redress the suffering of victims and survivors.

All parties agree that victims should be a priority in any Programme for Government. However, when the SDLP put forward its proposals to that end, there was no consensus. Let us be clear that there is no hierarchy of victims: victims of the state, republican terror and loyalist terror are all entitled to the same consideration.

Victims have a right to the truth and to have the events of the past recorded, acknowledged and, as far as possible, accounted for. They have a right to have their needs recognised and dealt with. Different victims have different needs, but all require an acknowledgment of their loss. For those who want it, that means providing proper support and compensation and remedying the wrongs and injustices of the past. For some, the fundamental issue is finding the body of one of the disappeared. Victims have the right to be remembered. The enduring legacy of the past is the lives damaged and lost, the suffering inflicted and the suffering that continues.

The SDLP has long championed the rights of victims and survivors and will continue to do so. In particular, we will work to place the rights of victims and survivors at the heart of any process of truth and remembrance. We must ensure that future generations are free from the bigotry and hatred of the past. A tried and tested method of doing so is to encourage good manners, courtesy and respect for all.

Assembly Members should make a public pledge to support, and commit ourselves to promoting and working to achieve, an inclusive society that values and empowers people. We must show collective leadership by ensuring that everyone has equality of opportunity and equal access to facilities and resources, and that there is equality of esteem for all political and religious beliefs.

MLAs must also encourage, recognise and promote the richness of culture of all traditions, groups and communities across the North of Ireland. Our responsibility is to ensure that the rights of others are respected. At all times, we must affirm our commitment to non-violence. More importantly, as politicians, we must ensure that we acknowledge the rights of each individual through our actions and by avoiding words

that could in any way damage, injure or deny the civil rights and well-being of others.

We should also ask all those in our communities — individuals, schools, youth groups, community groups and others in the community sector — to pledge their support for a more inclusive society that values and empowers people.

Members have the opportunity to lead by example — to come together to share power in Government. Contributors to the debate have spoken passionately about the issues. Those issues could be at the heart of a Programme for Government in a devolved Assembly. We could take action that would bring about progress in Northern Ireland and would provide its children with a better life based on equality. It is important that a shared future be built.

I want to reiterate that actions, words and deeds can, as has happened in the past, lead to violence being perpetrated on certain members of the community.

Mr Poots: As the previous Member to speak did not give way to my colleague, it is appropriate that I point out that Mr Dawson said nothing that could be construed as homophobic. He did not say anything to incite or support violence against the homosexual community. He pointed out that there has been an attack on people who have Christian beliefs, and that there are issues and problems with how homosexuality contrasts with biblical teaching.

That brings us to the subject of the debate: it is a challenge to freedom of speech, which is one of the first principles of equality. Freedom of assembly and all other rights follow from it. People who expound freedom of speech and say what they believe in a way that is not inflammatory are being challenged. Mr Dawson went to great lengths to illustrate the sort of challenges that ministers of the Gospel and lay preachers could face if they chose to go down a particular route.

I want to focus on the Equality Commission. How can high standards of equality be achieved when the equality watchdog in Northern Ireland has failed so miserably? Since its inception, the Equality Commission has stuck rigidly to recruiting about 60% of its staff from a Catholic background, whereas 60% of its staff should come from a Protestant background and about 40% from a Roman Catholic background.

The Equality Commission grew out of an amalgamation of the Equal Opportunities Commission and the Fair Employment Commission, which had replaced the Fair Employment Agency. The Equality Commission was given all their roles. However, since the establishment of the Fair Employment Agency in 1976, the appropriate percentages of the religious background of staff have never been achieved. The Equality Commission is charged with monitoring that activity in other organisations but has never achieved that itself.

The Chief Commissioner of the Equality Commission, Bob Collins — who, by the way, hails from the Irish Republic — states that it is not the religious background of his staff that is important, but their impartiality. Although that could be taken at face value, one must consider how those staff discharge their work. I challenge the Equality Commission to cite one case in which it acted for the collective rights of Protestants. In fairness, I admit that it has acted on behalf of individual Protestants only.

Mr Weir: I wonder whether the Equality Commission would accept similar words to those of Bob Collins from a firm that it had under investigation for an imbalance in its workforce? Would it be acceptable for the managing director of such a firm to say it that it does not matter that there is an imbalance as long as the staff are impartial?

Mr Poots: It is unlikely that the Equality Commission would accept that as a reasonable response.

When one looks back to what happened to Shorts plc and other companies, but particularly the high wire act that the Equality Commission undertook as regards Shorts plc, that high profile contrasts with its actions as regards many other companies in Northern Ireland, which have a greater proportion of Protestant under-representation in their workforces. The Equality Commission has never publicly challenged those companies in that way.

Gregory Campbell and I have met the Equality Commission many times. We have quoted the employment statistics of those companies and the fact that statistical records show that that under-representation is worsening every year. The Equality Commission's response was that it requested those companies to make welcoming statements. Clearly, those statements have not worked. The commission pushed Shorts to do more than simply make welcoming statements.

It is clear that there is one policy for the Protestant community and another for the Roman Catholic community. I put it to the Equality Commission that it does not treat the two communities fairly in practice.

12.45 pm

The Equality Commission agreed that fifty-fifty recruitment was acceptable in the case of the PSNI. Its basis for adopting that process was the apparent inability, over a prolonged period, of the police to encourage Roman Catholics to join. However, the same situation applies to the Equality Commission in that it has failed to encourage Protestants to apply for its jobs over a protracted period. Perhaps the Equality Commission should seek to address its problems by introducing fifty-fifty recruitment. If it is good enough for the PSNI, it should be good enough for the Equality Commission.

Dr McCrea: Perhaps my Friend could address the fact that there is total silence from the SDLP and other groupings on this issue, yet there have been howls for fifty-fifty recruitment in the police. Why is there silence about the inequalities of the Equality Commission?

Mr Poots: Perhaps we can discuss the matter later, but the SDLP seems to think that the Equality Commission, the Human Rights Commission and the Parades Commission are perfect. They believe that the legislation that has been introduced is good and that it can be built upon, but it cannot be taken away from. Patricia Lewsley stated that she would allow further issues to be added and developed on, but would not allow the legislation to be weakened in any way.

Mr Robert McCartney: Is the Member aware of a recent decision relating to police recruitment in England in which a white male applicant was successful in receiving compensation, because he was able to establish that his application had been turned down in favour of a policy of recruiting women and members of ethnic groups, and it was held that that was a breach of his human rights?

Mr Poots: That individual may have had the support of the equivalent body in England. However, if a Protestant were to take a case against the PSNI, they would not receive the support of the Equality Commission because it has identified that the fifty-fifty recruitment process must be in place. Therefore a better qualified Protestant would not be entitled to challenge a decision with the support of the Equality Commission.

Representatives from the Equality Commission told us that they had difficulty in recruiting Protestants because the numbers of Protestants attending the School of Law in Queen's University Belfast were so low. When those representatives were asked what they were doing about that problem, there was silence. Again, there is failure.

Mr Weir: I appreciate that my Friend seems to be up and down quite a bit today.

The Member mentioned the Equality Commission's comments on the School of Law at Queen's University. However, applicants to the Institute of Professional Legal Studies outnumber places by about four to one. Thus many law graduates cannot enter the legal profession to become solicitors and barristers. Given that spare capacity, surely it should be easy to recruit equitably to provide an appropriate community mix. We must therefore take the remarks about the School of Law with a pinch of salt.

Mr Poots: I thank the Member for those points. The chill factor in our universities is important, but Protestant representation in the legal field is even more important as there is a significant lack of Protestants in the legal profession. That trend will be extrapolated in

the appointment of Queen's Counsels (QCs) and judges, and thus the entire legal profession in Northern Ireland will lack balanced representation. We should be deeply concerned about that — if that is allowed to continue, significant problems will arise.

The students' union at Queen's University, in its employment practices and its promotion of cultural issues, has not helped matters. It has clearly discriminated against the unionist and Protestant community.

I will finish by touching on the parading issue, which the SDLP mentioned earlier. The DUP made proposals for restructuring the Parades Commission to enable it to operate better. The DUP believes that the Parades Commission cannot act as both a decision-making body and a mediating body — the two roles clash. The party's suggestion was that the decision-making role should be semi-judicial and that the commission should examine and address its mediation role.

I note that Mr Alban Maginness is in the Chamber. He put up most of the resistance to the DUP's proposal, and perhaps he will clarify his position later. The SDLP seems to think that the Parades Commission is some kind of Utopia that has already reached a state of perfection and thus needs no improvement. It appears that as the Parades Commission is most acceptable to the nationalist community, it is absolutely irrelevant that it is wholly unacceptable to unionists.

I challenge that attitude. If we take that approach — we have what we hold — to everything in Northern Ireland, there will be little prospect of progress on any issue. I suggest that the SDLP review its attitude to parading, which has been hugely contentious for a long time. If we are to resolve the parading issue, the Parades Commission must command the support of both communities, not just of the nationalist community. Changes will have to be made. The DUP's proposed changes would not have damaged the process — rather they would have helped it.

Mr Storey: Does the Member agree that an SDLP councillor in my constituency has an extremely provocative attitude to parades? Declan O'Loan plays the green card, which plays into the hands of republicans and dissident republicans in Ballymena whose clear agenda is to stop parades. He assists them in doing that.

Mr Poots: People can be provocative about parades. This year, people in many areas of Northern Ireland — particularly those in the unionist community — sought to take much of the heat out of the parading issue. Therefore we had a relatively successful summer. However, if we are to build on that, there must be changes to both the Parades Commission and the current attitude to parading. The SDLP has a central role to play in that.

Madam Speaker: As Members know, the Business Committee has arranged to meet at lunchtime today. I

propose therefore, by leave of the Assembly, to suspend this sitting until 2.00 pm.

The sitting was suspended at 12.56 pm.

On resuming (Madam Speaker in the Chair) —

2.00 pm

Mr Hussey: In supporting the motion, I am reminded of a newspaper headline last week, “Sinn Féin Snubs Victims”.

Like Patricia Lewsley and David Ford, I thank and congratulate the Chairpersons and everybody involved in assisting the Committee with its work. It was a privilege to be involved in the work of that format of the Committee on the Preparation for Government (PFG Committee).

The PFG Committee dealing with rights, safeguards, equality issues and victims considered a bill of rights for Northern Ireland and human rights in general. What greater human right is there than that of the right to life? What organisation has been more responsible for the denial of that fundamental human right than the organisation that does not even have the courage of its own misguided conviction to be here to even try to publicly justify its position?

The Committee considered parades; Sinn Féin has manipulated and orchestrated unjustified scenarios on that issue for blatant political gain. It has asked for face-to-face dialogue in respect of many parades throughout the community, but we are here to debate the issue face to face. It appears that the writing that I have seen on many walls in republican areas about the IRA is ringing true for its political wing — I Ran Away.

The Committee, which included Sinn Féin members, reached agreement on many vital issues that can be progressed. However, it is unfortunate that the House cannot ratify the report because Sinn Féin has decreed that it is not prepared to enter into political debate with the democratic majority in Northern Ireland represented in the Chamber. Rather, Members can note the excellent work of the PFG Committee. It considered equality, good relations and a shared future. Sinn Féin, obviously, has nothing to share with Members.

Madam Speaker and other Members will remember that, in debates of the previous Assembly, I clearly distinguished between an elective mandate and a democratic mandate. No one can deny that Sinn Féin has an elective mandate, but it has yet to fully endorse the democratic mandate.

My main remit within this format of the PFG Committee concerned our past and its legacy. The normal society that the PFG Committee, its subgroup and the House are endeavouring to work towards may not emerge in our lifetimes if we do not adequately deal with our past. It is a central precursor to moving forward.

It was agreed that those with primary responsibility for the disappearance of the disappeared needed to finally resolve the issue. The Committee recognised

the need for greater support to be given to the families of the disappeared, recommending the establishment of a family liaison officer to support those families. I am confident that the House will concur.

The Ulster Unionist Party's comments on victims and survivors of terrorism were, and are, predicated on three points. First, we do not equate victims with perpetrators, and I concur with Mr McCausland's point on this subject. Secondly, each victim's situation is personal and specific, and any process must reflect that. Any process that may be established must be victim-centred and not subject to a loose, generic system. Thirdly, there is no hierarchy of victimhood.

However, there is a spectrum of victimhood: from those who still bear the physical and mental trauma and those who can forgive and those who will not; to those who regard themselves as survivors and who wish to carry on with the rest of their lives while, no doubt, retaining their private and personal memories.

In the Committee, the Ulster Unionist Party focused primarily on the establishment of agreed principles to provide the necessary framework for victims' issues to be dealt with sensitively and fairly. The definition of a victim was important to all parties, but could not be agreed. That central factor resulted in several important proposals not finding consensus. The Ulster Unionist Party believes that only those who have suffered through illegal and criminal actions — not the perpetrators themselves — are the true victims of the troubles.

We are all aware of the efforts of perpetrators of violence to sanitise their respective murder campaigns. The efforts of terrorists to legitimise their actions create the problem that we were unable to resolve. I contend that it is only right that account is taken of responsibility and criminal culpability in determining society's collective approach to victims' issues. In our view, perpetrators of violence are plainly not victims.

Further, we recognise that illegal and criminal actions have not been perpetrated by only one side of our community. Those who operated outside the framework of civic society; who acted beyond law and order, and who sought to remove from others the most fundamental of all rights — the right to life — cannot be classed as victims or survivors. In spite of widely differing views, the Committee agreed that the issue of victims should be identified and given priority in any Programme for Government. I am confident that this House can concur with such a proposal, which would mean that that we should examine existing levels of support for victims and the glaring need for increased support and proper mainstream funding for victims' groups.

Many on this side of the House are aware of the tenuous situation facing victims' groups, which operate from hand to mouth and wonder whether they will be able to open their doors the next day. Those groups must

continuously reduce hours and/or lay off essential core workers who have gained irreplaceable understanding and knowledge of their client base. Those are personnel in whom the client base has confidence and who can empathise fully with those with whom they work.

Although I know that it is wrong to single out any of the many victim support groups throughout Northern Ireland, I cannot fail to mention West Tyrone Voice in my own constituency, which supports victims whom I know well. The work of that group is second to none and is mirrored in all such groups throughout Northern Ireland.

Is it not insensitive and grossly insulting to expect groups that represent victims and survivors of terrorist actions to have to sit down with groups that are representative of the perpetrators of those actions if they are to access the funding that is vital for their survival? Would it not be more productive to let such victims' groups grow in confidence and, in their own time — if and when they are ready — engage with others, rather than find themselves being financially blackmailed into doing so?

There are many individuals who believe that they were poorly treated by the state in the past in regard to their rightful needs. There should be a review of past levels of compensation.

We do not know it all. The Government should examine international best practice in support of the development of special community-based initiatives, such as a trauma and counselling service. In that respect, I had the privilege of being involved in the work of the South West Local Strategic Partnership Community Victims and Survivors Initiative, partnered with our local health trust. I recommend the recently published report of that initiative, 'Casting Bread upon the Water', as essential reading for those taking forward victims and survivors' issues. I congratulate Sean Coll, our community victims' support officer, for his work on that excellent report.

The Committee considered the establishment of a victims' forum. All members agreed with that principle, but consensus could not be achieved on participants. Again, the issue of definition arose. From my own engagement with various individuals and groups, I fully understand that many would have difficulty in sitting down with those who were responsible for their situation.

A victims' forum should be just that: a forum for the true victims of terrorism. Once again, because of definitions, consensus could not be reached either on a day of remembrance and reflection or memorials. It is tragic that there are many memorials for the victims of terror in our land. Those memorials, which have been erected by relatives and friends, are victim-centred, personal and specific. My experiences with the

families of many friends who were murdered in the troubles have shown me that they would not want their kith and kin to be associated in a single national memorial with those who carried out terrorist acts.

Sinn Féin-controlled councils attempted to plant trees of remembrance as part of a cross-community day of coming together to remember victims. Even though its Members are absent, Sinn Féin is fully aware that that project failed because the Protestant/loyalist/unionist community did not want to be associated with it. It was viewed as yet another political exercise to sanitise the actions of Sinn Féin's military wing.

Contrast that with Omagh District Council's refusal to support the Omagh Support and Self Help Group's efforts to place a memorial plaque at the site of the Omagh bombing. Why was that the case? Sinn Féin would not support the acknowledgement on the plaque that the perpetrators of that attack were republican terrorists. I trust that Members will agree that that represents a blatant Sinn Féin denial of the facts. However, what is new? I congratulate the Omagh Support and Self Help Group for its tenacity in its ongoing fight for justice, and I wish it well in those efforts.

The nationalist and republican community appears to expect two standards in a truth-and-reconciliation process. It expects: first, full disclosure and accountability from the forces of law and order; and secondly, codes of honour that grant secrecy to terrorist organisations. The Ulster Unionist Party is clear that the South African model for truth and reconciliation is not suitably transferable, either in whole or in part, to meet the needs of Northern Ireland.

Mr Elliott: Does the Member agree that it is important to get to the truth in any truth-and-reconciliation process but that, in doing so, we must realise that those who have murdered and maimed in the Province in the past three decades are highly unlikely to tell the truth in any such forum?

Mr Hussey: I thank the Member for that intervention. As I said, codes of honour that allow for secrecy will hide the truth.

The Ulster Unionist Party congratulates Bertha McDougall on the excellent work that she has done to date. The establishment of a permanent victims' commissioner is the way forward. In the absence of an Executive Government in Northern Ireland — which has come about through no fault of the democratic majority, which is in the Chamber — I urge the Secretary of State to take note of and act on the many excellent suggestions that were made in the meetings of the Committee on the Preparation for Government that dealt with rights, safeguards, equality issues and victims. I support the motion.

Mr Shannon: Thers aa'hale lok o'issues brocht up in this report. Mony that aa' wud laek tae taulk aboot.

But thers jist gaun tae be a breef disgusshun, o'yin ishyee, an because aa'cum fae Strangford, ye nicht hae sum soart et at least a guid idea, o'whut am guan tae sae. An that is tha permotshun o'tha hamely tongue, Ulster Scotch, I Norlin Airlan.

Whiles A'hm no wantin' tae gae owre agin whit bes gyely clear hit maun bae pointed oot hoo thair isnae onie parity o'treatment atween Airish an' Ulster Scotch permotshun. Ulster Scotch bes entitlet tae bae treated the saime es Airish, es an officially designated minority leid — no jist a dialect! Tae risk comin acroass laike a wean A hae tae point oot at the wie things stan' theday isnae fair. The latest facts adae wi'catter an' fundin A cum oan wur fae 2002-04, an shew hoo far ahin we ir i gien hefts tae the cultural velue o'Ulster Scotch I Norlin Airlan.

2.15 pm

There are many worthy issues raised in the Committee's report that I would like to address. However, time permits only a brief discussion of one issue. As I come from the Strangford district, you may have a fair idea of what I am at pains to stress: the promotion of the Ulster-Scots culture in Northern Ireland. While I have no wish to rehash what will be abundantly clear, I must point out that there is a clear lack of parity between the promotion of Irish and that of Ulster Scots. Ulster Scots is entitled to parity of treatment with Irish as an officially designated minority language, not merely a dialect. At the risk of sounding juvenile, I simply must point out that the way things stand at present is not fair. The funding facts for 2000-04 show exactly how far behind we are in the promotion of the cultural value of Ulster Scots in Northern Ireland.

I would like to focus on paragraph 39 of the report. My colleague Mr McCausland has mentioned the clear disparity in funding. It is a ratio of 6:1; for every pound that Ulster Scots gets, Irish gets six. There is currently an imbalance of £10 million. Although funding for Ulster Scots has increased, it is still nowhere near the level it should be at when the sheer volume of those who are part of the culture are taken into consideration. From the beautiful shores of Strangford Lough to the shores of Lough Erne and the hills of Donegal, the whispers of Ulster Scots can be heard in everyday terminology.

The problem lies, perhaps, in the fact that people do not always understand their culture, and cannot have any pride in their culture and heritage unless it is brought to light for them. This failing must be addressed as speedily as possible. Not only do the people of Northern Ireland miss out on their history, but Northern Ireland misses out on the boost to the tourist industry that the proper promotion of this non-political, rich and rewarding aspect of local culture could bring.

Over 200,000 tourists come from Scotland to Northern Ireland every year. Imagine the potential for even more growth were we to fully explore the links, both current and historic. Local pipe bands have returned from the annual World Pipe Band Championship in Glasgow with success in many areas. Also present at the competition were bands from Canada and further afield. The potential to expand this aspect of local culture would be welcomed by many who can trace their ancestry back to our fair shores.

There are information sites dedicated to Ulster Scots in many countries: Canada, Australia, New Zealand and America, to name a few. The subscription to learning about their roots in Ulster is by no means small. In America, a nation that takes pride in its rich heritage, over 22 million people can trace their roots back to the wee Province of Ulster. Imagine if we were to draw a mere percentage of that number to our shores through effective promotion of the Ulster-Scots language. That would increase tourism and boost our economy no end.

How can we achieve this? In Ards Borough Council, a subgroup is dedicated to the promotion of Ulster Scots. In Newry and Mourne Council, there is a similar committee, and Castlereagh Borough Council has also made a commitment to the language. These councils are trying energetically to promote Ulster Scots. Ards was the first council to put up Ulster-Scots signs, with unanimous cross-community support in the council for the motion, including the SDLP. I was reminded after the meeting that some of the more proficient speakers of Ulster Scots in the Ards Peninsula are members of the SDLP.

Mr Dallat: Does Mr Shannon agree that more money would be available to finance Ulster Scots if the former chairman of the Ulster-Scots Agency, Lord Laird, had not spent so much money hiring private taxis to go to Dublin?

Mr Shannon: I will leave that comment for someone else to answer; it is not worthy of a response.

We in Ards were the first council to support Ulster Scots, but we also support the funding of many books and plays, such as 'The Scot in America and the Ulster Scot' by Whitelaw Reid.

Our own Billy Kennedy, who is a close relative of one Member, has promoted Scotch-Irish books across the Province, Europe and the United States. That indicates how many people have promoted Ulster Scots internally, but it also shows that much more is possible.

Numerous celebrations are planned to mark the four-hundredth anniversary of Hamilton and Montgomery's plantation of Ards. Those celebrations are the culmination of years of effort. Indeed, thousands of people from across the entire community have attended the ongoing Dawn of the Ulster-Scots festival in Greyabbey.

There is a clear celebration of Ulster Scots across the divide; indeed, some of my constituents speak Ulster Scots fluently. If Northern Ireland as a whole were to embrace Ulster-Scots tradition and heritage, it would be in a much better economic and social position. Fair and adequate promotion and funding will benefit not just one sector in Northern Ireland; it will profit everyone in the Province. Ards is displaying a true celebration of culture and diversity: why not allow the entire Province to experience and enjoy the simple pleasures that can be found in the tribute of a rich, extensive and inclusive culture that reminds us all of where we came from and who we have the potential to be?

I shall give some examples of very prominent Ulster-Scots men: the poet Edgar Allan Poe; the United States President George Washington; the army general Robert E Lee; and Blair Mayne — or Colonel Paddy, as he was also known — who was a local hero in Ards, the Province and the world. Just for the record, Elvis Presley was also an Ulster Scot, and he was a man for the rock and roll.

Mr McNarry: He still lives in the peninsula.
[Laughter.]

Mr Shannon: He is heard regularly in my house.

The very blood that flowed through those prominent Ulster-Scots men is the same blood that flows through me and many Members. That blood also flows through the veins of many people outside the Chamber. Many people feel part of the Ulster-Scots heritage and experience. If we can find a way to instil a sense of pride in our up-and-coming generation, perhaps it will take those men as examples and be more successful as a result.

To fully comprehend where we are going, we must first understand where we have been. Let us invest in our future by collectively priding ourselves on our past.

Mr Gallagher: As Members know, the Review of Public Administration (RPA) will radically change the future of local government. If the Secretary of State has his way, there will be seven "super councils": three will be dominated by representatives of the nationalist tradition; another three dominated by representatives of the unionist tradition; and Belfast will most likely be more evenly balanced.

The direct-rule Ministers who are dealing with the RPA have chosen to ignore the dangers that are in those new arrangements. There is a danger of ongoing political domination and, indeed, a real danger that a form of Balkanisation could emerge. When the subject has been brought to the attention of direct-rule Ministers and their civil servants, their rhetoric has been that everything will be all right and that safeguards and protections will be in place. Those safeguards and protections are needed because, despite the positive signs in many local councils that we are on the road towards

a more normal society, some unionist-dominated councils to this day refuse to share power and refuse to allocate top posts on a cross-community basis.

Rhetoric from direct-rule Ministers that they will do something about that is just not good enough.

Members will know that the Minister with responsibility for the RPA has established a task force and several working groups, which have been active and reporting for months. They have ignored, however, the need for protections and safeguards for the minorities living in the council areas. Safeguards are not mentioned in a single sentence of any of their reports.

I remind Members that it is of fundamental importance that safeguards are put in place in advance of the new arrangements, so that all the new councils can operate on the basis of fairness and equality. It is imperative that the new arrangements include statutory safeguards and legislative guarantees for cross-community representation in the top posts in all councils and for proportional representation in appointments to all council committees and outside bodies. Most importantly, mechanisms must be put in place to ensure sufficient consensus on all important decisions.

Members will be aware of plans to return additional powers to local government. In the present circumstances, that is premature. We are all aware of the contentious issues, of which planning and housing are examples. The future working of those issues must initially be based on regional policy that has been agreed by the elected Members of an Assembly that works on the basis of partnership and inclusion.

The report contains wide-ranging views on education, not least the contributions of our different school systems to the acceptance of difference and the healing of division. Separate schooling is a feature of the history of Northern Ireland. These days, however, parents are increasingly exercising their right to choose the type of education of which they wish their children to avail. The result of that is, of course, the growth that we have seen in the integrated and Irish-medium sectors. That diversity of provision has been a welcome development, and parental choice must continue to be a guiding principle in any future education policy.

Mr Storey: The Member referred to the RPA. Does he agree that he is at variance with the Roman Catholic bishops who, in their submission to the RPA, made it abundantly clear that, regardless of all the buzz words and nice phrases about equality and inclusion, the best form of education is a Roman Catholic education, dominated by the Church, and, as far as they are concerned, any other form of education is not to be welcomed?

Mr Gallagher: I have not seen the report to which the Member referred and, therefore, I cannot comment. However, I am coming to the issue that he raised.

Members will know that the majority of parents will, for the foreseeable future, continue to choose either maintained or controlled schools. That choice does not mean that they are advocating continued division in society. Separate schools did not cause the divisions in this society; they merely reflect them. Research has shown consistently that the home, not the school, is the most powerful influencer of children's social attitudes.

For the benefit of Mr Storey, I want to say that, over the years, all of our schools, often in the face of violence or polarisation, have played an influential role in promoting positive community relations. We must all encourage schools to achieve greater levels of co-operation and new levels of appreciation of difference on the basis of race, religion or culture.

Schools now face the challenge of educating our young people to be at ease in a multicultural environment, in which mutual respect, acceptance and appreciation of diversity are values that must be nurtured in the promotion of social cohesion and the creation of a normal civic society in which all individuals are considered equal.

2.30 pm

Many Members have mentioned the plight of victims in this society. Dealing with the past is one of the preconditions for lasting peace and a safe future. The task of facing and dealing with the past is a challenge that any future devolved Assembly will have to confront and make a top priority. As we know, the House of Commons' Select Committee on Northern Ireland Affairs' interim report last year stated that the time was not yet right to put in place a formal "truth recovery" mechanism.

Although clear consensus has yet to emerge on mechanisms to promote reconciliation and healing for victims, much good work has been done, and continues to be done, on the ground. The Healing Through Remembering project has conducted much consultation and research at both local and international level on methods that can be adopted to help victims. Possible methods of doing that have emerged from its deliberations, and those include story telling and testimonies. A scoping study has revealed that more than 30 local story-telling projects are already taking place. There are also proposals to hold a day of reflection in June 2007 and for a living memorial museum. That work, and the other genuine contributions to the healing process are to be commended, and all are worthy of further discussion. Any process for dealing with victims and survivors must be based on victims' needs and must take a bottom-up rather than top-down approach.

My colleague Ms Lewsley, as did many other Members, referred to 'A Shared Future'. After a long consultation, the Government's 'A Shared Future:

Policy and Strategic Framework for Good Relations in Northern Ireland' was published in March 2005. As I have pointed out many times, we all share the future here, because we must share this piece of territory. The quality of that future will hinge on the relationships that we manage to build or on those that we fail to build. The strategy for building a shared future has been laid down. A priority for any new Government will be to translate that plan into action.

Mr McNarry: The House is being asked to note the work that the Committee completed and its resulting report on rights, safeguards, equality issues and victims. In other places, "to note" means "to dispose of", "to take no further action on" or "to file away and perhaps dust down later". I trust, Madam Speaker, that that is not to be the fate of this report, because it is a good report, which is worth holding on to and returning to. Page 10 of the report contains an eye-catching bullet point that has not been included in the executive summary. It refers to parades and the issues surrounding parades, and it states:

"Solving the problems that have been associated with parades as a fundamental prerequisite to political progress and stability in Northern Ireland."

That is fair enough. However, from an Ulster Unionist perspective, I do not think that the bullet point goes far enough in interpreting and spelling out what my party colleague Danny Kennedy said in Committee. I later endorsed and elaborated on his remarks.

Does the House seriously believe that a newly formed devolved Executive could withstand the pressure of office unless the Drumcree situation and other such disputes are resolved, when it remains patently clear that such disputes are not even under consideration? On this issue, and on the general issue of parades, only the Ulster Unionist Party has raised the bar to the extent of stating that disputes over parades must be on the way to resolution before devolution can be restored. Members should refer to the "Official Reports Relating to the Report", page 169, where my colleague Danny Kennedy stipulates that:

"any outstanding controversies around parades must be well on their way to being resolved before devolution is restored."

The issue of parades was originally tabled for discussion in the Preparation for Government Committee that dealt with law-and-order issues; I had the issue moved to the PFG Committee that dealt with rights, safeguards, and so forth. During the law-and-order debate last week, Members delved into the ramifications of creating the post of Minister for policing and justice. Would he or she be responsible for parades?

Let us move forward beyond today's report on the issue of rights to a time when the DUP has repaired its splits and patched up its factions in order to get things

right and gauge — yet again — the public mood, which is asking the party to do the deal that Her Majesty's Government require it to do in order to restore devolved government. Between today and 11 October, or between that date and 24 November, or within a short time after the alleged deadline, what evidence will have been presented to indicate that a shared future includes a shared space for people to exercise their cultural expression by way of organising traditional Loyal Order walks or processions? What evidence will be advanced that those who have tactically master-minded the formation of concerned residents' groups to oppose by any means, lawful or unlawful, the Loyal Orders' right to peaceful and lawful assembly has been withdrawn? What evidence will be brought forward to state, without conditions, that permission from the so-called host community is not an issue and is no longer being withheld by any key holder from members of the loyal orders so that they can walk peacefully along a road or pass through a certain area?

Between now and whenever a devolved government is to be formed, what evidence is there that all outstanding problems and disputes surrounding the issue of parades are well and truly on their way to being resolved? The answer is that there is no evidence. The key players with the numbers required to do the deal are not even thinking about a resolution of the parades issue before agreeing to enter into Government with each other. If I am wrong, let us hear about it. Let us know where those key players have placed the parades issue on their negotiating priority list.

Reference has been made, and thanks given, by earlier contributors for the past two reasonably peaceful summers. That showed how communities, annually caught in the thick of tension and the daily risk of violence exploding onto the streets, could, under the right conditions, find an outcome of negotiated compromise that satisfied each other. Members of the House helped to deliver some positive achievements that might not normally have materialised, and their efforts should be duly recognised.

However, the major effort came from community activists. It was they who actually made the difference.

When it came to resolving local parades disputes, it was not only the Ulster Unionist and DUP representatives who worked; the Progressive Unionist Party and Ulster Political Research Group (UPRG) activists also punched in the hours. Apparently, for some, it was OK for the lads to marshal routes at flashpoint interfaces and weed out the troublemakers, and, if things looked like getting hot, it was only proper that the lads work on it.

However, memories are short. As we witnessed in this House recently, the lads may be good enough to stand shoulder to shoulder with in the summer, but

their representative is apparently not good enough to link into my party's Assembly group. Do we really want loyalists of only a certain kind, and at a certain time, when we can use them and put them in a box until the following year?

The response to that question is every bit as important as the response being sought by unionists from republicans and constitutional nationalists as to how they can support the view that failing to resolve controversies over parades poses a serious impediment to restoring devolution. Without the resolution to this issue, as demanded by the Ulster Unionists, we risk placing any new Executive on a knife-edge every summer. In those circumstances, it is inevitable that parties in an Executive will take sides over the handling of a controversial parade or even a decision to allow or ban it in the first place. The ingredients to wobble, if not topple, a new Executive are in the reality bag so long as the issue remains outside the resolution box.

A lodge collar, a shirt and tie, one's best suit and good shoes are hardly the uniform of a person preparing to riot. The non-obligatory bowler hat and umbrella are to protect against showers of rain — they do not protect against showers of bricks and bottles. We have a choice: will every summer be how it used to be, with Northern Ireland closing down for July? Is that what we are looking for? The parties also have a choice: we can pass today's motion. Unfortunately, we are restrained from amending it. It does not really mean anything to me, and I wish that I could have amended it. Please do not just note it.

The Ulster Unionist Party is resolved to prioritising the parading issue at the first opportunity. There is no bartering and no negotiating position over rights or the perplexities of a primacy of rights. When did that apply? For over 3,000 days Portadown district number 1 has been waiting to secure free and safe passage for its return walk from Drumcree parish church to Carleton Street orange hall. All along, the Parades Commission has overseen a rioters' charter and the erosion of rights and freedoms applicable to the cultural expression of the Portadown men and many others.

In simply noting the report and doing nothing else, we all fall into the complacent trap of putting the issue away for another year. I urge all Members to join the Ulster Unionists in making parading the priority that it deserves to be. Do not leave it until next summer; do not believe that devolution will flourish as the parades issue remains in limbo and unsolved. Resolve the disputes, and we will go a long way towards creating stability and real peace. If this House can bring that, it will have done a great duty.

2.45 pm

Mr Easton: When we deal with victims, our parading culture, the disappeared and human rights, we deal with

the most important and sensitive issues of our time for the unionist community and further afield.

I want to turn to the critical issue of the disappeared. That word, in and of itself, does not do justice to the trauma and agony that loved ones feel for the nearest and dearest of whom they have been cruelly deprived. All the lives that are referred to by the term "disappeared" are very important, but allow me for a moment to come close to home and the case of Lisa Dorrian.

No words of mine can adequately express the trauma, the agony and the daily pain that this family is suffering — their lives and livelihoods have been put on hold as they await the return of Lisa. I add my voice to those of all right-thinking people and call on anyone who can help the police in any way to do so immediately. I believe that someone somewhere can help, and it is that person's bounden duty to do so. All these months have gone by, and Lisa is still missing. This is unjustified and unjustifiable, and the consciences of those responsible must be killing them. In the name of human decency, I appeal for an end to the family's agony.

Let me turn to those many other families who lost loved ones through the evil of terrorism and for whom no grave can yet provide a place of solace and comfort. Theirs is indeed the loneliest of roads and the most painful of paths. The irony is that those who often cry the loudest for human rights are those who have violated the most fundamental human right of all: the right to life. The absence of Sinn Féin today is an insult to those victims yet again. Sinn Féin has run away and is hiding behind closed doors. To those who have tortured and killed, I say that the ignominy of their actions will leave an indelible stain on their characters that they will take to their graves. Let them not be deceived by perverted terrorist ideology: their actions were wrong and a fundamental affront to democracy.

The need for a liaison officer for those who deal with the moment-by-moment consequences of having a loved one "disappeared" is important. The case has been well made, and it has my full support.

Now let me turn to culture and to the parading tradition of the pro-British community. This matter must be addressed. For too long the Ulster-Scots culture has been discriminated against by those with warped minds and by those who do not understand any culture apart from their own. Parading in the Ulster/British community, and particularly for the Loyal Orders, the Royal Black Institution and the Apprentice Boys, is a long and honourable tradition. It should be cherished and welcomed. It also has an international dimension: the Orange Institution can be found in Australia, Canada, Togo and the United States, among other countries.

It is to be welcomed and respected. Let no one be in any doubt that if we are to live in a mature democracy,

parading must be settled. I challenge those whose democratic development is stunted to move on from the failed practice of cultural apartheid. In North Down, on 12 July, we celebrated 100 years of Bangor district, and 80,000 people lined the streets of Bangor to watch a carnival and enjoy a family occasion that was no threat to anyone. Families had a great time celebrating their culture, and Catholic and Protestant neighbours stood side by side enjoying the day. The Twelfth has great potential for tourism; if only those who oppose this could see the benefits that it could bring to the economy and people of Northern Ireland.

As I have said, parading has been part of our tradition and heritage for generations. Make no mistake: it will still be there for generations to come, long after we are gone.

I challenge those opposed to our culture to move on and accept the inevitable, and to step up to the mark and accept the right of freedom of assembly, which is the key to success.

Mr Hussey: I thank the Member for giving way. I noticed that in his list of parading organisations he did not include the band parading culture. Will the Member explain where the band parading culture fits in with his view of parading?

Mr Easton: The band culture is part of our culture, and must be welcomed. However, we want a band culture that is acceptable to everybody and enjoyable for everyone in Northern Ireland.

The unionist community has tolerated the tradition of the right to march by the Ancient Order of Hibernians, and I demand the same courtesy and rights for the Orange Order.

The Parades Commission is an unelected, unaccountable body, and it must go; it is part of the problem, and not a solution. Its failure to understand, and its obvious bias against, the Loyal Orders is obvious and unacceptable and, therefore, it must be done away with.

Finally, I appeal for a fair deal for the innocent victims. A proper package of support will not address the legacy of hurt that terrorism has caused, but it can, and should, help. The innocent victims are due the utmost that society can offer, and it is high time we moved on to make that a reality. Fairness compels us to address adequately the needs of the victims, and we must now move from words to actions.

Mrs D Dodds: There has been much debate about the contents of the PFG Committee's report on rights, safeguards, equality issues and victims. I welcome the report and thank those who worked so hard to produce this lengthy document.

Like other Members who have already mentioned the fact, I am not surprised that the only party that

wanted to censor the report, prevent its publication and stop the Assembly debating these important issues is not in the Chamber. There has been much discussion, quite rightly, on various aspects of the report: the bill of rights; the implementation and the implications of section 75; the parades issue; the shabby treatment of victims over many years; and the need to do more for those who have suffered the most from the violence our community has experienced.

However, I want to confine my remarks to a couple of issues — equality and confidence building within the unionist community — and I say that unreservedly. Over the past 30 years, unionist communities such as those in west Belfast have suffered badly from violence, both from within and without. Republican violence has left many scars, but much harm has also been done by direct rule Ministers who have pandered to the strident demands of republicans that have been dressed up in the fine words of equality.

Republicans in west Belfast have abandoned any notion of equality and a shared future agenda, and their cultural agenda has now taken on the mantle of cultural apartheid, with republicans trying to hive off large tracts of the constituency for a Gaeltacht quarter. Not only is that agenda swallowing up huge amounts of Government funding, it is also segregating the city. The small, vulnerable unionist community in west Belfast is evermore squeezed by a vision of the area that is totally Gaelic and Irish, and driven by that well-known moderate Máirtín Ó Muilleoir.

It is communities such as those in unionist west Belfast and along the border who need confidence in equality legislation, and who need that level playing field created, so that they can be empowered to take their rightful place in any future Northern Ireland.

The PFG Committee agreed one important issue: equality measures need to be implemented to address objective need and current trends to avert future problems, and all interested parties, including Government, should be fully committed to addressing the issue.

That is a fine objective, but easier to say than to practice. The phrase "equality is for everyone" is much flaunted, and much trotted out to satisfy political correctness, and many heads in this Chamber will nod their assent. However, what are we doing about it?

Today, I want to look at equality in the Youth Service. Every child in Northern Ireland is guaranteed a place in school — a good concept of equality. However, the situation is very different when we consider the provision of youth services, particularly in Belfast. The Shankill ward in West Belfast, which I represent and which is very dear to my heart, is the most deprived ward in Northern Ireland. It is at number one in the Noble indices of deprivation.

On 6 September, the members of the Belfast Education and Library Board (BELB) were given the latest figures for youth provision in the city. During the financial year 2005-06, the allocated budget for youth provision in the Shankill ward was £275. The allocated budget for the remainder of West Belfast was £831,210.

In the Oldpark electoral area of North Belfast, BELB spends the princely sum of £768 in a youth club known locally as Top Spot, which has been closed for four years. I presume that the £768 was for broken windows or repairs of some sort. BELB spends £265,000 in supporting youth facilities in nationalist areas. That is a situation that my colleague Nelson McCausland and I have questioned repeatedly in the board. We have taken the issue to the Children's Commissioner, and we will be approaching the Equality Commission. At our instigation, an equality impact assessment is being carried out on the matter.

I hear Members asking what board members have done about tackling inequality. They have simply voted to perpetuate it by reinstating the status quo year after year, after year. They tell me that they inherited the situation, and that it is a legacy of 1973 that they can do nothing about. They have totally failed to face up to the inequalities and in doing so have institutionalised them.

I have raised this matter over and over again since joining the board last year. I have been accused of bringing sectarianism into the Youth Service. I demand no more for the young people that I represent than I do for any other young person; that is, an equal share of the allocated budget. If equality is for everyone, then it is also for the Protestant young people in north and west Belfast who deserve to see it in practice in their communities.

Let me develop the theme a little further. Equality of opportunity is a common goal espoused by all in this Chamber. However, this laudable goal will not ensure equality of outcome if Government Departments and the voluntary and community sector do not recognise the difficulties experienced by many communities.

I read Sinn Féin's complaints in the report about the allocation of money for the renewal and regeneration of Protestant communities. Sinn Féin denied the fact of weak community infrastructure, and has been supported by many in the voluntary and community sector who are well paid by Government and who have presided over this shambles for many years.

3.00 pm

Let me outline a small example from my constituency. In May 2001, my colleague Maurice Morrow, as Minister for Social Development, and Sir Reg Empey, as Minister of Enterprise, Trade and Investment, set up the greater Shankill task force and the west Belfast

task force. After the publication of their findings in 2002, a joint working group was established between the two task forces to take forward initiatives, with a budget of £21 million allocated by the Integrated Development Fund.

An update in June 2006, provided through Belfast City Council, shows that almost £9 million went to projects in west Belfast and only £900,000 to projects in the greater Shankill area. Members may have guessed that £1 million went to the Gaeltacht quarter — which has helped to segregate the city even further. That is a prime example of equality of opportunity not bringing about equality of outcome, and there is no doubt that a weak community infrastructure and various other ongoing issues within the unionist community contributed to that situation.

What can be done about that? I have made many representations to DETI over a long period of time. Despite West Belfast still not being ready to run with some of the projects, DETI will not reallocate the funding. The money is out there in the ether, but the Department will not allow it to be touched. Instead, the Department set up smokescreens, established inter-departmental groups to consider the situation, and has still not consulted elected representatives. It is easy to espouse the ideal of equality; it is another thing to implement it. Those two ongoing situations, within a small, vulnerable, unionist community that has faced many problems, demonstrate how equality has now become institutionalised.

Not one Sinn Féin or SDLP member of the Belfast Education and Library Board (BELB) has supported the fight for equality for the young people from Protestant communities in north and west Belfast. If all communities in Northern Ireland are to experience a prosperous future, lip service is simply not enough. If we are to ensure that everyone has a stake in society — even those from the community in Northern Ireland that is most disadvantaged for any number of reasons — we must ensure that there is more than mere lip service to equality.

The confidence of the unionist community has been sapped by republican terrorism and by Government side deals with republicans. My colleague Nelson McCausland took great care to demonstrate that this morning when he talked about festival funding. After the unionist community had been locked out of festival funding for many years, the DUP thought that it had eventually created a level playing field — until Mr Hain took the overtly political decision to issue funds, yet again, to the West Belfast Festival and Ardoyne Fleadh.

Equality for unionists has not been high on the Government's agenda; there is inequality both in budget allocation and in the workplace. The Royal

Group of Hospitals is the largest employer in west Belfast. Some 96% of its workforce, including cleaners, security staff, porters, etc, come from the Catholic community, despite sizeable Protestant communities living adjacent to the hospitals, in the Village, Sandy Row and unionist west Belfast.

The inequality in funding for festivals and other cultural activities, and the large funding grants being given to republican propaganda rags such as 'Daily Ireland' contribute to the widespread alienation of the Protestant community.

Inequality eats away at communities. It saps their confidence and completely destroys their trust in the institutions and in Government. It is within the Government's power to deliver the equality agenda; so far, it has not chosen to do so. Like many colleagues, I warn Mr Hain that we also hear the clock ticking. The deadline of 24 November is fast approaching. It is in Mr Hain's power to deliver the equality agenda.

Mr McGimpsey: In common with other contributors, I want to thank the staff who have worked so hard to prepare the report, which is a significant and important piece of work. I have no problems in supporting it.

Culture is a pertinent issue. Many years ago, when I took over as Minister of Culture, Arts and Leisure, I looked up the definition of "culture" in a dictionary. Everybody has a different idea of what culture means. I discovered that culture is defined as being the training and refinement of the mind, taste and manners, and acquainting oneself with the best that has been known and said in the world. That definition was not much help to me. Although that definition may apply to repositories of the best of what has been known and said in the world as far as libraries or museums are concerned, there is a further aspect to culture. It is not popular culture but one that is deeply imbued in society that is of interest to me.

The community's sense of its own heritage and, at its heart, a desire to develop from within the prerequisite of an outward-looking dynamic society could potentially pay rich dividends for our society where, all too often, a type of activity, school of thought or philosophy might lead to conflict.

We use cultural symbols to communicate and to understand one another. Cultural symbols are imbued with significance and personal meaning. We rely on those symbols. The parades issue has been discussed, and the procession is an important cultural symbol of unionism. The right to hold processions and to march or parade has been present in unionism for the past couple of hundred years. When groups oppose the right of procession, they appear to attack the symbols of a particular community — symbols that have been imbued with personal meaning and significance.

Around 10 years ago, on an Easter Monday, an Apprentice Boys parade went wrong and ended in civil unrest at the Ormeau Bridge. I was caught in the middle of the riot, which continued all day. I was struck by how quickly it had escalated out of control. I was also struck by the fact that despite the offer to hold the parade at 8.00 am, when most people are at home in bed, a group of people from the lower Ormeau Road would not accept that offer. They simply said, "You shall not pass". The parade did not pass.

Some might ask why that issue should be regarded as important. It is because people regard it as a vital symbol of their community. As David McNarry said, that is why the issue, which has huge potential to dog our society, must not continue to do so. People must tolerate one another's particular symbols, such as the symbol of procession. The report rightly considers that issue in some detail.

I was also involved in Ulster Scots. The North/South Language Body was set up as part of the Belfast Agreement, and the Ulster-Scots Agency was set up under that remit. When I took office as Minister at the end of 1999, Ulster Scots received funding of just over £100,000, but Irish received about £2 million. That was roughly a 20-fold disparity. I examined not how we could close that gap but how we could address the demand in the Ulster-Scots movement.

Unlike John Dallat, I wish to pay tribute to John Laird for the way in which he took over as chairman of the Ulster-Scots Agency. He took it from a dead start: before him there was nothing. He got a great deal of criticism, as did Ulster Scots, not least from the unionist community, a substantial proportion of which does not regard itself as Ulster Scots — rather as Anglo-Saxon or British. Prominent unionist commentators in the media, among others, criticised Ulster Scots. John Laird had a difficult task. I pay tribute to him and to the work of the board members — Alistair Simpson; Dr Ian Adamson; George Patton, now chief executive; and Bob Stoker.

During devolution, the Ulster-Scots Agency was established, as was the Institute of Ulster Scots Studies at the University of Ulster and the Ulster-Scots World-wide Academic Network. I was part of that, because I took the view that Ulster Scots was more than a language. It had only just been recognised and a great deal had to be done to codify it, write it down and record it.

There was a culture and a diaspora there, so I gave authority for the agency to operate outside Northern Ireland and the island of Ireland. The agency did that very successfully. Ulster-Scots Day was established in the United States. Jim Shannon mentioned the size of the Irish community — there are 40 million people, and 58% of them are Scotch-Irish. There is a huge

diaspora there and a huge potential for tourism and other markets. The Ulster-Scots Academy was established with a budget of £10 million over and above the moneys that were voted through.

Ulster-Scots is recognised as a language in Part II of the European Charter for Regional or Minority Languages. That is significant, because many people have said that it is a vernacular, an idiom, and not a language. They mocked and scorned it, but now it is indisputable, as it is clearly defined as a language under the European Charter. It is a minority language, which has a long way to go, but it is a language nonetheless.

Over 200 Ulster Scots groups have been established in Northern Ireland, which shows the vibrancy in that community and tradition. The important achievements of John Laird and the Ulster-Scots Agency were supported by devolution. None of that would have been possible without devolution and the reference to Ulster Scots in the Belfast Agreement. They are important achievements, and it is wrong to be negative about them. We are only scratching the surface of the work to be done in the United States and the potential there.

3.15 pm

Similarly, the Irish language has made strides. The Irish language had the benefit of Bord na Gaeilge, which had an established infrastructure in the South. It had a very substantial budget — around £8 million — and its own staff, and it looked at the all-Ireland dimension.

The 1991 census in Northern Ireland showed that 142,000 people claimed some knowledge of Irish — that was basically the market — while around 40,000 claimed some knowledge of Ulster Scots, although that has been continually revised upwards to around 100,000.

The new body, Foras na Gaeilge, examined the promotion of Irish on an all-island basis. Given that the population in the South is about 3.5 million and that some of the population in Northern Ireland regard themselves as having allegiance to both Irish and Gaelic, it is no wonder that there is a major disparity in the budgets for the two languages.

We must look at Northern Ireland's contribution to language. As I said, during my time as Minister, the Northern Ireland contribution to Ulster Scots rose about 15-fold. At one stage, the Ulster-Scots Agency was being given so much money that it could not cope; it had to hand some back. It was important to keep the budget rising, and we kept that support going.

Unfortunately, the lack of devolution has arrested progress on that matter. Without the restoration of devolution in some shape or form, it is difficult to see how that momentum can be regained — for Ulster Scots in particular, and for the Irish language, although

it benefits from the fact that the Dublin Government see it as integral to Irish culture.

It is important not to use the treatment of one language as the benchmark for the treatment of another. We should deal with this matter according to demand and different stages of development. It is wrong to run down the Ulster-Scots language for being a long way behind the Irish language — of course it is behind. The Irish language has had the benefit of Bord na Gaeilge, and, about 70 years ago, a de Valera Government produced a standardised dictionary, grammar and so on. Indeed, the language was being worked on for more than 200 years before that. The Ulster-Scots language has only just got going.

My next point is one to which no reference has yet been made, although it is important. I am surprised that it has not been mentioned, but let me mention it now because I am always fond of surprising people. The most important cultural development in the history of Northern Ireland, in capital spend terms, is being proposed right now — the Maze project. That culture and sports development project will cost around £400 million; a stadium will cost around £80 million, and there will be all sorts of ancillary works. Most controversially, there will be development around the Maze hospital. I strongly believe that that is a mistake.

The debate on the stadium was thrashed out at Belfast city hall last week. Alban Maginness, Diane Dodds and I were all present to listen to the presentations on the different stadiums. There is an argument over where the stadium should be, how much it should cost and who should pay for it. No business plan is available for the Maze project and no economic appraisal has been drawn up, yet we have been told that it is a done deal. An economic appraisal and a business plan are the two key requirements outlined in the Government's green book. Therefore, the proposal is a political one. We can argue about the Maze, but, as everyone knows, my preferred location would be Windsor Park. It is an ideal investment opportunity for that type of stadium; it is already built, and, alongside Casement Park and Ravenhill, it is the most economically sensible option.

One proposal is that the Maze hospital should become part of an international centre for conflict transformation. The hospital where the hunger strikers killed themselves is now protected as a listed building, and that facility will be at the heart of a £10 million investment. That is vindication and validation of what happened there. This matter relates to earlier comments about who is a victim and who is a perpetrator. I, and the people whom I represent, do not consider that those people who starved themselves on hunger strike were victims.

It is exactly the type of cultural development that Northern Ireland does not need. We should not forget

the past, but neither should we live in it. We must draw a line under the past and move on. That project has the potential to wreck, in the way that the blocking of parades does.

Mr A Maginness: I thank everyone who was involved in the compilation of this timely report, which is worthy of Members' reflection. We have shared a divided past, and, having done so, we deserve to share the future in harmony, peace and reconciliation. The means by which that will be achieved lie in the establishment of partnership in the Assembly and in society. All Members' efforts and discussions should be aimed at restoring the institutions, rather than at preventing their restoration. Having listened to today's contributions, I cannot help but feel that rather than trying to create a smooth transition to restoration, some Members have set their faces against it.

It is essential that those who suffered most in the troubles have a place in the shared future. They should be an integral part of it. That is the SDLP's position. Those who suffered must be given a special place in society, so that they do not feel alienated from the peace process, or from the institutions established under the Good Friday Agreement.

I have been saddened and disappointed by some of the contributions in the PFG Committee and on the Floor of the House, particularly from members of the DUP, who have failed to move on the victims' issue. The SDLP has made a reasonable proposal, supported in part by the consultation process of the Interim Commissioner for Victims and Survivors. The proposal is for the establishment of a forum for victims, where victims can come together to address the same issues that Members addressed in the PFG Committee. It is through that mechanism that victims can create a programme for change that genuinely reflects their interests. That would be the best mechanism for progress.

However, others, and particularly the DUP, object to that proposal because, they say, progress cannot be made until "victim" is defined. The problem, which is apparent in victims' groups and organisations, is that if we do not move from first base, we will never move. Therefore, the opposition and the insistence on a definition are wrong and contrary to victims' interests. If we stick on that point, we will stick there forever, and we will never be able to address the interests of victims and survivors fully and satisfactorily. In holding that position, Members do a great disservice to victims.

The SDLP believes that it is important to give the victims' forum a chance. If there is restoration, one of the first priorities of the new Executive should be establishment of a victims' forum in order to move that process forward.

Victims in our society must be acknowledged — collectively and individually — and there are many

ways of doing that. My colleague Tommy Gallagher referred to a number of groups, such as Healing Through Remembering, who tell their stories individually and collectively throughout Northern Ireland. Why can that not be done centrally? Why can we not establish a publicly funded audio-visual archive, where those who have suffered in the troubles can tell their stories and where the stories can be recorded for posterity? It would be a therapeutic process for those people who have suffered, and it would be a collective and individual recognition — officially and publicly — of that suffering.

Surely that is not something that is too sophisticated for us to establish and develop on a centralised basis? The establishment of such an archive would bring closure to a great number of families throughout Northern Ireland who continue to suffer because their suffering and the suffering of their loved ones has not been properly acknowledged.

Mrs D Dodds: Mr Maginness has explained the SDLP's position on victims. Many of the victims that I speak to, and whom I meet frequently in my constituency, say that they want not only their situation to be acknowledged but, more importantly, to see justice for their loved ones. Will the Member elucidate further his view on justice for the victims?

Mr A Maginness: Mrs Dodds has made an interesting point. Acknowledgement is important, because people feel alienated and left behind. They also feel that there is a political process and a peace process in which they are not involved and from which they feel disconnected. We must, therefore, involve them in that process, and we must reconnect with those people. In the circumstances, where justice can be done, it should be done. We have a Police Service and courts, and an individual who is implicated by any evidence that is brought forward can be tried. It is important that that be pursued, and the SDLP does not exclude that.

The Historical Enquiries Team is looking at many cold cases and at the whole gamut of killings arising from the troubles. That is an important process. It should be maintained, properly funded and given the proper personnel, and so forth required to carry out that task.

Mr Hay: Can the Member clarify his party's position on the definition of a victim? Does he view someone who has deliberately gone out to murder somebody as a victim?

Mr A Maginness: I do not see the perpetrator of such a crime as being a victim; I have never said that and neither has the SDLP. I ask Members to consider instances where people who are suspected of being members of paramilitary organisations are killed in controversial circumstances. Could they be viewed as victims? I think that they could be. Are the families

who are affected by those killings victims? I think that they are.

There is a grey area in some of these cases, but we cannot be simplistic. We cannot say that one person is a victim and another person is not. We have all suffered. Both sides of the community have suffered grievously.

Let us not nit-pick or hoke over the ashes, as it were. We should recognise that there has been suffering, and move on.

3.30 pm

The Alliance Party proposed to the Committee that we have a proper day of reconciliation and reflection. There is some merit in that idea, yet both unionist parties — again — dismissed it, on the grounds that confidence levels in the community have not reached sufficient heights to allow for such a day. Surely the point of having a day of reflection is to try to create confidence and bring about reconciliation in our society. If we had reconciliation and true peace in our society, we would not need a day of reflection.

I was disturbed by Mr McNarry's comments, which set the resolution of the parading issue as a prerequisite to restoration. That cannot be the case. Returning to a central point that I made, if we want to resolve some of these difficult and seemingly intractable issues, the institutions must be restored. To do otherwise is to put the cart before the horse. We want to resolve the parading issue, but it is essential that it happen locally. Unless we get local dialogue going we cannot resolve what are essentially local problems. However, we should not let local problems become so disproportionate and so all-absorbing that they distort, destroy or undermine the process of restoration or, indeed, devolution itself. A devolved Administration is the best political context in which to solve the problems of parading. Therefore, we should work towards that.

Mr Hussey: I am aware of the clock and that I should not speak on behalf of Mr McNarry, but my recollection is that he said that a process towards resolution had to be started, not the actual resolution itself.

Mr A Maginness: I hope that the Member is right, because the terms in which Mr McNarry expressed himself seemed to me to be more absolute than that. However, I am subject to correction by Mr Hussey.

I emphasise that Members on this side of the House have confidence in the Parades Commission; we believe that it is doing a good job. That is not to say that we think it is perfect, that it cannot be improved upon or that it does not make decisions with which we disagree. Of course there are decisions that we dislike, such as the Drumcree decision the other day. We must work with the commission, which was set up to remove decision-making powers from the police in these circumstances.

The DUP proposed that the Parades Commission's functions be divided into powers of mediation and determination. The proposed determination process was so complex as to bring about a quasi-judicial system that would fail as a result of being so bound in regulation.

The Parades Commission has at least blended the mediation and determination processes. The current situation is not perfect, but it is better than it was prior to the establishment of the commission. We must all support the Parades Commission, because doing so is the best way to resolve the outstanding problems. The Parades Commission can promote local dialogue and create a situation in which all parties are satisfied and in which local solutions to the problems that affect various communities can be found. We live in a divided society, and the parading issue simply reflects those divisions. However, if we have a partnership Administration, we are in a much better position to resolve the outstanding parading issues.

Finally, as regards a bill of rights, it is important that we proceed with a round-table forum of all the parties once we establish restoration of devolution in the institutions. There is an argument that the European Convention on Human Rights (ECHR) is purely civil and political. That is not the case; the jurisprudence of the convention is much more extensive than that and deals with many social and economic issues. We can replicate that in a local, domestic bill of rights.

Mr McCarthy: I would like to record my thanks to Committee members, staff and chairpersons who worked during the summer to produce the report. I also acknowledge the decision of Peter Hain to ensure that the report was printed in the first place and the opportunity he gave us to debate the contents of the report this afternoon. We are making progress.

I will focus on community-relations issues. Overcoming the deep divisions of this society is perhaps the biggest challenge facing us all. Unless we can build a united community, it is very difficult to see how the institutions of the Good Friday Agreement can be placed on a stable and sustainable basis. Unfortunately, sectarian attitudes remain prevalent in this society. Recent studies show that children as young as three or four years old are repeating sectarian slogans, presumably picked up at home or on the streets. This is disgraceful. Worryingly, we are also seeing intense racism from some quarters. It seems to be increasing; this too is disgraceful.

To our shame, we have a higher rate of racist attacks per 100,000 people than in England and Wales. The figure produced by the NIO for 2002-03 in its hate crime consultation confirmed this. It is worth stressing the value —

Dr Birnie: Will the Member give way?

Mr McCarthy: I have only started. Give me a minute to get started first. Come back later on.

It is worth stressing the value that new migrants bring to our economy. If the truth be told, these people are probably doing jobs that local people have turned up their noses at.

Both parts of Ireland have long been exporters of people, bringing religion, Christianity, to all ends of the earth. We should be proud of that — though perhaps it would be better to concentrate on the local area.

The fact that people want to come here to work is surely an encouraging sign. We must do all to welcome them. Some of the most successful economies in the world are in diverse societies.

Northern Ireland has deeply ingrained patterns of segregation. Far too many parts of Northern Ireland are marked out by sectarian symbols as the exclusive territory of one side or the other. In some cases the provision of separate services to different sections of the community is openly the policy of the state, but in many others the provision of separate goods, facilities and services is reality and practice. This is not just an issue for the Government; it is also how businesses and voluntary associations do their work.

Segregation carries huge political, social, economic and financial costs. Far too many issues are analysed on a sectarian basis: how much one side, versus the other, is getting; because this side gets something, the other must too. What can be the political outcome of that? Unfortunately, we had to listen to that approach this morning, and more recently this afternoon. People are encouraged to think as “them” and “us” battling over resources, rather than as a community working together for the betterment of all. We should all be striving for the latter.

There are social costs, because segregation denies people opportunities to mix with one another and to develop their full potential. There are economic costs, because businesses and tourists are deterred from coming to Northern Ireland — or to particular parts of Northern Ireland. Finally, there are financial costs, because segregation leads to skewed public expenditure. The Alliance Party estimates that, each year, about £1 billion is spent on managing our divided society. A large proportion of that money goes towards providing separate goods, schools, facilities and services. The Alliance Party fully supports integrated education as a means to bring our children together and to provide a choice for parents.

With its crumbling infrastructure, the longest NHS waiting lists in the UK, and the threat of punitive rates bills and water charges, which will have a drastic effect on so many of its people, Northern Ireland can hardly afford this segregation. The Alliance Party embraces warmly the concept of a shared future. For

the Alliance Party, a shared future means creating a society where people can live, learn, work and play together in safety.

People want to integrate. Time after time, opinion polls show that although an overwhelming majority of people want mixed schools, workplaces, housing and leisure facilities, they are held back by a lack of facilities and security fears.

My party welcomes the framework document ‘A Shared Future’ which was published in March 2005, and the first of the action plans, which was published in April 2006. The term “shared future” is not simply another label to repackage community-relations policies of old. It is not primarily about considering the way in which projects are funded; rather, it must be seen as a challenge to the range of policies and practices in Northern Ireland.

It is regrettable that most of the progress towards a shared future has occurred under direct rule, rather than under the local Executive of the last Assembly. There needs to be local ownership of the process. In the PFG Committee, parties were able to endorse the concept of a shared future, but I fear that, for some, that is just another slogan. When asked to endorse the Government documents, the PFG Committee could not reach consensus. Much of the debate was polarised.

On human rights, there seemed to be some consensus on the concept of a bill of rights, but I fear that that apparent consensus masks a much deeper division on what should be included in that bill of rights. Human rights are for everyone. The Alliance Party is opposed to explicit rights for unionists, nationalists or any other grouping. We are opposed to entrenching any vague parity of esteem. We are concerned about any bill of rights that would institutionalise sectarianism in Northern Ireland or entrench division, either directly or indirectly.

It is worth noting that international norms recognise a right of people not to be treated as part of a minority against their will. Similarly, on equality, the Alliance Party is committed to protecting the rights and ensuring the opportunities of every individual. We cannot, and will not, be selective. Equality is essential in order to give everyone a stake in society. For the Alliance Party, that means equality of opportunity, equality of access, equality of treatment, equality under the law, and equal citizenship.

The Alliance Party does not believe that there should be a hierarchy in equality. In Northern Ireland, equality issues are overly associated with religion and/or political identity. Discrimination or other inequalities on the grounds of gender, race, disability and sexual orientation should be of equal concern. Opportunity, a sense of belonging, and fair treatment do not exist evenly and consistently across society. Due to historical inequalities, discrimination, geography or other obstacles to

participation, some individuals are more marginalised than others.

As a result, it may not be sufficient to apply good public policy generally in the hope that all sections of the community will benefit equally. The use of neutral policies does not necessarily produce neutral actions or outcomes.

Madam Speaker, there is, therefore, a case for affirmative action being taken, but we remain opposed to discrimination and the use of quotas.

3.45 pm

We support the targeting of resources towards particular disadvantaged and under-represented neighbourhoods and sections of the community.

Mr Nesbitt: Will the Member give way?

Mr McCarthy: I am pushed for time. Let me see how I get on.

Resources should be allocated on the basis of need —

Mr Kennedy: Debate.

Mr McCarthy: I have a great deal yet to say.

Resources should be allocated on the basis of need rather than on the basis of perceived religious or political affiliation. It is counterproductive always to divide people into Protestant and Catholic camps and then complain if one side seems to be doing better, more or less, than the other. Resources must be allocated on the basis of need. It is important that vacancies be filled and resources distributed on the basis of the merit of an application.

The Alliance Party opposes the use of quotas to fill vacancies or allocate resources, because that inevitably leads to individual cases of greater merit being passed over in order to address the need of someone who has been identified as belonging to a disadvantaged group. The Alliance Party is concerned that the overemphasis on equality for groups on the grounds of religion and identity further institutionalises divisions.

The Alliance Party is a long-standing advocate of fair employment legislation and monitoring. Those ensure equality of opportunity and non-discrimination in the workplace. Fair employment legislation has been very successful in removing discrimination here. It has helped the country move towards having a workforce that is more representative of the entire community.

We recognise and understand the need for workforces to be monitored; however, we have concerns about the methodology that is used to categorise people in pursuit of those objectives. The Alliance Party looks forward to the creation of a single equality Act, which would standardise and harmonise upwards equality protection on all existing grounds.

I am also concerned at how language matters have been polarised. It was mentioned not so long ago that Irish is not just a language for nationalists and Ulster Scots a language for unionists. Both should be open to all who have an interest in language. We should celebrate the rich cultural heritage that is available to us here rather than scorn what other people enjoy.

Resources should be made available to encourage the entire community to develop an interest in language. However, a word of caution must be sounded on the issue of need. When people demand the right to request written responses from the state in either Irish or Ulster Scots, they are not really seeking to address a matter of need. There are few, if any, Irish or Ulster-Scots speakers who cannot access services in English. Those who suffer are migrants to Northern Ireland whose first language is not English, or those who have little grasp of the English language. That is especially true of migrants from an older generation. Although many public bodies are trying to assist them, it is worth remembering that, when others demand the creation of language rights, those rights will do little to help migrants. The European Charter for Regional or Minority Languages does nothing for those whose first language is not a European language.

Finally, I wish to address the issue of the past and its legacy, which is a very complicated and multifaceted issue. Some may argue that to focus on the past is counterproductive and keeps wounds open and that society should move on. The Alliance Party disagrees with that. To address the past and its legacy is fundamental to the process of reconciliation and building a shared future. Failure to do that comprehensively and holistically is a barrier to political progress. How we handle the past has been allowed to become a source of division in society, and that has served only to create further division. That tendency can be countered only through the creation of a comprehensive approach. Efforts to deal with the past and its legacy have been piecemeal. It was a real shame that the Committee became bogged down in seeking a definition of a victim.

Some type of permanent memorial could be created. There is certainly room for creativity when it comes to dealing with the past and its legacy.

Consideration should be given to a day of remembrance and reflection. The Committee considered that suggestion but, sadly, could not reach consensus.

An experience-telling forum should be created that would allow victims, as they define themselves, to place their testimonies, positive and negative, on the record. That could lead to some form of permanent archive.

We must never forget all the people who, throughout these islands, have suffered grievously during these

long years. We have all suffered in one way or another. A long time ago, I remember turning on the radio early one morning only to hear that a young man from Portaferry, in my constituency of Strangford, had been shot down in cold blood in Newtownards as he made his way to work. That was a total waste of a young life, and it created untold suffering for the man's family and his community — that wound is raw to this day. Over and over again, that type of suffering has been replicated — to the shame of Northern Ireland. Let us hope that no more people from these islands will have to endure such suffering. We must never forget the exiled or the disappeared. I have met relatives of exiled people and have enormous sympathy for them; we must ensure that those people are brought back to Northern Ireland.

Lord Morrow: From time to time, the Secretary of State has come in for much criticism in this Assembly.

Dr McCrea: Rightly so.

Lord Morrow: As my colleague Dr McCrea says, rightly so.

However, today I want to praise the Secretary of State and thank him for allowing us to have this debate. Had Members been depending on the system that was being used in the PFG Committee, whereby all decisions had to be unanimous, no doubt this debate would not have been held, because Sinn Féin objected vehemently to it. Sinn Féin members were involved in Committee discussions and in the preparation of the report, but they did not want it to be printed, published and debated. If Members examine the report, they will see why: it is riddled with Sinn Féin contradictions. I understand why that party would not want to debate the report.

On behalf of the DUP, I commend all those who worked hard to realise the report. I want to place on record my sincere thanks and appreciation to the staff who worked hard and played a large part in ensuring that the report came to fruition and for having it ready for today's debate. It is a hefty report, and it touches on many important issues.

Several Members took swipes at the DUP during the debate, and I do not want to disappoint those who thought that their contributions had gone unnoticed. I want to respond in kind. I am delighted that at least one of them is in the Chamber; he is waving frantically, acknowledging that he is also delighted that I intend to refer to his speech. I will not disappoint him.

It is a pity that Mr Tommy Gallagher is not in the House. He sounds as if he has been out of the country for several years, because he does not seem to inhabit this planet at times. He said that unionist-controlled councils do not share power with nationalists.

Mr A Maginness: Some councils.

Lord Morrow: He did not use the word "some". Unfortunately, he did not name those councils. I

suspect that he got things slightly mixed up; we all do that from time to time, and Mr Gallagher is no different. He was probably thinking of Down District Council, in which the SDLP is predominant but refuses point blank to share power with unionists. That is disgraceful, and SDLP Members ought to hang their heads in shame.

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

Another Member could not help but take a whack at the DUP — Mr McNarry. I served on the PFG Committee with Mr McNarry, and no doubt he has many attributes. I would be the first to recognise and acknowledge that. However, occasionally, he suffers lapses of memory. I am sure that there are ways of treating that, and perhaps we can speak to him about it later.

Mr McNarry is in the House; I am glad to see that. I thought that he had "gone away, you know", but I see that he has returned. Mr McNarry chided the DUP, asking whether we were now patching things up in order to carve out a deal that will enable the restoration of devolution. He wanted to know where parades have featured on our list. The answer is: infinitely higher than they appear on the Ulster Unionists' list.

Whether Mr McNarry is guilty of this, I do not know, but his party did not seem to think that the parades issue was that important before it went into Government on three occasions with Sinn Féin/IRA. I suspect that, if his party had thought it to be important, it would have had it on its list — it might even have made it a prerequisite for devolution. Perhaps Mr McNarry's party is now at the stage at which it is saying that resolution of the parades issue is a prerequisite, because I recall Dermot Nesbitt saying in Committee; "We are not ready to go into Government with Sinn Féin/IRA." I know that Dermot will want to reinforce that point, and I will gladly give way to him in a moment or two.

Is that the Ulster Unionists' position? I sincerely hope that it is, although at times the party speaks with a forked tongue and confuses us. Mr McGimpsey seemed at one point to be saying that the time was now right for devolution and that nothing would happen until devolution came about. I have no doubt that some of the Ulster Unionists will want to pick up on that point, and when they are ready to answer, I am ready to give way. Come on, Dermot; get up on your feet.

Mr Nesbitt: Our leader, Sir Reg Empey, speaks on behalf of the party. He has made it clear on many occasions that a judgement will not be made until October, when all the evidence is available. That means that no judgement can be made now. I cannot speak for any individual member of the party who may speak at any given time, but I assure Lord Morrow that this party, along with the DUP, is not ready to form a Government at this juncture.

Lord Morrow: Thank you, Mr Nesbitt. I am glad that that is on the record; it may be very useful in the coming weeks.

Mr Kennedy: Is that plain enough? Did you understand that all right?

Lord Morrow: It was quite clear.

Mr Poots: Pages 349 to 351 of the report set out the DUP's position on parades and its analysis of where we need to go. We went to the bother of providing a written submission and making our position clear in Committee. Perhaps, in order to assist Mr McNarry, Lord Morrow can identify where the Ulster Unionist Party's submission on parades is.

Lord Morrow: I thank the Member for that intervention.

Mr McNarry: Will the Member give way?

Lord Morrow: I will give way briefly, but this is the last time.

Mr McNarry: Does the Member agree that Mr Poots, who spoke on the parades issue, did kindly outline for us the DUP position, and that it is distinctly different from the Ulster Unionist position, which is to scrap the Parades Commission? We did not hear that from the Benches beside us.

Lord Morrow: Mr McNarry, you are taking this memory thing a bit far.

Mr McNarry: Is there a doctor in the House?

Lord Morrow: Yes, there is.

I understand that the Parades Commission was the brainchild of the North Report. I remember that that report was debated in no less a place than the Northern Ireland Forum for Political Dialogue. Lo and behold, there is bad news coming for you: your party supported the creation of the Parades Commission. You do not have to take my word for that, because you can check the minutes or Hansard from the Forum. You and I can sit down one day and go through it line by line, stroke by stroke.

Mr McNarry: What about the scrapping of it?

Lord Morrow: You will find that you are among friends when you talk that way with us, because we believe that the Parades Commission should be scrapped.

Mr Deputy Speaker: Order. When you refer to "you", you are referring to the Speaker. I can assure you that I am not guilty of anything that you are accusing me of. Please direct all your comments through the Chair.

4.00 pm

Lord Morrow: That is a point well made, Mr Deputy Speaker; my apologies to you.

Mr Maginness touched on a subject that is very near and dear to unionists, and it should be near and dear to nationalists too. I do not believe that he dealt with it in a flippant way. I believe that he tried to bring sense to it; I believe that he tried to bring a degree of respect to the whole issue, and that is the issue of victims. It is a big issue for all unionists, and it is a big issue for many nationalists — I believe that it should be a big issue for all nationalists. I listened intently to what he said. He did say one thing with which I disagreed when he referred to the possible opportunity for people to have storytelling. As I said in the Committee, I prefer the term "experience relating". That would not give the impression that this is just a mere story. For many it was a very hard and sad reality. I know that Mr Maginness did not mean it other than in that way. I merely make the point.

I say this to him and to the House today: a day of reflection has also been mentioned, but what happens after the day of reflection? A day of reflection is one thing; a day of reflection after genuine repentance is quite another. To me the two are very different. I happen to believe that if there were a day of reflection which had before it a day of repentance, he would find it easier to convince those of us who are sceptical about going down that road. I am not saying that those who push this idea — and I listened to Mr McCarthy, who I think mentioned the same thing — are not sincere when they say these things. However, they will find little support among us if they cannot urge a day of repentance first. Repentance comes first and forgiveness second. I ask them to reflect on that.

I want to come back to some of the other issues in the report, and they are important. Sadly, the Committee could not agree on what a "victim" is. The definition of "victim" is paramount. Until we decide on that we cannot move forward. I want to make it very clear that we in the DUP see a vast difference between someone who has been gunned down in a van, at home or in a place of work, and the perpetrator who did it. Then I hear an equation being drawn between the families of both: an interesting point. We must have a definition of "victim" before we can take this forward. We see it as paramount; it cannot be that a person who was blown up by his own bomb and a person who was shot dead are considered equal. My colleagues and I do not see it that way, and neither do the vast majority of law-abiding people. I include in that nationalists and unionists right across the political spectrum. They see a clear difference.

My time is flying on because I gave way on too many occasions. Being the reasonable sort of individual that I am, I do those things, and then they militate against me. However, I do want to make mention of the disappeared. They have already been referred to here today. For over 30 years some families have been

waiting patiently. They have had a horrid and torrid 30 years, and the challenge that I make to Sinn Féin/IRA today is this: how many more years of torture do you feel it is going to take to satisfy your lust for torturing these families?

It is nothing short of a disgrace that families are still waiting to know the whereabouts of those who have been lost for over 30 years and who were near and dear to them. We hear a great deal about peace, but those families have had no peace: their agony goes on. We may be moving on, and Sinn Féin will be the first to stand up and say that it is ready for Government. It may be ready for Government, but it is not fit for it — it has a long way to go. Members have been told that 24 November is destiny day. That day will come and go, the rain will fall as often as ever, and the sun will shine as infrequently as ever, but anyone who is holding their breath for 24 November can forget about it. I state clearly: those people can forget about 24 November because nothing will happen.

I emphasise that the DUP is not taking Sinn Féin/IRA's word for anything, and any Member who does not understand any part of that can jump to their feet. The DUP will judge Sinn Féin/IRA on its actions, not on what it says it does or on what two reverend gentlemen said that it did.

Mr Attwood: On behalf of the SDLP in West Belfast and in Lagan Valley, I convey our condolences to the family and colleagues of Michael Ferguson on his untimely and tragic death.

My first comments actually refer to Michael Ferguson. The single best conversation that I witnessed in the PFG Committee dealt with issues from the past. Indeed, Members should read that part of Hansard. Although Members know that very little agreement was reached, the contributions of all the parties were substantial, deeply felt and well-developed. Lord Morrow echoed some of that.

The recovery of the truth of the past was one issue that divided the parties. Some Committee members argued that we should move on and that if we did not, the past would invade the present. Other members were vague about whether paramilitaries should co-operate in full with a truth-recovery process, which some members demanded of state agencies. However, other members argued that the recovery of truth was one-sided and centred only on the actions of the state.

In a way this debate is academic. Unless the parties here and elsewhere decide on and define the issue now, others will define it for everybody in the North in a way that will be deeply uncomfortable to the majority of people. We can talk about days of reflection or days of redemption, and we can talk about story telling or sharing experiences, but the truth is that issues on dealing with the past are being decided elsewhere as

we speak. Unless parties — and victims — collectively pull together their efforts to decide the best way to deal with the past, it will be defined in a negative and backward way.

The SDLP believes that unless there is agreement on the model of truth recovery and that that model has a moral basis, our community will not be able to move forward. If we do not address that now, we will live with the consequences for decades and generations.

We need to learn that lesson and can do so by stepping outside the North for a moment. After thousands were massacred in Srebrenica, important efforts were made to recover and identify bodies and tell the story of that atrocity. However, a couple of years ago a citizen living in Srebrenica at that time told me that the older citizens of the area who had lived there and survived the Second World War sought the truths of what they had experienced in those years. President Tito suppressed those truths after the end of the Second World War.

Following the massacre of recent years, the Second World War generation in Srebrenica wanted to talk about the truth of the war years and not solely about the atrocity they had just experienced. They wanted to know about Nazi collaborators and the truth of that awful period of their history. If we conclude that we can simply move on without a moral basis, we run the risk in decades to come of visiting the experience of the older citizens of Srebrenica — of truths suppressed, truths not faced up to and of truths that come back to haunt us.

Of course, there must be care not to apply the lessons of other conflicts or the history of other places strictly to this place and to this conflict. We have to acknowledge that some good work in dealing with the past is being done. The Historical Enquiries Team, a range of survivors and victims organisations and other initiatives are all part of the way forward. The SDLP believes that a more dedicated effort is needed to create a full and inclusive truth recovery mechanism. It must be done now, because if it is not, it will be left to those who most wish to avoid a spotlight on the past — those elements in the British system and in the IRA leadership who conspired together to produce the “on the runs/state killings” proposals, engineered to deny the truth of the past, marginalize victims and survivors and protect the guilty.

As this Assembly faces its final days, the SDLP urges all the parties to agree one final contribution on the issues of victims and survivors and to do so in the St Andrews talks. The contribution would be to agree to a proposal for a victims' forum, structured in whatever way they choose, to work up a model of truth recovery for their needs and for all our needs.

The model will be imperfect; but better than leaving issues about the truth of the past to go

unaddressed. Questions will remain unanswered, but better that than leaving those in the state and in illegal groups who have questions to answer never to be asked to account for their actions. A sense of injustice will endure; but better that than leaving the past to be defined by a deal done by the IRA in Downing Street in their shared “on the runs/state killings” proposals, which leaves families, groups and victims with nothing but a sense of injustice.

The SDLP says to everyone here: if we do not work up a proposal for dealing with the past, others will work it up for us. We learned last year how that was defined by the IRA and the British state — a process that denied the truth, suppressed justice and did not even have the moral basis of having the guilty stand in open court. The most courageous voices have been those of the victims and survivors. That is how it should be, because they carry the deepest pain and the deepest wisdom. We should rely on a victims’ forum to work through, with difficulty and pain, how best to recover the truth of the past. That is what we should do at St Andrews.

I also wish to comment on our discussions about parades. I rebut and deny the serious allegations made against my colleague Declan O’Loan. I was not here to hear those allegations; I have been told what was said. It is outrageous that someone who has made a contribution in that area — as we all know, at some personal sacrifice — should be demeaned and defamed in the way that he was in this Assembly.

Though I know that the SDLP will differ greatly with David McNarry and others on the subject of the Parades Commission, I wish to make some comments on that matter.

4.15 pm

Regardless of whether the institutions of Government are restored, mechanisms will be required to deal with contentious parades next year and in the following years as, over time, procedures to resolve local disputes are agreed. Although the SDLP, as Alban Maginness outlined, has had profound differences with several determinations made by the Parades Commission, the party has publicly and consistently called for everyone, in the best interests of the people in the North, to accept them.

While I am on the Floor of the House, I want to put down some markers in advance of the October negotiations leading to the November deadline and thereafter. Given that the Parades Commission is currently conducting a review of its procedures, and in the context of the wider political situation, the SDLP has sent out warnings to the commission and to the British Government.

The SDLP is concerned that the Parades Commission, and parading matters in general, are now in play in

order to satisfy narrow needs and seek quick fixes. Both objectives are deeply prejudicial to the integrity of the commission and to adopting the correct approach to parading issues. A body of evidence on, and a broader perception of, the issue support my contention. There are concerns relating to the appointment of members to the present commission and to the unpicking by the current commission of non-negotiable principles of dialogue that informed key decisions taken by previous commissions. There is a sense that bad practice by a marching Orange Order has been rewarded, particularly given the continued failure of the Orange Order to engage directly and respectfully with the Parades Commission. The commission did not completely understand the corporate intentions of the Orange Order. There is an impression that the commission’s current level of independence is neither what it should be, nor what it was.

That forms part of the backdrop to the current review of procedures by the Parades Commission. It gives rise to a concern that the commission, in its conclusions, or the British Government, in its response to the review, may reshape the Parades Commission, thus jeopardising the achievements of the first and second commissions. Moreover, the wider political approach adopted by the British Government on a range of issues, whereby core matters are subjected to barter or concession in an effort to jolly along the political process, is potentially hostile to the integrity of the Parades Commission.

Given those circumstances, the SDLP holds firm views on how the Parades Commission should act after the review. In particular, the SDLP is concerned at the suggestion beginning to circulate that certain marching Orange Order parades deemed to be non-contentious should be de-scheduled and no longer be subject to the authority of the commission. Whatever model of de-scheduling may be proposed, the SDLP opposes it.

In addition to objecting in principle, there are other substantial grounds for our opposition. The general parading environment is not amenable to such developments, and the present political context means that any de-scheduling proposal may end up as part of a bartering process and become enlarged in a manner that reworks the best practice for parades. It is undesirable that the police should become the primary agency in relation to certain marching parades, and there is potential for the abuse of power. Experience shows that a parade can go from being non-contentious to contentious.

Therefore, the SDLP today puts on record that the Parades Commission and the British Government should keep the door firmly closed on any de-scheduling proposal. Once the door has been opened, the danger is that the approach may become extended in a deeply unhelpful manner. Therefore, the SDLP urges the Parades Commission, during its deliberations on the review, to assert its independence and to legislate

against the potential risks that have been detailed. We urge the commission to be mindful of the doubts that now exist about the independence and authority of the current commission and to constrain its considerations to strictly procedural matters.

There are other matters of which the Parades Commission should be mindful, but today I will mention only its weekend determination on the Garvaghy Road parade. That determination indicated that the commission may be developing an approach, whereby, independent of any proposal to de-schedule those parades deemed to be non-contentious, it may bring about, managerially, a similar outcome by making no determination about a parade deemed to be contentious. That was the initial approach of the commission in respect of the 3,000-day parade on the Garvaghy Road.

The SDLP is concerned that that may become, by stealth, the practice of the commission in relation to future parades that it deems to be contentious. Such an approach is damaging, because it misunderstands the emotions and electricity that surround potentially contentious parades. The nature and history of those parades mean that strict requirements must be laid down and must be seen to be laid down. Failure to issue a determination in such cases leaves too much that is vague and results in excessive risk, as the High Court identified in its judicial review on the Garvaghy Road parade.

(Madam Speaker in the Chair)

Secondly, a contentious parade that is without determination places a particular burden on the PSNI — a role that it does not seek and should not acquire. The commission will make a grave error if it begins to widen the approach that was adopted with regard to the Orange Order parade last Saturday, as it is not a response that can be rigorously applied to contentious matters, and it is ill-conceived with regard to the heightened role of the PSNI.

Thirdly, to adopt the approach of not issuing determinations on matters that are contentious is inconsistent with the approach of the Orange Order, which has shifted little in its attitude to the commission and on the requirement for respectful relations with the community. It still fails to accept the principle of direct, sustained and genuine dialogue. The SDLP warns the British Government and the Parades Commission that if they do not open doors in coming days and weeks — with regard either to the review of procedures or to how contentious parades are handled — the community in the North will have to regret and live with that for years to come.

Dr McCrea: This debate goes right to the very heart of the feelings of the community, which must be taken seriously. My colleague Mrs Diane Dodds made a powerful speech on the inequality experienced by the

Protestant community in west Belfast and certain parts of north Belfast. Many of us could cite instances of inequality throughout many parts of the Province. Many unionist people feel isolated in the community. If the Review of Public Administration gains momentum, as is intended, those people will feel even more isolated.

However, unionism is more confident today that it has been before. Unionism stands on its own feet and is not willing to lie down and be trampled over any more. Unionists must be proud of that, because for too long their voice has been completely ignored and their rights completely denied. I want to congratulate the unionist community for its resilience in the midst of that most bloodthirsty, vicious, sectarian campaign that has been waged against them in the past 35 years. Protestants right across the Province — particularly those living in isolated areas along the border — were targeted in a deliberate genocide, the purpose of which was to wipe out that community and to push the border back. Anyone who denies that has closed their eyes completely to reality and adds insult to the injury of those people.

One of the report's conclusions is:

“That all parties stress their commitment to building a shared future.”

Many in the community will never be able to share that future. I want to put on record my thoughts for the families of those who have suffered grievously during 35 years of a bloodthirsty campaign by the Provisional IRA, which was anarchy and rebellion against the lawful authority of Northern Ireland and of the United Kingdom. I pay tribute to the members of the security forces and to the B-Specials who, for years, patrolled the roads for nothing: they even had to pay for buttons for their own tunics.

I pay tribute to the UDR, the RUC GC and its Reserve, the gallant members of the Royal Irish Regiment (RIR), and the PSNI. For years, they wore their uniforms with pride while a bloodthirsty, vile campaign was waged against them, especially in border areas. The community owes them a great debt of gratitude, and we need to put that on record.

We talk about a shared future, but many people were murdered simply because they were Protestant. Members of the RUC and the UDR were murdered regardless of whether they were Protestant or Roman Catholic. Their religious tag did not matter. They wore the uniforms of the Crown, therefore, they were identified as enemies of republicans and were butchered. Some victims' bodies were cut asunder. I recall a murder near Cookstown in which a young man was tortured, and the Provisional IRA cut his body asunder, piece by piece.

I understand what Patricia Lewsley meant when she said that we must leave the past behind, but we must ensure that we face up to what happened then, because

a community that does not learn lessons from the past will replicate what was done then. We must learn the sad lessons of the past and consider the suffering that some families went through.

Yesterday, some Members met a delegation from the Presbyterian Church. A minister made a poignant statement about a senior member of his congregation who recently died. That woman's son had been a member of the security forces and was murdered by the IRA. Until the day that she died, she sought simply one thing — justice. She was not filled with hatred or bitterness, nor did she seek revenge. She carried her broken heart with grace in her search for justice.

In many ways, the Belfast Agreement denied justice to the people of Northern Ireland, because the doors were opened to some of the most vicious murderers. They were sent back into the community, and some of them returned to terrorise the communities from which they came. Therefore we should not paint the picture that all is well.

I despise those who equate murderers with their victims. It is insulting to suggest that someone going out with murder in their heart, and who is stopped in their tracks by security forces and shot, can somehow be equated to the would-be murder victim. Someone who is butchered to death while sitting innocently at home in a republican community cannot be equated to their murderer. Nothing could be further from the truth, and nothing could more add insult to those people's injury.

People say that we should express our feelings and bury the crimes, but no one is suggesting that the crimes in Kosovo should be buried. The perpetrators of those crimes are being sought so that they can be brought before the International Court of Justice. Some of the Sinn Féin/IRA leaders should be brought before the International Court of Justice for planning crimes, as should those who carried out crimes in Serbia and elsewhere. That will not do for some: we are expected to brush those matters aside and whitewash the situation as though it were not reality.

Mr Dallat: Will the Member give way?

4.30 pm

Dr McCrea: No, I will not.

It is right that those who carried out genocide against the Protestant community along the border should be brought before a court of justice just like everyone else. Everyone should be equal under the law and equally subject to the law, and that goes for the unionist and Protestant community as well as for the nationalist, republican or Roman Catholic community. I want to make it abundantly clear that no one in this country should be treated differently.

There was a rebellion against the state for more than 30 years — a deliberate, manufactured rebellion was purposely carried out against lawful authority. Those who carried out that rebellion against the people of this community should be brought to proper justice, and those who led it should be brought before the European Court of Human Rights or the International Court of Justice at the Hague. Those people should be dealt with appropriately. I am not willing to brush this matter under the carpet. The SDLP may not like that, but I do not care — we must face the truth and the truth shall set us free. I would rather tell it exactly as it is, even though some people are unfortunately not willing to do that.

The amazing thing is that people travel miles to be insulted by a parade. A couple of years ago, a feeder parade in Maghera was disrupted before it made its way to an Apprentice Boys' march in Londonderry. Was it the people of Maghera who came to burn the bread van? Not at all — those who did so travelled from other places to be insulted because that is what they do.

Were the majority of the protestors at the Garvaghy Road parade from the Garvaghy Road? Not at all, and the photographs show that. Some were from Belfast — they were bussed in to be insulted by the parade. Those protestors then try to tell us that they are serious. They are not serious; if they were, they would deal with the situation. The orangemen at the Drumcree parade have a right to go to their church service and they have a right to get home from it. If SDLP members want to align themselves with those who oppose that parade, so be it, but they should not pretend that we can have a shared future.

Mr Dallat: Will the Member give way?

Dr McCrea: The Member should settle himself. He has yet to speak; he will have his 15 minutes of glory.

Do not try to make us believe that somehow there is a shared future. The truth is that the protestors do not want an orange foot on the road. If they could get away with it, they would not let one orange foot on the road, so much do they despise the orangemen and their institution. The Drumcree parade will have to be settled; orangemen have a right to return from their church service to their orange hall as they have done for 100 years.

I live beside the town of Desertmartin, which is 98% Protestant. An Ancient Order of Hibernians' parade is held in Desertmartin — do the people of Desertmartin believe in the Ancient Order of Hibernians or want such a parade in their town? Not at all. However, do they come out on the streets to be insulted by it? Not at all. I will tell Members what they do: they sit and have their cup of tea. They do not come out and insult people. Those who want to be a part of the Ancient Order of Hibernians and who want to parade have the liberty to

walk the road. Of course, we are expected to accept that, but we are also expected to accept that we have no right to walk the Queen's highway. However, we do have rights, and this Committee report is about rights.

Some people have been demanding human rights under different legislation. However, some of those campaigners will find that this matter will come home to roost for them because the unionist population will claim its rights. The unionist people are now on their feet, standing up for their human rights, and nobody will deny them those rights in future. Those rights belong to the entire community, but this matter has been "sectionalised" and a part of this community has been denied its rights.

The families of the disappeared are not even permitted to bury their dead.

In the Committee on the Preparation for Government, Conor Murphy said in relation to activities carried out after its statement of 26 July 2006:

"If the IRA engaged in any activities before it issued that instruction, I would not consider that to be a crime".

In his view, therefore, the shooting of Mrs McConville was not a crime. Yet, his party is supposed to be ready for Government.

As my hon Friend Lord Morrow said, some may close their eyes to what has happened in this country and others may accept being second-class citizens, but the unionist population will not take second place any longer. It is the majority community in this country and has a right to be treated with respect. Sinn Féin is not fit for Government. Anyone who likes may try to wash Sinn Féin white, but that party has a long way to go before anyone can accept that it is ready for Government or that its members are true democrats.

There was a hullabaloo when my party leader talked about the Provos having to repent in sackcloth and ashes. So what? The Provos left many an innocent person in ashes and sackcloth. The families of those innocent people have been grieving for them for the past 30 years. The DUP wants a shared future, but let us be honest about the situation and learn the lessons of the past. God forbid that we ever replicate what our community has endured for the past 30 years.

Mr Dallat: Madam Speaker, I do not rise to claim 15 minutes of glory; I want to make a positive contribution to a debate. I begin by condemning the people who attacked the home of my colleague Pat Ramsey in Derry. They do not believe in democracy.

Dr McCrea's impassioned speech would have conveyed greater meaning to me had he never appeared on a platform with Billy Wright. That one incident demolishes everything that he says. As a young person in years past, I listened to daily news bulletins reporting the deaths of nationalists in Mid Ulster. I wish that Dr

McCrea had put the same passion into his condemnations of those murders.

Dr McCrea: On a point of order, Madam Speaker. I ask you to read carefully the words that I said. Some time ago, in a radio report, I condemned murders of members of the Roman Catholic community not only in Mid Ulster, but throughout the Province — not half-heartedly, but unreservedly. I ask you, Madam Speaker, to protect Members' reputations. I will be studying carefully what happens.

Madam Speaker: If you had been in the Chamber this morning, Dr McCrea, you would know that I advised Members to read Hansard.

Mr Dallat: I simply regret that the same level of passion was not evident to me as a young person.

Let us hope that we can concentrate on what unites us rather than on what divides us, and that we can build anew. That is what partnership must be about. Perhaps I am wrong — I hope that I am not — but I believe that there is a wind of change. It is perhaps not a sweeping wind, but it is certainly rustling through the community, calling for dialogue and recovery. Evidence of that was witnessed at a public meeting in east Belfast recently.

What greater challenge is there than to identify a common purpose, rather than a divisive purpose that gets us nowhere? There is a dearth of positive thinking in the House today, and an affirmative approach to the issues addressed in the report is lacking. However, it is not too late. I ask the DUP to reflect, settle down and listen to what I have to say.

I am not suggesting that we should forget the past and ignore the victims. I am sorry that Dr McCrea has to grin during my speech, but I am sure that the cameras will tell that. We must remember all the victims. We can create a living memorial — not granite, although I do not rule that out — to the victims of the past 35 dark and dreadful years. That can bring hope, indeed sunshine, to a new generation that has the task of identifying and addressing all the issues of inequality wherever they arise.

Some years ago, a cross-party delegation of Members — including one from the DUP, although he is not a member of the party any more — visited Dresden in Germany where they learnt at first hand of the fateful night in April 1945 when Allied planes killed 350,000 people. Despite the horrors of that time, Dresden is now a thriving city full of hope for the future. The first rabbis to be ordained in Germany since the war received their holy orders in Dresden this month.

During that trip we visited other parts of the former East Germany, and we were introduced to a peace group that is still discussing the horrors of the First World War. Members will appreciate that it is a long

process. Members have a choice to make; we can harbour bitterness, or we can grasp the challenge and give leadership. That may not lead us to a promised land, but it will, very likely, drag us out of the quagmire in which we too often find ourselves.

Much has been made of the rights of orange bands to parade. It may interest the Members opposite to hear that when an orange band paraded with an hibernian band in Kilrea some years ago, its members were not exactly embraced by those who shout loudest for the right to parade. Rather, the practice ceased; but the question remains. Why was it unacceptable that two bands from different backgrounds should parade together in an innocent festival that brought people together, many of whom were victims of the troubles?

Nothing would please me more than that we could recapture that wonderful moment in history in a small town that was rebuilding itself after the horrors of a sustained bombing campaign.

In the weeks and months ahead, the challenges “will not go away you know”, to reuse the hackneyed phrase that has been used a few times here today. Whether we agree to work a new Assembly or not, the painful process of building peace and reconciliation will continue. I can assure the DUP that there are enough people out there to do it.

In that respect the DUP has promised its voters a great revival. How can there be a revival if its members will not sit in the Assembly and challenge their adversaries? That is the real challenge facing all unionists. There are also serious challenges facing Sinn Féin and its approach to the future. Members’ contributions today have not convinced me that the desire to put the past behind them is evident. That does not augur well for the immediate future. I am suggesting not that they should forget the past, but that they should learn from it.

I do not want to follow the pessimistic mood of the debate. I prefer to stay out of that rut, because a journey of that kind serves no one and fails everyone, particularly the victims. That is not to say that we should ignore inequality. However, efforts to eradicate inequality must not be portrayed as some kind of threat. It is far from that. Efforts to redress inequality in housing, education, health and employment — and there are many of those — are not a threat. Nor should they be processes that create fear. If we can reach agreement on the processes that will address those inequalities, we will have moved forward significantly and, in doing so, created a firewall against any renewed threat of political instability.

Violence and the threat of violence did no favours for either community. It did no favours for unionism, and it did nothing to enhance my vision of a new Ireland free from partition and at the forefront of building a new Europe.

Dresden is a long time away, and the unity of Europe will ensure that the events of that tragic night will not happen again. There must be a new beginning and a new opportunity in which to create it. Much of Dresden lay in ruins for more than 30 years, but it is now rebuilt.

Do not turn the clock back. Let us build anew, because the past is our present to the future.

4.45 pm

Mr Nesbitt: I have a genuine question for the Member, Madam Speaker.

Mr Dallat: I am glad to hear that.

Mr Nesbitt: The Member should not provoke me, because there are some things that I could say. He talked about a new Europe. John Hume has often talked of standing on the bridge between France and Germany, and how those countries have built the new Europe. One of the central tenets of the new Europe is that borders and cross-border co-operation are recognised, as are the sacrosanct integrity of the state and the rule of the law. Does the Member not concur that the wish of his Sinn Féin fellow travellers in Irish nationalism for a new, united Ireland mirrors the old Europe of the 1930s, when the wish of the Germans of the Sudetenland for a new Germany caused the bloodshed of Dresden?

Mr Dallat: Madam Speaker, the new Europe that John Hume and I believe in is one without borders. I am happy to report that I was recently in the divided island of Cyprus. Its borders are coming down, and it is now possible to visit both parts of the island.

I hope that we have gone a long way beyond that and can convince the two great communities here to live together on one island free from the sectarianism of the past — irrespective of from where it came. I have no doubt that if we achieve that, the Rev McCrea will have a long and happy retirement, because he will be redundant.

Dr McCrea: That must be a long time off, because I have no intention of retiring. *[Laughter.]*

Mr Dallat: Do not count on it. *[Laughter.]*

Question put and agreed to.

Resolved:

That the Assembly notes the work of the Committee on the Preparation for Government and the report on Rights; Safeguards; Equality Issues and Victims.

Madam Speaker: I shall refer the decision of the Assembly to the Secretary of State.

Adjourned at 4.47 pm.

THE ASSEMBLY

Tuesday 3 October 2006

The Assembly met at 10.30 am (Madam Speaker in the Chair).

Members observed two minutes' silence.

ASSEMBLY BUSINESS

Madam Speaker: I begin with an apology. There is something wrong with the tannoy, so Members throughout the Building may not have heard that I was about to take the Chair. The Members who are here obviously know to be here; I hope that no one has been inconvenienced.

In accordance with the Northern Ireland Act 2006, the Secretary of State has directed that the Assembly should sit on Tuesday 3 October 2006 at 10.30 am to consider business as it appears on the Order Paper.

SECRETARY OF STATE MOTION

Report on Institutional Issues

Madam Speaker: The Business Committee has agreed that Members will be called to speak to the motion according to the usual conventions and that the first round of speeches will be limited to 15 minutes, with subsequent Members being allowed 10 minutes. The debate will continue until all Members who have indicated that they wish to speak have been called to do so. I intend to send a copy of the Official Report of the debate to the Secretary of State.

Motion made:

That the Assembly notes the work of the Committee on the Preparation for Government and the report on Institutional Issues.
— [*The Secretary of State.*]

Mr P Robinson: I begin — and I am almost embarrassed to do so, because it sounds like a ritual — by expressing our appreciation to the officials and to all those who serviced the Committee on the Preparation for Government (PFG). However, it is not a ritual, because those Members who gave up their summer to sit on the PFG Committee will recognise that the staff may not have anticipated that they would be spending the summer months on the preparation of so many reports, of which the 'Report on Institutional Issues' is one.

It has been no small task for them to distil the key conclusions from such a volume of work. However, we have a report, which may be purchased for 36-odd quid. That price is bound to ensure that it will be on the best-sellers list before Christmas; it is something that everyone will want to read.

The members of the Committee on the Preparation for Government at least had in common the fact that they wanted devolution in Northern Ireland. Undoubtedly there was suspicion about the motives of one group or another — all of us had vested interests. What deters people from making essential changes is the protection offered by the Belfast Agreement. To some, it is as though it was written by the hand of God, and departure from it would be sinful. To some, making an adverse comment on the Belfast Agreement is like insulting their wives. In fact, one would probably get off with insulting their wives a lot easier than one would with making some adverse comment about the Belfast Agreement.

That is particularly true of the SDLP. The notion that the Belfast Agreement was imperfect, or that there is something faulty, or lacking, in the structures that the agreement created, is met with incredulity on its part. That party had better face up to the reality that the agreement has failed. The structures set up by the Belfast Agreement have collapsed. The fact that the Northern

Ireland Assembly has been suspended for so long demonstrates that failure. Denial will not resolve the issue. All parties must be candid and realise that change is necessary.

Some of us are reluctant to say: "We told you so", but, nonetheless, we did. The DUP pointed out fundamental faults at an early stage; we said that changes were needed for to bring about stability, accountability, effectiveness and efficiency. By their very nature, coalitions are difficult creatures, and mandatory coalitions all the more so. I will return to that point later, if time allows. The kind of mandatory coalition that is a part of the existing structures is not a democratic form of government. By the nature of mandatory coalition, the Government do not change. There may be some variance in the quota that each party might have, but the shape of the Government does not change, and voters do not get what they want. Under mandatory coalition, candidates do not win from voters a mandate for certain things to happen and, once elected, implement that programme. Rather, mandatory coalition always works to the lowest common denominator. Whatever views the electorate may hold on issues, they cannot make the necessary changes.

I recall being told in television studios by other politicians and reporters that the Belfast Agreement was here to stay, that there would be no changes to it and that there could be no alterations to its institutions. No one, we were told, would negotiate with the DUP. Now people complain that the DUP is not negotiating with them. This report is evidence of a broad view that change is needed. Some progress has been made, to the extent that people now recognise that progress can be made and that the structures set up under the Belfast Agreement are far from perfect.

The key issues raised in the report show that the chief faults relate principally to accountability. There is no more fundamental issue than that of accountability.

Of all the issues in a democracy, accountability is chief. It goes to the very heart of the democratic system — the responsiveness of the Assembly and the Executive to the people, and the collectivity of an Executive. Some Members of this Assembly have had experience of the previous Assembly; no one who had that experience could fail to recognise — at least in their heart, if they cannot admit it publicly — that the process did not work and needed to be changed. There were instances when ministerial decisions were taken that did not have the support of the relevant departmental Committee, the Executive or the Assembly. Such a situation cannot arise in a democracy — there must be a higher degree of accountability.

The DUP's view of accountability is different from that of the SDLP. Over the years, it has transpired that, to the SDLP, accountability is more a matter of answer-

ability — the ability of people to ask questions of a Minister. However, accountability goes beyond that. It allows an Assembly to call a Minister to account and say that the Minister's view is not that of the Assembly or of the community. As far as the Assembly and democracy are concerned, that is a most fundamental issue.

The report by the PFG Committee dealing with institutional issues recognised that some fundamental changes were therefore required. Although other parties were not willing to put their hands up and say that those changes were deal-breakers for them, the DUP had no reluctance in saying that those changes were so fundamental that they must be dealt with before devolution could be restored.

A series of other important issues was raised, but they never became deal-breakers. Nonetheless, we recognised that they must be addressed. The Committee identified a swathe of issues that it believed a new Assembly could address but that were not so urgent that they needed to be dealt with at the pre-devolution stage. Therefore, a series of agreements is mentioned in the report, limited though they may be. There are also matters that have not been agreed but that can be dealt with by an Assembly in due course. Then there are further matters that have not been agreed but that must be agreed before devolution can be restored. I hope that that section will be considered when the parties go to St Andrews.

I hope that the Secretary of State and the draftsmen in the Northern Ireland Office (NIO) or beyond have been following the work of the Preparation for Government Committee and have considered the issues from the comprehensive agreement that were flagged up. I do not know whether we will receive a report from them by the time we get to St Andrews — it would be most helpful if we could. Those issues clearly have to be dealt with, and if not at St Andrews, in the weeks, months and, perhaps, years that follow, depending on whether progress can be made.

The next issue on which I want to comment is the election of the First Minister and the Deputy First Minister. The comprehensive agreement proposes one way of dealing with that matter, although some people — particularly in the SDLP — believe that the purpose of that proposal is to deny them membership of an Executive. I do not think that we ever received a satisfactory answer from the SDLP as to why it would want to be part of an Executive for which it was not prepared to vote. I still await a response to that. However, there cannot be a mandatory and automatic system for the election of Ministers but not a mandatory and automatic system for the election of the First Minister and the Deputy First Minister. The SDLP cannot duck that issue — it must be one or the other.

10.45 am

The issue of the election of a First Minister and a Deputy First Minister should be put in bold relief, considering the difficulties that the previous Assembly experienced with simple matters such as the appointment of a Speaker. We went through the first mandate without reaching agreement on the appointment of a Speaker, yet now there is an expectation that Members will simply put up their hands to elect a First Minister and a Deputy First Minister. There were difficulties in the previous Assembly when the SDLP was the lead nationalist party, and there may be greater problems now, given the Assembly's present numerical make-up.

A mandatory coalition lies at the heart of the problem. The Democratic Unionist Party published a document entitled 'Devolution Now', in which it stated its preference for a voluntary coalition. That preference was not simply a method of avoiding some unpalatable choices. The DUP recognised that, if one cannot have a majority Government made up of one's own party, a strong and stable Government must be made up of like-minded people, who substantively agree on policy and other issues, working together. That is the reality.

However, a voluntary coalition can also pose difficulties, as can be seen in the Republic of Ireland. A mandatory coalition would be a more difficult proposition, even if all the parties were to proceed on the basis that they trusted each other's bona fides.

Mr Nesbitt: I would be grateful if the Member were to answer a succinct question in his three remaining minutes. Is the DUP in favour of an acceptable mandatory coalition, or is it, like Jim Allister, against such a coalition under any circumstances, of which Mr McCartney was given an assurance? I ask the Member to clarify whether the answer is yes or no.

Mr P Robinson: If I ever thought that it were possible to get a yes or a no answer from the Member who has just spoken, I would ask many a question. Usually he gives such woolly and convoluted responses that it is difficult to get an answer. He may have been better not asking the question but listening to the rest of my comments on the matter.

The difficulty, therefore, is greater if one attempts to form a mandatory coalition with those who have a murky history. Mandatory coalitions around the world have only occurred in exceptional circumstances. Perhaps such a coalition was justified in South Africa where a Government of reconciliation was formed, through the Government of National Unity (GNU), to bind the nation together as it came out of conflict. It was also justified during war years when, again, it was necessary to bring people together. In all those circumstances, mandatory coalitions were temporary.

During the Committee's deliberations, DUP representatives recognised that, if there were a mandatory

coalition, which is not this party's preference, it should be temporary, and that structures should be put in place to change that into a more democratic, responsive form of government.

We have yet to get any certainty about that, but it is an essential ingredient. In my speech yesterday, I outlined that it is necessary to ensure that, in the next couple of weeks, we do not impose on the people of Northern Ireland and on future generations a system of government that is inherently undemocratic. I put it to the SDLP, because the offer still stands today, that there is an alternative. The alternative is a voluntary coalition in which those who believe in democratic values come together. The offer is still open to the SDLP, if it is prepared to accept it.

Mr McFarland: I welcome the report and the final PFG Committee debate, although we may have others on upcoming reports of the economic challenges subgroup.

I thank the Chairmen for their independent stance, the Committee staff for their hard work and my party colleagues for giving up their summer to beaver away on the Committee.

It is worth noting again that this was the first time in Northern Ireland's history that members of all five main political parties sat in a room together to discuss the key issues that prevent there being a Government here. In most cases, the parties operated in good faith. Sinn Féin, however, was objectionable at the end; perhaps that is in its rebellious nature. Useful work has been done, as can be seen in the substantial reports and in Hansard. Agreement has been reached on some issues, others have been parked for decision from the Assembly, when it is up and running, and some are deal-breakers that will be debated in Scotland.

Most of the issues that are raised in the report were raised during the reviews of 2002 and 2004. Everyone has understood for some time that the Belfast Agreement is not perfect and that there are areas that need improvement — with regard to effectiveness and efficiency — and tweaking. My party's point of view is that the Belfast Agreement has never been sacrosanct. Its key tenets were right and still hold, but certain issues need to be improved. Many of those issues reappeared in the comprehensive agreement. The DUP likes to believe that it invented some of them, but that is not correct — most of those issues were raised during the reviews of 2002 and 2004.

Despite what Mr Robinson has said, I believe that the parties will be discussing the Belfast Agreement in Scotland. It will be the core element of a settlement in Northern Ireland. A few skirts may need to be put onto it in order to hide the DUP's embarrassment at its acceptance of the comprehensive agreement and to assist its efforts to persuade its backwoodsmen that it is correct. In essence, it is the same as the Belfast

Agreement. The Ulster Unionists will help the DUP as best it can to get over its embarrassment on that issue.

Mr Nesbitt: Does the Member agree that the DUP has done more than just buy into the Belfast Agreement since December 2004? Rather than merely considering an all-Ireland civic forum and an all-Ireland parliamentary forum, the DUP members of the Executive were committed to supporting such bodies.

Mr McFarland: I thank my hon Friend for his intervention. The comprehensive agreement contains many strange proposals, one of which is the proposal for the election of the First Minister and the Deputy First Minister. That was a vital issue during negotiations on the original agreement, because there was no trust. It was decided that the essential nature of the office was a joint one and that its job would be to co-ordinate issues. From that office would come the nominations for North/South bodies, so that there would always be agreement between the communities as to who should attend. It is fair to acknowledge that there were difficulties between the personalities involved. However, the essence of the office itself was right, and continues to be so.

Clearly, DUP Members were going to have difficulty with putting up their hands for a Sinn Féin Deputy First Minister — perhaps even Mr McGuinness. The cunning plan that the DUP devised in the comprehensive agreement was that the largest party from the largest denomination would select the First Minister and the largest party from the second largest denomination would select the Deputy First Minister. Afterwards, d'Hondt would take effect and there would be rounds of votes. Therefore, instead of voting for one Sinn Féin Minister, the DUP would be quite happy to vote for five others. That is fine as long as it saves the DUP's embarrassment for reverting to the Belfast Agreement.

A funny little clause at the end said that if the SDLP and the Ulster Unionist Party did not support that, those parties would be excluded from Government for the duration of the new Assembly.

It is most gratifying to see that clause disappear off the radar, because it would have been strange for the DUP to have thrown out the SDLP and Ulster Unionists and remained in Government with Sinn Féin by itself.

Madam Speaker, I am having trouble with some burbling to my left. We seem to have — *[Interruption.]*

Madam Speaker: Order.

Mr McFarland: As can be seen from the series of Hansard reports of Committee meetings, several further interesting matters were introduced. Although they do not appear in the main body of the report, Hansard shows that the DUP is trying, as far as I can gather, to separate the roles of the First Minister and

the Deputy First Minister. Not only is the DUP trying to separate the roles in the voting system, but it has also expressed the view that the First Minister and the Deputy First Minister need neither meet nor appear in public together.

Another suggestion was to divide the Office of the First Minister and the Deputy First Minister, thereby giving the First Minister and the Deputy First Minister separate roles within that Department. Constant attempts are being made to divide those two posts and to interfere with the joint nature of the office. The attempt to remove the central safeguard of the Belfast Agreement, which is the joint nature of that office, presents a big problem for my party and, I suspect, for others.

There is a clear need for accountability. However, it is odd that red herrings are constantly being thrown about how Ministers in the first Assembly were not accountable. Two particular examples involved the Minister of Health, Social Services and Public Safety, Ms de Brún, closing the Jubilee maternity unit and Mr McGuinness writing off the selection procedure.

People do not understand how those two things happened, but it is quite simple. The case involving Ms de Brún came about because, between November 1999 and April 2000, there was no Programme for Government and no agreed system as to what should be done. In the melee, the Minister was able to get away with the closure, despite the fact that there was no agreement in the Executive with her action. After 1 April 2000, a Minister could not have got away with that.

Mr McGuinness's slaughtering of the grammar school system was a fit of pique on leaving office. Had the Assembly not been suspended in October 2002, it would have been impossible for Mr McGuinness to do that; he would never have got it through the Assembly or the Executive.

Mr Robert McCartney: Perhaps the Member will inform the House who was responsible for the suspension of the Assembly from 1999 to 2000. My recollection is that it was the then leader of his party, who was disappointed —

Mr McFarland: The responsibility for that clearly lay with Sinn Féin, which was being silly about the entire process. It was not possible to continue in Government with Sinn Féin adopting such an approach. However, that does not take away from the fact that had the Assembly survived, under the rules in place at that time, Martin McGuinness would not have been able to act as he did. It is odd that the direct rule Ministers and civil servants proceeded with an issue that four of the parties would not have supported on the Floor of the House. They proceeded and have since continued with ending the selection procedure, leading to potential chaos in November.

At the end of the report, there is a substantial and useful body of work on the ministerial code. The code was in draft form in 2000 and 2001, and the Committee managed to dig out subsequent amendments. The report contains the up-to-date draft ministerial code, which includes the modifications. The Secretary of State has tasked the PFG Committee to produce an agreed ministerial code in October. It would be encouraging to ensure that there are safeguards and accountability within the Executive.

Mr P Robinson: Will the Member please tell us what would be the sanction for a breach of the ministerial code under that system?

11.00 am

Mr McFarland: Mr Robinson knows that we are discussing whether some parts of that need to be included along with the Pledge of Office and other matters in legislation. However, that will be a matter for the PFG Committee when it discusses the substantive issues.

I wish to deal briefly with North/South bodies. As Mr Nesbitt said, the DUP consented to all sorts of additional North/South bodies, such as civic forums, in the comprehensive agreement. Also included in the PFG report is an SDLP document entitled 'North South Makes Sense'. During the negotiations for the Belfast Agreement, the North/South issue was very difficult, but unionists recognised that nationalists needed some expression of their Irishness. Therefore in strand one we had the Assembly in Northern Ireland, and in strand two we had agreed North/South bodies. It was clear to everyone that those areas were agreed and made sense to everyone — the Republic and ourselves — and that they were controlled, in that we had six bodies and six areas of co-operation.

Unfortunately, we discovered shortly after suspension that the Governments and the Civil Service did not see it like that, and were attempting to go forward with the North/South bodies and allow them to operate and expand. We managed to stop that, and they remain on a care and maintenance basis. However, one can see from the comprehensive agreement that attempts have been made to expand those bodies dramatically, and that concerns us.

It is unfortunate that there is the suggestion that "Plan B" — should the Assembly fall and be removed — will involve "North/Southerly" continuing apace and expanding. That was not the deal. The framework documents of 1995 fell because they gave Sinn Féin and the SDLP the ability to bring down the Northern Ireland Assembly and expand North/South issues: they were stopped at that stage. The agreement was absolutely clear: there is a clear link between strand one and strand two — if one goes, the other goes too. Broad unionism will be extremely exercised if we end

up in November with the Assembly being brought down while North/South issues continue.

That is a matter for the DUP to consider when it begins to look at making a deal. The Review of Public Administration has the potential to re-partition Northern Ireland, and broad unionism will not forgive the party that sits back and watches that happen. Likewise, some steps need to be taken as part of the agreement. The DUP keeps telling us every two minutes that it is the lead party in unionism and is therefore responsible for unionism. It has a responsibility for doing something to make sure that "North/Southerly" does not continue at an advanced pace after November. I support the report.

Dr Farren: I wish to express my appreciation, as others have done, to the staff who serviced the PFG Committee throughout its deliberations, and on institutional issues in particular. In a perverse way, I enjoyed many of the encounters in the Committee. I am not suggesting that we should continue in the same vein all the time, but nonetheless there was an element of satisfaction to be gained from participation in it.

We would all agree that the devil is in the detail. This report is about detail: the detailed procedures that would guide us in an Assembly; its Executive; the North/South Ministerial Council (NSMC); the British-Irish Council (BIC); and so on. Because the devil is in the detail, it is important to get those details right, not just to the satisfaction of one party, but to the satisfaction of all. That means that we have to continue to work hard to achieve the necessary compromises.

Before we can successfully address the details that remain to be resolved, we need to know that our work will not be in vain. Much has been made of the allegation this morning of the difficulties that existed throughout 1999 to 2002 with the Executive, the Assembly, and so on. However, it is important to recall that difficulties with the operational procedures of our institutions were not the cause of suspension; rather the failure to meet more fundamental commitments was.

Addressing those details in the PFG Committee dealing with institutional issues should not impose obstacles to restoration. Indeed, the Good Friday Agreement made provision for reviewing procedures in an orderly and regular manner, and there is little doubt that we would have engaged in that process had suspension not occurred. During the PFG Committee meetings, I recall making the point that the SDLP regards the Good Friday Agreement — like other constitutional and political agreements — as a living process. That process must learn from experience and make changes where necessary, and if significant change is determined by our experience, I hope that we will agree to make that change.

The SDLP has never adopted the head-in-the-sand attitude alleged by Peter Robinson earlier. I challenge him to cull the reports of the Committee and point to where we adopted a negative, no-change attitude towards the operational procedures of the institutions established by the agreement. The SDLP adopted a positive approach and will continue to adopt a positive approach where the lessons learned suggest that it should.

If we do not know whether our institutions will be restored, there is little point in torturing ourselves about the election procedures for a First Minister and a Deputy First Minister, much less with the numerous procedural issues that would be contained in the ministerial code, or with how to achieve greater accountability and efficiency in our political institutions.

The essential challenge before us over the next few weeks — and particularly during our talks in Scotland next week — will be to convince ourselves that we can restore the Assembly and all the other institutions. If we can succeed in that, there will be an unavoidable imperative to resolve the outstanding operational details enumerated in this report. The greatest challenge that we have to face with our restored institutions will be to instil a new sense of self-respect among ourselves so that we can work together and begin to put the pain of the past behind us. We need to build a society that shares a collective sense of responsibility for taking decisions that will be to the mutual benefit of all — not a society that operates in two separate domains where each section glowers enviously at the other side; where what one side gets is jealously measured against what the other side does or does not get; and where sectarian interests and attitudes — and not co-operation — rule.

Putting the pain of the past behind us will not be easy, and we will never be able to do that completely. However, to help with that, we can cease to allow the past to dictate the future, colour our relationships and determine that we can behave only as we did in the past.

I believe that that is what most people who wish us success in our talks want to see happen. If we can convince ourselves that we will restore our political institutions and face the challenges of building a new society, we can turn to the operational details that are discussed in the report. However, we should bear in mind that, since much of the clamour for change to the operational details comes from the assertion that neither the Executive or the Assembly worked and that much of the fault for that lay with the procedures — the rules and regulations that governed the operation of all the institutions — some people have an impression that the power-sharing Government was a failure. I reject that analysis as over-simplistic. Yes, lessons can be drawn from that experience, and we would be foolish to ignore them.

The SDLP acknowledges that changes for the better can be made to how we make decisions and to how we operate the institutions. We submitted detailed recommendations and suggestions to improve the workings of our institutions. However, against the backdrop of ongoing attacks on the Good Friday Agreement and crises that arose from a failure to meet commitments on decommissioning, all of which were constant threats to the institutions' stability, the Assembly and its Executive functioned, as did the North/South Ministerial Council and the British-Irish Council. Decisions were taken to the mutual benefit of all, and, indeed, the basis for further progress was being laid.

Although we accept that some operational changes are required, those changes should not imply fundamental change to the Good Friday Agreement. They cannot be used as a cloak to save party blushes or, worse still, to allow for vetoes, unnecessary exclusions and impediments to the smooth operation of any of the institutions.

The changes to be made to the operation of our institutions must better enable, not inhibit, joint leadership and co-responsibility at the levels of Executive and First Minister and Deputy First Minister. To call for collective responsibility yet not look for the Office of the First Minister and the Deputy First Minister to exhibit collective responsibility would be a contradiction. To call for greater ministerial accountability that would inhibit Ministers' leadership role would also be contradictory. To call for greater accountability on North/South matters that would unnecessarily impede decision-making on developments that would benefit people in both parts of Ireland would, likewise, be contradictory and counterproductive.

If there is a genuine desire to make our institutions more efficient, more effective, more accountable and less cumbersome, the details that must be resolved will be resolved without great difficulty. However, if the motive is to inhibit, to curtail or to set boundaries to what is possible and desirable, resolution will not be easy. Indeed, it may prove impossible, so we must be clear about where we are heading. The big picture must be resolved, and resolved quickly. We require clarity and commitment on working in genuine partnership in all our institutions. Clarity and commitment are needed on policing, on upholding the rule of law and on putting criminality, in all its forms, completely outside the political realm.

11.15 am

Let us grasp the opportunity; let us restore hope as we move to restore our institutions. Difficult as it may be to imagine how we can work together against the history of division and violence to which we have all contributed in one form or another, let us have the courage to take the steps that will enable us to do so.

Finally, and in anticipation of next week's talks, I offer a rare, or even unique, compliment to the DUP for having invited Archbishop Brady to a meeting next week. I do not know whether Dr Paisley regards the meeting as being between Old Testament and New Testament prophets. However he regards it, we hope that it will be fruitful and set a positive tone at the beginning of the week in which we are to meet in Scotland. I hope that it will make a major contribution to the healing process that I hope Scotland will expedite and that it will help to ensure the restoration of our institutions.

Madam Speaker, I beg indulgence for the hesitations during my speech, which were due to my cold.

Madam Speaker: I hope that you feel better soon.

Mr Ford: I will take the advice of the leader of the SDLP and not say how much I enjoyed the meetings of the Preparation for Government Committee in the hope that that will protect me from Dr Farren's cold or possibly from a more serious illness higher up the body.

I join Peter Robinson, Seán Farren and Alan McFarland in the opening ritual that has marked all these debates: expressing our thanks to the Committee Chairpersons, the Committee staff, the other support staff in the secretariat, the doorkeepers and even the catering staff in ensuring that we got the work done through the summer. I suspect that without the significant support of our staff, the Committee would not have managed to produce its three reports.

One of the embarrassing things for me — although perhaps less embarrassing for him since he has left the Chamber — is the number of occasions on which I found myself agreeing with Peter Robinson. In case that is excessively embarrassing for members of the DUP —

Mr Kennedy: That is very worrying.

Mr Ford: Indeed, it would be worrying for the Ulster Unionists if they were ever to agree with the DUP on anything.

Peter Robinson referred to other parties not being prepared to set preconditions. Let me make it clear where the Alliance Party starts: we did not enter the PFG Committee with a set of preconditions; we were not there to set obstacles to progress. What we did during the work of the Committee — and will continue to do today; at St Andrews; and right up to 24 November — is to highlight issues that we believe will require attention if stable, durable and sustainable institutions are to be restored.

Those issues may not be preconditions; it may be entirely possible that the quick fix that was attempted in December 2004 may be cobbled together between the two largest parties and the two Governments. However, we do not believe that such a proposal

would provide the people of Northern Ireland with the stability that they expect and deserve and that they have a right to see us working for. We are not interested in a quick fix, because we do not believe that it would provide long-term government. We must deal with the fundamental issues that have shown the flaws in the working of the agreement.

There is a danger. Look at the Governments' last attempt: the so-called comprehensive agreement was comprehensive neither in the people who were involved in it nor in the issues that it covered. At the end of the day, it was not even agreed by the two parties involved. It was a good example of Orwellian doublespeak. The so-called comprehensive agreement was an attempt to address short-term problems without making any real effort to tackle the long-term underlying difficulties. The Alliance Party will not take part in that, because we are not interested in a superficial process that could lead to breakdown in six months' or a year's time. This is the opportunity to get things right.

Alan McFarland said earlier that everybody agrees that the agreement must be modified, and he is right. The problem is that some people respond to such a statement by saying that they do not agree and that they are working under the terms of the agreement; other people respond by saying that they are not, in fact, modifying the agreement. In practical terms, that is what the Preparation for Government Committee has been doing over the summer.

It is important that the flaws in the agreement are considered. The final document was cobbled together in the last few days of negotiations, and there are problems with some of the operational details. There were major problems with the agreement's implementation. Changes in the balance of power do not make the Good Friday Agreement mark I — the original agreement — workable or easy to operate.

We must deal with problems such as the institutionalisation of sectarianism, which is evident in the current working of the agreement. The current arrangements mean that there is a politics of "them and us" rather than that of a shared future, which is stated Government policy. We must ensure that there is a system that rewards accommodation rather than grandstanding, so that we do not find ourselves in a position of intra-communal outbidding, in which those who bid loudest are rewarded. Over recent years, organisations such as the Policing Board, which is based on simple, straightforward integration, have worked best.

Some of our difficulties stem from the fact that people have different understandings of power sharing. Dividing up power and giving some power to individual parties, so that they have a major say on some areas of Government work and very little say on others, amounts not to power sharing but to power division.

That is what we had, intermittently, from 1999 onwards, and some Members have already referred to the problems that that created. All sections of the community have an interest in all the outworkings of government. We do not need power division; we need genuine power sharing, accommodation and the promotion of an enhanced sense of collective responsibility, even if we cannot have collective responsibility as that would be understood in London, Dublin or Edinburgh. If we do not reach that point, the chances of achieving worthwhile government in this Assembly by 24 November are extremely remote.

It will come as no surprise to the House, Madam Speaker, that I wish to dwell on the issue of the voting system in the Chamber and the operation of designations. Seán Farren was almost right when he said that the problems that we have experienced since the signing of the Good Friday Agreement have not been connected to the operations of the Assembly but were concerned to a lack of faith on matters beyond the Assembly. However, there were major operational problems in the Assembly in November 2001. Under the rules of that time, we were incapable of electing a First Minister and a Deputy First Minister, until I, along with my colleague Sean Neeson and the then deputy leader of the Alliance Party, played games with the rules of the Assembly for 22 minutes. There is something fundamentally wrong with a system in which those kinds of games can be played in order to establish an Executive.

Although the DUP comes from a different perspective — and its members have still not forgiven the Alliance Party — I welcome the fact that that party acknowledges that we need a different voting system. We need a voting system that does not institutionalise divisions that result in some MLAs' votes being worth less than others and, therefore, result in their constituents being worth less than other constituents. We need a voting system that can adjust to changing demographics and that does not allow minorities to hold up business completely and hold the Assembly to ransom. Unless we move towards the type of system that exists in other legislatures — such as a simple weighted majority — we will never move on from the problems that were exposed in the Chamber in November 2001. If the current voting system remains, we will remain hostages to fortune.

I welcome the DUP's recognition of the virtues of weighted majority — at least as Peter Robinson proposed it in the PFG Committee — as a possible third method for carrying a cross-community vote. I regret that I never found out the Ulster Unionist Party's view on that during all of the discussions. I regret also that the attitude of both nationalist parties seemed to follow that of St Augustine — they wanted to be non-sectarian, but the time was not quite right.

There has to be a time when it is right to move away from sectarianism in our society. There has to be a time when it is right to say that we are working to build a united community and a shared future, and to get away from the divisions of the past. If this is not the opportunity to do it, I suspect that nationalists will be telling us in 30 years that the time is still not quite right.

We ought to be grasping this opportunity so that we can at least run different systems in parallel as a precursor to moving on. In practice, a weighted majority of 67% would have carried virtually every cross-community vote — there was only one vote during the entire workings of the first Assembly that would have required a higher percentage. In both votes in November 2001 the David Trimble/Mark Durkan ticket achieved more than 70% of votes in the Assembly. There is absolutely no reason why we should stick to our divisive, sectarian and outmoded system; we must move away from it.

Allied to that system is the way in which the Executive is formed. We have seen so many examples of the problems associated with mandatory coalition — in particular, a coalition in which there is almost no collectivity whatsoever. It may be that a ministerial code will address the issue slightly, but if we continue to operate on the basis that silos are acceptable and that Ministers do not have to work together, we will continue to suggest that some issues are only of concern in some areas, and others elsewhere.

As it happens, one of the examples cited has been the decision on the siting of maternity services in Belfast. Based on the medical opinion that I read, I voted in support of the Minister. However, in many cases, people made their decisions on the basis that the Jubilee Maternity Hospital was in south Belfast and the Royal Maternity Hospital was in west Belfast — that was the only issue for them. If the Assembly is to take decisions based on what is worthwhile and not on the basis of sectarianism, we need an Executive that works collectively, considers matters properly, takes account of issues at the Executive table and comes back to the Assembly with a united voice.

Mr Campbell: I thank the hon Member for giving way. Does he accept that the Health Committee, when discussing the siting of maternity services, comprised members from beyond South and West Belfast? Their view was not shared by the hon Member or the Sinn Féin Minister.

Mr Ford: I accept that the unionist majority on that Committee — and one Member who was not a unionist, but who represented South Belfast — took a different view from that of the Minister. I repeat that I, along with the Minister, was working on the basis of the medical advice that was given. However, this was a classic example of how politics was played out

between a Minister and a Committee, rather than a sensible, coherent decision being taken by an Executive in which there was collectivity. Collectivity was sadly lacking.

I noted with some amusement that, when I questioned the Secretary of State at the British-Irish Association in Oxford about collectivity in the Executive — and as he has released his text, I think that I can comment on his answer to me — he said that he wanted to see circumstances in which there would be an Executive on the same basis as that in Dublin, which is a voluntary coalition operating on the basis that a programme for Government is agreed before a Cabinet is formed.

There are real lessons about good governance that we need to follow, because inclusion in governance does not necessarily mean inclusion in the Executive for all parties at all times. Unless we can establish appropriate roles for the Executive, the Assembly and its Committees to work for the good of all our people, rather than run sectarian dogfights over every available issue, we will not move the situation forward.

11.30 am

Part of that improved collectivity was shown in the so-called comprehensive agreement, when the idea — although not the one that the Alliance Party had put forward at Leeds Castle — arose for a collective validation of the Executive. In common with Peter Robinson, I cannot see why anyone would want to be a member of an Executive in which he or she had no confidence. That view would have been more strongly expressed had it not come from someone who was himself a Minister, without sitting in the Executive. The behaviour of the DUP in the first Assembly proves the point that it now tries to make: that an Executive in which people have confidence and work together is an absolute necessity.

We must move away from how things previously operated, and that includes running the Office of the First Minister and the Deputy First Minister as a single Department. That failed. The offices of the First Minister and of the Deputy First Minister are as far apart as it is possible to be in this Building, and that is not an example of how collectivity should operate. However, it is an example of what must be done to redress the problems of sectarianism in the voting system, and in the Executive and their relationship with the Assembly. Those points must be addressed over the next seven weeks.

Madam Speaker: Before I call the next Member, I remind the House that the time limit for speeches is now 10 minutes.

Mrs I Robinson: I welcome the opportunity to speak today. The importance of this debate lies not only in the report, but in the process that accompanied and produced it. The real significance is not as much in

who sat around the table, but in what was discussed. In the area of institutional issues, in particular, we saw a breakthrough.

Today, the question is not whether there can be changes to the Belfast Agreement, but what changes are in the interests of good government in Northern Ireland.

In the draft proposals for a comprehensive agreement, both Governments accepted that the Belfast Agreement was not set in stone. Considerable progress was made, and that must be the basis for legislation this autumn. The work of the PFG Committee has resulted in a greater understanding of where each party stands and why. The absence of Sinn Féin from this debate is, once again, evidence of its lack of good faith in the process, and — whatever the true reason for that absence — it makes restoration more difficult.

The Committee covered a huge amount of material and addressed a significant number of issues. That preparatory work will act as a useful resource in the future.

The work of the Committee marks an acceptance that things must change. No longer can people live in a 1998 time warp. Circumstances have changed, and the institutions must change accordingly. For years, many people claimed that the Belfast Agreement was effectively written on tablets of stone and could not be changed. The work of the Committee ended that myth.

I remember being told on many occasions between 1998 and the autumn of 2004 that the Belfast Agreement was it — take it or leave it. It was as if the verdict of those who had cast their votes in 1998 had been frozen in time, never to be changed. It is now clear that the Belfast Agreement can, must and will be changed. Political and electoral realities meant that “no change” was never a suitable position and, although only a limited amount was agreed around the PFG Committee table, the fact that discussion was taking place indicated that the issue was no longer closed.

Fidelity to every dot and comma of the Belfast Agreement is political dogma and not common sense: the world has moved on. It was not a credible position in 1998, and it is a ludicrous one today. Who could expect the DUP to sign up in 2006 to arrangements that it rejected in 1998? The issue of changes to the institutions was one of the main sticking points of the talks at Leeds Castle.

Nationalists have seen the DUP's attempts to bring about changes to the Belfast Agreement as somehow being an attack on their role in helping to govern Northern Ireland. That has never been the case, as our many manifestos and policy documents of recent years have demonstrated. As a result of their attitude, nationalists have used the Belfast Agreement as a comfort blanket, when they should have been questioning what actually needed to be changed. Surely what is important

is that we find arrangements that unionist and nationalist communities feel able to support. Given the DUP's position, who today can say that the unionist community supports the current institutional arrangements?

As for the SDLP argument that the institutional arrangements did not lead to suspension and should therefore not prevent restoration, that party should remember that the DUP was not the largest unionist party during the lifespan of the previous Assembly. I assure Members that had we been the largest party, the unamended institutions as then existed would never have got off the ground.

The Secretary of State indicated previously that the Government will introduce a Bill to change the institutions. We welcome that, and I look forward to seeing it. The other parties should see that as an opportunity for them and not as a threat to their positions. No one can seriously argue that, during the lifespan of the first Assembly, the institutions functioned as well as they should. Even within the constraints of an enforced multi-party coalition, things could be done much better.

For years we have been pointing out the fundamental flaws of the Belfast Agreement. Those include: the lack of accountability; the lack of effective decision-making; inefficiency; and the instability that exists in our community. Those issues should be of concern not only to the DUP but to all parties that are interested in good government. If people are interested in that, how can a system in which there is no collective responsibility be appropriate? If people are interested in safeguards for each community, how can they allow Members to redesignate with the sole purpose of frustrating those safeguards? If people are interested in accountability, how is it appropriate for Ministers to be free to make major decisions, given that they were appointed on the basis of a ministerial selection system that is no more predictable than picking names out of a hat?

The report is a welcome step in bringing about change to the institutions. The next stages of that process will be the negotiations in Scotland and the publication of the Bill that will detail the proposed changes. That will be a key test for the Government to deliver on the promise that they made previously on the institutional changes that the DUP requires. I hope that that is not seen as simply a victory for the DUP but as an arrangement that will ensure the better functioning of the Assembly.

Although some changes are now essential to allow the Assembly to be restored, the new Assembly will also have a great deal to do in its consideration of how it and the Executive operate. That process can best take place away from the atmosphere and attitudes that are often adopted in political negotiations. Unless there is long-term consensus that we are prepared to amend

and review the institutional arrangements, our system will not be as effective as it should. We must incorporate provisions to allow agreed change and to meet the changing circumstances, and we must base those on experience. That is one way to avoid another breakdown.

Natural evolution has been a characteristic of the British constitution throughout the ages, and it has served our country well. It would be as absurd for every detail of how government worked a century ago to remain frozen in aspic as it would be to pretend that the arrangements that were reached in 1998 are incapable of change.

To achieve that change, some parties will have to face the reality that things have altered and that they will need to move with the times. I hope that we start to see changes in attitude in the next few weeks. If we do, and the appropriate alterations are made, resolution of this issue will no longer impede the return of devolution.

Mr McGimpsey: One could say that making an agreement is one thing but making it stick is another. Like many in the Chamber, I have been involved in several talks processes that failed to make an agreement. Those talks mirrored each of the failures that occurred from the 1970s and 1980s through to the 1990s.

Therefore, when the Belfast Agreement — or the Good Friday Agreement, as it is commonly called — eventually came about, I suppose that it was obvious that it would contain many compromises. However, discussions in the PFG Committee have shown that parties have moved on. We had the Belfast Agreement, then we got the comprehensive agreement, and now we have the PFG Committee's report.

This debate concerns the Belfast Agreement, and I listened to Mrs Robinson state that it is not about DUP victories. It is about the agreement's capacity for review, and, as Seán Farren put it, we have seen changes to operational details. The DUP is on record as saying that the fundamentals of the agreement do not contradict the party's fundamental principles.

What has the report achieved? Although it includes a number of sensible changes, many of them were, in fact, banked before the PFG Committee was formed. Indeed, many of those changes were banked before the comprehensive agreement was drawn up. The key issue is getting an agreement that people are prepared to make work, and where there is a will, there is a way. If we really want to, we can make the changes work. Therein lies the fundamental question about the agreement, because, although the DUP said that it opposed the agreement, it worked it by taking its ministerial places and missing certain opportunities to pull down the structures during key votes.

My argument, as far as Sinn Féin is concerned, is that that party did not exactly play the game; republicans

did not play the game. They did not honour what it was understood that they were going to honour. They did not do what we understood that they were going to do, and, on three occasions, the process collapsed. Therefore, therein lies the question. If, as Mrs Robinson said, this report is a breakthrough and the key test, the DUP, as the lead party, must answer the question through its actions at the talks. A successful outcome at the talks would mean that the agreement, with the reviews and changes, would fly.

What are the essentials of the agreement? They are devolution through power sharing, weighted-majority voting and the use of the d'Hondt mechanism to share out ministerial posts. All those feature in strand one of the agreement. Such an approach results in a mandatory coalition, with Sinn Féin in Government. That would be the logical outworking of a successful talks process in Scotland that meets the 24 November deadline. We have been told that that deadline is set in stone, but, of course, we all have our doubts.

Successful talks are key. Unionists want Stormont back. Northern Ireland is a unionist creation, so it is up to unionists to make Northern Ireland work. The Ulster Unionist Party sees Stormont, with limited self-government in the United Kingdom, as a key part of making Northern Ireland work, along with considering the mistakes of the past and ensuring that everyone has given his or her assent. That was the origin of the strand one model, imperfect as it is.

Another factor to be considered is strand two, which deals with the North/South bodies. There were six implementation bodies and six consultative bodies. Is that to change? No, it is not. The British-Irish Council recognises the common polity of the British Isles, because it includes the Irish Republic in the grouping of the other Governments in the United Kingdom. Is that arrangement to change? No, it is not.

Therefore, although we could talk all day — and the public, like most of us, are sick talking about the details of agreements — the key issue is whether we can get the agreement to fly. The key to doing that is to achieve a breakthrough in the talks, and that means that the DUP must accept Sinn Féin's being in Government. That is what we are talking about. Gregory Campbell talked about Sinn Féin showing repentance. That appeared to be his test. This morning, it was reported that Jeffrey Donaldson said that Sinn Féin in Government could be considered if it dismantled the command structures of the IRA, and the Assembly has debated criminality and decommissioning. However, the Assembly will fly only on the basis of a mandatory coalition. That is the only way in which this will work.

If the DUP is not up for that, or, to put it another way, if Sinn Féin is not prepared to meet the DUP test, the Assembly cannot work — and it does not matter

how many changes are made to the Belfast Agreement or to the comprehensive agreement. This is not about operational details; it is about what we were talking about before.

11.45 am

As far as the comprehensive agreement is concerned — and I have flagged this up before — there is agreement on the modalities of the devolution of policing and justice. In principle, we all agree that that should happen, we all agree that there are ways in which it can be done, and we have all agreed, more or less, the methodology. In the comprehensive agreement, the British Government gave an undertaking that they would work to promote the necessary confidence to allow a vote to take place within two years to bring about the devolution of policing and justice, but it seems to me that that is a step that the people of Northern Ireland, or certainly the unionist community, are not ready to take.

The changes are operational not fundamental. The only way in which the Belfast Agreement will work is by making it work, and those changes are aids to making it work. The question is whether, at the talks, Sinn Féin and the DUP will come back to something like the comprehensive agreement position, which effectively allowed for the Assembly to be back in place with the DUP and Sinn Féin.

The DUP alone is in a position to answer that question. I do not expect it to give an answer, but if one looks at the history of the three failures that the Ulster Unionists had with Sinn Féin, a key factor has to be the need for an insurance policy, which was, of course, the suspension legislation — the Northern Ireland Act 2000 — that allowed us an exit when necessary.

A key issue now is about getting rid of the suspension legislation. If the DUP were to jump when Sinn Féin shows repentance, without that legislation it would be locked into either a sticking-it-out or a scorched-earth policy.

Although the basis may be there — and Mrs Robinson may see a breakthrough and want us not to view this as a DUP victory — the questions answered at the talks, and later, will determine whether anyone can talk about a DUP victory.

Ms Ritchie: For the past eight years, the people of Northern Ireland have been subjected to highs and lows and to gains and deficits in the political process.

The process has been punctuated with hope and expectancy since the Good Friday Agreement was signed and subsequently endorsed by referenda on the island of Ireland in May 1998. That hope was further emphasised when the Executive, which included DUP Ministers, was established in December 1999. The agreement provided the framework for future political

institutions and developments based on the concepts of inclusivity, working together, respect for difference, equality and partnership. Most importantly, it provided safeguards and mechanisms to ensure that both traditions worked together and were treated equally in the institutions of government. Such provisions need to be sustained and protected, and the agreement is the only recipe that provides for the protection of all within the institutions of government.

So far this morning we have been subjected to the doctrinal contributions of the DUP. I hope that, over the coming weeks, that party will create opportunities not obstacles along with Sinn Féin for an accommodation on which the institutions could be restored, providing hope and opportunity for everyone in the North of Ireland.

The hope that we recognised so clearly in 1998, which characterised the endorsement of the Good Friday Agreement, was quickly replaced by sorrow, anger, despair and a sense of weariness in the community.

When unionists were slow to act as persuaders for the agreement, that was because the IRA refused to decommission — it only did so last year — and Sinn Féin, sadly absent once again, refused to commit to a peaceful society, to policing structures and to an end to criminality. Those outside influences led to the suspension of the institutions in October 2002.

Those institutions did work, and we have already had evidence of that in this debate. Next week we will all have an opportunity to restore hope and confidence in the process through a commitment to democratic values, equality and a willingness to work all the institutions of the Good Friday Agreement, which have the necessary ingredients for both traditions, unionist and nationalist, to work in Government for the betterment of us all and of future generations.

We in the SDLP hope that all those who have caused problems and impediments to the process will now say goodbye to violence, terror, criminality, supremacy and sectarianism, and embrace difference, policing and a lawful society. We also hope that they will agree to work all the institutions of government, including the North/South and British-Irish institutions.

Momentum in the economy; the need to address and reduce economic inactivity; the skills deficit that we have heard so much about; the need to locate inward investment and business development in areas where there is an adequate pool of skills but an inadequate level of investment; the urgent need to address regional inequalities; and deprivation and disadvantage — all those issues demand the immediate restoration of the political institutions. People need hope to replace sorrow and despair.

Communities throughout Northern Ireland are looking for hope and for collective responsibility on our part. They do not want to be subjected to punitive measures from direct-rule Ministers. At a recent evidence session of the economic challenges subgroup, the leader of the Northern Ireland Business Alliance stated unequivocally that the restoration of the political institutions and devolution were necessary prerequisites for confidence and growth in the community. Political stability, devolution and a subscription to all the institutions will give a significant impetus to economic growth in the North of Ireland and assist in the further development of economic co-operation and development on the island of Ireland.

Constant delays and hospital waiting lists for elective and non-elective surgery demand a radical re-examination of the Health Service. That can only come about through the restoration of the political institutions — with local people at the helm giving local solutions.

Cutbacks in education services that have a severe impact on children demand a children- and education-focused agenda, which can only be delivered by those who appreciate, empathise with and understand the situation. That is why local people need to be at the helm, making decisions on education through the restoration of the institutions.

There needs to be an emphasis on the provision of economic infrastructure, and on an all-island approach to that provision, to ensure opportunities for all. We need an all-Ireland infrastructure and transportation body so that networks — whether they be ports, airports, roads or railways — are linked to provide greater opportunity and greater wealth in local areas. There also needs to be an emphasis on the construction of roads that will contribute to the local economy and remove bottlenecks and delays in town centres. This will require imaginative solutions by those who understand and care about the future growth of our economy and about people. Only we can deliver that, because direct-rule Ministers do not really understand our needs or our past and current problems.

There can be no à la carte approach to the working of the institutions or to the agreement. Each of us must subscribe to the full menu, and we must work to ensure the full restoration of the institutions on this island, including the Assembly, the Executive and the North/South, and British-Irish, institutions.

The SDLP has never opposed working for better efficiencies or better effectiveness. We will not be found wanting, but we want an accommodation that works well for the people of this island. My message to the DUP and Sinn Féin, on behalf of the SDLP, is: please do not create further impediments; please do not

create further obstacles; seize the opportunities that are available to us now; and create a better future for everyone on this island.

Mr Poots: As I travelled here this morning, I heard a blast from the past, Lord Trimble of Lisnagarvey, speaking on the radio. He took the title of Lisnagarvey, even though the only time that he stood for election there, in a council election in the 1970s, he was roundly defeated. It is perhaps somewhat ironic that he should have taken that title, but, in some respects, it is not surprising.

Lord Trimble said that the DUP did not have the moral courage to do a deal before 24 November. The DUP has the moral courage to do a deal; whether it can be done by 24 November remains to be seen. However, we will not listen to lectures from Lord Trimble about moral courage, because he allowed the most immoral measures of all, including the release of paramilitary prisoners without any deal on decommissioning.

The DUP will respond to deeds, not deadlines. We will ensure that when we do a deal we will get it right. That deal will not be like the Belfast Agreement, which David Trimble believed to be the best deal, but which did not work and collapsed three times.

I have no doubt that there is a public desire for devolution, but, more importantly, there is a public demand for resolution. There is a difference between bringing about a deal and bringing about a resolution to the difficulties in Northern Ireland. The Belfast Agreement brigade is living in denial if it believes that no changes will be made. The SDLP — certainly in the run-up to the comprehensive agreement — tried to portray the Belfast Agreement as an infallible, sacrosanct document, indeed as a Holy Grail. However, it appears that, during the deliberations of the PFG Committee, it recoiled from that position to some extent, although Margaret Ritchie seemed to be going back into pre-comprehensive agreement mode in her speech.

There are substantial differences between the positions of the DUP and the Ulster Unionists.

Dr Farren: Does the Member not agree that the entire agenda of the PFG Committee dealing with institutional matters was structured around the basic framework of the Good Friday Agreement? Page six of the report lists the issues requiring resolution — the deal-breakers — only one of which requires explicit change to the provisions of the Good Friday Agreement. Talk about fundamental changes to the Good Friday Agreement is so much hot air.

Mr Poots: The purpose of the PFG Committee was to scope the issues on which there was disagreement. If Dr Farren believes that there is only one area of disagreement, I am not sure where he is living.

Mr S Wilson: Does my colleague agree that, even using the logic of the Member for North Antrim Dr Farren, one of the major issues that still needs to be addressed is accountability, and that changes in accountability mechanisms will fundamentally change the agreement?

12.00 noon

Mr Poots: I was coming to that point. Fundamental changes are required. The 'Report on Institutional Issues' does not stand in isolation from the other reports that the PFG Committee produced. Each of those reports requires fundamental changes to be made before agreement can be reached.

The Ulster Unionist Party considers it acceptable to have unreconstructed terrorists in Government, but the DUP's position is that paramilitary organisations must be completely disbanded. The Ulster Unionist Party is content for Members to be Ministers by day and terrorists by night, but the DUP says that terrorism must become a thing of the past. The Ulster Unionist Party is content for ministerial accountability to be considered unacceptable, but the DUP's position is that Ministers must be accountable to the Assembly and the Executive. The Ulster Unionist Party is content that North/South bodies be unaccountable, but the DUP's position is that any decisions taken must be accountable to the Assembly and the Executive. The Ulster Unionist Party is content for Ministers to be opposed to policing and justice, but the DUP's position is that support for policing and justice is a prerequisite for any party to be in Government.

Mr Kennedy: I am not sure what wonderland Mr Poots is in this morning, but he is certainly in some type of fantasy land. In the event of a deal, does the Member for Lagan Valley think that it will be Government with Goldilocks?

Mr Poots: I do not know from where the Member is coming, but the DUP is certainly not living in any wonderland. It is a historical fact that, when the Ulster Unionists were in Government with Sinn Féin in the previous Assembly, Martin McGuinness was taking unaccountable decisions. At the same time, he did not accept the principles of policing and justice, and terrorist activity was taking place.

The DUP will insist on forcing Sinn Féin to divest itself of paramilitarism and to become a wholly democratic party as prerequisites for entering any Government. That is only one aspect of bringing about a political agreement in Northern Ireland. The other aspect is to bring about fundamental change to the agreement, and that must be made before a new Government is established in Northern Ireland. Those fundamentals will bring proper accountability to the House — something that did not exist in the previous Assembly but that must exist in any new Government.

Dr Birnie: I want to make some comments on the three strands to the agreement based on what is contained in the report. Eight years on from the Belfast Agreement, it is clear that reform is necessary, but the record of time has in no way suggested that the agreement should or could be “smashed” — to use a term used some years ago by a party to my left in the Chamber.

The record of recent years — particularly after the publication of the comprehensive agreement, which has been frequently cited this morning and afternoon — suggests that any so-called fair deal will be a fairly similar deal to the broad structure that was outlined in 1998.

On that basis, I will consider — in reverse order — aspects of the three strands. Crucially, strand three gives institutional recognition to the importance of the east-west relationship between these islands. There have been powerful movements of population back and forth over the centuries, as well as in recent decades. There have also been extensive trade flows between this island and the neighbouring island of Great Britain, and, very often, there has been a shared history.

The report rightly suggests that the British-Irish Council should be given greater recognition through, for example, the creation of an independent and separate secretariat similar to the secretariat that has been working in Armagh to the North/South Ministerial Council.

By implication, the report suggests that there should have been — and that, if there is restoration, there should in the future be — a greater equality in number and frequency of meetings between the North/South Ministerial Council and the British-Irish Council.

On strand two — the North/South aspect — the Committee agreed, sensibly, that there should be regular appearances before the relevant Assembly departmental Committees by the chief executives and chairmen of the North/South implementation bodies. It is important to add that there was no obstacle to that under the 1999-2002 dispensation, although it does not seem to have happened.

The 1998 agreement stated, crucially, that all three strands were interdependent. The successful operation of the North/South aspect was dependent on having the Northern Ireland Assembly in place and operational. The former Northern Ireland Office Minister for Political Development, Mr Paul Murphy MP, speaking in the House of Commons on 8 March 1999, went further. He said emphatically that were there no Assembly, there would not, and should not, be a North/South aspect or implementation bodies.

Mr Robert McCartney: Does the Member agree that if this Assembly collapses after 24 November, the North/South bodies must automatically come down in accordance with the terms of the agreement, and that the British Government would have to enact new and

intricate legislation to resurrect them? Such legislation would have to go through the House of Commons.

Dr Birnie: I thank the Member for North Down for his intervention. He makes my point for me. I am arguing that any attempt to keep North/South bodies operating after 24 November — assuming that work in this Assembly comes to a complete stop — would be contrary to both the spirit of the agreement and the letter of the Minister’s speech on 8 March 1999. In that context, the Ulster Unionist Party views with great concern what has been emerging from recent meetings, particularly the July meeting of the British-Irish Intergovernmental Conference. The communiqué issued after that meeting strongly suggested a ramping up of the entire North/South process, notwithstanding what might happen to this Assembly.

My party has never been against North/South co-operation per se. We accepted the North/South aspect both in 1998 and in its outworking in the subsequent agreement of 1999. However, it has to be subject to two clear tests. First, it must work to the mutual advantage of Northern Ireland and the Republic of Ireland. Secondly, it must be accountable to representatives elected locally in Northern Ireland.

Members should note the economic evidence suggesting that the economies either side of the Irish border are already highly integrated and co-operating to a substantial degree. The Irish Business and Employers’ Confederation — the Southern Irish equivalent of the Confederation of British Industry — reported this year that the volume of road traffic across the border in both directions is already the same as that between Scotland and England, although both those countries obviously have much larger populations.

Strand one relates to the Assembly, and so forth. President Abraham Lincoln of the United States, in describing his approach to politics, once said that he would appeal to:

“the better angels of our nature”.

Members of the Committee on the Preparation for Government are to be commended for working to the better angels of their nature, rather than pursuing narrow personal vested interests, on several occasions.

Some of the recommendations reflect the public interest rather than the interest of particular MLAs — for example, the recommendation that we should move towards ending multiple mandates and the recommendation that we should reduce the number of MLAs from 108. That number seems anomalous when compared to the 129 Members in the Scottish Parliament and the 60 Members in the National Assembly for Wales. The report necessarily allows for a degree of elasticity regarding the timescales for implementation of those two recommendations, but it is important that they have been proposed.

The Committee was also right to suggest that, in due course, there should be a thoroughgoing review of the distribution of the functions of the 11 existing Departments, which would obviously include the Office of the First Minister and Deputy First Minister (OFMDFM).

Some Members may find my final point a little esoteric, but it is worth noting. The Committee endorses the single transferable vote (STV) system. The Hansard report of 7 August 2006 shows that the PFG Committee considered the voting system at about 3.30 pm in the afternoon; thus it is entirely understandable that there was not a full debate on rival voting systems and psephological considerations.

It may well be that the STV system is the only system that can provide broad proportionality between votes cast and representatives who are finally elected. However, it is worth putting on record that, several years ago, Democratic Dialogue — a group with which I do not always agree — suggested that consideration be given to the so-called alternative voting system. It was used for many years in England and Scotland, until, I think, the turn of the nineteenth century into the twentieth century. Democratic Dialogue argued that, in the context of Northern Ireland, the STV system does not give candidates an adequate incentive to reach out beyond what might be narrowly defined as their own communal constituency. However, it suggested that the alternative voting system could do just that.

We should also note that a number of commentators have argued that the STV system in the Irish Republic has led to excessive political pork-barrelling there. Such activity always occurs, but it occurs to an even greater extent in multi-member constituencies, and it is a waste of public funds.

I support the motion.

Mr Robert McCartney: This debate is about institutions. The institution under which these debates take place is a monster. It is a farce and a puppet: the Speaker puts forward motions that are determined by the Secretary of State, and our Standing Orders are determined by the Secretary of State. Members come here to utilise a very limited opportunity to speak about matters that concern us.

However, we must not forget the underlying lack of democracy in this institution. To a great extent, it mirrors the underlying lack of democracy that has always existed in the political Caliban called the Belfast Agreement and the Assembly that it spawned. Almost every single principle of representative democracy, as understood throughout the civilised world, has been violated by the terms of the Belfast Agreement and the subsequent settlement. Can Members think of any place in the world where there would be enforced mandatory power sharing between the representatives of democratic parties and a party that several Prime Ministers and umpteen

Secretaries of State have described as inextricably bound up with a terrorist organisation? Yet, those were the principles that the Belfast Agreement gave us.

12.15 pm

It was born out of deceit and ambiguity. Everyone said that the agreement was the product of constructive ambiguity. One high cleric in the Roman Catholic Church said that the agreement was wonderful, as there was enough ambiguity in it for everyone. However, four or five years later, the blessed Tony Blair told us in one of his peripatetic speeches in Belfast that ambiguity, while once our friend, was now our enemy. How is that for a piece of Jesuitical reasoning?

From day one, I said that the Assembly and its Executive had no collective responsibility. All the major parties were represented in the Executive, so there was no opposition except that which was offered by the Alliance Party, myself and the other smaller parties. I also said that Ministers in turn became hares or hounds. Given the absence of any form of collective responsibility, a Minister from one party became the hare and the other Ministers became the hounds that harried. It was a joke.

An election is a basic principle of democracy that enables people to remove one Government from office to bring in another, but that is not so under the Belfast Agreement, because, broadly speaking, each election would return the same parties. There would perhaps be a Minister less in one group, but, essentially, they would be representatives from the same parties. Those parties would appoint their Ministers, and they would be responsible only to the party that elected them, not to the Assembly or to the people. There was ongoing stagnation, because it was never intended that the Assembly would develop into a working democratic body: it was simply to continue as an ongoing sop to unionists, while the mechanisms of North/South bodies gradually developed into a factually united Ireland. I pointed that out time and again, and the Assembly never did anything, because it was under the control of the British Treasury at all times.

Turning to another aspect of democratic institutions, we are told that we should have an enforced mandatory coalition in the Executive.

Mr Nesbitt: Will the Member give way?

Mr Robert McCartney: No, I will not give way at the moment.

That was the d'Hondt system. In fairness to the DUP, its 2005 general election manifesto stated that it would not enter into any form of mandatory coalition under d'Hondt or any other similar method in the foreseeable future. That position was also outlined by Mr Allister, the DUP MEP, in this morning's edition of the 'News

Letter'. However, that is rather different from the suggestion made by Peter Robinson this morning and in his speech yesterday that, for a time — albeit limited — there may be an acceptance of a mandatory coalition while it developed into, at some future unspecified date, something that represented normal democracy. That is similar to being slightly pregnant or “slightly constitutional”. Can one be slightly in favour, even for a limited time, of a mandatory coalition with people whom one has, quite properly, for decades condemned as the representatives of terrorism, in the hope that they may become reformed? The fundamental principle of a mandatory coalition is wrong.

The DUP is correct to offer the SDLP — fellow democrats — an opportunity to enter into a voluntary coalition. Indeed, if the NIO is to be believed, Sinn Féin/IRA has undergone a Damascene conversion and soon will appear robed in pure white as a fitting partner in any democratic process. That being the case, why is it necessary to have a mandatory coalition of any kind? If Sinn Féin will observe the principles of democracy, accept the views of the electorate and no longer resort to violence or the threat of violence, what is to be feared by the normal principles of democratic government?

Why should any party — minority or otherwise — be entitled to places in Government as of right? After the previous general election, the Conservative Party had a huge number of Members of Parliament, and probably it will have more after the next election. However, if it is not the majority party, or one of a coalition of parties that share the same view, it is not entitled to a single place in the Government. Yet a party that has seven or more Members in an Assembly of 108 is entitled to a place in the Executive simply on the basis of d'Hondt. The whole procedure is patently ludicrous and it is a violation of all commonly understood principles of democracy.

During the past two months, there has been discussion on the minutiae of how the monster is to be restored in some attenuated form. This is a typical example of the elephant-in-the-drawing-room scenario, in which everybody walks around talking about every other matter, such as the Dresden china in the china cabinet, ignoring the fact that there is a bloody great elephant in the middle of the room. The elephant of democracy must be addressed.

Mr Dallat: Will the Member give way?

Mr Robert McCartney: I will not give way.

Mr Dallat: That is democracy.

Mr Robert McCartney: That is democracy: the right of free speech. We must consider the elephant of democracy and stop fannying about on irrelevant details.

Mr Campbell: I add my commendation to that of Members who thanked the staff who served the

Committee diligently throughout the summer. Some Members referred to the PFG Committee as though they felt that to serve on it was more than just honourable, but a wonderful experience. Some went further and said that it was a joy and a privilege to see the historic event of the DUP and Sinn Féin's being together in the same room. I do not know where those people have been. Some of us have been in elected forums with members of Sinn Féin for 25 years. If that party continues to adhere to criminality, violence and terror, the DUP will ignore it for the next 25 years as it has done for the past 25 years. However, if Sinn Féin departs from those activities, that will herald a new beginning that the DUP will look forward to, if and when it comes.

Some people have short memories and want to imply that there has been a historic departure from past practices.

Mr Nesbitt: Will the Member give way?

Mr Campbell: If the hon Member will give me a chance to get started, I will happily give way to him at some point. If he does not mind, I want to get into first gear and on my way.

The issue of accountability has seized the attention of many Members, today and on previous occasions. Some Members, particularly those from the Ulster Unionist Party, have concentrated their fire on the 1998 agreement. In their eyes, it appears that the DUP has signed up to that agreement after it has undergone a little tweaking. They referred to some changes that may be agreed in the near future, or remain outstanding, as being the essence of such tweaking.

Ministers in the previous Assembly were unaccountable, as outlined by my hon Friend the Member for East Belfast Mr Robinson. They could put forward their views to the Assembly and even to the Committees that shadowed their respective Departments. Having outlined what they intended to do and listened to any objections from the Floor of the Assembly and from the relevant Committee, Ministers could go away and do as they pleased. That could, and did, happen for the duration of the previous Assembly.

If the DUP is successful, that will change. In future, as in the past, Ministers will have to come before the Assembly and Committees to put forward their views. However, in whatever way can be agreed, they must bring the support of the Assembly with them. The Ulster Unionist Party may say that that is tweaking, but it is much more than that — it goes to the core of accountability and democracy in this place.

If, under —

Mr Dallat: Will the Member give way?

Mr Campbell: I am afraid that the Member will have to join the queue. If I am allowed to develop my

theme, I will give way to him and to the other hon Member Mr Nesbitt in a moment.

There is a similar issue of accountability in relation to North/South issues. Under the old regime, Ministers decided, in conjunction with their counterparts from the Irish Republic, what they wanted to do. They then merely informed the Assembly of their intentions. Ministers answered questions but would not change anything, no matter what the view of the Assembly was. A move to a situation wherein Ministers, whether in the Irish Republic or in Northern Ireland, must go back to their respective Parliament or Assembly and seek the endorsement of the elected representatives is not mere tweaking — it goes to the core of accountability.

I am not sure whether the hon Member still wants me to give way.

Mr Nesbitt: Mr Campbell has moved on from the point on which I wanted him to give way. He referred to interchanges between the DUP and Sinn Féin that had perhaps not taken place before. Having previously refused to sit in the same television studio as Sinn Féin, the DUP clearly changed its position and agreed to do so. Is it correct that the reason given by the DUP for that was that the BBC had not provided money for separate studios? Is that a fallacious statement from the DUP?

Mr Campbell: I thank the Member for making an incorrect point. The DUP has never said that the decision had anything to do with money. The BBC said that the provision for separate studios would not continue. Whether the DUP sits in the same studio, council chamber, Assembly Chamber or parliamentary Chamber, it will not change its attitude to those who advocate criminality, terror and violence. The DUP will continue to confront and oppose those people, whether they are in the same studio or a separate one.

Mr McClarty: However, they are all right on the Policing Board.

Mr Campbell: I am glad that the hon Member, from a sedentary position, has raised the issue of the Policing Board. I have never rationalised any repentant terrorist joining the police, and I am pleased that the hon Member has given me the opportunity to put that on the record.

Indeed, his colleague, the Member for East Belfast, Mr Copeland —

Madam Speaker: Mr Campbell, please address the Chair.

12.30 pm

Mr Campbell: I am sorry, Madam Speaker. Mr Copeland followed me on that programme and never raised the issue. Had I even contemplated that, I am sure that Mr Copeland would have been the first to jump on the bandwagon; the fact that he did not proves that I

did not contemplate it. I know that Alban Maginness wants me to give way, and I will be happy to do that.

We have continually raised the matter of the number of offices that would exist under a new devolved structure. They need to be cost-effective. It is absurd that there was a Department of Education and a Department of Higher and Further Education. It is even more absurd that there was a Department of the Environment and a Department for Regional Development — one Department was responsible for planning issues in a wider corporate sense and the other was responsible for the day-to-day minutiae of such applications. The number of Departments can and ought to be reduced. If we are serious about making government cost-effective, we should be considering the number of Departments.

Mr A Maginness: Will the Member give way?

Mr Campbell: I will, if the intervention is brief this time.

Mr A Maginness: Mr Campbell described the Executive as a mandatory Executive. In fact, the DUP joined it voluntarily, and Mr Campbell joined it voluntarily as a Minister. It highlights Mr Robert McCartney's point in relation to what Jim Allister says in today's 'News Letter'. Does Jim Allister's position faithfully reflect DUP policy or does Peter Robinson's position in the Assembly today reflect the genuine DUP position?

Mr Campbell: I never cease to be amazed at the extent to which the SDLP tries to imply that there is a fundamental division in our party. I will discuss what used to be the case and what I hope will be the case under a new regime. The issue ought to be clear: of course it is a mandatory coalition. There is no option but to be a partner in a coalition, and voluntary coalition is out of the question — and it is out of the question because Mr Maginness's party has put it out of the equation. It has explicitly said time and time again that —

Madam Speaker: I am afraid that your time is up, Mr Campbell. *[Interruption.]*

Order. As Members know, the Business Committee has arranged to meet at lunchtime today. I propose therefore, by leave of the Assembly, to suspend the sitting until 2.00 pm.

The sitting was suspended at 12.33 pm.

On resuming (Mr Deputy Speaker [Mr Wells] in the Chair) —

2.00 pm

Mr Dallat: The PFG Committee report on institutional issues suggests that nationalists require cross-border bodies to reinforce the Irish dimension of Stormont. Although there is no doubt that anything that helps to soften the history of this place is helpful, it should not be assumed by any unionist that the sole purpose for wanting cross-border bodies is a comfort blanket for being Irish — far from it. It is not helpful that that angle is constantly used by unionists to undermine the existence of cross-border bodies dealing with real issues that affect the everyday lives of people on both parts of this island.

It would be helpful if there were a greater sense of maturity among unionists, and less scaremongering about the perceived threat of cross-border bodies. We need to take cross-border co-operation away from the bogeyman syndrome and begin explaining to people just how necessary those institutions are if, as Mr McGimpsey claims, we are to reach a potential market of 60 million people in the United Kingdom and 400 million in the European Union as a whole.

Trade between the North and South is increasing, but it is only a fraction of what it should be. The aggregate trade from Ireland as a whole could be vastly increased if we had an end to the obstacles that stand in the way as a direct result of partition.

Whatever Members' views, partition has been a costly experience, and everyone is the poorer for it. Although I have never been in the camp that believed that it could be ended by force, everything possible must be done to address the serious impediments partition imposes, North and South. Indeed, it has been a miracle that the Republic has managed to achieve so much over the past 20 years. However, that advantage will not be around for much longer, as the rest of Europe pulls down the barriers that have kept countries apart, inefficient and uneconomic.

The world is moving on at a pace unthinkable a decade ago. Who would have believed that the border that split Cyprus for 32 years is now open, with plans to create more openings? I am not suggesting that the Greeks and Turks now love each other — far from it — but, even in the troubled history of that place, there is a recognition that partition is a serious impediment to free trade and, consequently, to economic prosperity.

In our case, Waterways Ireland has provided the platform to develop rivers, North and South, and here in the North there is everything to gain from that. In my constituency of East Derry, preparation is well advanced for transforming the River Bann from a drainage system out of Lough Neagh to a tourist Mecca equal to the River Shannon. Much of the work is already

in place, but investment from the private sector is essential. That will not happen in a disjointed way, but under the stewardship of Waterways Ireland, which is a splendid cross-border body that has been impeded in the most disgraceful way since the suspension of the last Assembly. By putting the work of Waterways Ireland on a care-and-maintenance basis, purely for political expediency, unionists have well and truly made our people suffer.

The Coleraine office of Tourism Ireland has brought new meaning to international tourism, but sadly there is still begrudgery among unionists about its achievement. Do they ever stop to think why there are so many cars with Republic of Ireland registrations touring our beauty spots? Many of those cars have been hired in the Republic by tourists who would never have ventured into the North in the past, either because they were too scared or because they were simply not aware that the place existed.

The report suggests that the foot-and-mouth disease crisis could have been handled without a cross-border body dealing with animal health; that, surely, cannot be a serious argument.

The development of cross-border institutions is necessary and is not a threat. Take, for example, the vexed question of road safety. Is anyone suggesting that there would be no gains to be made through increased co-operation in practical matters such as harmonisation of laws relating to offenders who exploit the border to speed, drink and drive, and generally add to the mayhem? I think not.

Perhaps the fact that somewhere in the region of 500 people are slaughtered on the roads on both sides of the border each year is a good argument for giving the recently constituted Road Safety Authority (RSA) an increased cross-border role. I am pleased that representatives of that body are in Belfast today with the PSNI and others involved in road safety. The Road Safety Council of Northern Ireland, a voluntary body, has one full-time employee and one part-time employee. The RSA has 309 full-time staff addressing the serious issues that are making Ireland, North and South, one of the worst countries in the European Union for death and serious injury on the roads.

Part of the solution to improve road safety is, of course, better and safer roads and, if I may say so, better railways, airports and seaports. Surely it makes sense to do that on a shared basis, with the Republic of Ireland making a contribution to the development of City of Derry Airport, for example. Surely it would make very good sense to have an all-island strategy on railways, with the Republic again contributing to building a decent service between Belfast and Derry on the same principles as applied to the airport. How could the European Union say no to chipping in on what would effectively be a trans-European initiative?

Unionists have had their guarantees that the constitutional position of the North will not be changed without agreement — in the 1998 referendum, this was recognised by citizens North and South for the first time. It is therefore a bit rich for unionists to continue standing in the way of practical co-operation on an endless list of issues that promote economic well-being, better educational opportunities, animal health and, in the longer term, new enlightenment that will make the border a thing of the past — by agreement, of course. I appeal especially to the DUP to ensure that the talks in Scotland are successful in the days ahead.

Mr Kennedy: This important debate is the last in the series under the auspices of the PFG Committee. I endorse the remarks of other Members — the almost obligatory, yet sincere remarks — and thank the officials involved in the Committee. I also commend your role, Mr Deputy Speaker, and that of your erstwhile colleague, the Member for Mid Ulster Mr Molloy, for so efficiently and impartially chairing the Committee. *[Interruption.]*

Yes, I am conscious of not wanting to go overboard.

I want to express yet again my disgust at the non-appearance of Sinn Féin. It is unsatisfactory and expresses political cynicism in the most extreme form. Sinn Féin would do well to reflect on the responsibilities that it will have in the coming days, particularly in respect of the rule of law, as we enter an important phase for the future of this Assembly and that of a possible devolved Administration.

The Committee has looked at the three strands. We looked at the workings of the Assembly, and it is my clear view that the work done by the PFG Committee amounted to a review of the workings of the Belfast Agreement. The DUP may not like to imagine it in those terms, but it is the overall framework of the Belfast Agreement that is being modified, changed or slightly amended. That general and basic framework is still in place. Sensible changes to the working of the Assembly can and should be made. However, they should not be made out of political convenience or to save political face or give political cover. I say that particularly to members of the DUP.

An interesting point about strand one issues has emerged overnight in the press: there is a clear difference of opinion among senior figures in the upper echelons of the Democratic Unionist Party. Unfortunately, the deputy leader of the DUP is not in his place this afternoon, but in press reports he has indicated that:

“while mandatory coalition would never be my party’s preference,”

it might be accepted

“in very exceptional circumstances”.

Mr Deputy Speaker, that contradicts the view expressed in your constituency, perhaps even in your

local DUP branch office in Ballymena — I am sorry; for the record, that should be Ballynahinch.

In Ballynahinch, Mr James Allister, an MEP and senior DUP figure, said:

“Little wonder d’Hondt is not used anywhere else in the world as a means of selecting a government. Also, little wonder, the Northern Ireland electorate so strongly endorsed the 2005 DUP Manifesto which declared inclusive mandatory coalition government under d’Hondt as ‘out of the question’.”

Jim Allister finished by saying:

“And, so it should remain.”

In the House, we have been told on many occasions that the DUP speaks for unionism. My question is: who speaks for the DUP?

Members of the Ulster Unionist Party know what it is like to cope with internal differences, so I have some sympathy for the deputy leader of the DUP. We wish him well as he considers those issues.

The UUP welcomes aspects of the report. All the political parties appear to agree that, at some stage, dual and triple mandates will no longer be allowed. That is an interesting issue, particularly for the DUP.

Executive accountability is important, and collective responsibility goes to the heart of this issue. Members of the previous Assembly know that it had no collective responsibility. The four parties that made up the rainbow coalition faced in four different directions on most issues. The UUP hopes that, either through the negotiations in Scotland or the ensuing talks, something can be done to resolve that issue so that we can move forward on a proper basis.

I listened carefully to Mr Dallat as he spoke about strand two issues. Strand two issues have always been problematic, not because of the concept or an unwillingness or lack of effort from unionists to engage in a meaningful relationship with the Irish Republic for mutual benefit — there is no problem with that. The problem is that there has been an insatiable greed and an absolute desire, especially from the SDLP and others, to pursue North/South issues too far. We should learn from the mistakes of the past. The SDLP’s insistence on pursuing North/South ministerial links and creating institutions that unionists were not, and will not be, comfortable with undid the 1973 Sunningdale Agreement and led to severe problems with the 1985 Anglo-Irish Agreement. I want to highlight that as a possible issue that the SDLP and republicans will have to take seriously.

2.15 pm

I am almost out of time, but I still have a little more ground to cover. As regards strand three issues, the Ulster Unionist Party would like to see expansion. A proper BIC secretariat and work programme would be very good to have if the institutions get up and

running. We are also interested in the concept of a new Council of the Isles. It will be important to establish and maintain links with the rest of the British Isles and the United Kingdom. Who knows — at some future date, it may well be that the Republic of Ireland may wish to rejoin the Commonwealth.

I conclude by saying that there is much work to be done. The work carried out by the PFG Committee was useful, but it amounted to a review of the workings of the Belfast Agreement. The exchanges were useful. Although engagement was limited, it was real, and it is to be welcomed. We look towards St Andrews, and we hope that the parties will address seriously all the issues that have yet to be resolved.

Mr Paisley Jnr: I want to make a statement. I want to say something that is loud, clear, unambiguous and not open to interpretation — and I will say it slowly, so that even Danny Kennedy will understand what it means.

The Belfast Agreement is dead: it was killed by the people of Northern Ireland in the previous two elections. It is dead and buried because it was a bad deal for the majority of people in Northern Ireland. It was a rotten deal as far as unionists were concerned, and it was a bad deal for everyone. The only way that we will get a better future is for everyone in Northern Ireland to agree on the way forward. It is unfortunate that the Belfast Agreement failed miserably to win the support of the unionist people.

If anyone on the Benches opposite disagrees with my assertion that the Belfast Agreement is dead, I would like to know why they have sat since July on a Committee that has agreed change upon change to the Belfast Agreement. The 'Report on Institutional Issues' documents in detail the numerous changes that must be put in place before all of the parties in this Chamber — and even the party that has not bothered to attend — can come to any agreement that is acceptable. That is a fact.

The precious Belfast Agreement that many hold out hope of reviving is dead and buried; it is over, and the sooner that the other parties recognise that fact and that we must build a new and better agreement, the better. They are the ones that have to get real. Do not cling to the old institutions. Look for something that is better and will work. The Belfast Agreement failed, and we are moving on. The sooner that others move on with us, the better.

I was listening to the radio this morning when a Mr Trimble — whom I have not heard anything about for a long time — made some comments about the Democratic Unionist Party. There he was, Lord Trimble, the noble Member for Upper Bann, saying that the DUP did not have the moral courage to do a deal.

I repeat — loud and clear so that Mr Trimble and others can hear — that, when it was necessary, the DUP had the moral courage to say no when it was difficult to do so. When the whole world was against

us, we said no because it was the right thing to do. We will have the moral courage and the strength of conviction in bucketloads when we have to say yes. We are a party of conviction that leads its people. We are not a party that believes in "followship"; we believe in real, decisive leadership. When it comes to deciding whether to say yes or no, the DUP will make that difficult decision. That is not demonstrating a lack of moral courage; it is a sign of strength and conviction. It is a sign of a party that is determined to lead its community because it believes in leadership.

Mr Trimble and his party were pushover unionists. They were pushed around by Bill Clinton, Tony Blair and Bertie Ahern. They were even pushed around by Gerry Adams. What did Gerry Adams say about Mr Trimble? He said, "Well done, David." I doubt that Members will ever hear anyone from this party say those words in the Chamber.

Mr Dallat: On a point of order, Mr Deputy Speaker. Will Mr Paisley Jnr explain what that has to do with the motion?

Mr Paisley Jnr: That is not a point of order. Perhaps I should speak a little slower so that the Member understands and realises that the debate is about the institution in which we sit, why it is not up and running, and the desire for institutional changes. All of those points are relevant.

Earlier today, some Members heralded the debate as a preamble to the talks to be held in St Andrews. It is good that some groundwork has been done for those talks. However, in recent days, I have wondered whether the correct Prime Minister — or, indeed, correct Prime Ministers — will attend the talks. One of those Prime Ministers is a lame duck, and if the other does not do a good enough job in another place today, he may also be out on his ear. Nonetheless, those talks will go ahead next week in St Andrews.

It is important to have clarity about the obstacles that exist on the road to re-establishing devolution. Let us make it clear: the DUP wants those obstacles out of the way and dealt with, so that there can be democracy in Northern Ireland. The obstacles that must be addressed are, for me, institutional, as the report has identified, and, for many, they are ideological.

Furthermore, we must deal with issues that have been identified not only in the Committee report but in other reports that concern the rule of law and support for the courts; the Police Service of Northern Ireland; a proper and adequate financial package for the people of Northern Ireland; and the necessary institutional changes. Those matters deal with the preconditions that every party will bring to the talks in St Andrews, and people should recognise that everyone will take packets of preconditions to those talks.

For the DUP, if the next Assembly is established, it must work. There is no point in having a start-stop Assembly; it must function for everyone, and it must be stable and durable. The problem with the previous Assembly, which collapsed so many times that I lost count, was that it was neither stable nor durable. Frankly, it did not work. A great deal of changes to the Belfast Agreement have been identified in the report; therefore, if we have a new agreement, people will recognise that new institutions must function, and function well.

Perhaps if others had been as deliberate as the DUP in their work on those issues, we would not be in the business of repairing and rebuilding, but we would be sustaining something that works.

From day one of the Committee meetings, Sinn Féin's activities have indicated that it has not yet crossed the river of no return — it has not yet reached the point of wanting to be ideologically removed from terrorism and pathologically removed from criminality. It must change. The message from this Assembly must go out loud and clear that Sinn Féin is the party that is holding everyone to ransom because it has refused to change.

On one occasion in that Committee, Martin McGuinness looked at my colleagues William McCrea and Lord Morrow and at me, and told us that he did not like us and that he would never like us. I am glad to report that encouraging remark. On another occasion he slanderously alleged that certain people were trying to kill him. Of course, once the cloak of privilege was removed and he was challenged on those allegations, he did not have the bottle, the moral courage or the ability to repeat them.

It is easy to conclude that Sinn Féin came to this process to destroy it. It is not interested in building a better tomorrow or a new and better institution. It is not interested because it has had things its own way for too long and because pushovers were prepared to be pushed over by it. Those parties ought to be ashamed of themselves.

In 2002, the DUP published a document called 'Towards a New Agreement: DUP Analysis Vindicated: A Critical Assessment of the Belfast Agreement Five Years On'. In that document, we identified that there had to be institutional changes, that there should be no terrorists in Government and that there should be collective Government responsibility, accountable Departments and a rebalancing of North/South institutions. I am glad to say that at this late stage other parties are coming around to that point of view. We were glad to lead them there, and it is to be hoped that we will persuade them to sign up to it in Scotland.

Dr McCrea: I concur with the remarks of my hon Friend the Member for North Antrim. I once again remind the House that the Belfast Agreement was not based on democracy. It seemed that the level at which we

were to progress was designed to appeal to the lowest common denominator. The agreement was born in deceit, and I thank God that it has now been buried in disgrace. Even Danny Kennedy, one of the great friends of the Belfast Agreement, said today that it has been altered, modified and changed. Of course, we were told that it could not be changed, modified or altered. The agreement was therefore deemed to be a totally sacrosanct sacred cow that nobody could even look at. I am glad that Danny Kennedy has reached the point of making his confession, because it is good for the soul. I am also glad that he now acknowledges that the Belfast Agreement was a deceitful document that did not create the democratic principles on which we could move forward.

We have talked today about a new future, and I find it interesting that the SDLP Member for East Londonderry, even after he tried to charm the bees from the trees, could not say his constituency's name.

Mr S Wilson: He did not succeed in charming the bees, mind you.

Dr McCrea: He did not succeed.

He could not even say that his constituency is called East Londonderry. He talked about his constituency of "East Derry". With the greatest respect, he did not stand for "East Derry"; he stood for East Londonderry. That name was in all the election material that was used in the place for which he stood. The Member should be proud of his constituency and be proud of what London has given to it. He should not be ashamed of that.

I read carefully what some of these folks say in the newspapers. For example, Reg Empey interestingly said that when his party goes to Scotland, it will want to know whether the DUP is on for an inclusive democracy, and whether Sinn Féin is on for a lawful society.

In actual fact, when he talks about an inclusive democracy, he, as one of the arch designers of the Belfast Agreement, should be humble, because the agreement was anything but democratic. On three occasions, Sir Reg was happy to include terrorists in Government — people who were inextricably linked to murder gangs — without their having to renounce their terrorism.

2.30 pm

Therefore, let us be quite honest, when we talk about inclusive — *[Interruption.]*

The hon Member Mr McClarty gets excited sometimes, but if he wants to make a speech, I am sure that he will get his 10 minutes. There will be time available to him. However, I do not think that he has put his name down to speak too often in previous debates. He does not seem to have too much to say, other than from a sedentary position.

When he referred to the Belfast Agreement, Sir Reg Empey said that he would consider inclusive democracy.

That is interesting, because he is entering into a new mode. He is thinking about democracy. At least that is a step forward, because it was the UUP that insisted that Northern Ireland would have a system of government that was not based on democratic principles. That party insisted that it would not foster links with terrorist organisations.

Sir Reg Empey said also that he would determine whether Sinn Féin supports a lawful society. His party has shared power with Sinn Féin three times. Why did he not determine whether Sinn Féin supported a lawful society on one of those occasions? Why did his party not consider that before it first went into Government with Martin McGuinness, who was a member of the IRA's Army Council? His party did not look to see whether Sinn Féin was aiming for a lawful society; instead, it became involved with an organisation that was blowing up the people of Northern Ireland. Sir Reg Empey is approaching the situation with a new mind. However, it is a pity that he did not consider Sinn Féin's credentials on the three previous occasions when the UUP opted to share power with it.

It is interesting to note that Mr Dallat has moved on as well. In one of this morning's papers, I noticed that he spoke about south-east Antrim: Mr Dallat's constituency responsibilities seem to cover a wide geographical area. This morning, he said that:

"This UDA gang reckons it can transform itself into a community development body in just five years for a mere £8 million."

Then he said that:

"Democratic society should make them a counter-offer: desist from crime and rackets and you can stay out of jail."

That is an interesting statement: if he can say that about the UDA, why not the IRA?

Mr S Wilson: He wants to let the IRA away with it.

Dr McCrea: Yes. He is interested in putting the IRA into Government over the people whose relatives they murdered for more than 30 years, and it seems to me that it is one policy for one community and another for the other community.

There is no room for any paramilitary group in this society. There is one legal authority in this country: the forces of the law and the Crown. The rule of law must prevail in every section of the community. The Democratic Unionist Party stands for this: everyone is equal under the law, and everyone is equally subject to the law. Therefore, it is wrong to suggest that if members of the UDA desist, they will stay out of jail. Mr Dallat let them out of jail, because the Belfast Agreement opened the doors of the jails to let out the greatest murderers, who were totally unrepentant. The Belfast Agreement let those people back into society.

There has been much talk about Scotland. There has been an awful lot of hype. People are getting all worked up, and the Governments are trying to tell us what will

come out of next week. Let me make it abundantly clear: as far as 24 November and Scotland on 13 October are concerned, and as far as democracy is concerned, this party will not stand democracy on its head for anyone.

Mr Paisley Jnr: Hear, hear.

Dr McCrea: My party is based on democratic principles, and if there are those who think that we will be gulled by Sinn Féin/IRA's turning on and turning off violence, as and when it likes — for example, when Clinton came, the IRA turned off its violence just like that, as quickly as clicking one's fingers — they are wrong. Of course, while Clinton was here, the IRA continued to plan future activity, and when he left, it carried on the actions that it knows best.

The DUP will not be gulled in the same way as the Ulster Unionist Party. David Trimble said to Gerry Adams:

"We have jumped, you follow."

As far as we are concerned, the DUP will not jump. If we make a move, it will be based on democratic lines and principles alone. If Sinn Féin/IRA thinks that a devolved Government here will mean the swift transfer of policing and justice powers to the Assembly, it had better wake up and smell the coffee, because I can assure Members that it is living in cloud cuckoo land as far as that is concerned.

Those who sit in this Assembly and those who have power over the people of Northern Ireland must be seen to be wedded solely to the principle of democracy and not to the power of their guns or the thud of their bombs.

That brings me to accountability. The SDLP lectured us about how, when Ministers came back from meetings of the North/South bodies, they condescended to come to the Assembly to allow Members to question them. Of course, the Ministers got up and gave a spiel; they spoke gobbledygook. They did not answer the questions, yet that was accountability. Let me make it abundantly clear: Ministers, irrespective of which party they belong to, must be accountable to the people through the Assembly.

I am glad that there are new converts to that idea — Mr Dallat did not ask for that previously. Martin McGuinness could destroy our education system with the stroke of a pen, but nobody had the power to stop him. The Minister of Health, Social Services and Public Safety, Barbara Brown, was able to remove maternity services from the City Hospital and place them in west Belfast, and no one could stop her. The Health Committee opposed the move, but it could not stop her. That was totally unaccountable government. There must be accountability, and there must be efficiency. There are too many Departments. The basis of the Belfast Agreement was jobs for the boys and girls, not good government for the people. The DUP

stands for efficient, effective government — and especially democratic government. Unlike other parties, we will accept nothing less.

Mr N Dodds: It is a pleasure to follow my colleagues today. I know that the Member for East Londonderry Mr Dallat would be the first to rise to his feet if people were even whispering on this side of the House, yet he is carrying on a monologue from his side of the House. I hope that he will do us the courtesy of listening for a change, although I see that he is tempted once again to speak from a sedentary position. What is sauce for the goose is sauce for the gander, in this case.

Mr Paisley Jnr referred earlier to remarks by David Trimble. I was surprised that none of his party colleagues mentioned them, at least in passing. I was delighted to hear him on the radio this morning. We need to hear more from Lord Trimble, and I hope that he continues. To have the previous leader and the possible future leader speak today was wonderful. It showed people here exactly what the Ulster Unionist Party did in the past with the political process and what it is likely to do in the future. I am all for encouraging Lord Trimble to speak out more; it serves to remind people that he has not gone away and that his legacy is still very much part of what is going on. He is still part of the Ulster Unionist Assembly group, so let us hear more of him.

With regard to the current situation, we have the invitation to go to Scotland. The work that has been carried out in the PFG Committee — and I pay tribute to all those involved in producing this report for our consideration — will be the basis of some of the issues to be discussed in Scotland. However, it strikes me as a little odd that the one issue on which there was agreement on all sides of the House was that we should not go to Scotland at all. There was cross-party consensus, which was relayed to the Government, that the discussions should be held in Belfast. It would save hundreds of thousands of pounds, and we have all the necessary facilities here. We have been lectured all summer by Peter Hain about the need for Assembly Members not only to do their job but to be seen to do their job in Stormont.

It strikes me as extremely strange and counter-productive to take everybody over to Scotland at what I imagine will be incredible expense. However, the Government, who preach about consensus and value for money, and have done all summer, rejected that. So we are off to a good start. If that is the sort of attitude that we are going to get from the Government, some of us who are going to be on the receiving end of the attempts to make us go in certain directions will just take it with a pinch of salt.

We will also look carefully at those other persuaders in society, and not just at political persuaders but at persuaders from other fields as well. They give us advice and counsel, and for all of it we are deeply grateful.

We will listen to them, but we will judge what they say on the basis of people's past records. Some of the people who are telling us that things are perfect and that there is no reason not to move forward in a certain direction are exactly the same people who, eight years ago, were telling us to move in a certain direction when it was quite clear that everything was far from right.

Dr Farren, who is not here, said that procedural matters did not lead to suspension. I note that a lot of people who take part in debates make their speeches and then disappear, and that is something that needs to be looked at. When one Member responds to another, the latter is not here to hear the answers given.

[Interruption.]

I hear Mr Dallat at it again from a sedentary position. It should be noted that when he ever complains in future about anyone on this side of the House interrupting, he has been at it all afternoon.

Ms Lewsley: On a point of order, Mr Deputy Speaker.

Mr N Dodds: Now Ms Lewsley is joining in —

Ms Lewsley: On a point of order, Mr Deputy Speaker. Where is Peter Robinson? He took part in the debate this morning.

Mr N Dodds: I did not make any reference to any particular party, and what I am talking about is the mumbling and sedentary interruptions that are going on. Mr Dallat makes a lot of that in every debate, and he is at it continually today. I think that it is unfair and needs to be pointed out.

Dr Farren — who is not here at his place — said that it was not procedural matters that had led to suspension. It is almost as if the institutional arrangements do not matter, but, of course, they do.

People have talked about accountability, the efficiency of the institutions and the way in which things were allowed to happen that should not have been allowed to happen. We have made it absolutely clear in all of our policy documents and election manifestos that those are key areas for us. There is now an attempt being made to downplay all of this. It has been said that somehow it is tweaking, making small changes or slight amendments, and that everybody is operating within the context of the Belfast Agreement.

It is as if somehow there has to be some kind of devolution settlement in Belfast and some kind of relationship between the North and the South and that Northern Ireland's relationship with the rest of the United Kingdom has to be recognised.

Everybody accepted that back in 1990. It was in 1991 when the Brooke talks took off that the strands were developed. Everybody recognises that that is the context and not the Belfast Agreement. Those strands pre-date the Belfast Agreement by many years, but

now people are trying to say that if anything is done about devolved arrangements in Belfast, that is the Belfast Agreement. That is not the view that Mr Durkan adopted when he was talking about the comprehensive agreement. Writing in 'The Irish Times' on 14 December 2004, he said of Sinn Féin:

"Instead of getting the Good Friday agreement honoured by all parties, the DUP got a contrived 'Comprehensive Agreement' which it could boast superseded it."

He added:

"The Irish people may feel a sense of affront, and, dare I say, humiliation that the agreement they approved has been renegotiated behind closed doors."

More recently, he said that Sinn Féin, the Governments and other parties must reject the comprehensive agreement, because it undermines the Belfast Agreement. We cannot have it both ways. He cannot say, on the one hand, that this all has to be rejected because it undermines the agreement and then, on the other hand, say that there is only minor tweaking and all the rest of it. Those are fundamental issues that have to be addressed, and will be addressed. No matter about the Committee on the Preparation for Government and the discussions, we know what sort of legislation is coming, and when we see that legislation, we will see changes to the Belfast Agreement. There will be a different form of devolution from what we had previously. Mr Durkan took a particular view there, and I hope that he has moved on a bit and that he realises that we are in a different situation from what was voted on previously. That will not stand, because it did not withstand the test of democracy or the test of time.

2.45 pm

There are several other issues that I would like to address, but I do not have time. One example is North/South bodies. No one today has — or ever had — any difficulty with cross-border bodies that operate for the mutual benefit of people, either in Northern Ireland or in the Irish Republic. However, I picked up on an interesting remark that Mr McFarland made. He referred to the need for a North/South dimension because it addressed an Irishness aspect that had to be recognised. He used words to that effect; I will read his comments more carefully in Hansard tomorrow. In my view, we must deal with North/South cross-border bodies on the basis of sensible and practical co-operation, not on the basis of political considerations. We start to go wrong when we state that we need those types of institutions for political reasons.

Mr McFarland: Will the Member give way?

(Madam Speaker in the Chair)

Mr N Dodds: No. The Member has made his speech. Other members of his party are present and have not spoken, such as Mr McClarty and Mr Beggs. They could speak on this matter after me, and deal with this issue.

I look forward to hearing from them, but I will not give up my time.

The desire for North/South bodies for political reasons is fundamentally in error, and that is what is wrong with that approach.

Strand three issues — the east-west relationship — must be addressed. Those issues did not emerge in the Belfast Agreement. We are dealing with those matters now, but our recognition of the value of enhancing those arrangements goes way back to 1991. One of the great failings of those who negotiated the Belfast Agreement was the way in which the North/South arrangements were greatly enhanced at the expense — and to the detriment — of east-west relations. That matter must be looked at very carefully.

There are other matters that I would have liked to address, but time beats me. On that note, we look forward to the negotiations in Scotland, but on the basis that whatever form it takes, whether voluntary, mandatory, or whatever, there will be no one in Government who is not committed to exclusively peaceful and democratic means — unlike what went before.

Mr S Wilson: I do not know whether I will be the last Member ever to speak in the current Assembly, which has existed for the last few years. However, I suppose that the omens are a bit better because at least the Member for South Down is not going to be allowed to be the last Member to speak. He is, as we all know, the political Jonah of institutions in Northern Ireland. In 1992, he was the last Member of the Prior Assembly to speak, and down it went. In the previous Assembly, he was the last Member to speak, and down it went. I will not let him intervene at the end of my speech, in case he also casts a jinx on this Assembly.

I make it clear that it is not our wish that this should be the last opportunity for this Assembly to sit, but it will be unless there is movement from the party that is putting up the barriers and the obstacles to the establishment of democratic and stable government in Northern Ireland. I say to the pro-agreement parties that, over the next weeks, they must stop pussyfooting around the sensitivities of Sinn Féin. If these institutions are not to fall, we must collectively bring a dose of reality to the thinking within Sinn Féin. I am afraid that, to date, that record has not been very good.

We have had a debate on policing, and there are two important related issues that must be addressed. First, we must address the attitude of parties in this Assembly towards law and order, the rule of law, and those who have to uphold the rule of law — the police. The SDLP has, on occasion, talked tough and insisted that Sinn Féin should sign up to policing and the rule of law, and should turn its back on criminality. However, when it has come to making that a condition for sitting in Government, the SDLP has shied away, because it knows that that is a bar that Sinn Féin cannot and will

not clear. Rather than stick to that as a requirement, the SDLP has sought to lower the bar. The SDLP, the British Government and the Irish Government might be prepared to lower that bar. I am not sure where the Ulster Unionist Party stands on that matter at present. Some of them do, and some of them do not, want to lower the bar.

The DUP will not be lowering the bar, because we believe that the signing up to policing and justice by all parties is an essential ingredient for a devolved Administration.

The mechanics of the institutions must also be addressed, and that is what the 'Report on Institutional Issues' is about. We may well find ourselves in a situation in which our Government include people who distrust one another. It is, therefore, important that safety mechanisms are built into any agreement to ensure that, in the absence of trust, there is at least a mechanism to ensure that Ministers cannot go off and do their own thing, as happened under the Belfast Agreement.

The Member for South Down Margaret Ritchie, who is not in the Chamber, said that the menu is in front of us. She described the Belfast Agreement as a menu to which there can be no à la carte approach. One must eat the lot, or one does not eat any of it.

Mr Kennedy: Sammy Wilson has eaten too much.

Mr S Wilson: I have eaten too much of it, and I do not intend to suffer further indigestion by eating parts of the menu that the DUP finds unacceptable. Ms Ritchie has said that the menu is delightful, and she alleges that the institutions worked. The institutions collapsed three times in four years, so that is hardly a good endorsement of what we had under the Belfast Agreement.

If devolution is restored, the DUP will aim to ensure that the devolved Government lasts, is stable, is not stop-go, and is one that gives some degree of certainty. That is why the institutions must be changed.

There has been a huddling together today of some pro-agreement negotiators and those who negotiated the Belfast Agreement. Members including the Member for South Belfast Michael McGimpsey, on this side of the Chamber, and the Member for North Antrim Dr Farren, on the other side of the Chamber, have told us that any recommended changes can be brought about by a simple tinkering with the operation of the agreement. Dr Farren said that the issues to be addressed are all within the agreement.

As the Member for North Belfast has previously told me, the SDLP leader does not share that view. He said that the issues negotiated in the comprehensive agreement undermined the Belfast Agreement. One might ask what issues were addressed in the comprehensive agreement. The issues addressed were: a ministerial code; collective responsibility; ministerial responsibility; the accountability of Ministers on North/South bodies; and the requirement to uphold the

rule of law. Strangely, those issues are also included in the list of 20 proposals that were agreed by the PFG Committee on which SDLP Members sat.

It is fine with me if the SDLP wants to have some political cover by saying that what is being negotiated is still the agreement. When those issues were negotiated in the comprehensive agreement, the SDLP leader said that it undermined the Belfast Agreement. However, SDLP representatives have sat down with us in the PFG Committee; they have talked about those very issues, and they have agreed that they must be addressed.

Some Members have said that there could be no change made to the agreement — however they may wish to present their remarks or dress them up — but the DUP is happy that some issues are being addressed. Those issues must be sorted out if there is to be stable Government in Northern Ireland.

The SDLP and the Ulster Unionists have said that the DUP does not have the moral courage to lead people and to take them down the right road. The DUP has the moral courage. However, although we will go into Government, certain conditions must be met. If Sinn Féin is to be included in Government, it has to do two things. First, it must renounce its criminal past and disassociate itself from criminals, and, secondly, it must face up to the issue of policing. If those conditions are met, there will be inclusive government.

To include in Government people whom one does not trust, such safeguards are necessary. That is why those changes are essential. They are not, as the Member for Newry and Armagh Mr Kennedy said, simply face-saving changes. They are required in order to ensure the stability of any future institutions. That is why they are so important. Those are issues that must be addressed.

The DUP will go to St Andrews with a united voice, although some Members today have tried to imagine that there are splits in the party. Our manifesto commitment was clear: if Sinn Féin did not sign up to policing arrangements and disassociation from criminality, it could not have a place in Government; if that changed, the situation could change. If we have to say no, we will say no. If we have to say yes, we will say yes. However, do not mistake saying no for simply going with the flow. We will not go with the flow. It does not matter what kind of pressure is put on us.

People in Northern Ireland deserve workable and sustainable devolved government. They do not deserve a shoddy deal, and they will not be getting one at St Andrews, I can assure them of that.

Question put and agreed to.

Resolved:

That the Assembly notes the work of the Committee on the Preparation for Government and the report on Institutional Issues.

Madam Speaker: I shall refer the decision of the Assembly to the Secretary of State.

Adjourned at 2.58 pm.

Committee on the Preparation for Government

COMMITTEE ON THE PREPARATION FOR GOVERNMENT

Monday 14 August 2006

Members in attendance for all or part of proceedings:

The Chairman, Mr Francie Molloy
Mr Gregory Campbell
Dr Seán Farren
Mr David Ford
Mr Danny Kennedy
Ms Patricia Lewsley
Mrs Naomi Long
Mr Alan McFarland
Mr Michael McGimpsey
Mr Conor Murphy
Mr John O'Dowd
Mr Peter Robinson

The Committee met at 10.03 am.

(The Chairman (Mr Molloy) in the Chair.)

The Chairman (Mr Molloy): Members, let us begin. I remind members to switch off their mobile phones completely. Hansard lost part of the recording from Friday's sitting because of mobile phone interference.

Are any members deputising for other members from their party?

Mr O'Dowd: I am here on behalf of Michelle Gildernew.

Mr P J Bradley: I could toss a coin to decide whether I am Mark Durkan or Alasdair McDonnell. I am more like Mark, I think.

Mr Ford: Naomi and I are representing ourselves.

Mr McFarland: Mr McGimpsey is representing Mr McNarry. Mr Kennedy is due shortly.

Mr P Robinson: Gregory and I are representing all three DUP members.

The Chairman (Mr Molloy): Are members content with the minutes of the meeting of 7 August?

Members indicated assent.

The Chairman (Mr Molloy): Last Monday, several members, particularly Alan McFarland, asked for a paper to be written that outlines the structure of Committee Bills and the drafting services that are available to Committees. A paper has been prepared. If members have any further queries about that issue, they should alert the Committee Clerk.

We shall move to our discussion on institutional issues. Am I correct to assume that members do not need to state any declarations of interest?

Members indicated assent.

The Chairman (Mr Molloy): The updated list of institutional issues is before members. We dealt with a number of the issues at the meeting on 7 August, when the Committee decided to resume its discussions at 'Stability'. Are members content to open with that issue?

Members indicated assent.

The Chairman (Mr Molloy): The main issue on 'Stability' was raised in the DUP submission. Therefore, perhaps the DUP would like to open the discussion.

Mr P Robinson: The aim is to avoid continual suspensions due to the behaviour — usually outside the Assembly — of parties or those linked to them. The Independent Monitoring Commission (IMC) has a role in that, but because a veto is available, it cannot exercise that role, as that requires the support of both sections of the community as represented in the Assembly. That means that the only option is to fall back on the Secretary of State, and I do not think that anyone would consider that to be a safe option.

Therefore, the IMC requires further power, which is what the DUP asked for originally. The DUP requested that the IMC be given some real teeth, so that, rather than relying on the Secretary of State, and having only the power to make recommendations, it would have the power to take decisions where vetoes could otherwise be used.

The Chairman (Mr Molloy): Hansard shows that Sinn Féin also has issues with 'Stability'.

Mr Murphy: The 'Stability' issue that Sinn Féin raised is the 2000 Act, which brought in suspension provisions. It is no secret that Sinn Féin has stated, both at the time and since, that such legislation is outside the terms of the Good Friday Agreement. The British Government introduced it unilaterally. The suspension mechanism allows parties to jump out of the institutions at the first hint of trouble, and it has been shown, particularly with the last suspension, that issues that have caused people to jump out of the institutions have been found to be huge smokescreens.

In Sinn Féin's view, that legislation contributed significantly to instability. If walking out of the institutions had triggered elections and given the people their say on the issues that had caused the collapse of the Executive, Sinn Féin thinks that more thought would have been given on walking out.

The 2000 Act added to the instability. That is not to say that there were no issues of concern or that the institutions did not face any difficulties from 1998

until now but, in our view, the existence of suspension legislation significantly added to the instability and allowed the much easier option of shutting down the institutions at every turn. If my memory serves me correctly, there were four suspensions. We made it clear to the British Government — and they have accepted — that the abolition of the 2000 Act and the ending of the British Secretary of State's ability to suspend the institutions on a whim should accompany the reinstatement of the institutions.

Mr McFarland: It is worth reminding ourselves that the reasons for the suspension of the institutions were the activities of the Provisional IRA and their Sinn Féin colleagues in Government. The whole issue of safeguards has dogged this process right from the beginning, whether Sinn Féin and the IRA were going to decommission, or whether in fact they were seriously intending to play a proper part in the Assembly. The Northern Ireland Act 2000 was introduced as a safeguard. Rather than crash the entire process, it provides for a time out to suspend the Assembly, to examine what had happened and why, and, if that could be put right, to fire it up again.

In theory, the Government will not get up and running again until the DUP is happy that Sinn Féin is ready for Government, and that all the outstanding issues are cleared. Technically though, we begin with everyone happy that everyone else should be in Government — otherwise, presumably, we shall not get past first base. The question then becomes: if things have settled down, but one party or another is engaged in some nefarious activity, how do we deal with that?

Our view is that the Northern Ireland Act 2000 should remain for a specified period of time. We must ensure that if the institutions are fired up again, and if the south Derry battalion of the IRA — which has just seceded from the movement, with its weapons, in upset at what the leadership are doing — or the group in east Tyrone decides that it is not happy and is messing around, there must be some sanction to suspend the system, examine what has happened, and deal with the culprits.

Although we can see that, in the longer term, the 2000 Act could be set aside once stability has been achieved, now is not the time to do that. We must buy ourselves some time with the 2000 Act in place, so that if people are messing around, we can suspend the institutions, examine what has happened and impose the necessary sanctions.

Mr O'Dowd: It follows that if the mid-Ulster brigade of the UVF misbehaves again, we should also call into question the role of the Ulster Unionist Party Assembly Group (UUPAG). We must make politics dominant. We must ensure that politics wins the day. As politicians, we must strive to ensure that the institutions are robustly defended against any outside

force that would attempt to bring them down. We do not need legislation for that; we need confidence in ourselves and in our communities.

Dr Farren: From the outset, the SDLP's position in this debate has been that if the Executive collapses, there is no reason for all the other elements of the agreement to be suspended. If the problem is the inability to form an Executive, then, after the statutory period to test that has passed, there should be a move to restore the Assembly and the other institutions with the two Governments seeking approval from the Assembly and appointing an Executive drawn from outside the pool of Assembly Members. The SDLP published those proposals a long time ago and we still advocate them in the case of the collapse of an Executive.

10.15 am

Mr Ford: Clearly, no one can be satisfied with the Assembly remaining liable to suspension at any time, effectively at the whim of the Secretary of State. There are provisions for the removal — or temporary suspension — of Ministers from office, partly through the IMC legislation that gives that responsibility firmly to the Assembly. The potential for removing Ministers from office for a period of time will apply only if, for example, in the case of misbehaviour by the UVF, the DUP is prepared to stand up to the Ulster Unionist Party Assembly Group and similarly, in the case of misbehaviour by the IRA, if the SDLP is prepared to stand up to Sinn Féin. That was where we ran into problems in the past.

However, the IMC legislation allows the Secretary of State limited powers to remove Ministers without suspending the entire Executive. The Alliance Party's view is that it is preferable to keep in office those Ministers who are democratically elected, accountable to the Assembly and not misbehaving, rather than end up with the potential for replacing the entire Executive with undemocratically appointed commissioners. The IMC legislation provides scope to carry things forward, but the first question is whether the Assembly is prepared to follow through on the IMC reports.

Mr P Robinson: Let us be clear that the suspension legislation is mere window dressing. It is a one-day measure in Parliament: the Government can repeal it today, and pass it again tomorrow. Some people may want that fig leaf of cover, which will not exercise anyone too much because people know that, if required, the Government can legislate speedily, as they have shown in the past. It would be more convenient for the legislation to remain, but that is a matter for those who have to find time for legislation at Westminster.

People are avoiding the problem that would arise should the scenario that Alan McFarland mentioned come about, wherein a judgement is made that it is possible to set up an Executive. All the available

intelligence, the IMC and the general community on the ground may well support that judgement. However, everyone knows that the IRA retains its capacity for criminality and, six months down the road, it could be the Ulster Bank's turn to be robbed. The outcome of that would be that no unionist would remain in an Executive with Sinn Féin. That would result either in suspension or in the entire Executive being brought down. Clearly, the people who should be punished in those circumstances are the individuals identified as having links with those who robbed the Ulster Bank — not the rest of the community.

Why should the community lose its political structures because of the actions of one organisation? There must be provision for those individuals to be expelled or suspended. That cannot happen under the existing legislation, because Sinn Féin would hold a veto in those circumstances. Everyone knows that the British and Irish Governments would not have the guts to act and therefore the whole show would collapse. Is that what people want? Are people willing to face up to that?

If Sinn Féin has turned over a new leaf, it will have nothing to worry about, and there should be no excitement in its ranks. If Sinn Féin is so convinced that it is squeaky clean, it will not want to resist any change in this area. Why would an innocent man have anything to worry about in those circumstances?

Mr McGimpsey: At the time, the UUP regarded suspension legislation as important, and we still do. We saw it as fail-safe legislation in case things went wrong. The initial institutional set-up was a gamble, and the odds were stacked against its success, so we wanted to be able to get out without much trouble. That issue also locked in Tony Blair. Peter Robinson is correct about the sovereignty of Parliament — Northern Ireland is part of the United Kingdom and Westminster is sovereign. If Westminster repeals that legislation, it can re-enact it tomorrow. However, if Blair and company get rid of the Act, they will never take that power back. They will do everything in their power to avoid suspension legislation, as they did before.

Peter is also correct to say that unionists will not remain in Government with Sinn Féin if there is a repeat performance of February 2000, when what was supposed to happen did not happen. Sinn Féin was aware what would happen if it did not do what it was supposed to do, or what republicans were supposed to do. When that did not happen, we were set for a crash. The question is whether we want scorched earth or a crash that can be repaired.

Seán Farren said that if the Executive went down, everything else should stay in place. However, that cannot happen, because there is interdependence in the institutions; strands one, two and three are dependent on one another. If strand one goes, strands two and

three must also go. Under strand two, North/South bodies are supposed to deal with care and maintenance, because they are dependent on strand one.

A great deal is being asked of unionism in entering into an arrangement with no suspension legislation in place. Unionists will not remain in Government if there is a repeat of February 2000, but guess who will get the blame for crashing the democratic institutions? The purpose of the legislation was to avoid that.

The British Government also have a role to play. There was clear thinking about putting suspension legislation in place. If the institutions get up and running again — and that is a gamble — they will not be mature enough to continue into the foreseeable future without suspension legislation. I do not see any measures in strand one that would allow the institutions to expel Sinn Féin. Therefore, we will return to the previous situation in which the whole system remains hostage to republican intentions.

Mr Murphy: Sinn Féin contends that the system remains hostage to the whisperings of people in Special Branch and other agencies who have political axes to grind. We are confident that there will be no accusations against us, or against anyone associated with us. However, all it takes is a leak from someone in Special Branch, MI5 or some other agency, for Sinn Féin to be tried and found guilty within 24 hours. If that is the sort of mindset with which members are heading back into the institutions, it highlights the fact that we are in for an unstable time. We will not allow ourselves to be tried and found guilty by the IMC, or any other such agency that relies on reports from people who were sworn enemies for a long time, and who, over the years, have been interfering in a political fashion in the democratic process here. Our contention is that if we are in Government, it is on the basis of our electoral mandate — people voted for us to be in Government.

Ultimately, the people will decide whether Sinn Féin or any other party is fit for Government. Other parties want a safety net of suspension that can be triggered in the aftermath of reports by agencies to the IMC. In fact, we have seen recently that it does not even take the IMC — all it takes is someone to leak a word in someone's ear and suddenly there is a crisis which must be responded to.

That may be the type of institutions that other people think they want, but they will soon discover them to be unstable, because there are people in the security agencies who have been working to their own agenda, who have political agendas and who have axes to grind. I am confident that — as has been proved — the accusations do not stack up. However, the difficulty is that every time an accusation is made, unionism goes into crisis and into a tailspin and rushes for the door of the Executive. If that is the type of institution that

some members want, they will find that it will not survive very long, because someone will make an accusation in order to destabilise unionism.

We must have the confidence in our own ability to sustain and work the institutions; we do not need safety mechanisms from the British Government or from any other agency. I am confident that we can do that. However, relying on the IMC or on other mechanisms for exclusion or soft landings — as some people are wishing for — is an unstable basis on which to start the reinstatement of the institutions.

Mr P Robinson: Let us dispense with the notion that the Northern Bank robbery was merely the result of some Special Branch individual's whispering — it was not a whisper; it was a significant gulder. That robbery was not the figment of the Special Branch's imagination — the IRA's responsibility was recognised by the Prime Minister of the United Kingdom and the Prime Minister of the Republic of Ireland. The IRA's responsibility was also recognised by the police forces and the intelligence services on both sides of the border. However, the republican movement is still in denial, as it would be if it were the Ulster Bank that was robbed next time. That is why these issues must be dealt with.

Michael McGimpsey shares my unease about relying on a British Government — present or future. A Government that are not prepared to bring forward a new Act are unlikely to use existing legislation. That is why I put less faith in the suspension-legislation option than in the more secure mechanism of removing a party that was involved in such behaviour. The suspension proposition is one by which everybody will be punished, and that is not fair.

The Chairman (Mr Molloy): Do we have any proposals on this matter?

Mr McFarland: The IMC contains a mechanism to identify what happens when any party is not playing by the rules. Is Peter Robinson suggesting that the Government should have separate new legislation to remove a party?

Mr P Robinson: I am suggesting that the legislation be changed so that an IMC report would be sufficient to remove a party. Such a motion will not be successful in the Assembly because there are vetoes there, and we will not get any action from Governments who will be looking at the political rather than the security or criminal issues involved.

Mr McFarland: The IMC was established through an agreement between the British and Irish Governments, with accompanying legislation. Therefore, for any modification, there would have to be an acceptance between Dublin and London to amend the legislation in their respective jurisdictions. Is that the outworking of what is being suggested?

Mr P Robinson: The legislation that would affect the Assembly would be the United Kingdom legislation.

Mr McFarland: Would the legislation in Dublin and London have to be changed to enable the IMC to have the power to remove a party from the institutions?

Mr P Robinson: I am not sure, but it would require a change to the agreement. I am not sure whether that requires a change to the legislation in the Irish Republic.

A change to the legislation in the United Kingdom would certainly be required, because it is a United Kingdom institution. That is a legal matter.

10.30am

Mr McFarland: That mechanism comes from the IMC, which was created by a separate agreement, which was then put into legislation on both sides of the border. Are we now beefing up the IMC's ability? At the moment the IMC makes its report and the Secretary of State for Northern Ireland takes action. The Dublin Government are not involved; there was a long and specific row about that at the time. The logic of what is being proposed, as I understand it, is that, once the IMC says that party A is guilty, the law dictates that there is an automatic suspension, so that process will bypass the Secretary of State?

Mr P Robinson: Some formal process might have to be introduced; we would need to speak to the lawyers. The Secretary of State might have to take action, but it would be mandatory for him to do so — in terms of authority to Parliament he may have to do it.

Mr Murphy: To correct Alan on one point, the Secretary of State is not required to take action. That is clear because the IMC recommended financial sanctions against the PUP, which is now the UUP's sister party. However, the Secretary of State, while imposing financial sanctions on Sinn Féin, did not feel that it was necessary to impose financial sanctions on the PUP, despite a recommendation to do so. Therefore he is clearly not required to act under any recommendation from the IMC.

I want to make it clear that we do not accept the IMC's right to judge our party or any other political party in this Assembly. The parties are here as a right of their mandate, and the people who judge their suitability for office are the people who vote. Therefore we would not accept the IMC sitting in judgement on any party, particularly our own.

If we were to make proposals, they would be to get rid of the IMC and do away with the 2000 Act. However, I do not presume from the discussions today that there is any sense in making proposals because I cannot see consensus being reached. At the same time, there would not be consensus from Sinn Féin to beef up the IMC in any regard or to retain suspension legislation.

We can discuss how the IMC can be beefed up, but I assure you that there will be no consensus from us.

Mr O'Dowd: We are getting ourselves into a tailspin about how to exclude parties. The evidence used by the IMC would not be enough for a disciplinary hearing against a member of the Assembly staff, never mind the exclusion of a democratically elected Government party. The ability to deny the democratic rights of a large section of society is very precariously based.

If a senior unionist MLA had his offices, including his council offices, searched as part of a fraud enquiry, would Sinn Féin walk away from Government? If, for instance, an Ulster Resistance weapon were used to kill a Catholic or added to the growing list of Protestants who have been murdered since suspension, would Sinn Féin walk away from Government? No, we would not. We would stick in there and ensure that the sanctity of the institutions remains supreme and that we build politics. That is what this process is about. None of the parties who are sitting here can be sanctimonious about the past or the future. Let us debate how we include people instead of excluding them and how we build inclusive institutions and an inclusive Executive.

Mr Campbell: I took from this heading of "Stability" that we were talking about circumstances. We have hit the buffers on three occasions in similar circumstances. In some respects, that is why we have been having these discussions in recent weeks.

Enduring stability is not about the specific exclusion of any particular political party. However, the stability mechanism is designed to ensure that, when an independent assessor—in the form of the IMC—has identified one or more political parties that are part of the Executive as being party to one or a series of criminal or terrorist acts, that stability is such as to allow the Executive to continue to function, despite that activity. For us and, I know, for others, it would be intolerable that the Executive should continue as though the act had not occurred. The integrity of the institution would be at stake. As Mr Robinson pointed out, one simply could not participate in an institution if an Ulster Bank robbery took place that was a mark II of the Northern Bank robbery.

Therefore there has to be a mechanism that protects the integrity of the devolved institution, ensures continuing stability and upholds the right of the people to continue to have that devolved institution. That mechanism must ensure that those who are guilty of being party to certain activities know that those activities have to stop and that their continued participation in a devolved institution is not just threatened but reaches an automatic cessation point because of those activities. Participation would be restored at the point either when those activities cease or when sufficient time has passed to ensure that they do not recur.

That is what stability means. It is not about specifically excluding people and walking away from government; it is about trying to ensure that government continues despite the activities that some people have engaged in. It is also about trying to ensure that such activities do not occur again and that if they do, people will have to pay a penalty.

Mrs Long: There are a couple of things that I want to pick up on. First, the suitability to hold office is not simply based on a mandate. It is also based on people being willing to take a pledge of office, accept a ministerial code, and live up to both those things. To say that suitability is just about a mandate is simply not correct; it is about more than that.

It is entirely conceivable that any politician, or indeed, any group of politicians, might pay lip service to a pledge of office and a ministerial code but not live up to them in practice. In any democratic society there are conditions in which such people would need to be removed from office. However, in other democratic societies that would not mean the collapse of government; it would simply mean the individual or party being removed from office while government continues.

In that respect, the Alliance Party would be sympathetic to mechanisms that are likely to be able to address conceivable difficulties that might arise during the term of an Assembly without having to collapse the entire Executive and the Assembly. We certainly would not want that to happen.

I am not sure that the British Government would accept giving powers directly to the IMC. The Government agreed to the IMC on the basis that they should retain the power to act at the final decision point. If, for example, the Assembly could not make up its mind about sanctions, or if it failed on a cross-community vote to adopt sanctions that were proposed, it would fall back to the British Government, albeit in consultation with the Irish Government and the Assembly, to make such decisions.

Whatever the decision or the outcome of our discussions, the British Government are not likely to cede that power to any other body. I am not really sure that the British Government would adopt a position whereby the IMC would produce information and take the final decision.

Dr Farren: We are essentially talking about the confidence that is necessary between parties, particularly those that would form the Executive. They should be totally committed, not only to working the institutions but to doing so within the context of the law—passively and actively—so that all the parties fully support the adherence to and upholding of the law and, indeed, support the agents—in other words the police and security services—who are there to ensure that the law is upheld and implemented.

Therefore, parties that fail in that respect are not contributing in any way to the confidence that is necessary to sustain the institutions.

Sinn Féin is the only party that does not currently lend its full support to the police and security services. It must cross that bridge and make that major commitment. If that commitment were made and seen to have been actively followed up, it would go a long way to developing the confidence that is essential to sustain the institutions.

The current discussion must take full account of commitments to, and upholding of, the law, and support for the agencies of the law.

Mr Ford: I shall follow up the DUP's suggestions about the IMC and add to Naomi's comments.

There must be some mechanism to ensure continuity in the event of illegal activity by those who are linked to parties in the Assembly or, more specifically, the Executive. The DUP proposed that the IMC be given the power to impose sanctions. When the Alliance Party proposed to the two Governments the creation of the IMC, they were not entirely happy about the process, largely because the then leader of the Ulster Unionist Party made a similar proposal at the same time. That proposal included giving the IMC the power to impose sanctions. The British Government were unwilling to give the IMC that power, favouring instead powers of investigation, reporting and recommendation.

In those circumstances, we must be realistic and recognise that there is no likelihood that the Governments will have changed their minds. The 2003 Act that established the International Monitoring Commission makes it clear that the power to regulate the IMC's activities should initially rest with the Assembly, but with a backstop in the form of the British Government should the Assembly fail to take action.

Our fundamental problem is that circumstances might arise in which certain Members believe that those who are linked closely to one party are not behaving themselves, and another party that is perhaps on the same side of the community designation divide takes the view that those Members are not that bad. In those circumstances, there is a major problem with any powers resting with the Assembly, if the Assembly is required to act on a designation-led, so-called cross-community vote. Some type of backstop must be found. Clearly, we hope that we do not need it, but experience unfortunately shows that something of that nature is required.

Mrs Long: Seán Farren made a useful point about democratic credentials for Government. He also raised the issue of the rule of law and our understanding of it. That plays a role as regards confidence-building because there must be some form of shared acceptance

of what the rule of law entails — and it must be much more than simply signing up to policing structures, which seems to be the current focus.

A party can sign up to policing structures and at the same time disregard the rule of law. There is something contradictory in that requirement; it would not, of itself, eliminate the potential need for a Member, or a party, to be removed from office in the future. Even with the same understanding of the rule of law, people might break it. An issue remains about what would happen if a party were in default of the underlying principles of being fit for Government.

I do not see this simply in a Sinn Féin dimension; it is more fundamental and wide-ranging because it requires all parties — not just one — to sign up to certain standards if they wish to be in Government. Unless the discussion is focused in a more wide-ranging way, it is likely that resistance will come from Sinn Féin, because the mechanism appears to aim for exclusion of Sinn Féin. I prefer to see it as a mechanism for ensuring that Government is in no way sullied or held to ransom by the activities of people who are outside Government but linked to parties within it.

The discussion must be kept in broad terms, rather than focusing on particular parties, because any party could potentially find itself in that situation. There could well be circumstances in which parties that feel uncomfortable with the discussion may wish to see this legislation used against parties other than Sinn Féin.

10.45 am

Mr Murphy: We are not arguing on the basis that it has an impact only on Sinn Féin. I made it quite clear that we would not accept the IMC sitting in judgement on any party. Attention has focused on us, and I remind people that that is in the context of it being one year on from the IRA disposing of all its weaponry and instructing its volunteers to engage in no activities whatever. We are still in this circular discussion, and the unionists are trying to get a clause included that will allow Sinn Féin to be thrown out at the first sign of trouble.

I do not accept the IMC simply on the basis that it has had a negative impact on our party; I do not accept it on the basis that it applies no standards of proof that would be acceptable anywhere else. Its membership has its own political bias, and its recommendations and reports have been shown to be highly flawed. As I said, the Secretary of State can decide to act on one series of recommendations but not on another. For all those reasons I do not accept the IMC.

Naomi made the point that it is not just a party's mandate that dictates whether it is entitled to sit in Government. The Committee on Standards and Privileges can decide whether individuals have breached the Pledge of Office. However, it is not the

case that one party can sit in judgement on an opposing political party and decide that it can throw it out of the Government. Parties have a choice about forming a Government in other circumstances; however, these are not normal democratic circumstances.

Seán Farren's point started to creep into the realms of precondition. We have made clear our view about what needs to be done on outstanding policing matters, and our proposed course of action on that has been achieved. It is interesting to note that, particularly when you consider the intelligence-gathering powers that MI5 is being given, the SDLP gives full support not only to the police, but to the security agencies. Having said that, Sinn Féin's position on policing is quite clear. That discussion could take place here; however, another part of this Committee meets to discuss policing issues, and that discussion would probably be best carried out there.

This discussion is in the context of the actions that the IRA took last year. It is amazing that we are having a circular discussion on how to draft a clause from the unionist perspective — forget about how the Alliance Party or the SDLP feel — that will enable Sinn Féin to be excluded from Government. That shows how far we have to go to get the institutions functioning on a satisfactory basis.

Mrs Long: In other democratic societies, if parties are partners in a coalition Government, they can sit in judgement on other parties.

Mr Murphy: In normal democratic circumstances a party can walk out of a coalition, but these are not normal democratic circumstances.

Mrs Long: We are supposed to be trying to move towards normal democratic circumstances; that is the point of this process. If one party refuses to govern with another that it judges for valid reasons to be unfit, it does not necessarily mean that Government falls. That is the difference here. It is a ludicrous proposition that a democratic society, however abnormal it may be at the moment, can have a party in Government that none of the other parties in that coalition have confidence in. That cannot be sustained in the long term. A short-term crisis of confidence is one thing; a long-term lack of confidence is something entirely different.

Mr Murphy: We had a previous discussion about the make-up of the Executive. If the Alliance Party proposes to change the Good Friday Agreement and people's entitlement to be in Government on the basis of their mandate, perhaps that is where that proposition should have been made.

Mrs Long: I think it was.

Mr Murphy: We had this discussion last week. These are not normal democratic circumstances. People are entitled to be in the Government on the basis of their

mandate. That is what the Good Friday Agreement allows for. In normal democratic circumstances — and that is what we are aiming for — people can choose to go into coalition, or they can choose not to go into a coalition. They can also choose who their partners will be in that coalition.

Mrs Long: Conor, do you claim that —

Mr Murphy: If I may just finish. In that circumstance, people can choose whom their partners in coalition Government may be. In the circumstances that exist here, people are entitled to be in Government on the basis of their mandate. I do not think that in normal democratic circumstances parties could claim to have no interest in sitting in judgement on whether another party is fit for Government.

Mrs Long: Is that irrespective of an individual's or party's adherence to, for example, a ministerial code or Pledge of Office? You are saying that their entitlement to be in Government is irrespective of any acceptance of democratic norms, that it is an entitlement, fair and square, without anything else having an impact on it. Is that your position?

Mr Murphy: No. What I am saying clearly is that individuals who hold executive office have to abide by the Pledge of Office.

Mrs Long: If they do not, what are the sanctions?

The Chairman (Mr Molloy): One at a time, please.

Mr Murphy: The sanctions are there. If you are proposing to change the Good Friday Agreement, perhaps you should have said so last week. There are sanctions in the agreement. People who are nominated for ministerial office must affirm the Pledge of Office and abide by that. If they do not, there are sanctions available to have them removed from office for a specified period. That does not exclude their party; the nominating officer of that party can nominate someone else. If that person behaves in a similar fashion, the same sanctions will apply. I fully support that. It is part of the agreement that I signed up to and that you signed up to.

We did not sign up to a set of sanctions whereby other parties in Government could decide that one party and its entire membership, not just those in Executive office, is not fit for government.

Mr P Robinson: Let us be clear: the Belfast Agreement — and I am not one of its supporters — also had a mechanism for the exclusion of parties in those circumstances. I find it disturbing that Sinn Féin does not want to have a mechanism that can ensure stability if a party behaves in a way that clearly shows that it is not committed to exclusively peaceful and democratic means. I cannot see why any party would resist the inclusion of such a mechanism unless it intended to abuse the process in the future. Therefore

the resistance of Sinn Féin probably makes unionists more suspicious.

There are several points that flow directly from that. Of course this is not the normal democratic situation; there are no democratic norms for a mandatory coalition of this type. That is why it becomes all the more important that a mechanism to sanction exists if people abuse their entry into Government through a mandate in order to be in Government while at the same time carrying out such activities that are patently contrary to any principle of democratic government. That was recognised in the Belfast Agreement, although that agreement never had the mechanisms that would have allowed sanctions to kick in. The Belfast Agreement permitted vetoes under the voting system that allowed for exclusion, so it was meaningless. The principle was enunciated, but the mechanisms to realise that principle were not put in place.

The IMC scenario does exactly the same thing. It puts in place the principle but does not have the mechanisms that would realistically allow for exclusion. If the principle is right, it must be backed up by the proper mechanisms.

Mr McGimpsey: I do not want to prolong this discussion, Chairman — there is not going to be a meeting of minds. If this place gets up and running again, it will be via a political deal. However, we do not exist in a bubble; the history goes back decades and tempers our views as we go forward. The deal in November 1999 that allowed us to go forward was a gamble, and we knew that it was a gamble that probably would not come off at that time. Part of the gamble was to make sure that we were not locked in and that we had an exit if we needed one. That exit was the suspension legislation, the Northern Ireland Act 2000. It seems to me, given three live failures plus a further one that was not quite live and saw the Northern Bank raid, that it is a bigger gamble now than it ever was.

We must be aware of that and factor it in. Conor's view may be to dogmatically adhere to every dot and tittle of the agreement, but I do not believe that that will wash. When the Assembly was set up, internal measures were created to deal with such issues. However, they were not adequate and were never going to be adequate. To proceed without adequate measures could result in scorched earth, a complete collapse of everything: back to square one, year zero. Alternatively, a suspension would allow us to reconsider matters before going forward. That is what we have now. It is valuable and we must hold on to it.

It does not help when Conor says, "We have made those arguments and the British Government have accepted them, so that is it — the comprehensive agreement it is." We do not buy into that. We do not

accept it. It may be that a deal is possible, but the London Government must consider that if they take a gamble and repeal the suspension legislation, they could lose unionism. That is a decision that they would have to make. I felt strongly in 1999 that the deal was a gamble; as things stand it is a bigger gamble now than it was then. We must all face up to that.

Mr Murphy: If that was the intention of suspension legislation, it has not had the outcome that the Ulster Unionist Party intended. There was no "pause". The Assembly has been suspended since 2002. That is a long pause during which to assess what can be done in the circumstances. Suspension legislation has raised a huge question mark over the sustainability of the institution. Since 2002, 108 MLAs have been elected and paid their salaries, but they cannot do their jobs. That has caused huge scepticism of the institutions among the general public. Suspension has not had the impact that the Ulster Unionist Party thought at the time that it would have. Instead, it has raised questions about the credibility of the institutions and their functions.

Michael is correct about one thing: we do not exist in a bubble. There is experience and history behind the politics here. Sinn Féin's experience is that when unionists have been able to exclude us from having a meaningful role in any of the institutions, they have done so. When people within the security agencies or the Police Service were able to have a malign influence on the political process, they did. That is why we would not leave ourselves in hock to those people's judgement of our democratic credentials.

It is not a matter of our wishing to have a facility whereby republicans can default on anything that is expected of them under the terms of the agreement, and get off with it. It is about our experience of unionists and their abuse of power, and of those within the security agencies who have supported and encouraged abuse of power, and of where that has largely been directed. That is what governs our attitude to the IMC, to suspension legislation, and to placing the democratic institutions under the whim of people within the security agencies and the British Government.

Mr McFarland: Does Conor accept that the suspensions were directly related to the activities of the republican movement, or lack of them, and therefore the loss of unionist confidence? That is what it was about.

The IRA statement of July 2005 may prove to be a watershed. However, the matter is not about Sinn Féin's exclusion. The republican movement prides itself on its discipline. Is Conor saying that he does not have confidence in that discipline, confidence that there will be no future incidents? Unionists are still worried about that. If the safeguards that relate to suspension are left, Sinn Féin should be fully confident

that they would never be needed anyway, because the republican movement is coherent and its members will all adhere to their instructions. The safeguards are a confidence-building measure for unionists. If Sinn Féin is confident that the republican movement is not going to start wobbling, those measures will never be needed, so what is the problem?

Mr Murphy: Perhaps Alan will explain what caused the last suspension in 2002. He says it was republican inactivity.

However, who was behind pulling down the institutions? Who was behind the raid on our offices? Who was behind the spoof story that led to the institutions' collapse? Perhaps Alan will explain that to us.

I am confident that no accusation against us will stand up. The difficulty is that our experience of unionism shows that they are prepared to jump ship after any accusation has been made, regardless of how little or how much evidence is produced to support it. Unionism has had a problem with the type of political change that has been underscored by the Good Friday Agreement. It has sought ways and means to frustrate and slow down that political change, and it has used the issues that caused suspension to do so.

The difficulty is not about having a mechanism. I am confident that there will be no situation in which any accusation against us will stand up. However, what could happen — and our experience shows has already happened — is that people can make accusations without having to provide any evidence. On the basis of those accusations unionists have jumped ship, perhaps because they are genuinely concerned about the accusations or perhaps because they want to slow down the process of political change. One can make a choice as to which unionist party might act on those allegations, but I am not confident that unionism will stay in the institutions if it has an escape clause.

11.00 am

Mr McFarland: It sounds as though Conor is saying that the Ulster Unionist Party was bobbing in and out of the institutions at the slightest whim.

Mr Murphy: You were out of them four times.

Mr McFarland: We have nearly destroyed ourselves —

Mr Murphy: You cannot blame all that on Sinn Féin.

Mr McFarland: We have nearly destroyed ourselves attempting to show good faith that unionists could not be accused of not wanting a Fenian about the place. We have also attempted to show that we were willing to test the bona fides of Sinn Féin as to whether it was serious about moving away from paramilitarism and on to the constitutional path.

We did that three times. Many would argue that once would have been enough, but the fact is that we cannot be accused of bad faith in this matter. It is wrong to say that we were using excuses: there were good reasons why people needed visible decommissioning, and we covered those at length during the first two months of this Committee meeting. If the republican movement was saying that it was no longer offering violence to the unionist community, why was it hanging on to its weapons? All those things dogged the process from the beginning.

The IMC has reported that there has been a clear change. Therefore if Conor Murphy is saying that last July's statement was a watershed, that there will be no more republican threats or violence and that the movement is turning on to the constitutional path, I am saying that unionists are still not confident that that has all gone away and is done with. In the meantime, the unionist community needs those confidence-building measures and safeguards.

I reiterate my point: if the republican movement is absolutely committed and there is to be no more messing around with this process, what is the problem with having a few safeguards? After a specific period they might lapse, but in the meantime unionists could be confident that there would not be a return to any of the nonsense that we had in the first six years of this process.

Mr P Robinson: First, I must ditch the idea that 108 people went to the electorate and got a mandate to get the Assembly up and running. That was not my mandate at all; my mandate was that I should not go into Government until certain conditions had been met. I am in keeping with my mandate. Others may be breaking theirs, but that is up to them.

Secondly, I dispel the other idea that removing the suspension Act would somehow create an element of fear because unionists would not want to face an election in those circumstances. To take the scenario that I outlined earlier, if an election was forced because republicans had robbed the Ulster Bank no unionist would fear going before the electorate. In those circumstances, if such unionists thought that that was not the kind of action that a partner in Government should carry out, their position would be reinforced rather than weakened. I do not see that fear of an election is a factor at all, no more than I think that if the Government wanted to avoid those circumstances they would not move sharply to introduce a new suspension Act.

However, we have missed the purpose of the discussion, which was supposed to be under the heading of 'Stability'.

I have suggested that strengthening the role of the IMC would be a mechanism to bring stability. However, I have not heard too many other suggestions,

other than that we allow the instability to continue or that we suck it and see. For the most part, those are the propositions that other parties have been making.

Let me pose the question: if the IMC is not deemed to be a suitable body to pass a judgement on such matters as suspension — although clearly its evidence would be important no matter who does — what is? Should a judicial process make such determinations? Clearly, a political process would be unacceptable because it could be vetoed.

What about the mechanisms that flow from the ministerial code and the Code of Conduct? They could include — if they do not already — the requirement for those in Government, individually and collectively, to maintain various standards. Is a breach of the Code of Conduct justiciable? Can we ensure that there is a mechanism to punish those who have been associated with the breach of the conditions of Government, rather than the offenders simply saying, “Tough, we have a mandate, and that is how it is going to be”?

Mr Murphy: Sinn Féin has always said that it is open to examining how to strengthen and tighten up the provisions of the ministerial code and place it on a statutory footing.

Peter Robinson’s point that going to the electorate holds no fear for the DUP begs the question as to why unionism — or the Alliance Party or any other party — requires a mechanism to exclude a party. If an accusation were of such magnitude and made on such a solid basis that it would stand up to any scrutiny, surely the guilty party would be punished by the electorate, who would reward those who were right to walk out of Government.

Why, therefore, is a shortcut mechanism required, whereby people can be excluded from office on the basis of an accusation that has not been sustained? If parties are so confident that their own view on this matter would stack up should such an allegation be made, why is a mechanism is required at all?

Certainly, we have always said that we are quite open to considering the ministerial code and the Code of Conduct to see how their provisions could be strengthened and tightened.

Mr P Robinson: Mr Murphy is being deliberately obtuse. He knows perfectly well that although the unionist electorate would endorse the position of its representatives, there is no guarantee that the nationalist electorate would punish Sinn Féin in such circumstances. Therefore the outcome would be that a new Assembly would face exactly the same problems: nothing would have been resolved and the instability would continue. If the point is to remove the instability, we must consider the mechanisms that are necessary to achieve that.

To take this a stage further, if parties are prepared to examine the Pledge of Office and Code of Conduct, I assume that no one objects to those requiring the same kind of standards that we discussed earlier. Are people content that the courts should determine any breaches of either?

The Chairman (Mr Molloy): We need to conclude this discussion soon, as it has been going on for an hour and we will probably not reach consensus. Perhaps there should be a proposal to move the discussion on to the ministerial code.

Mr Murphy: May I say that Peter Robinson’s remarks on the electorate border on being racist. He said that unionism would consider any breach of standards as a true breach and support those who walked out of Government, but that nationalists would not and would continue to support Sinn Féin. I do not see the scenario that he outlined arising —

Mrs Long: May I object to —

Mr Murphy: Perhaps I could finish my point. I cannot see a scenario wherein the unionist electorate could make a correct judgement if such a circumstance arose, but the nationalist electorate would not be able to do so.

We are prepared to examine the code of conduct, and, if there are proposals on how that could be carried forward, we would like to see them.

Mrs Long: I object to the use of the term “racist”. If Mr Murphy feels that Peter Robinson’s comments were sectarian, he should say so, but abusing the term “racist” is a bit rich. Members around this table may have political and religious differences, but we are not of different races, so let us not overplay the differences between us. There is more that unites us than divides us, and let us not get carried away with the situation.

Mr P Robinson: What has happened in the past few years is not racism: it is realism. The electorate has been prepared to vote for a terrorist party — that is a fact. That is not sectarian or racist: that is reality. That has been the judgement of the electorate, so it is not a case of my stating that this may happen in the future — this has been happening for decades.

The Chairman (Mr Molloy): I am loath to draw this to a conclusion. It seems that unionism has complete faith and trust in the IMC and security forces reports, but Sinn Féin and nationalism in general have complete distrust. We must consider how to achieve the independence of a group that is required to produce a report acceptable to everyone. With regard to the ministerial code, we must consider where the report comes from and how one gains trust and agreement to accept those reports. It is also necessary to get an endorsement from unionism that there is confidence to

make the institutions work. Those are the questions that divide us.

Mr Campbell: It is clear from the past 70 minutes that it is unlikely — and that is probably putting it mildly — that we will reach consensus on the stability issue. We could get it down to a vague catch-all where everyone agrees that stability is a good thing, but there is no agreement on how to achieve it. I am unsure that further intense discussion would progress this one iota.

Mr P Robinson: I wish to deflate the view that unionists have complete trust in the judgement of the IMC. That is not the DUP's position. We opposed the IMC legislation for two reasons: first, it was unrepresentative — there are no unionists on the IMC — there is a nationalist and plenty of others, but there are no unionists; secondly, it was toothless. Therefore the DUP is not content with all its utterances. We recognise, as have others, that an independent body must be set up; the IMC probably leans more in its representation towards nationalists than unionists. However, we have been prepared to accept the outcome of IMC reports, because, so far, they have been reasonably soundly based.

Mr McFarland: The agreement put in some safeguards, and others were added through the IMC. Changes will only be made to the IMC through whatever deal is done in the autumn — each side will get a little of what it wants, either by beefing it up or removing it.

In the comprehensive agreement, Sinn Féin won the removal of the “Mandelson” 2000 Act. The question is whether in future dealings the DUP can get a beefing up of the IMC's role.

However, it strikes me that the Committee has probably run as far as it can, as colleagues have said.

The Chairman (Mr Molloy): Peter Robinson is not necessarily saying that the DUP wants a beefing up of the IMC; it may want it to have a different structure.

Mr McFarland: I suspect that a modification of the IMC is only likely to come about as part of a deal.

Mr Ford: I disagree with Peter Robinson's allegations. I am not sure that the presence of Joe Brosnan, an Irish official, alongside that of John Grieve, a British policeman, somehow makes the IMC a nationalist rather than unionist body. People are chosen for their experience of roles that are of a non-political nature, with the possible exception of one member who used to have a political role here.

While there is a major distinction between Sinn Féin, which does not want the IMC to exist, and others who have a more or less greater acceptance of the role of the IMC, there may be something in the legislation that set it up that would provide the option for the Secretary of State, by direction, to exclude Ministers,

in the absence of an Assembly decision to do so. There might be some way of reducing the power of the Secretary of State and, perhaps, enhancing the power of the IMC by spelling out within its responsibilities that the Secretary of State must have regard for the IMC's recommendations. That would take it slightly away from the political role, but I suspect that it may not be enough of a change to satisfy Sinn Féin.

One must recognise that it is not the legislation that causes the problem. Regardless of the legislation, there have been occasions in the past — and there might be more in the future — when one or more parties have wished to walk from the Executive, so one cannot blame the legislation if the problem lies with the attitude of the parties to one another. We must seek to find some legislation that caters for that. We could talk about making the ministerial code justiciable, for example, but the courts take time, and we would have to go into some sort of temporary suspension while those matters were resolved. Therefore we cannot depend on the courts to deal with what are political problems, and I do not know what we would do for the two or three months that it would take for the courts to get round to hearing the case.

The Chairman (Mr Molloy): Are members content to look at the ministerial code as a means of dealing with this issue?

11.15 am

Mr P Robinson: No. There are many mechanisms that can be used; that is one worth exploring, but it is not the only one.

Mr Murphy: Sinn Féin is content to look at the ministerial code. This morning's discussion is about stability, and it is our contention that the suspension legislation and the IMC have contributed to instability. They have not served the purpose for which they were set up. The IMC — in its make-up and how it conducts its business — and the suspension legislation have added to instability rather than helped resolve it.

The Chairman (Mr Molloy): As Gregory Campbell said, we need a wide-reaching statement. Everyone agrees that the Assembly must have stability in order to work and to be maintained. How do we go forward to create that stability? Does anyone have any proposals that can take us to the next stage?

Mr McFarland: If we get to the stage where the DUP and Sinn Féin agree to go into Government, that will bring with it a degree of stability. However, we must also talk about safeguards.

Mr P Robinson: It did not bring stability when the Ulster Unionists went into Government.

Mr McFarland: There were different problems at that time: the republican movement and Sinn Féin were unsettled; and, within unionism, the DUP was

most unsettled about the situation. The logic of getting to a stage where the DUP and Sinn Féin do a deal is that both traditions — in their entirety — are settled except for any necessary tweaking. There will be a residual problem of confidence on both sides. Therefore safeguards are needed — whether in the voting systems or in other mechanisms — to hold to account any party that defaults. This discussion is not only about stability — and our best chance of stability will come with that deal — but about the implementation of safeguards, which will ensure that those who are not playing the game can be held to account.

Mr P Robinson: I hope we are agreed that we need to explore further mechanisms to ensure that there is stability, at least at a low level.

The Chairman (Mr Molloy): We need greater detail on what those mechanisms are.

Mr O'Dowd: Stability is best achieved by making politics work.

Mr McFarland: That would be the deal between the DUP and Sinn Féin: making politics work.

Mr P Robinson: First, history has recorded that the DUP was right not to be settled, because conditions were required. The danger is that those conditions could be met today but all might change tomorrow. That is why you require some mechanism for stability.

The Chairman (Mr Molloy): Can we park it there for the moment, with the general heading that we need a mechanism to deal with it? Agreed?

Members indicated assent.

Members asked for two new items to be put on the agenda. One is accountability mechanisms: broadly, the Assembly and the Executive. The other is the voting system. It was suggested that parties might want to put forward papers on those matters, or they may prefer to discuss them today. Seán, you had put forward the idea of a paper.

Dr Farren: Are we addressing the issue of collective responsibility or general accountability?

The Chairman (Mr Molloy): Accountability of the Executive and related issues.

Mr McFarland: I think we agreed that accountability in the Executive would be left to our next major discussion on the Executive; however, the concern is the referral of matters between the Assembly and the Executive. Is that correct?

The Chairman (Mr Molloy): Yes. Do you want to continue that discussion today, or do you want to prepare papers?

Mrs Long: The Alliance Party hopes to circulate tomorrow a paper with its views on those matters. However, if others wish to discuss it today, we are

happy to do so, but it may be better to have sight of other parties' papers beforehand.

Mr McFarland: Chairman, I thought it was agreed at the beginning that, in general, we would not get into swapping papers. There is a time factor with regard to preparing them; people tend to wave them around if anyone wishes to modify their views as they go through; and the entire purpose of this Committee was, for the very first time, that five parties should sit around a table and discuss the ins and outs. Hearing other people's points of view and discussing them has the potential to achieve modification of thoughts. If we get into papers that is OK, parties can do that, but the essence of this Committee was that we sat and discussed the matters.

The Chairman (Mr Molloy): One proposal concerned papers; not that each party would present them, but the option was there.

Mrs Long: I was just going to make that point. The option of circulating papers never closed down. The parties retained that option, but papers were not a prerequisite for discussion. I say only that we are willing to circulate our paper tomorrow; if you do not wish to read it that is fine.

The Chairman (Mr Molloy): Do Members wish to continue today, or set the matter for a particular day, once they have read the papers?

Mr P Robinson: I am happy to read papers from anybody, and I promise not to wave them. *[Laughter.]*

Dr Farren: Issues of accountability have been widely discussed and aired in all kinds of fora, so I see no reason for us not to discuss it. We are not unfamiliar with the subject.

The Chairman (Mr Molloy): Who wants to open?

Mr McFarland: This started off in the comprehensive agreement, so Peter and the DUP may want to cover those proposals and say why they were there.

The Chairman (Mr Molloy): It was also part of the DUP written submission. Peter, do you want to open up?

Mr P Robinson: No, not really; I could do with a bit of a rest.

The accountability mechanisms in the comprehensive agreement were not the first choice of the DUP. I outlined at the previous meeting that the best option is for power to be devolved to the Assembly, rather than to the heads of Departments, which is the arrangement under the Northern Ireland Act.

If power were devolved to the Assembly, it would have authority and primacy, and its support would be required when there is contention. That is the best proposition, and it is the one that I favour. It would mean that Ministers would have to have the support of

the Assembly at all times, and it would stop off-the-wall decisions being taken by Ministers and Departments. The Executive would need to have a high level of collective decision-making, and Ministers would be sure that their ministerial colleagues in other parties would have to carry their Members along with various proposals.

In effect, it would be the normal democratic situation and would be the best option. If we are not to have that, and I prefer that we do, the only way forward is to give some level of accountability to the Executive and to have powers in the Assembly to refer or to negate decisions. Those are the options, and there may be permutations.

The comprehensive agreement moved more towards giving the Executive authority but with a requirement that there be a level of support within the Executive before major decisions could be taken.

The Chairman (Mr Molloy): I remind members that there is some commentary in their papers on this matter.

Mrs Long: Part of this issue was discussed last week and is already on the record. The Alliance Party believes that additional accountability mechanisms are required because there is a deficit in collective responsibility within the Executive. Our preferred system is one in which there is collective responsibility, and that would not require the same degree of additional accountability mechanisms.

In the current situation, we differ from the DUP inasmuch as we do not believe that ministerial decisions should require the support of the Assembly. However, there are some circumstances in which the Assembly should be able to negate a ministerial decision.

Mr P Robinson: What do you mean by that? A Minister must have the support of Parliament for every decision he takes. Parliament would not call a Minister in unless it disliked a decision and therefore it became contentious. It would not be a case of Ministers coming to the Assembly with every decision.

Mrs Long: The Alliance Party would make that distinction — there would not be a vote on every ministerial decision in the Assembly. Where, for example, a petition of concern is raised by Members — and I went into that in more detail last week, when there was a debate around the numbers concerned — and is judged not to be vexatious, but where a substantive issue is involved, it would be possible in such circumstances for a cross-community vote to negate the decision of a Minister.

We see that as the situation which provides additional accountability between the Executive and the Assembly — and that is our proposition. However, it is our proposition in default, because our preference is for collective responsibility within the Executive.

Mr McFarland: We are into a number of topics, one of which I raised last week — where power lies.

The UUP was thinking along the same lines as Peter about whether power and authority can be devolved to the Assembly rather than to the Departments. The paper prepared by the devolution and legislation division of the Northern Ireland Office suggests that this does not matter. The issue of where power lies, according to that paper, appears to have been settled, and whether it is with Ministers or the Assembly would seem to be neither here nor there.

I will move on to the part of the comprehensive agreement that deals with referrals to the Executive, because it would be useful to tease this out a bit. The proposal is that if 30 Members have difficulty with an issue, they can raise what amounts to a petition of concern. Presumably, and I assume there would be an Assembly debate although paragraph 6 in the comprehensive agreement is not clear about that, the Speaker would have to decide whether the petition were vexatious; the Assembly would have a debate; and the matter would be referred back to the Executive.

Difficulties would arise if a Minister made a decision on an issue in the middle of August. That issue could not be referred to the Assembly within seven days, as the Assembly would be in recess. Does that mean that, during a recess, any 30 Members can make a request for a referral from the Speaker, who then decides in the absence of the Assembly whether the matter should be referred? I am unclear about the detail of the mechanism that is suggested in paragraph 6 of the Annex B proposals on strand one of the comprehensive agreement. Can anyone shed any light on that?

11.30 am

Dr Farren: Some discussions on accountability seem to be based on the assumption that the accountability mechanisms laid down in the Good Friday Agreement for the Assembly were weak to the point of non-existence at times. That was not the case at all. After all, ministerial responsibility must be discharged with respect to the law in general, legislation applying to a Minister's departmental responsibilities in particular, and the Budget.

The Assembly has complete authority with respect to the Budget, the Programme for Government and the pledge of office. The discharge of ministerial responsibility is subject to quite a range of requirements and parameters already. We can consider ways to refine those, of course, but we must be cautious about the suggestion that the Assembly should have authority over ministerial decisions to the point where all ministerial decisions are potentially subject to Assembly approval.

That seems, at first sight, to be well founded. However, if decisions are made within the parameters that I indicated, they are made in a responsible manner and with the appropriate authority. Problems could

arise if ministerial decisions that had been taken with regard to those parameters were challenged to the point of gridlock. Government decision-making would be slowed to an unacceptable pace, and the operation would no longer be smooth.

In her capacity as Minister for Agriculture and Rural Development, Brid Rodgers took significant ministerial decisions during the foot-and-mouth crisis. Taken in isolation, some of those decisions might have seemed inappropriate or incorrect to some Members. However, in those circumstances, to circumscribe that Minister's discretion by challenging some of those quite significant decisions, which she felt that she had to take, would have had a serious impact on how we responded to that crisis.

We want to be very careful about seeking to enhance authority over ministerial decisions in cases in which that would certainly not contribute to the smooth operation of Government.

Mr P Robinson: Either Alan has misread the advice, or the advice has not been sufficiently clear. The advice begins by properly indicating that, whereas statutory functions are collectively devolved in Scotland and the UK as a whole, that is not the case in Northern Ireland. Indeed, such functions cannot be devolved collectively because the Belfast Agreement required that they should not.

The last paragraph, to which Alan refers, answers the second part of the question. The paragraph is accurate where it says "subordinate", as opposed to the heading, which says "subordinates". The question was whether the fact that the power is in the Department does subordinate ministerial authority. There is no argument about that. That was not the question that was being asked. Someone has taken a new question to himself. The question asked was: "Are Ministers, therefore, unaccountable as a result of that?" and the answer to that is "yes".

Nobody is suggesting that Ministers have fewer or different powers or that they exercise their powers differently — it is that they are doing it in a way that is not dependent on the collective view of colleagues. In Scotland and the UK that is under the authority of the First Minister or the Prime Minister. All of us know from practice that Ministers took decisions that did not require their colleagues' support in the Executive, and many decisions were taken that were not even brought to colleagues in the Executive. Some of the decisions that were brought were ones that the Ministers were capable of taking anyway, irrespective of the views of their colleagues.

The Assembly could not overturn the decision of any Minister. On one occasion it tried to but clearly failed. Assembly Committees had no power or authority over ministerial decisions, so we had the ludicrous

situation in which a minority decision was taken that did not have cross-community support, and that clearly meant that we had an unaccountable Minister.

That does not mean that we require every Minister to come to the House with every decision, for example, on whether a new streetlight is needed at the corner of Edgcombe Gardens. I am not unhappy with the mechanism for a call-in power, be it a petition of concern or whatever. However, there must be a requirement for Ministers to be accountable to someone. It is better for them to be accountable to the Assembly, but they should certainly be accountable to the Executive, which is accountable to the Assembly.

Mr Murphy: The paper correctly shows that a key principle in the Good Friday Agreement was that Ministers were to have executive authority in their respective areas. It was one way of ensuring that there was proper power sharing and that one set of Ministers was not subject to majority rule in the Assembly while another was able to carry on as it pleased.

There was a key recognition of the fact that if there were to be power sharing, it had to be genuine — people had to have some degree of authority within the areas of responsibility that they received as a result of their mandate. There are significant accountability mechanisms within that: if a Minister wants to take legislation through the Assembly, he requires the support of the Assembly. There are other mechanisms, and there is responsibility within the Executive itself. Also, 30 members of the Assembly can submit a petition of concern and have a debate on any issue. A balance is required between what is genuine power sharing and what could be seen as abuse of office.

We have always been happy to explore accountability mechanisms but with that balance in mind. A majority in the Assembly cannot be used to effectively police one or two ministerial Departments and allow the rest to act as they would under the terms of the agreement. It is about getting that balance right.

I do not see the same lack of accountability that Peter Robinson sees. I see potential difficulties if a number of Ministers were to vote against a proposal from an Executive colleague. Things such as that undermine the Executive's collective responsibility. We have always been quite happy to look at propositions to enhance collective responsibility and to improve accountability. However, that is on the basis of a recognition that there must be genuine power sharing; one set of Ministers cannot be subject to control while another is allowed to carry on as it pleases.

Mr Ford: Conor Murphy put his finger on it when he talked about "genuine power sharing"; what we have at the moment is power division. Any proposal that enhances collectivity within the Executive would be beneficial. I have had a quick skim through

Hansard, and I see that last week Naomi talked about accountability within the Executive, which is where it should be. We believe that there is still the need for a potential backstop within the Assembly. Clearly, what we have suggested is very different from what I understand the DUP's position to be, which is effectively that no Minister could do anything unless he gets a cross-community vote.

Our proposal attempts to take account of some of the concerns that Seán Farren raised: the Speaker's role in scrutinising any motions to negate to ensure that they are not vexatious; the requirement that there be sufficient signatures; and the requirement that a ministerial decision could be overturned only by cross-community vote. That would give the right level of ministerial responsibility and independence and at the same time ensure that Ministers do not go off on a complete solo run without any support at all. Ideally, it would all start with greater collectivity within the Executive to ensure that we have genuine power sharing in the first place.

Mr P Robinson: Before anybody else builds up more straw men just to knock them down, I must point out that the DUP has never put forward any proposal that the Assembly, or indeed the Executive, should decide on every single decision that a Minister takes. That would be a recipe for disaster. You could not do it; you would not have the time. It clearly has to be on a call-in basis. That has always been the argument so let us just dispel that nonsense.

Mr Ford: My point concerned the difference in the requirement of the vote to overturn a decision as opposed to the circumstances in which call-in would be made, where, I understand, there is a difference between the DUP position and ours.

Mr P Robinson: The call-in that we suggested is the same call-in power that is available with a petition of concern in the Assembly. With regard to the Executive, is a call-in power is recommended by the comprehensive agreement — I think that three Ministers are suggested.

Mr Campbell: That is not the same as saying that no Minister could do anything without getting cross-community support for any decision he or she might take.

Mr Ford: As I understand it, the DUP's requirements for call-in require that a Minister could in those circumstances only have his decision carried provided that it was endorsed by a cross-community vote. Our proposal is that it could be negated only by a cross-community vote.

Mr P Robinson: Why?

Mr Ford: I am trying to establish what the point of difference is between us.

Mr P Robinson: There is a massive difference. You know well that there is a difference between us.

Mr Ford: You seemed to be suggesting that there was not. At least now you agree that there is. Thank you.

Mr P Robinson: The obvious reason is that for a proposition to go forward, it needs to have the support of the Assembly. Your argument is that a veto can be used in the Assembly and that a proposal can therefore go forward that does not have the support of the Assembly.

Mr Ford: No, our proposal is precisely that there is not a veto. The collectivity within the Executive should have resolved matters in the first instance.

Mr P Robinson: You are suggesting that there should be a call-in power of the Assembly — a backstop, as you referred to it. Therefore, irrespective of the views of the Executive, it would come to the Assembly. You could have a proposal going forward that is vetoed by Sinn Féin or the DUP, in present circumstances, but that may not have the support of the Assembly as a whole.

11.45 am

Mr McFarland: I sense that there will not be consensus on changes to the Belfast Agreement as regards Ministers having authority within their own bailiwicks. The question is, therefore, how to have safeguards at Executive level to ensure that there is control.

Perhaps I am being dozy, but I am somewhat confused. My understanding is that if a Minister proposes to put through legislation or secure money, it requires the Assembly's agreement because it is in the Programme for Government. If a Minister does something outwith that, a petition of concern can be put forward that has been signed by at least 30 Members, and the matter can be debated in the Assembly with all the ensuing media coverage. How are these proposals different from that?

Mr P Robinson: Why were you not able to stop the closure of the Jubilee Maternity Hospital?

Mr McFarland: The only reason that the Jubilee Maternity Hospital closed was because the decision was taken during the period between the setting up of the Assembly and the first Programme for Government the following April. Without a Programme for Government, nobody had signed up to anything and Ministers could do what they wanted. Had the closure of the Jubilee Maternity Hospital been proposed after April 2000, it would never have got through because it would have been stopped in the Executive. The Minister was able to do that because no one had signed up to a Programme for Government.

In theory, all key decisions normally require legislation or money. If a Minister is doing something strange, a

petition of concern can raise a flag to say that the Assembly — or at least 30 of its Members — are not happy about it. If that power already exists, what will the proposal provide in addition? I understand that we need to beef up ministerial collectivity and accountability, which we will consider when we discuss the Executive. When there is a beefed-up ministerial code, pledges of office, a Programme for Government and when everyone operates properly, what scenario would not be covered by a petition of concern, a debate in the Assembly and the waving of flags? The proposals do not go much further than that.

Dr Farren: Section 11 of strand one of the agreement — the special equality measure — seems to strengthen the basis on which decisions could be challenged. The special equality measure allows the Assembly to appoint a special Committee to examine and report on whether a measure or proposal contravenes the bill of rights or the European Convention on Human Rights. While the Good Friday Agreement says, “examine and report” on a measure, Standing Orders restricted that to Bills and legislation. The SDLP suggests that we revert to the original intention — that any measure that the Assembly feels is in breach of equality should fall under that provision. Along with the petition of concern, there is a set of safeguards that will allow challenges to be put to decisions in ways that do not push us towards what I cautioned against earlier.

Mr P Robinson: I will respond to some of the points raised.

The Jubilee Maternity Hospital proved that the system did not work. The Assembly voted in favour of the Jubilee site, as did the Assembly Committee. The Executive was not able to stop it, neither was the Assembly, so something was clearly wrong with the system.

Mr McFarland: The system was that nobody was signed up to anything. In November 1999 this thing fired up and there was no Programme for Government. No Minister had signed up to anything at all, so every Minister could do his or her own thing. The only surprise at that stage was that we did not have more Ministers crashing around with their favourite topics. *[Interruption.]*

The Chairman (Mr Molloy): One at a time, please.

Mr Campbell: The education decision on the final day was at a point when the Programme for Government was in place.

Mr McFarland: The education decision on the final day was a total nonsense and remains so.

Mr Campbell: But it was still taken; it was not stopped.

Mr McFarland: There was no possibility that, had the Executive or the Assembly continued, that decision would have got through.

Mr Campbell: It went.

Mr McFarland: It had to; it required all sorts of money and legislation. It was able to go forward only because the civil servants, for reasons best known to themselves, bashed on with it even though the Assembly was suspended.

Mr Campbell: But it went.

Mr McFarland: It would not have done if —

The Chairman (Mr Molloy): I have to allow PJ Bradley to speak.

Mr P J Bradley: It is obviously difficult to get one set of rules to fit all. Of the two situations that have been referred to, the Jubilee Maternity Hospital and the foot-and-mouth crisis, the former could have been considered non-urgent. At the time of the foot-and-mouth crisis the Minister and the Department of Agriculture and Rural Development often met through the night in emergency session to deal with the situation. Some situations can wait for debate, but Ministers must have the power to make urgent decisions. The foot-and-mouth crisis was a prime example of that.

Mr P Robinson: First, there is a view that the Programme for Government is such a detailed and far-seeing document that it incorporates every decision that a Minister may be required to take over the following 12 months. That is not the case. It is a very general document under which Ministers can move with considerable flexibility, as has been seen.

Secondly, it is assumed that the spending plans are so rigid that a Minister has no flexibility. That, of course, is not the case either. The spending plans are largely based on headings under which, I can assure you, a Minister can move from one point to another.

Those two assumptions are not safeguards in themselves. They might put some restraints on how clever a Minister has to be, but they certainly do not constrain him from taking a decision of his own. Legally, there is nothing that stops a Minister from taking a decision. We took the advice of a very well-respected senior counsel — who was not of my political persuasion — on that issue. There is no question that we need to have a change.

This is not about waving flags: that only draws attention to the issue; it does not stop it from happening. The referral system ensured that if, under the comprehensive agreement proposals, something got through the Executive net, it would have the ability to ensure that only genuine power-sharing decisions could be made. My views of power sharing and Sinn

Féin's ideas of power sharing are completely different. Sinn Féin seems to believe that power sharing is power allocation. That is not my view. My view of power sharing is one in which Ministers collectively take shared responsibility for the decisions that have been made. That is very different from saying, "We have the cards and we will dole them out. You take the decisions on this and we will take the decisions on that, and it does not matter what decisions either of us take; that is the way it is going to be."

That is not power sharing; that is simply an allocation of power. That is very different and is what can happen under the current circumstances. However, the comprehensive agreement ensured a collective decision-taking process and that any decisions that were contrary to the views of one section of the community or another had to be dealt with and agreed by the Executive. If a decision went unnoticed because Members' attention was elsewhere, the Assembly could throw it back to the Executive to ensure that that decision was taken collectively.

Dr Farren: I mentioned the safeguards that are provided by the special equality procedure. Peter Robinson highlighted decisions that he feels should, or could, have been challenged on equality grounds because they concerned the fair treatment of the two communities. In what respect would the special equality procedure not provide the type of safeguard that he mentioned?

Many of those matters are essentially political decisions that Ministers must take. If two hospitals bid for a particular service, a decision must be made about which one will win that bid. If it were felt that a decision breached equality provisions and was not based on the Minister's best judgement — albeit that that judgement may be described as political — would the special equality procedure not provide a safeguard?

Mr P Robinson: Special equality provisions would certainly be a factor, if equality were the sole concern. However, a range of political issues is involved, where political ideologies and other factors will come into play for an extended period long into the future. A division may be on an ideological, rather than an equality, issue. Is it right that, contrary to the wishes of the rest of its colleagues in the Executive and Assembly, a party in Government takes a decision that is based on, for example, its Stalinist approach to life? An issue may not be one of equality, but it certainly might affect the way forward for Northern Ireland.

Dr Farren: We must focus on enhancing the nature of collective responsibility within the Executive to ensure that we can agree on the best form of such responsibility. Ministers, and the Assembly as a whole, could then be assured that the Executive have the support of all colleagues.

Mr P Robinson: I had hoped that that is what we were doing.

The Chairman (Mr Molloy): We will deal with that under the next topic, which deals with decision taking within the Executive.

Mr Murphy: There is a balance between collective responsibility and exercising a veto. Interestingly, the two examples given by unionists related to decisions taken by Sinn Féin Ministers; one on education, the other on the Jubilee Maternity Hospital. That latter decision stood, despite being subject to several judicial reviews.

The issue concerns whether parties want to use a majority to veto the actions of any Minister whom they consider unsatisfactory or whether we want power-sharing. I do not see power-sharing as a mere allocation of power, but as a genuine sharing of power. That is why issues such as agreeing the Programme for Government, prioritising the Executive and legislative proposals exist — they are all the collective responsibility of the Executive.

However, in Sinn Féin's experience, and given the examples cited by unionists, the decisions that members targeted seemed to be those that were taken by Sinn Féin Ministers. Interestingly, when one senior unionist commentator was asked what turned unionists off the Good Friday Agreement, he said that it was the prospect of Martin McGuinness exercising ministerial power in the Department of Education.

Therefore, in our experience, accountability measures would be used to exercise control over decisions taken by Sinn Féin Ministers and, perhaps, by SDLP Ministers. While we are in favour of collective responsibility — and there are accountability mechanisms in the agreement — there is a balance between accountability and exercising a veto over Ministers and ministerial decisions that Members may be unhappy with.

12.00 noon

Mr McFarland: What is the difference between the proposals in paragraph 6 of Annex B to the comprehensive agreement and a petition of concern? They both require a minimum of 30 Assembly members, and both result in an Assembly debate. In paragraph 6, the matter would be referred back, but you would be a brave Minister if you lost a cross-community vote in the Assembly, which presumably would have the same effect as referring it back, or would it?

Mr P Robinson: You have just answered your own question — the matter would be referred back. As you said, it would be a brave Minister that would want to defy the Assembly.

Mr McFarland: I said that it would be a brave Minister who would want to defy a cross-community vote in the Assembly as a result of a petition of

concern. Therefore the matter is likely to end up back in the Executive anyway, because the effect of the system is the same — you have 30 Members, and you have won a petition of concern or a referral. Presumably, there is also a debate in the Assembly. The only difference is that a referral must be initiated within seven days. During suspension, in the middle of August, can 30 Members send something to the Speaker, which she can adjudicate on? Can there not be a vote in the Assembly without referring a matter back to the Executive? I have not yet had answers to those questions.

What is the system tied in with the Assembly referral, which would allow that to happen in the middle of August, with no Assembly?. The Executive could not consider it within seven days. For instance, at Christmas, or on Boxing Day, could 30 members decide that they are upset about something?

Mr Murphy: Under Standing Orders, 30 members can call for a meeting of the Assembly at any stage.

Mr McFarland: What notice is required for that?

Mr Murphy: I am not sure what notice is required under Standing Orders.

The Committee Clerk: Three working days' notice is required.

Mr McFarland: If the Assembly is suspended, that cannot apply.

The Committee Clerk: Are you talking about recess?

Mr McFarland: Yes. I am merely seeking clarification to ensure that everyone understands, because members can get confused about the matters under discussion.

At any stage during the year, 30 members can exercise their right, under Standing Orders, to call an emergency meeting of the Assembly at which there would be a petition of concern, and there are rules for that. No vote can be held until at least 24 hours after the petition has been presented, is that correct?

Mr Murphy: No vote may be held on a matter that has been discussed under a petition of concern until at least 24 hours after the petition has been presented.

Mr McFarland: The Assembly, therefore, can be called back from recess and have a cross-community vote. That vote can be the quorum of the Assembly, and as long as there are 60% of those present and 40% of each tradition voting, a cross-community vote challenging a ministerial decision could be passed.

Dr Farren: Is that not the consequential effect on the ministerial decision that is absent in the normal application of a petition of concern?

Mr McFarland: No, because what happens then is that you flag up the fact that cross-community concern is challenging a ministerial decision. Presumably, the

press would be there to record the fact that the Assembly objects to a ministerial decision.

While there is no obligation to reconsider, there would be an obligation to re-examine a ministerial decision through the Assembly referral provision. The only difference is the obligation to re-examine. However, Ministers representing the parties that voted for the ministerial decision by cross-community vote would re-examine it in the Executive. Apart from the obligation to re-examine the decision, there is no difference between the two systems as regards public relations, press and the parties involved.

Mr P Robinson: I could hear the cogs turning as we laboriously went through that.

Mr McFarland: Sometimes, it is important.

Mr P Robinson: The position is simple: the Executive would have the ability, under the comprehensive agreement proposals, to take collective decisions, and such decisions would be required to be collective. As I said earlier — though it obviously was not picked up — there may be occasions when Ministers' eyes are elsewhere and something goes through that has not caught their notice. The proposal gives the Assembly a power to send a decision back to the Executive so that it is given proper attention and a collective decision is taken. It is a belt-and-braces approach.

Mr McFarland: Would a cross-party petition of concern from the Assembly not have the same effect of alerting the Minister? As Peter said, the proposal would only come into operation when Members noticed that something had slipped through. Therefore, would a petition of concern and a cross-party vote not have the same effect of alerting the Executive?

Mr Murphy: It would be better to ask these questions of someone from the British Government, which drafted these proposals. However, the only point that I would dispute with Peter Robinson is that an Assembly referral does not turn a decision that was not considered as taken collectively into a decision that was taken collectively. That is not mentioned in paragraph 6 of Annex B to the comprehensive agreement. However, whoever devised those proposals may be able to give a better explanation.

My understanding is that the proposal allows an issue to be referred to the Executive for the Ministers' reconsideration; it does not re-designate the status of that decision in the first instance. If an issue has not been agreed under collective responsibility, a referral does not re-designate a decision into a collective one. However, the people who are best placed to answer questions on these proposals are those who authored them.

Mr P Robinson: I was unaware that there were separate designations for decisions. The proposal is simply a mechanism to ensure that decisions are taken

with the knowledge and approval of the Executive. That is all there is to it; I cannot see anything harmful in that proposal.

Dr Farren: Is that type of referral mechanism necessary if, from what Peter has said, the essential concern is to ensure a greater degree of collective responsibility? Surely we need to consider collective responsibility rather than providing another mechanism in the Assembly that seems to indirectly aim at collective responsibility.

Mr P Robinson: The difference is that the proposal in paragraph 6 refers to a decision that is already past the post and knocks it back onto the track.

The Chairman (Mr Molloy): Would a petition of concern not do the same thing?

Dr Farren: Yes.

Mr P Robinson: It would not, because the decision would already have been taken.

Dr Farren: I agree with Alan McFarland's suggestion: it would be foolish for a Minister, or, indeed, the Executive as a whole, to proceed with a decision that did not have a significant degree of approval, or at least acquiescence, in the Assembly.

Mr P Robinson: A Minister may feel strongly about an issue and, irrespective of what colleagues might think, he or she may want to pursue it. That is not unknown.

Dr Farren: The Assembly can be wrong.

Mr P Robinson: So can Ministers.

The Chairman (Mr Molloy): Do members wish to make any proposals or would they rather deal with this issue under 'Collective responsibility' and 'Ministerial Code'?

Mrs Long: Are there not, however, two distinct issues? One is the right of the Assembly to refer something back to the Executive; the other is collectivity in the Executive. Although, with proper party discipline, it is hard to envisage, it could happen that the Executive were happy with something and the Assembly was not. The two issues must be separated.

Mr P Robinson: There are two issues there for the Assembly: should it have the power to send something back or should it have the power to negate? Another issue that was mentioned earlier is whether it is a requirement of the Assembly to get the cross-community support to do either of those two things, or whether it is the responsibility of the Minister to get the support of the Assembly for a proposal.

The Chairman (Mr Molloy): Are there any proposals to move the matter on, or to see if we have consensus?

Mr P Robinson: I think we know that we do not have consensus.

The Chairman (Mr Molloy): Sometimes these things need to be clear.

Mrs Long: We put our proposals last week, and they were not agreed. I do not detect any change of heart around the table from any party. I am not sure that putting them again this week will add any clarity to the situation.

Mr P Robinson: I detect that people are coming closer to agreeing my proposals, but they have not quite reached that stage.

The Chairman (Mr Molloy): Do we want to park that or can we conclude on it?

Mr Campbell: The car park is filling up.

The Chairman (Mr Molloy): We will need traffic wardens.

We will move on to the next item, which is "Voting system". This is an issue mainly for the Alliance Party.

Mrs Long: Our position was presented in a fair degree of detail last week, and I do not wish to take up time by repeating it.

The Chairman (Mr Molloy): Are there any other issues? It was requested that "Voting system" be put back on the agenda, so it is there for discussion.

Mr McFarland: There was a great deal of discussion, and I sensed at the time that we probably would not get agreement to move from the present system, unless particular parties have had a Damascus conversion somewhere along the line.

Mr Ford: It was agreed last week that this was an issue to be considered at some point, but that there was no agreement as to how to consider it at this stage. If that is the case, it may simply be an item —

Mr P Robinson: That is why we are considering it now.

Mr Ford: Yes, but if there is nothing further to consider at this stage it may be something for the ever-expanding car park. Damascus may yet be reached by some of you.

Mr McFarland: This became an issue in the first place because of the mistrust between the communities. It seems a reasonable aspiration that, somewhere down the line, we could move to weighted-majority voting. When all this eventually settles, we could reach a stage where we were not so traumatised about particular communities being disadvantaged, and a weighted majority would give the same result without the designation issue. My sense is that we are not there yet, and, as a result of the previous week's discussion, we will probably not get agreement on it.

Mrs Long: I find it particularly traumatic when the community I represent is ignored in these votes. It is still an issue for the Alliance Party, but we accept that it is unlikely to be resolved. I understand that the DUP made a proposal last week to include a weighted-majority system in addition to the current system but that that was knocked back. If parties were to give some indication that they were willing to move in that direction, that would be something tangible, but that was not the case, so I doubt that people have moved to a position where they can embrace it entirely.

12.15 pm

Mr P Robinson: I agree — there was an opportunity. If a proposal were made that it cannot happen immediately the Assembly gets up and running but that we are all committed to moving towards a weighted majority system in the future, then it would be different from the other proposal and would represent some progress.

The Chairman (Mr Molloy): OK, have we taken it as far as we can?

Mr P Robinson: We could look at it later.

The Chairman (Mr Molloy): Back to the car park again.

Mr Ford: There is a point in what Peter has just said. As I read and understood the comments of the parties, two seem to say that there is merit in a weighted majority as effectively being a third option alongside parallel consent and 60:40:40 — if that is a correct interpretation of the DUP's position. Others seem to say that we should consider when it may be appropriate to move to that point. That is an emerging degree of consensus, if I have correctly interpreted the positions of the three other parties from reading last week's Hansard.

The Chairman (Mr Molloy): Are there any comments?

Mr Murphy: The voting mechanisms in the agreement were to deal with the situation in which we found ourselves then. Everyone has said that they would prefer at some stage to move to a different type of voting mechanism in which the safeguards provided by the current voting mechanisms are not needed. I do not think that it is necessary to get into prescribing that voting system at this point, but there is an agreement in principle that the voting mechanisms — whether people agree with them or not — are necessary to provide safeguards at the moment.

The desire by all parties is to get to a situation whereby such safeguards are not seen to be so necessary and the voting system can be looked at again.

Mr Ford: We might be potentially looking at the day when we wouldn't need any safeguards at all and

50% would be an adequate majority to carry a vote in the Assembly. Our proposal recognises that this is a very long way away and that is why we have looked at having a two-thirds straightforward weighted majority as a step in that direction.

Dr Farren: Do not jump too fast.

The Chairman (Mr Molloy): Last week, the Committee decided to refer this matter to a review Committee of the Assembly, if that were in place. That is probably as far as we can take it. The consensus is along the lines that people are prepared to look at the issue some way down the line, but that it is not an obstacle at this stage.

The Committee was suspended at 12.18 pm.

On resuming —

12.48 pm

[Proceedings between 12.48 pm and 1.19 pm were not recorded due to technical problems.]

Mr Campbell: — I hope that there is nobody here — although there may be some — who is saying that that prospect would have to be spearheaded by this manifestation of the election of the First Minister and Deputy First Minister because that is the way we did it before.

Our community drew many negative things from that — it was a farce; it was show; it did not work and no matter how many times it was set up it simply fell apart.

I do not think there would be much support in the wider community — certainly there would be none in ours — for the prospect of a four-year term with a functioning Executive and the First Minister and Deputy First Minister at its head being jeopardised because the door to it had to be the joint election of the First Minister and Deputy First Minister.

I find it difficult to understand how the wider community would give consent to the prospect of embarking on an election that allows the four-year term to transpire — hopefully, without any interruptions, bank robberies or antagonistic and illegal activities on the part of one or more parties, or those associated with them — but which might be jeopardised because of a particular method of electing the First Minister and Deputy First Minister which was not agreed eight and a half years ago.

They do not have to carry out their offices as they did before. That does not mean that we have to have some underhand ‘Blue Peter’ type of mould under the table that we can say we prepared earlier. It does not have to be the way it failed before: there can be a better way, which is more likely to succeed next time.

Ms Lewsley: For the record, I am deputising for Mark Durkan. Like everybody else, I am a bit confused now. On the one hand, Peter says that it really does not matter how the First Minister and Deputy First Minister are elected; if there is a clash of personalities then they are not going to work together anyway. On the other hand Gregory said that the election of the First Minister and Deputy First Minister and the way they worked in some way caused suspensions, when, in fact, it did not. Other issues caused suspension.

Mr Campbell: I did not say that.

Ms Lewsley: You did — you said that we have reached this point because of the way they worked and because of the on/off nature of the Assembly.

Mr Campbell: I was not saying that the on/off nature of the Assembly was a direct result of the way in which the First Minister and Deputy First Minister were elected.

Ms Lewsley: You said it was because of the working of their office; you said it did not work.

Mr Campbell: The election and the functioning of the First Minister and Deputy First Minister did not work. However, it was not that they did not work because the Executive was up and down, although that was a contributory factor; the two things were not part of the same thing. One was a portion of the other but one was not directly related to the other. The First Minister and the Deputy First Minister did not work from the very start, before the first time the Executive collapsed; they were not working together even though the perception was that they were.

Ms Lewsley: Then Peter said that he would surmise from what was being said around the table that if there were not consensus on this matter, that we would have to take the responsibility for any deadlock, which means that we will have a pre-condition to restoration.

Naomi talked about the community. I think the community is important. I have met people from both sides of the community who are telling us to get elected and go back and do the work. They say that if it worked last time, and the Assembly was up and running for the longest period of 18 months, then there is no reason why they should not have that back. People are crying out for proper government.

I know that the election of the First Minister and Deputy First Minister has always been an issue for the DUP; but now it is talking about changing the roles of the First Minister and Deputy First Minister. That would be very serious.

Mr P Robinson: I think that there has been a misunderstanding. I will be frank: if I must choose who I would be in Government with, I would not choose Sinn Féin. If such a proposal were a matter of choice, I would not propose a Sinn Féin First Minister or Deputy First Minister. That is why a mandatory system is preferable; it indicates that there is no choice in the matter, and sets down a mandatory mechanism whereby those posts are filled. It is as simple as that.

The role of the office of the First Minister and the Deputy First Minister is defined by existing legislation, which allows the First Minister and the Deputy First Minister to designate particular functions to Ministers, including themselves.

Mr Murphy indicated that one of the difficulties with the Government’s December 2004 proposals was that the DUP was talking to the Government, Sinn Féin was talking to the Government, and the Government have an agenda of their own. Therefore, not every

nuance of what the DUP said may have been passed on to others, and vice versa. I have no doubt that that was the case, because I have heard things said publicly since 2004, which Sinn Féin indicated that it made it very clear during the negotiations. Those points were never put to us; in fact, quite the opposite was clearly put to us during those negotiations.

I can tell members that throughout those negotiations in the autumn of 2004, we made it very clear that there should be changes to the Office of the First Minister and the Deputy First Minister (OFMDFM). We made it clear that there was a lot of duplication in that Department, and that it was doing work that was being done by other Departments. We made it clear that OFMDFM was tying up staff and causing conflicts with officials and we sought changes to that.

Those changes were catered for in paragraph 10 of the proposed comprehensive agreement, under which a reallocation of functions would be available to OFMDFM. Also, under section 17 of the Northern Ireland Act 1998, the First Minister and the Deputy First Minister could determine that one or other of them take responsibility for particular aspects of work. All of that is provided for in existing legislation. It could have been done anyway. That would not mean a change in the role of OFMDFM; it is using the powers that presently exist in legislation to ensure that the Department operates and functions more beneficially.

The First Minister and the Deputy First Minister chanting the same words together does not represent the best use of their talents, quite frankly. It is far better to have agreement on the areas where agreement is necessary, and to carry out the administrative and other work in a separate way. That is the best way to deal with OFMDFM.

Dr Farren: Given what Gregory said earlier about all of the conditions being established whereby we could restore the institutions, he and his community would find it difficult to understand why restoration did not take place due to a failure to agree on the manner in which the First Minister and the Deputy First Minister are put into office. If, in those circumstances, we are talking about the nomination of two people to office, I would find it very difficult to understand any serious objection within the nationalist and unionist communities to the nomination and endorsement of the First Minister and the Deputy First Minister by the Assembly in the manner laid down in the Good Friday Agreement. A new era, in the full sense of those words, would not have dawned, but that would be one means of showing that we were beginning a new journey together, with all of the difficulties that will lie in our way.

Mr P Robinson: How do you then hold on to the view that you would somehow be disenfranchised if

there were a mechanism that required the whole of the Executive to be voted for?

1.30 pm

Dr Farren: That is because of the significance of the joint nature of the office. I stressed that point last week when we discussed the matter. The office of First Minister and Deputy First Minister is significant because it is — in a general sense — representative of the Assembly and Northern Ireland when we must be represented in some form, particularly outside Northern Ireland. Therefore, there is significance in that joint office that does not apply to any of the other ministerial offices. That significance calls for the office to be treated in a somewhat different way.

Therefore, the greater concern is with respect to having a First Minister and a Deputy First Minister at all, in the sense that the Good Friday Agreement sets out the nature of their responsibilities. That is regardless of the way in which they would be nominated and elected, which is what lies at the heart of the DUP's concerns.

I must reiterate the point that Michael McGimpsey made earlier. The office of First Minister and Deputy First Minister did not fail. It had some significant difficulties; there were blow-ups; and there were problems associated with the duties that they had to discharge jointly. However, despite those difficulties, business was done, agendas were agreed for business, and they did jointly represent the Assembly and Northern Ireland on many occasions. That could be said to have characterised the First Minister and Deputy First Minister when they were David Trimble and Seamus Mallon and, later, when they were David Trimble and Mark Durkan. That office was not a failure in the manner in which the DUP want to characterise it.

Anyone who believes that we will suddenly enter a new dawn or a new era the day after a new Executive is in place is not living in the real world, regardless of whatever means we finally agree to put the Executive place, whether those are the existing means or whether we change them — and I am not endorsing change. We must work our way through the difficulties that exist, and we can do that jointly.

Mr P Robinson: That is a good reason why we should not face that obstacle on the first day.

We really have reached the absurd when the argument for having a joint election is because the First Minister and Deputy First Minister will be going overseas, and that gives the right message. Does anybody really —

Dr Farren: Do not exaggerate what I said, Peter. I made that point among many others.

Mr P Robinson: The Hansard report will show exactly what you said.

Dr Farren: Yes; I made that point, but that is not the only point that I made.

Mr P Robinson: I am addressing that point to show how absurd it is. Does anyone believe that in the United States or in Africa — or anywhere else in the world — when the First Minister and Deputy First Minister arrive off the plane, the first words that every citizen will utter are, “You know they were elected on a joint ticket in the Northern Ireland Assembly”. Frankly, I do not think that that will be uppermost in their minds. The factor that will make any difference is that they hold office, not how they were elected to that office.

Mr Murphy: I wish to make a brief point in relation to the discussion about paragraph 10 of annex B of the December 2004 proposals. There is a clear distinction between the joint operation of the office of First Minister and Deputy First Minister and any decision on the functions of the Department. There was a broad concern in the last Assembly that OFMDFM had a tendency to Hoover up any new issues that arose or any new areas of responsibility. There is a distinct difference between operating at a joint level, and deciding that some of the functions within OFMDFM would be better exercised by or farmed out to another Department. There is a marked difference between those two matters.

Mrs Long: There are two separate questions to consider. First, how are the First Minister and the Deputy First Minister elected to their office? Secondly, do they share joint office? Those two matters can be separated. It is possible, for example, not to specifically endorse the First Minister and the Deputy First Minister, separately from the rest of the Executive, yet at the same time to maintain the joint nature of the Office of the First Minister and the Deputy First Minister. That would be our plan B.

Plan A would be that the First Minister and the Deputy First Minister be endorsed, followed by the rest of the Executive, by a vote of the Assembly. However, if that is not to be, at the very least the entire Executive, including the First Minister and the Deputy First Minister, should be endorsed by the Assembly, but their office should be joint. That is our position.

There has been talk of the failure of OFMDFM. Let us put it this way: OFMDFM had failings — if that is a more acceptable way of describing it. One of the major failings from our perspective was OFMDFM’s inability to drive forward the agenda of ‘A Shared Future: Policy and Strategic Framework for Good Relations in Northern Ireland’ until direct rule was reintroduced and made it happen. That does not necessarily mean that the concept of joint working is a failure. It simply

means that we need to look closely at how we get to the point where that joint working can happen.

We definitely wish to see the office remain a joint one, but we believe that there is room for discussion. I note that, last week, Peter Robinson specifically mentioned the Assembly’s acceptance, through a vote, of the entire Executive, including OFMDFM.

Mr P Robinson: I said that today as well.

Mrs Long: I was out of the room, so perhaps I missed it today, but that was specifically mentioned. My party would much prefer a situation in which the entire Executive is endorsed by the Assembly. To do so would suggest a greater degree of collectivity within the Executive than there was during the previous Assembly mandate. That can only be a good thing. Decoupling the two votes for the First Minister and the Deputy First Minister is less important than recognising that the entire Executive acts with a collective function. However, we do not believe that those roles should be decoupled. I want to put that on record.

Mr P Robinson: I would make only one distinction. The vote that we would seek is such that A,B,C,D,E and F, etc, be the Executive. Anything other than that leads to people’s picking and choosing, and then we will be into amendments to the effect that such-and-such a person do not be the Minister for the Department of the Environment, and someone else should be. We would be in a real mess if that happens, because it goes against the nominating-officer principle.

The Chairman (Mr Molloy): OK. We have probably taken this topic as far as we can. Does anyone have a proposal in relation to the nomination of the First Minister and the Deputy First Minister?

Mr P Robinson: You know that there are none that will get consensus, one way or the other.

The Chairman (Mr Molloy): OK.

Mr P Robinson: Shall we put that issue in the car park?

Mr Murphy: It will have to be a multi-storey.

The Chairman (Mr Molloy): Perhaps underground, even.

The matters of the appointment of Ministers and the powers vested in them are linked.

Mr McFarland: We discussed that matter at length last week. To follow Peter Robinson’s point, there is an issue about interfering with the current system by which nominating officers from each party employ the d’Hondt formula internally. Is the Assembly capable of gainsaying the nominating officer of a particular party if Members do not like his or her choice of Minister? What are the outworkings of interfering with the determination that parties, by right, have x number of

Ministers in a particular order that we simply run through?

We could, technically, take a vote at the end. However, the logic of taking a vote is that we are able to change something — otherwise there is not much point. We would then be gainsaying the nominating officer of the party, and the question becomes: “Will the party change its mind when a percentage of the Assembly objects to person A being nominated from a particular party?” That would put us in another ball game of amendments and interference, and comments such as, “I don’t like him or her”, etc. That will make a mess of everything.

Mrs Long: When we discussed the issue last week, I said that the Alliance Party was not of the view that Members would try to undermine confidence in particular Members. However, that would certainly be possible, if it were the wish of the Assembly. Given that the four largest parties will be in the Executive, it shall be within their remits to control their members so that that does not happen on the Floor of the Assembly.

The point of the vote is to enhance the degree of collective responsibility. At this stage, the vote may simply be a recognition that those Members with whom another Member enters Government have a right to be there on an equal basis. That was not the case with all Ministers in the last Assembly; some Ministers were not even members of the Executive.

There must be some form of acceptance that, when Members become Ministers, they become members of the Executive and recognise the right of all other parties to be in the Executive on the same basis. The vote allows that to happen.

Ministers can act off their own bats, do all manner of strange things and contrive any degree of disaster. However, if Members have a will to make this work — and we must base this on Members acting in good faith — it will simply be a matter of those parties collectively endorsing the Executive. That would send a clear, important message to the public, and to the other parties, that Members were serious. If Members are not serious, that will become apparent when these types of vexatious proposition begin.

The Chairman (Mr Molloy): The normal procedure will apply, therefore, with nominating officers appointing Members. Mrs Long’s suggestion is that the Assembly endorses the entire Executive at that stage.

Mr McFarland: In the far-famed comprehensive agreement, there was a proposal to do that, except that any party that did not vote for the Executive would be excluded from it for the four-year term of the Assembly. My understanding was that it was not vital for that proposal to be included in any future discussions and that it disappeared off the scene slightly. Is that still the case or does whoever suggested the proposal still intend

that any Member who did not vote for a Minister or for the First Minister and Deputy First Minister will automatically be excluded from the Executive?

Mr P Robinson: If there is a vote, that must be a requirement. It would not be possible to have a Minister in an Executive who is not prepared to vote for the Executive. That would be simply ludicrous.

Mr McFarland: No, but a Member could vote against another Member whom they thought should not be in the Executive.

Mrs Long: That is still ludicrous.

Mr P Robinson: With respect, Alan, you cannot attack the DUP for wanting to change the system because we might not want a certain Member in the Executive and because we believe that a vote should be mandatory and then say that you want to be able to pick and choose at a later stage.

Mr McFarland: I am not saying that; I am merely enquiring. On the one hand, you want to change the vote on the First Minister and Deputy First Minister because you do not want to publicly stick up your hands to vote for Martin McGuinness as Deputy First Minister. On the other, you are happy to have a round-up vote to protect Members from being identified as having objected a particular Member. However, any Member who might wish to abstain, for example, or, indeed, vote against any Minister, will be turfed out of the Executive by law.

Mr Ford: We collectively see this issue as, in effect, the equivalent of the European Parliament endorsing the European Commission. It is not an opportunity for amendment; it is a slate put for endorsement by the legislature as a group. As someone who is unlikely to find himself in that position, I cannot see the circumstances in which a Member would wish to be part of an Executive if they were not prepared to vote for the other members of that Executive.

The Executive is supposed to work together. We have all talked, to a greater or lesser degree, about increasing collectivity and enhancing the operation of the Executive together. To suggest that Members would wish to be part of an Executive when they were not prepared to vote collectively for that Executive suggests that certain Members are trying to maintain the position that one party managed to occupy in the previous mandate of being half in and half out.

Mr McFarland: Why would Members not wish to vote for a Deputy First Minister in a joint office if their party were about to go into the joint office of First Minister and Deputy First Minister? The argument that applies to the thingummy applies to the vote for the First Minister and Deputy First Minister, does it not?

The Chairman (Mr Molloy): To look at it another way, is it a bad thing if there is cover for the collective?

Mr Ford: To an extent, that provides both cover for, and recognition by, all Members — at least all Members who aspire to be in an Executive — of all the other Members who have a right to be in an Executive, according to this system. There appear to be benefits both ways.

1.45 pm

Mr McGimpsey: A key provision of this proposal is exclusion; it is not purely about voting and endorsing. If a Member does not vote in favour of the Executive, that Member is excluded. Sinn Féin agreed to the comprehensive agreement and has spent much of this morning talking about the need for inclusion, that a fundamental principle of the agreement is that no party should be excluded and so on. I was pointing out that there are certain instances in which that need not be the case.

This issue is outlined in paragraph 9 of the Annex B proposals on strand one. Although Conor said that the comprehensive agreement is now off the table, we know that, once something is on the table, it will stay there. This proposal was on the table not so long ago. In agreeing to the comprehensive agreement, Sinn Féin was, in fact, agreeing to exclusion.

If a Minister duly nominated to the Executive through d'Hondt decided that he or she could not endorse all his or her colleagues and voted against the Executive, that Minister, and eventually his party, would be excluded. David Ford strongly argued for that; I find that somewhat surprising.

Why can a nominated Minister not register a protest vote? If there is any point in having a vote, a protest vote should be permitted. However, according to the comprehensive agreement, if a Member exercises the democratic right to register a protest vote, he or she will be excluded from the Executive. This is another exclusion provision. How does Sinn Féin feel about that?

The Chairman (Mr Molloy): I will let Conor reply to that.

Mr Ford: I too wish to reply, as I was specifically named.

Mr Murphy: I have confidence in Sinn Féin's negotiating ability to decide what is on or off the table. Michael seems to think that, when proposals are discussed, they remain on the table for ever. There would be no point in negotiations if we adopted such a defeatist approach.

I have outlined Sinn Féin's position on these proposals on a number of occasions. I will reiterate it: we did not sign up to any comprehensive agreement — there was no comprehensive agreement. Proposals were considered in 2004 in a certain context, which no longer exists. In relation to these specific proposals, I have also said — and the Hansard report can be

checked — that Sinn Féin has no history of practising the politics of exclusion at local government level, or at any other level, unlike all the other parties around the table.

Any proposals that Sinn Féin considered concerned locking Members into a working Executive — they were not about locking Members out. During the last Assembly, the UUP and the SDLP agonised over the DUP's refusal to participate in the Executive, that party playing fast and loose with the Executive while holding ministerial power, and what could be done about it. That was discussed on many occasions, but no action was taken.

Mr Ford: Michael McGimpsey said that I spoke strongly for exclusion. I have been speaking about the Alliance Party's proposals, including those that we suggested at Leeds Castle. I have not been speaking about the proposals in the so-called comprehensive agreement, in which we had no part. However, having read those proposals, I note that they mention excluding individual Members, not parties en masse. Michael is getting worked up about that point.

I repeat my earlier point — and I ask Michael specifically: as someone with ministerial experience, why would he want to be part of an Executive if he did not have confidence in its other members? If we are supposed to be enhancing collective responsibility and improving the workings of the Executive, it seems pointless that a Member would wish to be part of a body if he or she did not have confidence in other members of that body. If that is so, such a Member should simply opt out and let those who are prepared to work together to do so.

Mr P Robinson: Michael will also perhaps reply to this point. I am having difficulty in understanding the principle whereby Members want to vote against another Member being in the Executive because his or her presence is so repugnant that Members need to register their votes against that Member, yet not so repugnant that the same Members would not have that Member as a partner in the Executive. I want to understand that principle.

Mr McGimpsey: I do not wish to reiterate what I have just said, but Members have a vote and they should have the right to exercise it. If Members want to state a point of principle or wish to protest about an individual or a party, they should have the right to do so. Let us suppose that Martin McGuinness or Conor Murphy is proposed as Minister for policing after a deal is done between the DUP and Sinn Féin, and Peter Robinson supported that and was prepared to make a deal. David Ford and Peter are saying that I should be excluded if I wish to protest against that. That is neither fair nor just.

Mr Ford: That is specifically not what I said.

Mr McGimpsey: The Executive is an enforced coalition. Perhaps I should not name you, David, because I do not wish to misquote you, and I apologise if I have. However, in an enforced coalition, one can be in an Executive almost against one's will, because that is the way it is set up. The Executive is not a voluntary coalition. If that is the situation, one should have the right to register one's vote. Policing and justice are clearly part of this issue, and a timetable was laid out for that. If, for example, as part of a deal, we end up with Martin McGuinness as Minister for policing, and I am asked to vote for him, and I say that I am not prepared to do so, I would be excluded from office if I were duly nominated. That is neither fair nor just.

Ms Lewsley: The issue is about setting the precedent of exclusion, and bringing that into any new Assembly. In setting that precedent, we will open the door to the use of that exclusion mechanism in subsequent votes. I can understand the problems about people who were half in and half out of the Executive but who were not excluded from the Assembly. Sinn Féin abstained from voting for a First Minister and a Deputy First Minister at one stage, and it was not excluded from the Assembly.

I understand the ethos of having the endorsement of the whole Assembly, but there is a possibility that one or two people from any party could feel so strongly about the make-up of the Executive that they feel that they should have the right to vote against it, and they should not be excluded for that.

Mr McFarland: The argument begs the question: why would one not wish to vote for colleagues in an Executive of which one was part? Why would one not wish to vote for a Deputy First Minister with whom one was going to be joined at the hip in running a country for four years? The DUP argument is that it does not wish to vote for a Deputy First Minister, therefore we should have a split of the OFMDFM vote. There is no point in the DUP's asking why one would not want to vote for that if they are proposing a separate vote, because they do not want to have to vote for a Deputy First Minister.

Mr P Robinson: I got lost in that argument. The position is as I have explained it. If there is a vote, then I vote according to what I want the outcome to be. I would not vote for a Sinn Féin First Minister or a Sinn Féin Deputy First Minister because that is not what I would choose if I had a free choice in the matter. If we are setting up a mandatory system, I do not have any choice in that matter, and a mechanism determines who will take office. I am quite happy that we remove voting from that process in its entirety. Therefore the exclusion mechanism would be removed, there would be no requirement to vote for the Ministers, and there would be no requirement to vote for a First Minister and a Deputy First Minister.

The Chairman (Mr Molloy): The proposal is that we have no vote at all; that we simply nominate the Executive, the First Minister and the Deputy First Minister.

Mr McFarland: There is no vote for the Ministers at the moment anyway, so the proposal is that we do not have a vote at all for OFMDFM. Is that right? Each party would nominate —

Mr Campbell: The nominating officer would nominate.

Mr McFarland: The nominating officer would nominate. Was it the original DUP proposal that we elect the First Minister and the Deputy First Minister separately?

Mr P Robinson: The original DUP proposal was that the nominating officer of the largest party and the largest designation nominates the First Minister. The nominating officer of the second-largest party and the second-largest designation then nominates the Deputy First Minister.

Mr McFarland: My understanding of the original system was that the nominating officer of the largest party nominates the First Minister, the largest party in the other tradition nominates the Deputy First Minister, and they go forward as a joint nomination. It is a new proposal that those two go forward as a joint nomination without any vote.

Mrs Long: There are a couple of issues to address. First, if the DUP is saying that it does not particularly wish to have any vote, the inconsistency that Alan was trying to highlight has now been made clear.

We have been consistent on that point: we wish to have a vote on the First Minister and the Deputy First Minister and on the entire Executive.

Michael referred to Ministers being in the Executive against their will. Let us be clear: the system is mandatory only inasmuch as the way in which the Executive is formed is mandated. People are not obliged to take their posts. If they feel strongly that others are not suitable partners in the Executive, they have the choice not to nominate Ministers. People cannot be in the Executive against their will. This nonsense about people being forced into the Executive with no choice in the matter pervaded the last Assembly. The nominating officers make the choices on behalf of the parties and put people's names forward. I assume that in democratic parties people have to agree to be nominated for those posts. It is mandatory only in the sense that I referred to earlier. People are not made to take up posts against their will. Perhaps the vote would belie the nonsense that they are made to do so.

Mr P Robinson: That is not quite accurate. Sinn Féin and the DUP have to be represented in the

Executive. If they were in opposition they could stop everything.

Mr Long: The votes certainly suggest that for the First Minister and the Deputy First Minister, but not for the nominations of the Executive Ministers.

Mr P Robinson: But if they are not in the Executive, they have a veto. If any opposition had that, it would grind the thing to a halt.

Mrs Long: Which they are exercising at the moment.

Mr Ford: Surely, on a mathematical point, unless both of those parties were in opposition and attempting to exercise a veto, they would not be able to since the 60:40:40 voting rule would carry everything except when electing the First Minister and the Deputy First Minister.

Mr P Robinson: Which would bring everything to a halt — you would never get moving.

Mr Ford: You refer to a veto over everything. It does not —

Mr P Robinson: It does. Nothing would move.

Mr McFarland: If you cannot get past first base —

The Chairman (Mr Molloy): Can we draw this to a conclusion? The Committee Clerk will read the suggested proposal.

The Committee Clerk: It is proposed that the positions of First Minister and Deputy First Minister be filled by asking the nominating officer of the largest party of the largest designation and the nominating officer of the largest party of the second largest designation to identify their nominees for First Minister and Deputy First Minister respectively.

Mr McFarland: As in the comprehensive agreement?

Mr P Robinson: No. The comprehensive agreement goes on to have a vote.

The Chairman (Mr Molloy): There is no vote and no exclusion. It is a nomination.

Do we have consensus on that proposal?

Mr Ford: The proposal does not appear to do anything to enhance collectivity in the Executive, and therefore we oppose it.

Mr P Robinson: Nor does it do anything to harm it.

Mr Ford: We seek to enhance it.

Mr P Robinson: It does not enhance it by any other mechanism either.

The Chairman (Mr Molloy): We are looking at how to appoint people. Regardless of the enhancement issue, the question is how we get an Executive up and running.

Mrs Long: Are we saying that that is the mechanism by which people's names are put forward? That is the way it is currently done. The issue is what happens after that. At the moment, there is a vote.

Mr P Robinson: Names are put forward by somebody proposing both people.

Mrs Long: We are talking about people putting forward one and then the other. Are we then going to look at how those two are confirmed in post?

2.00 pm

The Chairman (Mr Molloy): Their endorsement is another issue. This refers to the appointment of the First Minister and the Deputy First Minister and to the appointment of Ministers. Do we have consensus?

Members indicated dissent.

The Chairman (Mr Molloy): If there are no other proposals, let us move on.

I suggest that we leave discussing appointment to outside bodies until last and deal next with collective responsibility and decision-taking within the Executive.

Mr Murphy: What are we on to next?

The Chairman (Mr Molloy): The two items are collective responsibility and decision-taking within the Executive. If members are happy, we will leave appointments to outside bodies to a later date.

Mr McFarland: What was appointment to outside bodies about? Refresh my memory. Was it about the North/South Ministerial Council (NSMC)?

The Chairman (Mr Molloy): I am not au fait with that topic.

Mr P Robinson: Was it the Civic Forum?

Dr Farren: No, it had to do with appointments to outside bodies above a certain level. If my memory serves me correctly, those appointments were not brought to the Executive. They might have been reported to the Executive but they were not brought to the Executive for any level of collective agreement or endorsement.

Mr P Robinson: If you accepted the comprehensive agreement proposals, Ministers would be able to ensure that they were brought to the Executive.

Mr McFarland: Who are we talking about, as a matter of interest?

The Chairman (Mr Molloy): Perhaps we should discuss this now instead of skipping it.

Mr McFarland: It may not be an issue, in which case we can agree to park it.

The Chairman (Mr Molloy): The DUP raised it originally so perhaps Peter can clarify matters.

Mr P Robinson: I cannot remember what it was.

Mr McFarland: It is not clear about whom we are talking.

The Chairman (Mr Molloy): Hansard will have a record of it.

Mr McFarland: It could be appointments to cross-border bodies, or whatever, in which case —

Dr Farren: It is generally understood that nominations to public bodies at a certain level might need to be brought to the Executive's attention.

Mr McFarland: OFMDFM decided quite a lot on its own the first time around, so what you are saying is that now, instead of residing with OFMDFM, those matters should go to the Executive for confirmation. Is that correct?

Mr Murphy: There is a general question mark over how that matter was handled by OFMDFM and about the degree of transparency and accountability that existed.

Dr Farren: It could apply to all Departments; every Minister makes appointments. It is a question of whether some, but not all, of those appointments at whatever level should be notified to the Executive and discussed and endorsed by them. It is a matter of principle. We cannot possibly go through this in any degree of specificity, but we could say that, in principle, to demonstrate the transparency of such public appointments, it might be necessary to bring appointments to the notice of the Executive for endorsement.

Mr McFarland: For the sake of transparency and accountability it would make sense to do that.

The Chairman (Mr Molloy): Do we have a proposal?

Dr Farren: We could agree in principle that public appointments should be endorsed by the Executive but note that we have yet to establish at what level that would be required.

The Chairman (Mr Molloy): Do we have consensus on that?

Members indicated assent.

The Chairman (Mr Molloy): We now move to collective responsibility and decision-taking within the Executive. We have dealt with some of this already. We are probably repeating ourselves to some extent, but we need to make some decisions.

Dr Farren: I hope I can assume that there has been a general acknowledgement of the need to enhance collective decision-making within the Executive. From time to time, many, if not all, of my fellow Ministers and I would bring proposals to the Executive, only to find that colleagues had not informed their party Members about the proposals in sufficient detail to create the general understanding that would have assisted their endorsement in the Assembly. At times

the Executive, if not working against themselves, were certainly not working for themselves 100%.

Some of the necessary measures are straightforward and obvious, such as subcommittees being established within the Executive. At the lower level of suggestions to consider are: putting the ministerial code into legislation, a stronger endorsement of the Programme for Government by all Ministers, and perhaps changes to the protocols whereby Ministers address Executive business with Committees.

Another suggestion is to introduce a code of ethics to the Civil Service that would give it, specifically permanent secretaries, the right to notify the Executive, and the First Minister and the Deputy First Minister in particular, whether Ministers were in breach of Executive decisions or the Pledge of Office.

We need to consider a range of issues, some of which are of greater and some of lesser significance. The SDLP has a brief paper that it can circulate — if members so wish — that contains a number of suggestions. However, some general discussion on matters related to collective responsibility would be useful.

Mr Ford: The fundamental question is whether we are talking about power division between Ministers who operate in Departments as though they were individual fiefdoms, or power sharing at the highest level. It seems logical to the Alliance Party that parties would have an interest in more than just the Departments that they control. If there were greater collectivity in the Executive when discussing the full range of subjects, any power that parties might lose in their own Departments would be gained from having a greater say overall.

Seán spoke from ministerial experience. I noted of his point on Executive subcommittees, and I would like to tease that out a bit further. How the Executive achieves wider collectivity on several key issues is crucial. The Alliance Party has highlighted that in relation to justice. A justice Department simply could not function without collectivity within the Executive. That must be covered by the ministerial code and by agreement on the advanced circulation of papers. Perhaps Executive subcommittees may enable wider discussion of issues before they are announced.

The Alliance Party also referred to the Executive having some method for challenging ministerial decisions. Perhaps three members of the Executive should be able to request from the First Minister and the Deputy First Minister the right to call in a decision of a Minister for full Executive discussion. There is a range of issues but, fundamentally, business must be done notwithstanding the formal constitutional proprieties that mean that Departments have certain responsibilities.

If collectivity is to be enhanced and if the community is to be brought together on issues, there must be a wide-ranging discussion throughout the Executive. Discussion should not be confined to a single Department when key decisions are being taken.

Mr P Robinson: Some of David's remarks are consistent with the Government's proposals for a comprehensive agreement.

If the basis of collective decision-making is to emerge from a ministerial code — which requires Ministers to inform colleagues about decisions and seek approval in certain circumstances — then such a code must have a statutory footing.

Any sensible Minister who requires funding or legislation will wish to bring his Executive and Committee colleagues along with him. It makes sense for a Minister who wants to get his proposal through to seek collectivity in the decision-making process.

As for accountability, there is a need for mechanisms to ensure that a Minister does not attempt a home run and simply leave everybody else behind, uninformed. Such mechanisms should require a Minister to inform his colleagues about major decisions and seek Executive approval for proposals. The mechanism for three Ministers to require a cross-community vote under the present size of the Executive seems sensible. However, if the Executive were reduced to seven Ministers, that figure might well be reviewed.

Mr Murphy: Sinn Féin is quite happy to look at proposals for enhancing accountability and collective responsibility. I referred previously to an incident when one Minister's Executive proposals were voted down in the Assembly by at least two other Ministers, along with their party. That undermined the work of the Executive. We see the way forward through having a ministerial code and putting it on a legislative basis — and I think that there would be scope for agreement among most of the parties. Enhanced accountability could not be viewed as a bad thing. However, there must be a balance between Executive authority and a veto. We would be quite happy to consider enhancing collective responsibility through the use of a ministerial code.

Mr McFarland: This proposal was fairly well developed before the last Assembly broke up. It is not new, and we would support any ministerial code that would increase accountability.

The Committee Clerk: It has been mentioned that the ministerial code be put on a statutory footing; that colleagues should inform each other about major decisions; and that there should be a call-in for controversial decisions. Is that one proposal or three separate proposals?

Mr P Robinson: I might get support for one and not another, so it is probably better to frame them as several proposals.

The Chairman (Mr Molloy): Are there any other proposals?

Mr Murphy: It might collectivise matters to agree to the deployment of the use of a ministerial code to enhance accountability within the Executive.

The Chairman (Mr Molloy): Does that tie a couple of the proposals together?

Mr P Robinson: One could have a ministerial code without it being on a statutory basis. No sanctions can be applied if the code is not on a statutory basis — it would just be bad politics if it were broken. However, it would be illegal to break the code if it were on a statutory basis.

The Chairman (Mr Molloy): Would the Clerk please read out the proposals?

The Committee Clerk: The proposal is that the ministerial code be put on a statutory footing.

The Chairman (Mr Molloy): Do we have consensus?

Mr Murphy: The word "agreed" should be included because some work needs to be done on the code.

The Chairman (Mr Molloy): Do we have consensus on the proposal that an agreed ministerial code be put on a statutory footing?

Dr Farren: Is a draft already in existence?

Mr P Robinson: Nobody saw it, other than those on the Executive.

Dr Farren: Sorry?

Mr P Robinson: Nobody saw the draft; it did not go to the Assembly; it was not issued.

Dr Farren: That may have been because of suspension.

The Chairman (Mr Molloy): Therefore that draft would be available as one of the options.

Dr Farren: Whatever happened, the draft exists, and it might be a useful starting point.

The Chairman (Mr Molloy): Do we have consensus along the lines —

Mr P Robinson: Not all Ministers were given a copy.

Dr Farren: If you had attended meetings, you might have been given it.

Mr P Robinson: Do Ministers have to attend meetings to be given copies of ministerial codes?

The Chairman (Mr Molloy): You were going well there for a minute or two, boys. *[Laughter.]*

2.15 pm

Mr Campbell: We must be clear about collectivity. In the past, there were a couple of references to it when the parties and Ministers voted in one way or another. This discussion, I presume, is in the context of the main parties, and possibly even all the parties, endorsing a process that the Assembly would subsequently endorse.

I know that Seán's reference was an aside, but it would not be a re-run of 1998, when a significant section of one community did not endorse the process. It would not result in a sizeable section of a community refusing to endorse a process. Therefore there would be no objections, and Ministers would not vote in a certain way because their communities had not endorsed the process. On this occasion, both communities would endorse it.

Dr Farren: It is always dangerous to make a statement of fact.

I was just drawing attention to the fact that a draft ministerial code existed. The intention was that it would become law and would, therefore, have been available to all parties in the Assembly.

The Chairman (Mr Molloy): Perhaps Mrs Dunwoody should read the proposal again.

The Committee Clerk: That an agreed ministerial code be put on a statutory footing.

The Chairman (Mr Molloy): Do we have consensus on that?

Members indicated assent.

The Chairman (Mr Molloy): Sign it off quickly, Mrs Dunwoody.

The next proposal is that a mechanism be established to ensure that colleagues inform each other of major decisions.

Mr P Robinson: Are we not agreed on the general principle that we should use the proposed ministerial code to increase collectivity?

The Chairman (Mr Molloy): Yes, and that proposal covers the need for a mechanism to ensure that colleagues inform each other of major decisions.

Mr McFarland: Have we dealt with the Pledge of Office?

Mr P Robinson: We have not reached it yet.

The Chairman (Mr Molloy): Are members agreed on that proposal? Is there consensus on the need for collective responsibility?

Members indicated assent.

Dr Farren: I take it that that assumes that all the other operational issues that it would be associated with have —

Mr P Robinson: That assumes that you agreed to the comprehensive agreement proposals. *[Laughter.]*

Dr Farren: Do not put words in my mouth. *[Laughter.]*

The Chairman (Mr Molloy): The next issues are the Office of the First Minister and the Deputy First Minister's referral to the Executive, the ministerial code, the ministerial code of conduct, and the Pledge of Office.

Mr Ford: Mr Chairman, you did not take any further discussion on my point about Ministers having the power to call in decisions from other Ministers. The DUP referred to it, but other parties have not commented.

The Chairman (Mr Molloy): Do members have any comments to make?

Dr Farren: Would that be dealt with during discussions on the ministerial code?

Mr Ford: If members treat the issue as part of the ministerial-code discussion, that is fair enough.

The Chairman (Mr Molloy): The next item deals with the Office of the First Minister and the Deputy First Minister's referral to the Executive, the ministerial code, the ministerial code of conduct and the Pledge of Office. The requirements for Ministers to attend Executive meetings come under that issue also.

Does the DUP want to open the discussion?

Mr Campbell: We are far too open, that is the problem.

Mr P Robinson: Alan is champing at the bit to get going.

Mr McFarland: I want to discuss the Pledge of Office. It is quite confusing. Paragraph 7 of the Annex B proposals on strand one of the 'Proposals by the British and Irish Governments for a Comprehensive Agreement' says that:

"Reflecting the Pledge of Office, the 1998 Act would be amended to require a Minister to act in accordance with any relevant decisions of the Executive".

That is fairly logical; it refers to the Programme for Government. However, it goes on to say:

"and/or Assembly."

I am worried about the reference to the Assembly because, on occasion MLAs have tabled motions that have been supported in an Assembly vote, and that, under other circumstances, would have required a Minister to act on them.

As members know, some of those votes took place at 4.30 pm, with the bare quorum in the Assembly. I just wonder if the intention was to say that a Minister would be required to act on any relevant decisions of the Assembly. Of course, the first Assembly took a whole swathe of decisions that did not meet ministerial or Executive requirements. If that were included as a requirement, it would open a whole area away from Government, the Programme for Government, and the Executive.

Mr P Robinson: Democracy is an awkward thing, is it not, that the Assembly would have the audacity to take a decision and expect a Minister to act in accordance? It does not stretch the principles of democracy too much for Ministers to abide by a democratic decision of the Assembly. A Minister who knows that a motion relevant to his or her Department is to be debated in the Assembly will have a responsibility to ensure that the whipping arrangements are such that the Assembly does not take a decision that the Minister — if not the Assembly — might later regret.

Mr Campbell: If the Assembly voted to cut a motion that a relevant Minister was seeking to table, the Assembly's decision would be a considerable restraining influence on that Minister's resubmission of that motion. The Minister would know that the Assembly's decision would have to be considered in resubmitting any motion or amendment.

Mr McFarland: We had a lengthy discussion on referrals to the Assembly, cross-community votes and the fact that a motion would simply be sent back to the Executive. This proposal does not suggest that; rather, it suggests that a motion be sent back to the Executive, which is required by law to carry out the instructions of the Assembly. The proposal seems to subsume the process of firing a motion back for reconsideration, on which we spent over an hour's discussion this morning.

Mr P Robinson: A section in the Northern Ireland Act 1998 exercises that precise power on a North/South basis. Can you remind me of it, Seán? The proposal replicates in Northern Ireland what Ministers are required to do on a North/South basis.

Dr Farren: In the Act?

Mr Campbell: In the 1998 Act.

Mr P Robinson: Mark Durkan used to quote the section to me regularly. I cannot remember the exact section, although I remember his regularity in quoting it. *[Laughter.]*

Mr Murphy: The authors of the comprehensive agreement would need to be spoken to, but the key word in paragraph 7 of annex B on strand one matters is "relevant". A range of decisions is specified. Further work on the ministerial code might make it clearer

what specific types of decision require Assembly approval. It must be made part of the pledge of office that Ministers abide by decisions of the Assembly. In relation to which decisions require Assembly approval and which do not, the key word is "relevant".

Mr Ford: Further to Conor's point, surely to "act in accordance with" does not mean to follow slavishly? It means to take note of issues things such as financial resources as well.

Mr P Robinson: In relation to participation on the North/South Ministerial Council, British-Irish Council, British-Irish Intergovernmental Conference and so on, section 52(3) of the Northern Ireland Act 1998 states that a:

"Minister... shall act in accordance with any decisions of the Assembly or the Executive Committee".

If Ministers are expected to act in accordance with decisions of the Assembly in a North/South format, it does not seem unreasonable that Ministers should do so in our own Assembly.

Dr Farren: What happens if an Assembly decision cannot be complied with for budgetary reasons?

Mr Ford: That is where the term "act in accordance with" would take account of realities such as budgetary limitations, equality legislation or any number of other factors.

Dr Farren: Had they attempted to do so, Ministers would have been unable to implement many motions that were passed by the Assembly, as there would not have been the resources to do so.

Mr P Robinson: That is why motions should not be passed in such terms. It is for a proper functioning Executive to ensure that decisions of the Assembly take account of financial restraints.

Dr Farren: Of course, but you and I know that the Assembly is not often minded to do that.

Mr Campbell: A variation on that occurred when we dealt with free personal care in the previous Assembly. There was pretty strong cross-party support on what should be done, but most of us knew that there were financial constraints. While Members voted along the lines of what they wanted to see, they also were reminded very strongly by the relevant Ministers about the practicalities of passing that legislation.

Mr McFarland: It is important that we are clear on the meaning of any proposal; that it is in accordance with the decisions of the Assembly and the Executive; and that it is flexible. It would not do to state in law that Ministers had no option, as you would end up with all sorts of hassle.

The Chairman (Mr Molloy): OK. Do members wish to further tie down the ministerial code?

Mr Murphy: We have already discussed that matter, which comes under the previous heading. Unless there are other issues, there was a view that we needed to agree a ministerial code and put it on a statutory footing.

The Chairman (Mr Molloy): So it is about taking the matter forward and agreeing on it.

Mr P Robinson: Must the ministerial code be approved by the Assembly?

Mr McFarland: It must be legislated for, so yes, it must be approved.

Mr P Robinson: Whose legislation? Will the code be set up before or after the Assembly is running?

Dr Farren: It was intended to be the Northern Ireland Assembly.

Mr Murphy: I am trying to remember the discussions of the autumn of 1998. According to annex B of the 2004 proposals, the 1998 Act must be amended to put the ministerial code on a statutory footing, so it would not be a matter for Assembly legislation. However, I assume that if all of the parties that intend to be in the Executive agree to the code, it would pass any vote in the Assembly — if one were required.

Mr P Robinson: I asked the second question because, going back to 2004, the issues in the ministerial code were so central to what was required by the DUP, that we would not have assented to the setting up of an Executive until those issues had been resolved. If that had been left to the Assembly, we could not have had the legislation until the Assembly and the Executive were up and running.

Mr McFarland: We talked about an agreed position so, if a proposal could be developed and circulated for agreement among the parties, we would be backing what Peter wants. The Government may well wish to amend the 1998 Act so that a code is in place before an Executive is set up. That would make a degree of sense.

Mr P Robinson: There would have to be an agreed ministerial code anyway. There would not be an agreement otherwise.

The Chairman (Mr Molloy): How are members proposing to tie down that matter? Who are we asking to put that together?

Mr P Robinson: That would have to go before all of the parties.

Dr Farren: That is why I referred to a draft. We could look at that draft, provided that it is not beyond amending.

Mr P Robinson: The Government may wish to consult parties on the terms of a ministerial code.

The Chairman (Mr Molloy): Shall we ask the Secretary of State for a copy of whatever is available at present?

Mr P Robinson: Yes, with a view to reaching an agreed position among the parties that can be put in legislation.

The Chairman (Mr Molloy): Is that agreed?

Members indicated assent.

The Chairman (Mr Molloy): We now turn to the code of conduct.

Mr McFarland: Is that the same as the ministerial code? Has someone got confused, or are we talking about the behaviour of individuals?

Mr P Robinson: That is a separate matter.

Mr McFarland: Is it the individual's code of conduct?

Mr P Robinson: No.

The Chairman (Mr Molloy): Are we happy with what we have at present?

Mr P Robinson: I assume that that code of conduct for Ministers included all of those aspects. Did it?

Dr Farren: All of the —

Mr P Robinson: The code of conduct that was in annex A to strand one of the Belfast Agreement?

Dr Farren: Yes.

2.30 pm

Mr P Robinson: That is duplication, to some extent. That code of conduct is replicated in schedule 4 of the Northern Ireland Act 1998, so, unlike the ministerial code, this has a statutory basis. Therefore we are asking the Secretary of State to give the ministerial code a statutory basis as well.

The Chairman (Mr Molloy): Are we agreed on that?

Members indicated assent.

Mr P Robinson: We are changing the heading "Code of Conduct" to "Ministerial Code of Conduct" and making the latter more detailed.

The Chairman (Mr Molloy): Mr McFarland, do you wish to comment on the Pledge of Office?

Mr McFarland: No, my query has been answered.

Mr P Robinson: The ministerial code of conduct could be a lengthy document that would add to legislation, and you may want to legislate for key elements of it. The leaked copy of your draft proposals for a ministerial code that came my way —

[Laughter.]

Mr Murphy: That must have been that spy ring at Stormont.

Mr P Robinson: It was a thick document — you would need a major drafting process to put that into legislation. There may be key elements on authority, just as in the Local Government Act (Northern Ireland) 1972, which sets out key standing orders, but allows each council to add its own.

Dr Farren: The draft proposals contain the main issues, and then there would be Standing Orders and the normal operational matters.

The Chairman (Mr Molloy): I am sure that the Secretary of State also has a copy of that.

Does the SDLP have any other issues about the Pledge of Office?

Dr Farren: You have caught me unawares.

The Chairman (Mr Molloy): I apologise.

The other issue that we need to deal with is the requirement on Ministers to attend Executive meetings. Again, that could come under the heading “Ministerial Code of Conduct”.

Mr Ford: With regard to the Pledge of Office, there must be a requirement in that to support the rule of law.

Mr McFarland: Absolutely.

Mr Murphy: I would not consent to change the Pledge of Office yet. Support for rule of law is a broad topic. I presume that, when we get to the stage of forming an Executive, outstanding issues in relation to policing matters will have been resolved — perhaps, we could reconsider it then. However, where outstanding policing and justice matters have not been resolved, I reserve the right to refuse consent to that.

Mrs Long: The rule of law is much broader than simply accepting the structures for policing. That may be part of it, and signing up to those structures may be part of it, but the rule of law is about something more fundamental than simply accepting policing arrangements. It is important, not only for the stability of future institutions, but for the stability of the society in which we live, that there is common understanding of the rule of law and that that is signed up to by everyone in Government.

Mr P Robinson: Does the responsibility of Ministers not go beyond their signing up to support for the rule of law? They must also encourage others to do so.

Mrs Long: Absolutely.

Mr P Robinson: There is overlap here with some of the work of the PFG Committee dealing with law and order issues. We may want to reflect this discussion to it to see if it will make some recommendation to us or vice versa.

Mr McFarland: The Wednesday team has an entire section on this that we have not reached yet. It is a key issue for discussion.

Dr Farren: We could not expect Ministers to do anything other than pledge to uphold the rule of law. The suggestion that they would have to encourage others to do the same is essentially a party matter. The Pledge of Office should simply include that Ministers would uphold the rule of law.

The Chairman (Mr Molloy): Can we take it that this all will become part and parcel of any code of conduct and ministerial code and that it will have to be agreed at a further stage within this discussion?

Mr P Robinson: The issue is whether it is in the Pledge of Office or the ministerial code.

Mr Ford: The Alliance Party sees it as being part of the Pledge of Office although I suspect that the detailed discussion on the code will impinge on the pledge. As long as we are not regarding the issue as closed at this stage then that is fair enough.

The Chairman (Mr Molloy): Do you have a particular proposal? I do not think we will get consensus.

Mr Ford: There appears to be an acceptance that the issue is for discussion as we go into detail on the code.

Mr Murphy: And among the PFG Committee dealing with law and order matters.

The Chairman (Mr Molloy): Is there consensus?

Members indicated assent.

The Chairman (Mr Molloy): As regards the requirement for Ministers to attend Executive meetings, should that matter be slotted in under the heading “Ministerial Code of Conduct”?

Mr P Robinson: Subject to some conditions, I assume. Ministers may not always be able to be at meetings.

Dr Farren: The principle should be that they do attend.

Mr McFarland: Did we cover decision-making within the Executive — presumably that means the system for taking decisions — and the First Minister and Deputy First Minister’s referral of items to the Executive? If not, are we coming back to them?

The Chairman (Mr Molloy): We actually opened with the latter item.

Mr McFarland: What was the Committee’s decision?

Mr P Robinson: We did not decide whether there should be a cross-community vote on the Executive, for instance.

Mr McFarland: I am thinking that we will have the First Minister and Deputy First Minister busy glad-handing the world, running their little Department etc, and chairing the Executive. Presumably, like other Ministers, they will bring departmental issues to the

Executive; or are we talking about a special system for them to refer non-departmental issues?

The Chairperson (Mr Molloy): Basically, the collective responsibility proposals covered that as regards sharing information between Executive members. It would also be part of any ministerial code.

Mr P Robinson: I have no difficulty with how things will get to the Executive. However, how will decisions be taken within the Executive? I assume that Ministers will pass issues up to the First Minister and Deputy First Minister that they need discussed, and presumably the First Minister and Deputy First Minister will put down issues they need discussed. They will set the agenda and therefore they will bring the issues to the Executive meeting.

Mr McFarland: As we have several ex-Ministers here, it might be worth it — for the rest of us who were not privy to the inner council meetings —

Mr P Robinson: You make it sound like UDA meetings.

Mr Murphy: Just slip in there for a minute.

Mr McFarland: It would be useful if we could just have a canter round how the Executive meetings worked for our benefit, what the implications are for a new Executive and whether it would work in the same way.

The Chairman (Mr Molloy): Peter wasn't at the Executive table, so I will move to Seán.

Mr P Robinson: I was not on the inner council either.

Dr Farren: What is the question precisely?

Mr McFarland: Would you remind us how the Executive operated, and whether there are implications for the new Executive? Those of us who were not in the first Executive will be curious about how it operated.

Dr Farren: There are no mysteries about how it operated, if you are talking about how business found its way onto the Executive agenda.

Mr McFarland: Yes, and how decisions were taken, because as I understand it, if there were three members of the Executive there was a veto —

Mr P Robinson: That is what is being suggested by David and myself.

Mr McFarland: Therefore the question is that if there are four other members on the Executive, do they outweigh the veto even though they are from different parties, or is it the three from the single party who hold the veto?

I am curious how all that will work in the new DUP/Sinn Féin Executive. *[Laughter.]*

Dr Farren: It must be remembered that we were not working to any formal set of rules, and as much consensus as possible was sought on particular issues.

On two or three occasions, the Executive voted almost in a straw poll to try to achieve the maximum consensus. There might have been acquiescence from those Ministers who were not strongly in favour of an issue or proposal. For instance, a ratio of 6:2 was enough to suggest that it was better to accept something than to continue opposing it to the point where it became clear that the Executive would have divided on an issue.

Mr P Robinson: In the future, the Executive will probably attempt to achieve consensus in that way 99% of the time, when some Ministers will not feel strongly enough about an issue to divide on it. However, if an issue arises on which the Executive are divided, is a cross-community vote required? Would three members have to trigger a cross-community vote by indicating that they considered an issue so important as to warrant such a vote?

Dr Farren: Those issues were discussed under the "Ministerial Code of Conduct" heading and were not fully resolved.

Mr McGimpsey: The Executive's practice was to operate by seeking consensus. If it came to the crunch and no consensus was achieved, any three Ministers could veto. There were 10 Ministers at the table: the First Minister, the Deputy First Minister and eight Ministers; and any three Ministers could veto a decision by the Executive. That was not laid down in a code; it was the Executive's custom and practice.

A Minister was expected to bring any business to the Executive's agenda, which was agreed by the First Minister and the Deputy First Minister. They decided what was on the agenda and what was not. There was nothing complicated about the process. The First Minister and the Deputy First Minister had the important role of co-ordinating the agenda and Executive Committees.

Mr P Robinson: Sometimes, however, the First Minister and the Deputy First Minister included subjects, rather than proposals, on the agenda. Therefore, they could agree that a certain issue should be on the agenda, but they might not have considered the resolution of that issue. That did not stop a potentially divisive issue being included on the agenda.

Mr McFarland: This type of detail is probably fundamental to the eventual success of the Executive. Is there any merit in establishing a small working party to work with the Secretary of State to identify what should, and should not, be included in any documents relating to the workings of the Executive, and the level of detail required?

It is important that such detail is right at the beginning. If we expect the Government to amend the Act in advance of any deal, it would make sense to do some homework. Whether that is done by the NIO or by the parties, we must get more detail on it. Potentially,

the parties could be doing a deal, only to discover fundamental disagreements about how Executive decisions are taken, weightings and so on. It would be better to do the homework earlier rather than later.

It will obviously be worthwhile to take the Secretary of State's view on this. It may also be worthwhile establishing a working group with the NIO, comprising a member from each party to attempt to agreement on the detail of this issue.

2.45 pm

Mr P Robinson: I suspect that there is more knowledge in this room than in the NIO about what happened in the Executive. There is no major issue about how a matter gets on the agenda — it will simply happen. However, when the matter comes to the Executive and does not get agreement there, the options are: to have a veto system where a certain number can veto an issue; to require cross-community support; to have a regular majority vote, or to have a majority vote on all issues, unless a certain number are required for a cross-community vote.

Dr Farren: There are many informal avenues to be pursued before a decision is made. Matters should be foreseen early enough and issues tested out, and advisers played a role in that. There was a weekly meeting of advisers, which helped to filter some matters in preparation for an Executive meeting, so that things could be agreed in advance, and the meeting did not get clogged up with unnecessary detail.

Major issues will not come up at the last minute — they will come up with a degree of foresight, and, if there are cross-departmental implications, informal discussions must take place between the Ministers involved. Most issues have budgetary implications anyway, so there is a great deal of toing and froing with the Minister of Finance and DFP officials before matters are brought to the Executive.

Some matters will come to Executive meetings even though no agreement has been reached on them. In that case, the mechanisms that we are discussing will be introduced, using a simple majority, a weighted majority, objections by three Ministers, or whatever is the appropriate number. We need to have a mechanism, but matters do not necessarily have to come to that point. A lot of the groundwork can be cleared by good preparatory discussions.

The Chairman (Mr Molloy): Perhaps officials and parties could draw up some ideas on that.

Mr P Robinson: It would be useful if we could find out the extent to which the operation was simply on the basis of custom and practice, the extent to which requirements are set down in legislation and, under “Ministerial Code of Conduct” — albeit a ministerial code that had not been approved by the Assembly —

the extent to which those procedures were set out. If we had that, we could pick the best procedures and decide how to entrench them.

The Chairman (Mr Molloy): We will come back to the Committee on that point. We will deal now with the functions of OFMDFM under the heading “Efficiency/Effectiveness”.

Mr McFarland: Where do we park the subheading “Where power is vested in NI”, because we cantered around that earlier? Peter Robinson wanted to have power devolved to the Assembly. Did we have a discussion on that?

The Committee Clerk: It was discussed this morning, but the Committee did not reach a conclusion on it.

Mr McFarland: I know that it was discussed, but has it been parked? Are we coming back to it, or is it a dead issue?

The Chairman (Mr Molloy): There were no conclusions — there was merely a discussion. It is still in the car park. It is something that the Committee will have to come back to and finalise. The papers are there for members to read. We will put it on a future agenda.

Mr McFarland: Peter Robinson was keen to have power devolved to the Assembly. Is that parked, or are we coming back to it? At what stage are we likely to come back to it?

The Chairman (Mr Molloy): It is up to the Committee to decide what it wants to do with it.

Mr P Robinson: I got the impression that there was no consensus on it.

The Chairman (Mr Molloy): There was no consensus on it.

Mr McFarland: If that is where it is, there is no problem — I was merely inquiring.

Mr Campbell: If there is consensus on it, that will move us on quickly.

Mr McFarland: I was not trying to raise anything; I was simply inquiring about what stage it was at.

Mr P Robinson: We would have preferred there to be power devolved to the Assembly or Executive collectively. If it was not to be so, and it was to remain with Ministers, we would need to have some mechanism in place to ensure that Ministers become accountable to their Executive colleagues and, ultimately, to the Assembly.

The Chairman (Mr Molloy): That takes us back to the code of conduct. All of those issues come under that.

Mr McFarland: That is fine.

The Chairman (Mr Molloy): OK. We will move to the functions of OFMDFM, the number of Departments,

the implications of the Review of Public Administration (RPA) and the devolution of policing and justice.

Mr Murphy: The first matter is straightforward. There was a concern, although perhaps not among all of the parties, about the number of functions that had been absorbed into OFMDFM during the previous Assembly mandate and about the lack of functions in other Departments. Essentially, it is up to the First Minister and the Deputy First Minister — when they are elected — to agree those functions, as well as the number of Departments. If others wish to have a discussion aimed at reaching agreement among all the parties, we are happy to discuss functions. We shall not argue for a reduction in the number of Departments, but we are willing to look at the list of OFMDFM functions to see whether some of them would be better transferred to other Departments.

Mr McFarland: This is a complex issue, and we have had several discussions on it. The difficulty is the number of imponderables, such as the issue of policing and justice. The PFG Committee dealing with law and order, which meets on Wednesdays, has taken a general view that those functions should not be split into two Departments, which obviously makes matters easier in that we would have only one Department to find. We currently have 10 Departments, and if we are going to create a policing and justice Department, logically, something else has to give.

Many of the parties went into the most recent election promising a re-examination of the number of Departments. There was a general view that there were too many, and that they were too costly. The RPA will have implications for areas that will leave Departments to become the responsibility of local councils. That also raises the question of OFMDFM.

We shall probably not reach a complete resolution on this matter, not least because the policing issue is likely to be outstanding for a while before an election or before a Government is set up again. The question is whether this topic is best left to the far-famed efficiency system that we had decided would examine such issues after the Assembly was up and running.

Mr Ford: We can at least agree that there are too many functions within OFMDFM, but I wonder whether a Committee is the right place to start going into detail. We remember some of the discussions in 1999 that led to the setting up of the Departments.

We also all seem to agree in principle on the devolution of justice. As Alan said, it would be preferable to have only one Department. I am not sure, however, that we simply need to free up one of the current Departments. It certainly seems to my party that there are too many Departments, regardless of whether justice is to be devolved. We should be looking at a wholesale review of the number of

Departments at the same time as examining the functions of OFMDFM. In many senses, that would be better done before an Executive were composed.

We may then need to take account of the issue of junior Ministers, which the agreement did not cover. If we found ourselves with only six or seven Departments, it might be that some would be bigger than others and would require a junior as well as a full Executive Minister. That has not been covered insofar as we had only two junior Ministers in OFMDFM. Ideally, that Department would not have hundreds of functions and would be the one least likely to need junior Ministers.

Mr P Robinson: But most likely to get them.

Mr Ford: I could not possibly comment.

Dr Farren: I am sorry; I lost my train of thought for a second. There is consensus on the need to examine the range of functions within OFMDFM, with a view to reducing their number.

Obviously, the devolution of policing and justice will necessitate a reconfiguration of departmental portfolios. I am never completely convinced by the argument that too many Departments — 10, in our case — make for inefficient Government. It is the range of functions and services that absorbs resources, not the top tier of ministerial offices. Having six or 10 Departments does not make a great difference in the amount of required ministerial resources. If we take on board David Ford's argument that we need junior Ministers to take charge of subsections of large Departments, we will end up in a similar situation as already exists with 10 Departments.

One benefit of having 10 Departments was that the spotlight was turned on services that never received the same degree of attention when they were part of much larger Departments. Ministers would answer questions in the Assembly about services that, in the normal course of events, might have got very little attention during Question Time. Also, delegations came along to meet the Minister to address particular issues. If a large range of functions and services were under the control of a Minister, he or she would not have time to meet all of the delegations that might wish to raise particular issues.

There are benefits in having 10 Departments, as opposed to the six or seven that seem to be preferred by those who believe that there is merit in reducing that number. Obviously, the number of departmental portfolios must be put under the spotlight because of the arrival of policing and justice, the need to reconfigure, and the question of OFMDFM's functions. I am not sure that we will be able to do much of that specific work within the context of this Committee. However, that work must be done.

Mr P Robinson: I will cover the two points with which we have been dealing. First, I do not feel that OFMDFM has too much work to do — I do not object to the Department having plenty to do. My problem is when it gets involved in areas that are better placed elsewhere, and that, in some cases, have already been placed with other Departments. I am more concerned about duplication than whether the Department has too much work. Frankly, there is not an awful lot of day-to-day executive decision-making in OFMDFM; it plays much more of a co-ordinating role. That is not to minimise its role, which is very significant. It is all the more significant when one is trying to co-ordinate the efforts of Ministers from a wide range of parties.

Realistically, the number of Departments cannot be changed during the course of an Assembly term. After an election — of which nobody knows the outcome — everyone will start looking at the numbers based on what suits their party at that moment. That must be decided in advance. For example, we could say that, from the next election, there will be X number of Departments.

I do not wish to make too many proposals today that would be consequent on the devolution of policing and justice. That may not be imminent, so I do not think that we should ditch Departments simply to make way for that. We might be waiting a long time for that to happen.

3.00 pm

The Chairman (Mr Molloy): Where do we go from here?

Mr P Robinson: Section 17 of the Northern Ireland Act 1998 provides the First Minister and the Deputy First Minister with a legal responsibility to determine the number of Departments and their functions. I am unsure to what extent that power can be taken from the First Minister and the Deputy First Minister. Although that power will rest with those Ministers, any decision is subject to the will of the Assembly.

We are simply highlighting that the obligation in section 17 will have to be addressed at a very early stage by the First Minister and the Deputy First Minister, to determine the number, and function, of Departments, and bring a report thereon to the Assembly. Furthermore, if the number of Departments is to be changed, we are emphasising that it would be better to do so in advance of an election for what should occur thereafter.

Mr McFarland: That makes sense. In relation to the RPA, there are all manner of implications about what powers rest with what bodies, for what areas councils will assume responsibility and so on. Everything will presumably be clearer if Sinn Féin and the DUP reach the stage of forming an Executive, because several issues that are currently clouded will

be clarified in the process of the two parties forming an Executive.

If Departments are to be merged, it will obviously interfere in people's lives and jobs, with trades unions becoming involved. The Committee will not have that fairly substantial planning process completed by the autumn. However, it would be sensible to try to add some detail to that process between the formation of an Executive and the next election.

Mr Campbell: The RPA will have immediate and obvious implications for two Departments that are already quite closely related. Some people would argue that the functions of those Departments should have remained within a single Department, but I shall set that aside.

There are several quite obvious and significant immediate consequences for a small number of Departments, aside from any political implications or any consideration of a reduction in the number of Departments.

Until the implications of the RPA become absolutely clear, it is difficult, though not impossible, to envisage how many Departments there should be. However, the ramifications of the RPA, and what will inevitably follow from its implementation, should not be avoided, whether they are felt shortly, or some time, thereafter.

Mr P Robinson: That depends, of course, whether an election will be held before or after the implementation of the RPA.

Let us be very clear: significant savings are to be made with a reduced number of Departments. A Department is not simply the Minister — he or she is very small beer. Removing a junior ministerial post, for example, would save around £10,000 — I cannot remember the exact figure. However, removing an entire Department would involve getting rid of the ministerial private office, the senior staff that are involved in running that office and all the logistics that are required to run an office. The potential savings for a private office run into millions of pounds.

Dr Farren: Not at all, Peter.

Mr P Robinson: Of course they would.

Dr Farren: The savings might be in the region of millions, but, in the context of the Budget, that is a very small figure. Savings depend on how the balance between political gain and operational efficiencies is struck. A Department that is headed by one Minister, for example, would have only one private office.

The issue should be considered in the wider context. I hope that Michael McGimpsey will not mind me referring again to the Department of which he was Minister. A spotlight was put on the services for which Michael's Department was responsible, which would

not have existed had there not been a Minister with that particular portfolio. Indeed, the same could be said of a number of Ministers in the previous Executive.

Mr P Robinson: It could be argued that some of the responsibilities of that Department would be ideal for transfer to the Office of the First Minister and the Deputy First Minister. It would allow a number of those issues to be highlighted, and would give the First Minister and the Deputy First Minister something to get out and about with, which is currently lacking in that office.

Dr Farren: Let us put all that into the mix.

Mr Murphy: I am content with the proposition for the First Minister and the Deputy First Minister to resolve this and proposals go to the Assembly for debate. My only concern is the reference to altering the number of Departments after an election. I know that Peter is pessimistic about the prospect of the devolution of policing and justice, but I would not want to postpone that until after an election. If the transfer of powers for policing and justice requires a shake-up, Sinn Féin would want that to happen as soon as possible rather than put it off until after an election.

The Chairman (Mr Molloy): Are we agreed that the remit of OFMDFM should be reviewed?

Members indicated assent.

The Chairman (Mr Molloy): By whom, asks the Committee Clerk.

Mr McFarland: The proposal was that the First Minister and the Deputy First Minister review the functions between the setting up of an executive and the next election, so that it all goes live at the next election. Is that correct, Peter?

Mr P Robinson: Yes.

Mr Murphy: That is fine as long as we are quite clear that that does not interfere with the process of transfer of powers for policing and justice, and that it is not accepted that such a thing could not happen beyond another election.

Mr P Robinson: I do not think that that issue will delay the devolution of police and justice.

The Committee Clerk: Is the proposal that, at an early stage, the First Minister and the Deputy First Minister review the number of ministerial offices to be held by Northern Ireland Ministers and the functions to be exercised by the holder of each such office, and bring recommendations to the Assembly?

Some Members: Including their own office.

The Committee Clerk: Including their own office.

Dr Farren: I have some reservations about that being left exclusively to the First Minister and the

Deputy First Minister. I know that Peter has quoted the legislation —

Mr P Robinson: Do you want to change the Belfast Agreement, Seán?

Dr Farren: Consultation is required. Given that quite a wide-ranging consultation took place before the existing set of portfolios was established, it should be understood that there should be consultation on the issues that we are discussing. Also, we are not conceding anything on the number of Departments.

The Chairman (Mr Molloy): We will add a line to reflect that.

Dr Farren: The proposal should say “in consultation with the parties”.

Mr McFarland: That is a safeguard, just in case.

The Chairman (Mr Molloy): The last point was about stability. Does anyone have anything further to add to that?

Mr P Robinson: On the previous proposal, it occurs to me that, if we had a Committee of the Centre with the same powers as any of the other departmental Committees, presumably it would have the ability to question the First Minister and the Deputy First Minister on those issues and be consulted about their functions. The First Minister and the Deputy First Minister would want to consult their Committee and perhaps the Executive. That is somewhat different from consulting just the parties.

Dr Farren: Perhaps the proposal should read “consult with all relevant interests in the Assembly”.

Mr P Robinson: Or “after consultation”.
[Laughter.]

The Chairman (Mr Molloy): The final issue is the Civic Forum, which the Alliance Party has put on the agenda.

Mr P Robinson: Abolish it.

Mr Kennedy: Agreed. [Laughter.]

Mr Ford: We mentioned it in our presentation. I do not remember making a great meal of it — says he, looking for his papers.

The Chairman (Mr Molloy): It says here that it is a make-or-break issue. [Laughter.]

Mrs Long: We should make clear at the outset that we are not making the Civic Forum a precondition to the restoration of devolution.

Mr Campbell: We have consensus on that.

Mr Ford: I thought that Gregory was about to add something.

Dr Farren: Is the proposition that the Civic Forum cease to exist or is the absence of debate an assumption that it will continue?

The Chairman (Mr Molloy): That is in your hands.

Mr McFarland: From our point of view, the Civic Forum was an issue with which the Women's Coalition was obsessed at the fifty-ninth minute of the very last hour of debate on the agreement. In order to finish, everyone said, "Oh, all right, then."

During the first four years of its existence, the Civic Forum proved beyond doubt that it was of no value. Even the forum's members privately admit that they quickly understood that it was not going to do anything. Given the checks and balances in the Assembly, particularly with regard to Committees, and the fact that anyone could appear before a Committee, the views of civic society were well represented.

We should encourage anyone from civic society who has any proposals for Government, amendments to legislation or anything else to offer to do so. The first approach should be through the relevant Assembly Committee. That is the route through which general society can make its voice heard.

The Civic Forum was expensive, its attendance fairly sporadic, and its members got fed up and did not bother much with it. It did not do anything that could not have been achieved through Assembly Committees.

Dr Farren: Earlier, I defended the concept of the Civic Forum. The fact that the Civic Forum is provided for in the Good Friday Agreement does not mean that it was agreed at the fifty-ninth minute. I remember discussing such a forum with the Women's Coalition and others much earlier than that. There is a value in having some form of continuous engagement with what we understand to be civic society, and we feel wedded to the particular forum that emerged from OFMDFM.

Notwithstanding Alan's suggestions about how to tap into the opinions of civic society in general, there is value in maintaining a forum of some description. Positive consideration should be given to maintaining the forum and how it can most effectively be shaped.

I envisage the future contribution of the Civic Forum as considering medium- to longer-term policy issues, rather than addressing the business of Assembly Committees, which deal with ongoing business. A medium- to longer-term perspective on key issues would be helpful. Although the Executive or Assembly would not be bound to adopt any recommendations, the forum could provide different areas of civic society with an avenue to inform the Assembly in a concerted way that would not otherwise be available.

The forum is valuable, and we should seek to sustain it. However, consideration could be given to its operation, structure and future remit.

3.15 pm

Mr Murphy: As I agree with much of what Seán said, I will be brief. The purpose of this Committee, besides discussing the operation of the institutions, is to build a way out of conflict. The responsibility for that extends beyond the people who are elected to the Assembly. Others in society have a role to play in commenting more widely than would be possible through the method that Alan McFarland advocates, which is through giving evidence to Committees. Such people can make a broader contribution than by simply giving their views on whichever narrow issues a Committee may want to hear evidence.

There is a role for ongoing engagement with representatives of civic society, as we try to chart our way from conflict to a better future for all. We should encourage a broader ownership than that that simply rests with the political parties. Whether that comes through the Civic Forum or a similar body, the rationale remains sound, and perhaps only the operation and make-up of the body require further consideration.

Mr Ford: There were difficulties with the composition of the Civic Forum. I am not sure that having six nominees from the First Minister and the Deputy First Minister was the best way to represent civic society outside party politics. Undoubtedly, there were problems with the internal workings of the Civic Forum, partly because of the unclear and limited remit that it was given in its first mandate.

Without wishing to repeat much of what Seán and Conor have said, the Alliance Party feels that the Civic Forum has its virtues. Undoubtedly, Alan's point about civic society being able to engage with Committees when they were conducting detailed inquiries or doing detailed work on legislation is correct. However, that did not mean that people got the macro-picture; they got only a series of micropictures. Perhaps if the Civic Forum had had a formal right to comment on the Programme for Government and proposals for legislation, rather than getting sucked into the minutiae of a few small details, it could have taken a wider look at the overall direction of this society as it seeks to move out of conflict. Such a remit should expressly be given to the Civic Forum to enable it to continue. Perhaps the Civic Forum requires more resources to fulfil that remit, but at least it would then be doing something worthwhile with them. It was given neither the resources nor the remit in its first instance.

Mr P Robinson: There seems to be some perverse view, certainly unproven, that civic society has one view. Civic society does not have one view; it has dozens, if

not hundreds, of views on various issues. The way to ensure that having or expressing a view becomes useless is to have members of the Civic Forum appointed in the way that they were previously. Effectively, those appointed had gone through the sieves of two of the political leaders. That resulted in the two sets of views from civic society that were the least offensive to the First Minister and the Deputy First Minister being heard, rather than a broad range of opinions.

I am generally in agreement with Seán. Civic society has a contribution to make, but why must it be formalised in the way that has been suggested? Under the Civic Forum proposal, its duty was to bring views to the First Minister and the Deputy First Minister. Why can we not simply place a responsibility on the First Minister and Deputy First Minister to arrange to communicate regularly with civic society and to facilitate it expressing its view on various issues to the First Minister and the Deputy First Minister? We can do that without going through the expensive charade of having a Civic Forum that is made up of those who are acceptable to two people.

The Chairman (Mr Molloy): Is there a proposal?

Have we consensus on that? I suspect not.

Mr Murphy: I know that Alan has fixed views on the uselessness of the Civic Forum, but perhaps we should look at ways of engaging civic society. That leaves open the possibility of retaining the Civic Forum or finding a better way for civic society to interact, formally or informally, with this institution. There may be consensus that it would be a good idea to broaden the interaction between politicians and civic society beyond bringing in people to give evidence to Committees. However, further discussion and agreement are required on how that should operate.

Ms Lewsley: I attended at least three Civic Forum meetings at which the public was permitted to contribute. Regardless of the work carried out by the Civic Forum or the documents worked on, those meetings were well attended, and the public showed a lot of interest in what was going on. They felt that the Civic Forum was somewhere where they had ownership of the process and where their voices could, hopefully, be heard. I accept what people say; the make-up of the Civic Forum and some of its actions may not have been ideal, and it should be reviewed. However, it offers civil society a voice and gives it a sense of ownership of the process.

Alan McFarland said that people had the opportunity to come before Committees, but when I was on Committees, I noticed that the same faces always came forward with evidence. Therefore the ordinary person on the street was not taking that opportunity, except when they got the chance to meet the Ministers through us.

Mr P Robinson: The Civic Forum was not made up of the ordinary people on the street; it was the chosen ones.

Ms Lewsley: The membership was representative, and they cascaded the information to those they represented.

Mr P Robinson: They were representative of the First and the Deputy First Minister's choices.

Mr McFarland: A small section of the Civic Forum's membership was appointed by the OFMDFM, and the remainder was selected by the churches and unions. Therefore the entire membership was not chosen by the First and the Deputy First Minister, although it was appointed eventually by their Department. The membership of the forum came from various areas of society that were specified by the Office of the First Minister and the Deputy First Minister.

It is healthy to have a link with civic society and for civic society to be able to make its views known, but that was not implemented properly through the Civic Forum. If one wants to find the views of the churches or the medical profession, there should be a way for that to happen. The Health Committee was never stuck for views from the unions, specialists, psychiatrists or paediatricians. There may have been others who were not able to access those Committees or Ministers, and we have to find a way to correct that. It is healthy to be able to give views to those who make laws.

People were not encouraged by the Civic Forum. It was not effective in making its views known, and its members will say openly that they got fed up because it did not do anything constructive. In the end, many of them voted with their feet and did not attend the meetings.

Mr Campbell: I venture to propose that the DUP supports further consideration of discussion on a Civic Forum-type body and any usefulness that it may serve. However, I suggest that its implementation and establishment is not a barrier to the further establishment of an Executive.

Mr P Robinson: Or perhaps at a lower level, are we agreed that we should review the mechanisms for civic society to promote its views?

Mr Murphy: That is similar to my proposal, and I am happy to be subsumed into that. There is a broad acceptance that there is a need for engagement with civic society. In agreeing that, it does not preclude people arguing for the reinstatement of the Civic Forum, but it allows us to examine it and other options that others feel might improve the interaction between this institution and civic society.

The Chairman (Mr Molloy): Shall I ask the Committee Clerk to read the proposal again?

The Committee Clerk: Mr Campbell, do you want me to repeat your proposal, which is to review the

ways in which civic society may engage with this institution?

The Chairman (Mr Molloy): Do we have consensus on that matter?

Members indicated assent.

Dr Farren: That is fine, as long as it does not assume that we are consenting to abolish the civic forum.

Mr Murphy: I made that clear.

Mr Campbell: Equally, we are not agreeing to its continuation. *[Laughter.]*

The Chairman (Mr Molloy): OK. We have reached agreement on that matter.

That brings us to the end of the strand one issues that we wished to deal with. Next week, we will deal with strand two.

Members have received a letter from the Northern Ireland Youth Forum about the work of the Subgroup on the Economic Challenges facing Northern Ireland. The forum will not be available to provide evidence to the subgroup until after the 25 August deadline. The letter requests permission to provide evidence later, without holding up the report. Are members content with that?

Members indicated assent.

The Chairman (Mr Molloy): Is there any other business?

Members indicated dissent.

Adjourned at 3.26 pm.

COMMITTEE ON THE PREPARATION FOR GOVERNMENT

Wednesday 16 August 2006

Members in attendance for all or part of proceedings:

The Chairman, Mr Jim Wells
Mr Alex Attwood
Mr Fred Cobain
Mrs Arlene Foster
Mrs Dolores Kelly
Mr Gerry Kelly
Mr Danny Kennedy
Mrs Naomi Long
Mr Fra McCann
Mr Alan McFarland
Mr Sean Neeson
Mr Peter Weir
Mr Sammy Wilson

Witness:

Mr Tim Moore (Senior Research Officer,
Northern Ireland Assembly)

The Committee met at 10.04 am.

(The Chairman (Mr Wells) in the Chair.)

The Chairman (Mr Wells): When I was sitting in on Monday's meeting, I heard the odd sound that indicated that some people had their mobile phones switched on. Everyone must switch off his or her mobile phone. The Editor of Debates has informed us that some of the recording has been lost because of mobile phone interference, so somebody was illicitly listening to something. Therefore, please turn off your mobile telephones.

Mr Kennedy: Chairman, have you ever considered that that might be in the public interest?

The Chairman (Mr Wells): Something may have been said of such importance that it would be a pity to lose it.

Can members indicate whom they are representing today?

Mrs Foster: I am here for Lord Morrow; Sammy Wilson will be here in place of Ian Paisley Jnr, and Mr Weir is here for Rev William McCrea.

Mr McFarland: Mr Cobain is here for Mr McNarry.

The Chairman (Mr Wells): I thought that you said Mr Beggs.

Mr Cobain: I wish that Mr Beggs were here.

Mr Weir: So do we. *[Laughter.]*

Mr Neeson: I am here for Mr Ford.

The Chairman (Mr Wells): Alex, who is on your team?

Mr Attwood: Am I here as myself? I will take your guidance on it, Chair.

The Committee Clerk: Mark Durkan, Alasdair McDonnell and Seán Farren are the three nominated SDLP representatives. We shall work it out.

Mr G Kelly: I am here for Mr McGuinness, and Fra McCann is here for Conor Murphy.

The Chairman (Mr Wells): Will there be a third member from your party?

Mr G Kelly: A third member will not be present today.

The Chairman (Mr Wells): At least one new member is present this morning, so are there any declarations of interest to be made?

Mr Kennedy: I arrived late at the previous meeting, but I said at the time that I was a member of the Northern Ireland Policing Board. That does not appear to be recorded in the draft minutes.

The Chairman (Mr Wells): It is very important that that be recorded.

Mrs Foster: Chairman, must we declare interests at every meeting?

The Chairman (Mr Wells): Only if it is a member's first appearance at a meeting, and he or she is a member of the Policing Board, a district policing partnership (DPP), MI5 or the security forces.

Mr Cobain: Do not say that or everyone will put their hand up.

Mr G Kelly: Welcome to MI5.

Mr Kennedy: You said that you would not say that.

The Chairman (Mr Wells): If you are being paid by the intelligence services, you must declare it.

Mr Weir: It is purely voluntary work.

The Chairman (Mr Wells): Members should have had a chance to look at the draft minutes of 9 August. Are there any amendments or additions? I have noted that Mr Kennedy's declaration of membership of the Policing Board was not recorded. I take it that the draft minutes are acceptable.

Members indicated assent.

The Chairman (Mr Wells): That is our first consensus of the morning.

I now move to matters arising. I chaired the meeting at which these matters were raised, and I recall it vividly. Several members requested that research documents be prepared. Mr Alban Maginness asked for a paper on the functions of the Lord Chancellor,

particularly his role in the Judicial Appointments Commission. That was an especially difficult task, but it has been done. A paper was also requested on excepted and reserved matters. From memory, I think that Mr Maskey asked for a definition of national security. Those papers arrived this morning. That was quite a tall order, given that this is the holiday period. I am conscious that it may not be reasonable to ask members to discuss those documents now.

We have two options: we can adjourn for an hour, and rooms are available to which members can adjourn to examine the papers, or we can defer consideration of the material until next week's meeting and deal with the other issues that are listed for discussion. Of course, we can also discuss the papers straight away.

We are trying to arrange for Minister Maria Eagle, whom I have not yet met, to attend next Wednesday's meeting. It may dovetail nicely if we discussed those issues during our meeting with her next Wednesday. That is only for information — I am not trying to steer the Committee in any direction.

Mr McFarland: The UUP is happy to defer those issues, as we have been awaiting research papers from London, which have not yet arrived. However, if we have those discussions today, that is fine.

Mr G Kelly: My inclination is to take the advantage of suspending the Committee for an hour. Mr McFarland is probably right that we will not refer to the detail of those papers. Some of this material is relevant to the discussion paper, which we started to discuss on 9 August. We will probably return to that material at a later date, but the next item on the agenda is the discussion paper.

The Chairman (Mr Wells): Do other parties have a view on that?

Mr Attwood: We could begin discussions on those papers today, but some of the matters may soon become irrelevant. Consequently, I suggest that we suspend for an hour, because the papers will crowd in on the conversation sooner or later during the course of the meeting.

Mrs Long: Last week, the Committee adjourned because we recognised that the requested paper would impinge on later discussions. Therefore the Alliance Party has no objection if the Committee wishes to defer detailed discussion on those matters until next week. However, I am concerned about what we could usefully discuss today if those discussions were deferred. Our preference is to suspend for an hour.

The Chairman (Mr Wells): That is a good point. We could have a general discussion on policing issues, and then we could get discuss the Police Ombudsman and community restorative justice. We could fill today

with substantive material, so we will not lose time — it is simply about how we manage that time.

Mrs Foster: The DUP is minded to suspend for an hour to read through the papers. We may not go into detail on those today, but we feel that we should read them.

The Chairman (Mr Wells): That is an either/or option. Gerry Kelly has accepted that the Committee could resume after the hour and still defer the issue.

Mr Weir: I appreciate that a great deal of work has gone into the research paper, and it does contain some comparative material. However, I am disappointed that it seems to only include references to the Northern Ireland Act 1998, the Scotland Act 1998 and the Northern Ireland Constitution Act 1973. We also received a separate list last week. Part of the reason for requesting a compare-and-contrast paper was to consider whether any issues had shifted between 1998 and now. Has there been any change in the devolution of policing and justice powers since 1998?

The Chairman (Mr Wells): Mr Tim Moore, Senior Research Officer, prepared the paper, so I will ask him to clarify that.

Mr T Moore: In my research paper, appendices 1 and 2 set out schedules 2 and 3 to the Northern Ireland Act 1998, which deal with excepted and reserved matters. The appendices detail any changes that have been made to schedules 2 and 3. Having examined those schedules to consider where changes had been made, I would be loath to say that there have been significant or insignificant changes. That is for members to decide.

Mr Weir: The DUP is happy to suspend for at least an hour. I doubt whether everyone could absorb all the information in that time, but we are open-minded in that regard.

The Chairman (Mr Wells): No one is dying in the ditch on this issue, but it seems that there is consensus to suspend for an hour and let members decide whether that is sufficient time for them to discuss the material this morning. If not, we shall return to it at a later date.

Four Committee rooms are available if Committee members, or party members, wish to avail themselves of them.

Mr G Kelly: Party rooms can also be used.

The Chairman (Mr Wells): It is almost 10.15 am now, and we will resume at 11.15 am. Please do not disappear, because we will not resume if one party is missing. Do not take the day off.

The Committee was suspended at 10.14 am.

On resuming —

11.20 am

The Chairman (Mr Wells): We have had an hour to look at the material. I am interested in views on whether we proceed with it or leave it for a week.

Mrs Long: The Alliance Party has no strong preference. It might be better to defer in order to allow a more detailed look at the material. However, we are content to deal with the issues today. Some matters could be resolved today, and we could specifically consider more contentious issues in greater detail. There are some issues on which we may find agreement. Others may have strong feelings, but we are flexible.

Mr Attwood: Some of today's agenda items will refer to these papers anyway. Next week, when a Minister comes — I believe that it will not be Maria Eagle — some of the remaining matters from today's papers could be raised. There is no easy way to handle this, because it all gets joined up, but that might be the most logical way to proceed.

The Chairman (Mr Wells): We have made initial contact with NIO, and it could be either Mr Goggins or Maria Eagle. It looks likely that one of them will be available.

Mr G Kelly: Sinn Féin is happy to go through the set agenda. The papers are very helpful, but there are a lot of them. There are issues concerning the NIO and national security detailed at paragraph 13 of the Clerk's briefing to the NIO discussion paper that we could go through, but if the Minister is coming it is probably better to deal with everything at once. My only difficulty is that I will not be here for that.

Mr McFarland: We are happy enough. Most of the material is non-contentious, and there are issues that clearly need substantial discussion. We keep reminding ourselves that time is not on our side, so we should have whatever discussion we can have today.

I presume that we will discuss the matters contained in the Secretary of State's letter of 9 August. My impression of the general tone of the letter was that, if we wanted the Minister to answer questions of fact, we should provide questions beforehand so that the Minister could answer them.

What is it that we do not have here? The Secretary of State is clearly saying that he will not allow a Minister to be cross-questioned on attitudes and views. If we are dealing with questions of fact, what factual questions do we want answered? There is quite an agenda to get through between now and the week after next, and unless we are going to get something dramatic from a Minister, why are inviting one to attend at this stage?

The Chairman (Mr Wells): Mrs Foster raised that issue after the Secretary of State's Glenties speech, in which he outlined what the DUP considered to be new material on devolution, policing and justice, and the DUP wanted to question him on that.

Mrs Foster: Indeed.

Mr McFarland: I understood that we had agreed that that would be left until our last meeting, so that we could pile in all our unanswered questions. There are several substantive issues that we have not gone into, and we may have questions about those.

Next week, we may have questions to ask about community restorative justice. I understood that we were to leave questions for the Secretary of State or the Minister until the final meeting. We would do a wrap-up at that meeting when we would know exactly what we wanted them to talk about. Indeed, I share Mrs —

Mrs Foster: Arlene.

Mr McFarland: Pardon?

Mrs Foster: Arlene.

Mr McFarland: Mrs Foster.

The Chairman (Mr Wells): Your colleague got into trouble for that last week.

Mr McFarland: I have the same trouble.

Mrs Foster: I am going to wear a name tag.

Mr McFarland: I am suddenly reminded of Dermot Nesbitt doing the same thing last week. I hope that I am not in for a similar week of battling.

Mr Kennedy: You need to watch yourself; the meeting is being recorded.

Mr McFarland: Yes, it is.

I understood that we were going to wrap up the meetings with a visit from a Minister. However, next week is quite soon for a ministerial visit.

Mrs Foster: Chairman, you are correct. Alex Attwood and I had raised the issue of a visit from the Secretary of State in light of his speech at Glenties. In view of that speech, I find his letter somewhat puzzling. It suggests that he does not know why he was invited to the Committee. Had he read Hansard, he would have known why.

I agree with Alan McFarland — there is no point inviting Maria Eagle, Paul Goggins or another Minister to next week's meeting. If there is any need to speak to a Minister at the end of our deliberations, so be it. The Secretary of State was, however, specifically invited to discuss the comments that he made about the constitutional and practical aspects of policing — as he called them — in his speech at Glenties. His letter now says that he does not want to come here to be "quizzed".

The Chairman (Mr Wells): I believe that he is not coming because he is on holiday.

Mrs Foster: It would have been more helpful if he had said that.

Mr Weir: Correct me if I am wrong, Mr Chairman, but my understanding is that we did not specify a date for the Secretary of State's visit; the invitation was open-ended. Can he not, because of his busy schedule, find the time to visit the Committee at any stage before it completes its work? I take it fairly thick that the Secretary of State constantly lectures us about getting things sorted out. There is a degree of urgency to our task, yet when he is asked to give evidence to the Committee, he deigns not to because he might get "quizzed". That is fundamentally wrong.

With regard to your initial question on the research material, although some of it has been useful, I am a little concerned that some of what we were given was not precise enough. However, that may be our fault for not explaining clearly what we wanted. The research paper contains tables, and the appendices reproduce schedules 2 and 3 of the Northern Ireland Act 1998. However, it is noted that schedule 2 of the 1998 Act, as reproduced in the paper, has not been updated to include amendments that result from the Northern Ireland (Miscellaneous Provisions) Act 2006. It would have been helpful if any changes that that Act had brought about had been included. Perhaps there was none, but I want to be able to see that information.

Mr T Moore: The changes are listed in paragraphs 17 and 21 of my research paper.

Mr Weir: That is all very well. However, the complication is that we may have too much material. One section contains lists, and paragraphs 17 and 21 cite references. However, the paper does not seem comprehensive.

I was specifically trying to establish whether there had been a shift on the reserved, excepted and devolved nature of each of the issues. Those who were involved in the talks will remember that the Ulster Unionist Party, DUP, SDLP positions and so on were clearly laid out in columns on our documentation. I am sure that they found that helpful when we debated matters such as Standing Orders.

Ideally, I would have liked to see details on whether each matter was reserved, excepted or devolved in 1921, 1973, 1998 and 2006. That could help to narrow the scope of the discussion. In light of last week's discussion, more examination is necessary; for example, if a matter was in one category in 1998 and was shifted for some reason in 2006.

Frankly, it strikes me as futile to try to bag issues that will never be devolved, have not been devolved

since the beginning of the state, and in 1973, 1998 and 2006 were treated consistently as —

Mr Cobain: This is not a state.

11.30 am

Mr Weir: I do not want to get involved in semantics, so I will change that remark to "since the creation of Northern Ireland".

My point is that it would take an extremely strong argument to convert a matter that had been reserved consistently — one that was reserved in 1998 and remains reserved in 2006 — to a devolved matter. I thought that a historical perspective would help to achieve clarity on that.

I know that there are references to the Northern Ireland Constitution Act 1973 and the Northern Ireland Act 1998 in Mr Moore's paper, but I want to see what the position is —

Mr S Wilson: Are we to take it that paragraphs 17 and 21 contain only the changes under the Northern Ireland (Miscellaneous Provisions) Act 2006?

Mr T Moore: I will try to explain appendices 1 and 2, which set out schedules 2 and 3 to the Northern Ireland Act 1998. Schedule 2 deals with excepted matters, and schedule 3 with reserved matters. Perhaps the way that it has been presented was not explained properly, but, in schedule 2, appendix 1, anything in square brackets indicates an amendment to the original Northern Ireland Act 1998. All the amendments are listed after the schedules.

Mr Weir: Yes, but the point is that at the top of the opening page of appendices 1 and 2, that paper states that:

"The schedule provided below is not updated to include amendments resulting from the Northern Ireland (Miscellaneous Provisions) Act 2006."

Perhaps I misunderstood, but my interpretation was that the square brackets contained changes that happened between 1998 and 2006, but did not include changes made in the Northern Ireland (Miscellaneous Provisions) Act 2006.

Mr T Moore: That is because there is no available version of the revised 1998 Act. As the Northern Ireland (Miscellaneous Provisions) Act 2006 is so recent, as far as I can find, no amended version of the 1998 Act has been produced. Members will notice that the NIO's paper has made the amendments and provides updated legislation.

Paragraphs 17 and 21 of my paper highlight and detail the two changes to schedule 2 and the three changes to schedule 3 that will occur due to the 2006 Act. Outside of that, appendices 1 and 2 contain the schedules as amended.

The Chairman (Mr Wells): Mr Moore will be with us throughout the discussions. It may help to call upon him to clarify any difficulties that arise as we discuss the papers.

Mr Attwood: I want to return to the issue of the Minister coming to the Committee next week. Frankly, I have some sympathy with Alan McFarland's view that if the Minister is coming merely to exchange factual information, it may help a bit, but not as much as members thought. I would much rather the Secretary of State came, because his letter of 9 August 2006 is intellectually and politically dubious.

Mrs Foster: Hear hear.

Mr Attwood: The point is not that he does not feel that the PFG should be, as he states in his letter:

"quizzing ministers on views they may have expressed."

The key line is:

"I hope instead that the PFG will focus on issues that the parties agree need to be resolved between themselves in preparation for government."

We know that the policing issue must be resolved, either through the PFG Committee, once devolution is restored, or whenever. Policing issues appear on every agenda, but the Secretary of State will not come here to discuss what he may, or may not, do to resolve the policing and preparation for Government issues between the parties and himself. That is an intellectually and politically dubious approach. Given that we are trying to resolve the policing issue as part of the preparation for Government, the Secretary of State should share what he is doing to resolve that issue with us. The Committee should reply to the Secretary of State and make that point.

The Chairman (Mr Wells): As far as short-term availability is concerned, either Paul Goggins or David Hanson could come on Wednesday 23 August 2006. However, if members want to invite the Secretary of State at a later stage, I doubt that that will happen in August.

Mr Cobain: I am becoming slightly concerned about where we are going with this. The Committee on the Preparation for Government (PFG) was set up to consider the devolution of policing and justice and to produce a report. That is its role, yet we are wandering all over the place. If the Secretary of State discusses policing and justice with individual parties, there is no way that he will tell the Committee what he is talking about or reveal his relationships with other parties on the matter.

Mr Weir: The Committee's remit is wider than the devolution of policing and justice. That is just one item on the Committee's agenda, which is why we are

looking at, for example, the Police Ombudsman and community restorative justice. The PFG Committee has been tasked with overcoming obstacles to the devolution of policing and justice. Devolution of policing and justice forms a significant part of our deliberations but not the whole.

The Chairman (Mr Wells): We need to decide today whether we wish to have a junior Minister in attendance next Wednesday. It would be either Mr Goggins or Mr Hanson, whose responsibilities overlap. If we want the Secretary of State instead, we must alert him that we want him to attend at a future date.

Mrs Long: I am fairly indifferent, because it matters very little who attends. We will not obtain any more information, regardless. If we continue to discuss whom we should invite, it may descend into a battle over something that will not really add to our work. Therefore, I am flexible.

Alan suggested that we try to complete as much of the work as we can, in order to identify those issues that we want to raise. We should forward those to the Secretary of State and request that if he does not come himself, he sends a Minister in his place. If we simply set ourselves up to do battle with the Secretary of State, because he has refused to attend the Committee — despite it being the preference of most members that he should — I cannot see where that would get us. We could spend the next hour discussing this, and we could be no closer to getting him into the room.

Mr McFarland: Why would we have a Minister here next week? What would that add to our deliberations? We have a substantial agenda and lots of paperwork to get through. Questions may be raised that only Ministers can answer, but I recall that, at one of our first meetings, we decided that we would only get the Secretary of State to attend once. Therefore, in the meantime, it would be worthwhile to store up questions and do as much work as possible. After that, we could have a proper, serious discussion on issues about which we need to speak with the Secretary of State. It is right that he, rather than a Minister, should discuss those issues with the Committee. The Secretary of State has gone on and on about this Committee, and, in the end, for him not to appear before the Committee would be slightly strange, given the importance that he has attached to it.

Mr S Wilson: My understanding is that we want the Secretary of State to attend because he has declared publicly his parameters for policing. Those parameters will impact on our decisions. It is important, therefore, that he comes along to justify and clarify his position.

Last week, and presumably the week before when I was not here, we scoped the issues that we believe need to be addressed. As Alan said, we do not want to discuss any secret talks that he may be having with

individual parties, rather his publicly stated position on what he believes parties must do to show acceptance of policing. His position seems at variance with that of many of the parties around this table.

We should have a discussion with him. We have scoped certain issues, and the Secretary of State has said publicly that he disagrees with how far some of us believe parties should go on policing. Therefore, he should be here to talk to us about policing. Otherwise, we are wasting our time. If he sets a completely different threshold from that set by the majority of parties, we will not get anywhere.

Mrs Foster: The DUP sees no need to invite a junior Minister; it would be a waste of time.

The Chairman (Mr Wells): We must get a view on this from the Committee. Clearly, the DUP wants the Secretary of State to attend.

Mr McFarland: I propose that we do not invite the junior Minister next week, but that we invite — and, perhaps, expect — the Secretary of State to appear, probably in two or three weeks' time, when we will have a substantial list of issues to raise with him.

The Chairman (Mr Wells): Are there any other proposals? Does anyone have problems with that suggestion? Everyone seems happy not to invite the junior Minister next week, but to invite the Secretary of State to attend in a fortnight's time.

Mr McFarland: Perhaps "encourage" him to attend?

Mr S Wilson: Or cajole?

The Chairman (Mr Wells): Is the Committee happy to invite the Secretary of State to attend and to see how he reacts to the invitation?

Members indicated assent.

The Chairman (Mr Wells): We will now discuss the issues in the papers and research documents.

Table 1 in the NIO paper, which deals with reserved matters and their implications, helpfully sets out the relevant provisions of the Northern Ireland Act 1998; the issues that will, and will not, be devolved; and any outstanding issues. It is a useful basis for discussion, as, last week, there was cloudiness about matters that will, and will not, be devolved, and what matters should be devolved. Alban Maginness raised several important issues. It is unfortunate that he is not present, as his input would have been useful.

Is everyone happy to use the NIO paper as a basis for discussion?

Mr G Kelly: I have no difficulty with it, as it is a replication of schedule 3 of the Northern Ireland Act 1998.

The Chairman (Mr Wells): The NIO paper presents it in a different format.

Mr G Kelly: In some ways, it is a clearer format. The NIO paper does not define national security, which gives it carte blanche on that issue. That makes the Sinn Féin position very difficult as regards input from MI5 and whoever defines national security. It impinges massively on the policing issue.

Moreover, no protocols are mentioned in the paper. Sinn Féin wants neither MI5 nor MI6 anywhere in Ireland. The fact that there are no protocols deepens the worry that nationalists have — and, I argue, everyone should have — about MI5 interference. The issue, and the role of MI5, should be depoliticised, not extended.

I am happy to go through the list, but I wanted to state Sinn Féin's approach to it.

Mrs Long: Last week, the Alliance Party raised a concern about how differing views on what constitutes a threat to national security can impact on how loyalist and republican paramilitarism are dealt with and any potential inequality. The paragraph in the NIO paper that contains the legal definition of national security states:

"actions intended to overthrow or undermine parliamentary democracy by political, industrial or violent means."

That seems to cover all paramilitary activity, regardless of from which section of the community it comes. That explanation should be further explored, as the Alliance Party would be unhappy if acts of republican terrorism were treated as matters issue of national security and acts of loyalist terrorism were treated simply as criminal offences. That would not be proper and fair. A clear definition of what constitutes a threat to national security might allow a more detailed examination. We wish to reiterate that concern.

11.45 am

Mr McFarland: Following Gerry Kelly's statement, does Sinn Féin accept that, under the Belfast Agreement, Northern Ireland remains part of the United Kingdom until the people of Northern Ireland vote otherwise? If so, the Parliament of the United Kingdom is sovereign and will, therefore, decide — until Northern Ireland is part of the Irish Republic — what constitutes national security.

The NIO letter explains that the Security Service Act 1989 defines the protection of national security as:

"protection against threats from espionage, terrorism and sabotage, from the activities of agents of foreign powers and from actions intended to overthrow or undermine parliamentary democracy by political, industrial or violent means."

It seems fairly clear that that means threats to the state. We know from Sinn Féin's statement that the Provisional IRA is no longer a threat to the state — it

remains for the Independent Monitoring Commission (IMC) to confirm whether that is the case. We are dealing presumably with a residual grouping of dissident republicans; it does not affect Sinn Féin and the main republican movement since they tell us that they have stopped all that. Does Sinn Féin accept that someone must have responsibility for national security and that every country's security services run agents in organisations that pose a threat to it? The Irish Government are no different, and I have no doubt that if Sinn Féin were in Government in the Republic of Ireland, its Ministers would be happy with that. If we accept that that is the norm throughout the world, why should it not be the norm here? I am confused by the suggestion that no one should investigate threats to the country or place agents inside organisations that are opposed to the Government.

Mr G Kelly: Alan should not be confused. It is about accountability. We want anything that involves the island of Ireland to be subject to proper accountability mechanisms. We had a long-drawn-out debate and agreement on what those mechanisms should be, followed by a statement. There is no legal definition of national security. We asked for one, but we got this long, rambling paragraph instead.

If we look at the political policing that has occurred in recent years — we do not have to go back 20, 15 or even five years — we can see that there has been political interference. We want to subordinate all that to the accountability mechanisms. MI5 is outside those mechanisms. It is said also that MI5 will consider serious and organised crime. From the list to which you referred, Chairman, it is obvious that that will happen. Where is the demarcation line? Even if I were to take the unionist point of view, which I do not, I would want to know where the line is between what is a policing and justice matter and what is “national security”.

Alan asked what Sinn Féin would do if it were in Government in the South and had responsibility for justice. We would be glad to have that power, and we would also like to have it in the North, so that there could be an all-Ireland approach. I do not know what Mr McFarland is confused about; what confuses me is that absolutely no definition of national security is provided. Unionism, in fairness, has always accepted the British state and almost anything that it does. We have an opposite point of view, and we want accountability. MI5's interference will not help. We do not want MI5 here.

Mr Attwood: There is no definition of national security to enable MI5 to define it in whatever terms it wants. Therein lies the problem. Whether here or in Britain, MI5, now or later, can define any matter as being one of national security. It will take the lead on that and have exclusive responsibility for it, whatever any policing organisation might think. That is the problem.

We should try to look at it more positively. It is right that questions should be asked of Sinn Féin, but questions should be asked of the unionist parties also. If there were devolution and an Executive, including a ministry of justice, functioning as we hope that it might, what would be the consequences of a MI5 operation in the North, which either led to the arrests or deaths of innocent civilians, or to a community's feeling that its rights had not been properly protected? Considering the continuing national and international security threats, such an operation is possible. People would be entitled to ask the Executive for an explanation, and the Ministers would be unable to give one; they would have to say that those issues were beyond their remits. That shows a conflict between having the institutions working stably in the future and people's sense of who is in control and who has responsibility for certain key matters in the management of life in the North.

All parties — not only Sinn Féin — have to face up to what might happen over the two, four, six, or eight years of MI5 primacy in the North. For that reason, if there were a preferred outcome from these discussions, it would be to go for one of the Patten options. He offered two options for national security: first, MI5 primacy; and, secondly, the retention of the current accountability of national security through the Chief Constable. We should bear in mind what Mrs Long said about the possibility of MI5's differentiating between republican and loyalist threats. If, as Sinn Féin claim, Patten is the threshold, and if we are living within the constraints of Patten, would there not be some point in getting members around this table to move to an understanding that the best way to manage this, given the potential fallout for all of us, would be to go with the second Patten option? That is not the perfect model — far from it — and it is not what I would argue for if we had a clean piece of paper. However, that is the argument that Patten makes, and Patten, according to some members, is the threshold for policing in the future. Maybe we should have a conversation around that.

The Committee should discuss also the protocols and accountability measures that need to be in place between MI5 and organisations, such as the PSNI, with which it will interface. PSNI officers will be working at MI5 desks, and we must know whether the Police Ombudsman will have the same authority over them as that office has over every other police officer in the PSNI.

The Chairman (Mr Wells): We seem to have moved into a full-blooded discussion on the intelligence services. I am happy to do that, so long as members realise where we are on the agenda.

Mr McFarland: This format allows us to explore things; we may have to revisit them, but we have a flow going on this.

The Chairman (Mr Wells): I am happy to let the discussions continue, but I want to alert members to where we are on the agenda. There seems to be the start of a proposal coming from Alex on how to deal with this issue — we must get some structure.

Mr McFarland: Part of the reason that this has arisen is that the SDLP complained bitterly about Special Branch. The Government always listen to the SDLP, so they transferred the responsibility for Special Branch to MI5 at its behest. Now the SDLP is being hoisted by its own petard, and it is trying to backtrack.

MI5 is an intelligence-gathering organisation. It does not rush around carrying out armed operations and shooting people. Alex's vision of what happens in Northern Ireland is not correct. As I understand it, in the rest of the United Kingdom, MI5 gathers intelligence, and, traditionally, its executive or operational wing is its special branch. In Scotland or England, the special branches arrest people on behalf of MI5. Logically, the same system would operate here; therefore, MI5 would not carry out ambush operations. Of course, that scenario would arise only if the DUP and Sinn Féin bury their hatchets, smoke pipes of peace, and make the world lovely.

The Chairman (Mr Wells): You keep reminding us of that.

Mrs Foster: I do not smoke.

Mr McFarland: That scene must be set before any arrangements will be established. We are not discussing a scenario from 10 years ago, when the SAS rushed around on operations and others carried out anti-terrorist activity. This year, the focus is on al-Qaeda and residual republicans in Northern Ireland who feel that they cannot give up and who are busy trying to place bombs in London, Belfast and Newry or at Eddie Haughey's house or wherever. Therefore, that scenario is for down the line, and it will not be the lurid picture that Alex painted.

As Alex mentioned, accountability is a major issue. It would be a disaster if, in order to not destabilise the political situation, the Government influenced MI5 to withhold from the Chief Constable information that showed that a senior member of the Provisional IRA was still active in paramilitarism while Sinn Féin was in the Executive. Therefore, the protocols between the PSNI and MI5 must be extremely robust. I argue that that is the responsibility of Parliament — it is a reserved matter that should be discussed at Westminster. I have had discussions with MPs from a number of parties, and I know that that they are very interested in how the arrangements with MI5 will work out here. The House of Commons Intelligence and Security Committee is

particularly interested, as I suspect we all are, in how we can ensure no interference with the normal rule of law.

A number of issues are important. Westminster will be interested, so logically, its Intelligence and Security Committee should beef itself up. To ensure that the accountability mechanisms are robust, the protocols should be as foolproof as possible.

Mr S Wilson: Alan's first point is correct. The folks from Sinn are jumping up and down about the security issue, discussions on which were provoked — at least partly — by their incessant demands for Special Branch and “a force within a force” to be closed down. They now have a force outside a force, and they do not like that either. There is not really a great deal that they can do now — it is a bit late for them to start crying about it.

The issue of whether this matter should be devolved was raised a long time ago: even in the Patten Report, which nationalists frequently cite. The Patten Report said — and this is mentioned at paragraph 7 of the research paper — that all functions, except for matters of national security, should be devolved. That was highlighted a long time ago and is now being embedded. Alex would know from his involvement with the Policing Board that it is now so embedded that the police have made great advances in setting protocols to allow any intelligence that is gathered to be transferred, when relevant, to police criminal investigations into individuals who might be involved in organisations that present a threat to national security.

The police have made it clear that the transfer of national security to MI5 will not be an impediment to the PSNI doing its job. The Chief Constable is on record as saying that if the protocols are not right, he will be the first to complain. Therefore, there are safeguards.

12.00 noon

Parliament is accountable, as Mr McFarland said. Therefore, if a matter is reserved to Westminster, that is where accountability for that matter should rest. Are we going to have the same argument about the Serious Organised Crime Agency (SOCA), which is a national body that deals with serious organised crime? Are we saying that SOCA's role in policing should also be devolved? Are we saying that SOCA and MI5 should be subject to the same accountability mechanism, which can happen only through the devolution of the oversight of their powers?

We have not heard a word about that matter, yet SOCA has made it clear that it will be just as involved in dealing with organised crime in Northern Ireland — at national and international level — as MI5 is in intelligence gathering. Where we are going with this issue?

Given the parameters that were set down in the past, mostly by nationalists, the Government have taken the

view that one way to avoid charges being made against the PSNI is to take functions out of its hands. That makes sense, because we are talking about a national threat. That is in keeping with other parts of the United Kingdom, because no other police service or devolved institution would be handed control of the body that gathers national intelligence. Therefore, this is a sterile argument, and we could spend the rest of the day talking about it.

Mr G Kelly: This is not a sterile argument. It is condescending of the British Government to refuse to devolve or transfer that power. As members of other parties have said, this is an issue of accountability. We must not be naïve. It has been said that Special Branch is an arresting arm of MI5, and that is quite true. However, MI5 and the SAS were involved in killings. MI5 is not accountable. Members have talked about national security, and, from a unionist point of view, that is fine. However, no one has stated what is meant by national security, except that MI5 will take that decision. Therefore, MI5 is self-accountable.

We have not seen any protocols. We are asked to put faith, which I do not have, in MI5's saying that it will introduce robust protocols, or in members saying that there must be robust protocols.

We can be cynical about the effectiveness of MI6 and the intelligence agencies if we consider the solutions that they came up with to deal with the situation in Iraq, and the damage that that caused. That elective accountability ended up in a massive war over false information, which involved intelligence agencies, not only in Britain, but in America. Those are the fundamentals of this matter. That is how intelligence organisations operate. If there are no accountability mechanisms, any party will abuse that power, no matter who they are. The island of Ireland, including the North, should have accountability mechanisms, regardless of what happens elsewhere.

Sammy Wilson referred to SOCA and the Assets Recovery Agency (ARA). He said that those bodies had not been mentioned. However, I will mention them, as we continue our discussions. Responsibility for those bodies should be devolved, and there should be accountability mechanisms. To this day, MI5 informers are being allowed to carry out crime.

They work for MI5 and other intelligence agencies. Informers are allowed to commit crimes that have, in the past, resulted in deaths.

If I may make this criticism: Sinn Féin — and probably the SDLP — took up the cases of people from the unionist community who suffered at the hands of informers and were ignored by the other political parties. The other parties took the blind view that everything in the garden was OK, thinking that MI5 would not use informers against unionists, as they

were used to gather information only on republicans. In fact, members of the unionist community were killed, and unionists who went to the unionist parties for help had to approach the nationalist parties because only they would give them the necessary help.

Robust protocols are one thing, but in order for what happened in the past, and for what continues to happen, to stop, the maximum number of those powers must be transferred.

Mrs Long: Although we were not given a legal definition, because none exists, the NIO paper does provide a generally accepted working definition of national security. Last week, my party highlighted — and I reiterate — that we accept that, because each can be used to support the other, it is difficult to separate terrorism from organised crime. Their links are such that it is difficult to find a clear dividing line. We accept that it is a grey area: one impacts on the other.

As we expressed last week, there is some concern about the lack of accountability in the UK-wide structures and the way in which they relate to the situation in Northern Ireland. Part of the solution to that lies with a more generalised reform of the UK structures and accountability for matters such as terrorism, defending national security and dealing with organised crime. However, although we believe that reform is necessary, it is not within our remit to address that. It may be that the Committee will want to draw that to the Secretary of State's attention, because it is a matter that he can examine.

I am not trying to stifle the discussion, but I want to highlight that the Secretary of State makes clear his opinion of the Committee's role clear in his letter of 9 August 2006. He said that:

"I do not see the role of the PFG as scrutinising Government policy on reserved or excepted matters".

The Committee is discussing at length those matters that parties think should be reserved or excepted, but the Secretary of State makes clear in his letter that although the Committee may get consensus about changes to those matters — though I doubt it — he does not accept that as part of its role. I have flagged that up because, although we are discussing what should be reserved or excepted, there is no guarantee that the Secretary of State will have any interest in addressing those issues.

Mrs Foster: Naomi has made a good point.

Sinn Féin raised a concern about an accountability mechanism for national security. It is not the role of a regional devolved institution to scrutinise issues of national security. That goes to the core of the consent principle, which Alan mentioned earlier. Does Sinn Féin accept that Northern Ireland is part of the United Kingdom? That is the issue. If it does accept that, its

members must accept that Northern Ireland will have a regional Assembly, and, as such, national security will remain an excepted matter. That is, and will remain, the position of the DUP.

The protocols for accountability, which are outlined in the Assembly research paper, are not yet in place, but that work is ongoing. In Enniskillen recently, Assistant Chief Constable Sheridan gave a good presentation on the primacy of MI5 and its relationship with the PSNI. I understand that his presentation was made during a public session; I am sure that the Committee could get copies of his slides, which could prove to be useful and instructive.

The Chairman (Mr Wells): We will return to that suggestion.

Mr Cobain: Everyone accepts that terrorism is an international phenomenon and that much of it is linked to criminality. Naomi is right in that respect. Police officers find it difficult to divide terrorism from criminality because that is how it works. The two are interlinked, and it would therefore be impossible to divide the remit, whereby MI5 would tackle terrorism and ordinary police officers criminality. During an MI5 operation, its officers may gather information on criminality that should be passed on to the police. Hopefully, the protocols that will be agreed between the Chief Constable and MI5 will allow for such arrangements.

We have been discussing this for almost an hour. There is no possibility of national security being devolved to the Administration — none. The best that we can do is to ensure that the agreed protocols are as robust as possible, so that information will be shared between the police and MI5, and that that information will solely concern criminality, not national security. I am disappointed that we must continue to make that point.

We can continue to discuss this matter, but there is no possibility that national security will be devolved. I understand that members have political positions on security. However, the only way in which MI5 will be accountable is through the protocols. Whether Sinn Féin or Alex has a problem with MI5 makes no difference. We should deal with matters over which we are entitled to have some influence, of which the protocols are one.

The Chairman (Mr Wells): We are not making a great deal of progress.

Mr Cobain: We are not making any progress.

The Chairman (Mr Wells): The only proposal seems to be Alex's suggestion to adopt the Patten model. I am not sure whether it is a proposal.

Mr Cobain: Alex and Gerry Kelly spoke about MI5. Are their parties saying that the devolved Administration should be in charge of national security?

Mr Attwood: I am prepared to answer that question. If we had a blank piece of paper, there are ways that that could be the outcome. However, we do not have a blank piece of paper. We have the Patten Report.

Mr Cobain: Would we be in charge of running agents?

Mr Attwood: If you would listen, Fred —

Mr Cobain: I am listening; sorry.

Mr Attwood: I know that you do not like the Patten Report.

Mr Cobain: At times, you do not like it either.

Mr Attwood: The Patten Report recommended either that MI5 had primacy over national security or that the current approach be retained, where the Chief Constable is responsible for, and accountable to the British Government in respect of national security.

I wish that the Patten Report had outlined a third option that would have kept accountability within the North for the activities of any and all intelligence services. You might think that that is poppycock; it is not. That approach was adopted in Canada. Following a crisis in its national security functions about 20 years ago, Canada developed a range of levels of accountability within and outside of Parliament for the intelligence services.

However, that is not where we are. We are where Patten put us, and Patten said that the Chief Constable could retain responsibility for national security. I believe that that option is in the best interest of everybody around the table. Perhaps some will not agree and will prefer the other Patten option of MI5 primacy. If so, we should take up a few of the suggestions put forward.

First, we should ask the British Government to clarify the protocols that will be in place at the interface between MI5 and other agencies. MI5 deals with revenue and customs matters, SOCA, the Organised Crime Task Force, the Police Ombudsman, the PSNI and so on. We must gather further information on the protocols.

Secondly, irrespective of what I think, we need to know what the accountability measures will be with regard to MI5 primacy in the North. We may get an insufficient or neutral answer or, more likely, be told that it is a work in progress. Nevertheless, it will give us a better understanding.

I want to correct a point made by my unionist colleagues — it was probably more mischievous than genuine. Patten recommended that there be a Special Branch. The reason that so much time was spent getting Special Branch right was that, if it complies with best international practice on the recruitment of agents and the gathering and distribution of intelligence, the police service will have the ability to access

intelligence in the community in a manner consistent with all proper standards. As we know from the Bishopsgate incident, intelligence-led policing is crucial to being able to, on one hand, deal with the terror threat, and, on the other, maintain public confidence.

12.15 pm

Ensuring that Special Branch reached the point at which it began to comply with best international practice, which the Oversight Commissioner has said it does, enabled it to access more and better intelligence, meaning it can inform the police about all levels of threat in the North, including that from international terror. That is why all that work was done, as well as to create greater confidence in policing — a confidence that was lacking for generations. That is why the PSNI is now best placed and fit for purpose to be the primary agency responsible for gathering intelligence in the North. The new standards and procedures mean that it can gain much more intelligence.

To conclude, if someone from the police intelligence community were here now, I guess that they might suggest that the police were getting backed-up with intelligence. As confidence in policing grows, the flow of information increases, and with that comes the ability of the police to counter any threat, from wherever it comes in this part of Ireland.

Mr G Kelly: I do not think that we will come to a conclusion on this. The argument appears to be at cross-purposes. Unionist members arrived wanting to talk about national security, which has not been defined.

Our purpose is to find an accountability mechanism. The lack of a division between crime and terrorism has been mentioned. Who decides where the demarcation line lies? How can that demarcation line be drawn, and where is the accountability mechanism?

As an example, I will take a different point of view. A member of the PSNI is under the control of various accountability mechanisms, which include the Chief Constable and, depending on the issue, the Police Ombudsman and others. If MI5 decides to use that member of the PSNI in an operation, he is no longer accountable, and any arguments about accountability go straight out the window.

The worst part of that scenario is that MI5 decides on which matters it will act. For instance, MI5 might decide that the recent incident in Derry is its responsibility, dispense with all the normal mechanisms, and go completely over the top in trying to deal with it. There is significant evidence that it has done so previously.

Sinn Féin wants accountability mechanisms. The maximum amount of accountability should remain in the North through a new justice Ministry. That is the

best way forward until the interlocking institutions, as mentioned in the Good Friday Agreement, are established. Thereafter, there would be an all-island approach to any actions, policing or otherwise, taken on the island of Ireland.

The Chairman (Mr Wells): There is a series of proposals. We will start with the easy one and work our way up. Mrs Foster suggests that it may be useful to request DCI Sheridan's briefing material on the linkages between MI5 and the police.

Mr McFarland: It is ACC Sheridan; he would be most annoyed to be described as a deputy chief inspector.

The Chairman (Mr Wells): I do not know the gentleman.

Mr McFarland: He is an Assistant Chief Constable.

Mrs Foster: He is a Fermanagh man; he will be all right about it.

The Chairman (Mr Wells): Now that I have given him his proper title, would it be useful to request that information from the PSNI?

Mrs Foster: It would come from the Policing Board.

Mr G Kelly: Does that mean that we will receive documentation?

The Chairman (Mr Wells): There is no commitment; the documentation will be requested out of interest to see if it will help with our deliberations. Are members content to ask for that information?

Members indicated assent.

The Chairman (Mr Wells): The next issue for consideration is Alex's proposal that we support the Patten model, which states that the Chief Constable should continue to have ultimate responsibility for matters here that involve national security. You may want to put what I have said into your own words, Alex, because your proposal has changed slightly. To be honest, I am not even sure whether you made a proposal.

Mr Attwood: I will leave my proposal on the table, because if we adopt my other proposal and ask at what stage the protocols are and what the accountability mechanisms will be, the answers will be that we have neither the robust safeguards nor the accountability that we require, and, as a consequence, the Chief Constable of the PSNI must retain responsibility for matters that involve national security. My proposal would be better tabled when people hear what I suspect will be inadequate answers to those two questions.

Mr McFarland: Alex knows that I have not been a member of the Policing Board since 1 April. He is still on the Policing Board, so he knows fine well that it is updated regularly on the protocols. It was my under-

standing, as at April 2006, that the protocols were to be produced in November 2006 and are still under development. Therefore, people will not be able to tell us anything other than that until November, no matter whom we call or how much we grill them. Those protocols will go the Policing Board for discussion, but that will not happen before this Committee is due to report.

We should not get excited at not being able to see or amend protocols. Sammy or one of the other MPs may be able to find this out, but I believe that MPs at Westminster, particularly those who are on the Intelligence and Security Committee, are also considering whether protocols between MI5 and the police are necessary in Great Britain as a result of the al-Qaeda threat. As I have said, those issues are under development, so we will not get an answer, no matter whom we call.

The Chairman (Mr Wells): Alex's proposal is that we ask for them. Are you saying that we should not?

Mr McFarland: He is a member of the Policing Board, so he knows the answer. Indeed, colleagues on the Policing Board who attended last week's briefing will be able to tell us that answer without the staff having to go off, ask the police and come back to us. The answer would be the same as the one that ACC Sheridan no doubt gave to the Policing Board last week. I was not there, but someone will be able to tell me.

The Chairman (Mr Wells): Alex, in view of that, do you wish to continue with your first proposal?

Mr Attwood: I do. We receive quite useful information in those papers, because some issues are developed within them. The papers refer to protocols. It may be that we are told that the protocols are a work in progress; however, given the live nature of the issue, it is incumbent upon us to ask. Let us see whether we get something more substantial back. For example, somebody will report to the Policing Board with something more in September, not in November. Therefore, it may be timely to ask.

The Chairman (Mr Wells): Lunch is imminent, so this may be an appropriate time at which to break.

Alex has insisted that he wants to make this a proposal, so we are duty bound to table it. Do we have consensus that we request that information from the Policing Board? Is everyone happy that we ask for it, even though Alan believes that we will not get it?

Mr McFarland: Our colleagues who are on the Policing Board will tell us that they had a briefing last week. From their most recent meeting, do they think that we will learn anything new?

The Chairman (Mr Wells): It may make an exception for as important a body as ours. Are members content?

Members indicated assent.

The Chairman (Mr Wells): We shall reconvene at 12.45 pm.

The Committee was suspended at 12.24 pm.

On resuming —

12.48 pm

The Chairman (Mr Wells): Could we return to table 1 on the NIO paper, which deals with reserved matters and their implications for devolution? As Mr Kelly said, the table repeats what has already appeared in earlier papers, but it is in a format that is much easier to follow.

Given the complexity of the matters at hand, perhaps the best way to proceed is simply to go through the table. I am sure that Mr Moore will be delighted to help us with any technical questions. I am also conscious that we have a plethora of experts in the form of Northern Ireland Policing Board members and those who are involved in district policing partnerships (DPPs). I shall just let the conversation flow.

We agreed to start the discussion with schedule 3 to the Northern Ireland Act 1998. We are trying to tease out whether parties are content with what has been suggested for devolution, or whether they wish to add to the list of powers and functions to be devolved to Ministers for policing and justice.

Mr Weir: I am not suggesting that it will be the case, but we may not be happy with what we get.

The Chairman (Mr Wells): Several parties have stated that there should be maximum devolution, and I detect that most of the discussion will be at that end of the scale.

Since parties have not had a chance to prepare submissions, I suggest that we go down the list, one by one, and that parties give their views accordingly. If there are no views, we shall accept that parties are happy with the level at which a power has been pitched.

Paragraphs 9(a) and 9(b) of schedule 3 deal with criminal law and the creation of offences and penalties. According to the table, it appears that everything will be devolved, with no issues remaining. If the table states that there is nothing more to devolve, we must accept that we have considered 100% of those matters. Does anyone have any comments on paragraphs 9(a) and (b)?

Mr G Kelly: The paper does not cover the law governing treason or terrorist offences. Our earlier conversation referred to those matters. What is listed for devolution is OK up to a point. The paper mentions only a “devolved category”, and Sinn Féin supports the maximum transfer of powers. What are “terrorist offences”? I note that the discussion on Diplock courts will be over shortly. I accept that part of the paper up to a point.

The Chairman (Mr Wells): Are you happy that treason remains a central Government responsibility?

Mr G Kelly: I do not know. Can one define treason? We have not formed a view on that.

The Chairman (Mr Wells): Mr Kelly has proposed that terrorist offences should be the responsibility of a devolved Assembly. Is there any view on that matter?

Mr S Wilson: As many terrorist offences will be matters of national security, I would not expect responsibility to be devolved.

Mrs D Kelly: The difficulty lies in national security and the lack of a definition. Even in its broadest context — such as in the earlier paper, which mentioned industrial acts — it could be concluded that industrial strike action, for example, was a terrorist act and a threat to national security, given the very woolly definition and the understanding that was articulated earlier. It is very difficult to agree to this without a clear definition of terrorist offences.

Mr McFarland: Fred Cobain said earlier that matters are as they are, and that this Committee will not be able to persuade the Government to change their mind — unless particular parties wish to make matters a deal-breaker in negotiations. In that case, I do not doubt that those issues may resurface. We have no remit to demand the devolution of matters that the Government have deemed excepted. We must agree to disagree.

The Chairman (Mr Wells): It is important in all of our discussions that parties indicate whether they simply have a problem with certain issues or whether they perceive them as major impediments to devolution. We must test the strength of opposition.

Mr G Kelly: If Alan is anticipating that, as we go through table 1 unionism will take one view and nationalism another. I do not know whether we can test the strength of opposition, to be honest.

Mr McFarland: In December 2004, the comprehensive agreement allowed a time frame of two months for all this to be completed. It set out what policing and justice powers would and would not to be devolved at that stage. Presumably, the DUP and Sinn Féin accepted that.

This information has been available for a chunk of the year in the NIO discussion paper. We have known since 1998 that certain matters would be excepted and that other matters would be reserved but devolved in due course, so none of this should come as a surprise to any of the parties. We can discuss whether some reserved matters should be transferred; for practical reasons, it might be better if some of those were dealt with at Westminster. Excepted matters such as national security are not going anywhere, no matter how long any party howls and shouts. We shall not solve that issue in Committee.

The Chairman (Mr Wells): I think that Mr Kelly would disagree.

Mr G Kelly: Sinn Féin has a very strong view on who has responsibility for the Assets Recovery Agency (ARA) and the Serious Organised Crime Agency (SOCA), but I am willing to go through all the matters in table 1. The British Secretary of State and the British Prime Minister have said many times that certain matters are not up for negotiation, only to change their mind. If we do not get consensus here — and I sense that we will not — we will take it up with the British Government, because we hold strong views on the issue of MI5, and its powers and role in protecting national security here. Not all its powers are to do with national security; that is someone else's interpretation.

Mr Cobain: May I make a relevant point? These are all nationwide issues. The ARA is a nationwide issue —

Mr G Kelly: Do you mean that is an all-Ireland issue?

Mr Cobain: In this context, it is not all-Ireland. The Irish Republic has its own version of the Assets Recovery Agency. We are talking specifically about matters to be devolved to an Executive. We need to be clear that some of the issues lend themselves to nationwide agencies and cannot be dealt with only in Northern Ireland. We cannot separate serious crime here from serious crime in England, Scotland and Wales.

Everything is becoming more centralised in order to improve the exchange of information. Therefore, it makes no sense to devolve responsibility for those agencies. If that happened, we would be out of the loop. We need to consider it in the context of policing. It is much easier for police services throughout the United Kingdom to work together centrally. Some people are trying to lift Northern Ireland out of the UK when it comes to crime prevention and detection. However, some powers do not lend themselves to being devolved, such as the devolution of responsibility for those two agencies.

Mr McFarland: It would make much more sense for the Republic of Ireland to rejoin the United Kingdom on those issues and have an island-wide —

Mr G Kelly: You should try for consensus on that one.

The Chairman (Mr Wells): I do not think that we will get consensus on that. It was a good try.

Mr Attwood: We have long argued that there should be an all-Ireland agency.

Mr McFarland: A United Kingdom and Republic of Ireland-wide agency?

1.00 pm

Mr Attwood: There should be appropriate relationships with the agency in Britain. Some matters can be dealt with on an all-Ireland and an inter-Ireland basis.

That is consistent with the Good Friday Agreement, and it is in the interests of all the people of these islands.

Secondly, it may be useful to enquire about certain aspects of the Regulation of Investigatory Powers Act 2000 (RIPA). On one hand, we are being told about everything that will be reserved, excepted or transferred; on the other hand, we are being told to reach decisions about what aspects of RIPA must remain reserved. I want to know precisely what is being asked of us. I presume that that distinction is due to the cross-cutting national security issue, but I would like confirmation that that is what is meant.

Thirdly, regardless of the previous understandings that were reached as part of the comprehensive agreement, SOCA is a new development, and it is one of the most anonymous new public bodies that has been created in recent times. It is very difficult to arrange a meeting with that body, which is still trying to work out what accommodation and full role it will have in the North. We know that an agency exists, but no one knows much beyond that. Regardless of whatever may have been agreed already, we must get a detailed briefing on SOCA because it is new and is in the process of being defined.

The Chairman (Mr Wells): Alex, are you proposing that we seek information about the role of SOCA?

Mr Attwood: I am seeking A, B, C stuff, not just about SOCA per se, but particularly about SOCA in the North.

The Chairman (Mr Wells): About its role in Northern Ireland?

Mr Attwood: Yes.

The Chairman (Mr Wells): That seems to be a reasonable proposal.

Mr McFarland: Colleagues on the Policing Board have had a detailed briefing on this matter. In some respects, SOCA is the British equivalent of the FBI. It is a UK-wide, multi-agency body, and naturally enough, it exists in Northern Ireland because it is part of the United Kingdom. What is strange about that?

Mr Attwood: There is nothing strange about that logic. The question is: what is that agency actually going to do? That has not yet been confirmed. The Policing Board has been seeking a meeting with SOCA, which has not yet been granted because that agency is still getting up and running in the North.

Mr Cobain: Could we try to resolve the two issues at hand before we —

The Chairman (Mr Wells): We have drifted from the first issue to the second.

Mr Cobain: We can talk about SOCA, but can we try to get through the first issue so that we can get to the next page before 4.00 pm?

The Chairman (Mr Wells): Before I call Mr Kelly, are there any proposals on schedule 3(9)(a) and (9)(b) or should we just accept it as it is, and move on?

Mr G Kelly: I do not accept it as it is.

The Chairman (Mr Wells): You do not accept it, but do you have a proposal?

Mr G Kelly: As we have already discussed, the document lacks definition. I do not wish to rehearse this morning's conversation, but the document has an impact on this matter. The table in the NIO paper pushes the point that matters are excepted, and, therefore, they will not be devolved. I do not accept that. We must look at those matters one at a time. I was going to talk about the second aspect of the matter, but I have said all that I need to on the first aspect of it.

Mr S Wilson: I am seeking clarification, so that we do not waste time. I get the feeling that we are moving to a situation where — regardless of which area we discuss — if matters are reserved or excepted, Sinn Féin will not be happy. Let us just cut to the chase and agree that as long as there is something on that list that will not be devolved to a Northern Ireland Administration, Sinn Féin will have reservations. That means that we need not go through the farce of discussing each matter in turn and seeking consensus. That might save us about four hours.

The Chairman (Mr Wells): There will be matters that members may agree should eventually be devolved.

Mr S Wilson: I get the impression from what has been said — and perhaps this can be clarified — that there is nothing that Sinn Féin will accept should remain with, or be reserved to, Westminster.

The Chairman (Mr Wells): Is that your view, Mr Kelly?

Mr G Kelly: I thank Sammy for interpreting my view. Could I ask whether that means that the DUP's view is that everything set down by the NIO is acceptable?

Mrs Foster: There are a couple of matters that are intended to be reserved that we believe should be devolved. However, I agree with Sammy that there is no point in going through each of those points if we are not going to reach consensus on anything. The ultimate conclusion will be that this is a matter for negotiation in October and November.

The Chairman (Mr Wells): It strikes me that there will be issues on which everyone is happy with the status quo. There will be matters that the DUP believe should be transferred, and there might be agreement on

that. This matter is not quite as black and white or as stark as it may seem.

Mr McFarland: Sinn Féin is not comfortable with fundamental issues around national security, and that impinges on our discussion of such issues. Clearly, we will not change Sinn Féin's view. Notwithstanding that, I suggest that the Committee considers the remaining issues, because we shall not solve the question of whether we should have responsibility for national security. We should look at "Issues remaining" — those on which a decision on whether they are to be devolved has yet to be taken. It might be worth hearing some thoughts on them. That may be the best that we can achieve today, given the stances that have been taken.

The Chairman (Mr Wells): Are folk willing to work down the column of issues remaining and see whether we can agree some of them?

Mr G Kelly: In case there is some confusion here, Sinn Féin is in favour of all these powers being devolved. I left the meeting last week at lunchtime, but it says in the minutes:

"It was agreed that the powers listed at paragraph 3.2 of the NIO discussion paper should be devolved within policing and justice."

That means that there was consensus. What we are dealing with now appears to be a list of NIO exceptions. Therefore, we seem to be being told that, although everyone agreed that the maximum number of powers should be devolved, here are a number of issues that refer back to everything in paragraph 3.2, which we have already agreed should be devolved. There is probably no other way to do this other than to go through them.

Sinn Féin has strong views on ARA and SOCA. It is not contradictory to have a flow of information between North and South, between the two islands, and, indeed, between the two islands and the EU. However, that does not preclude our having an accountability mechanism — and that is what devolution would involve — that deals with the all-Ireland aspect of the powers contained in paragraph 9(c) of schedule 3 to the 1998 Act. We would still take an all-Ireland approach, but we want the maximum amount of power to be devolved. As we work down the column of issues remaining, Sinn Féin will argue that. Arlene Foster said that the DUP wants to see several powers devolved. Let us hear what those are, and then we can go back over the list.

Mr McFarland: There is no point in Gerry having that view. We have a Government plan in front of us. Parties will take up with the Government the matter of whether they agree with that plan. There are issues that have not yet been resolved. Notwithstanding any party's objection to the plan, it would seem to be profitable to

discuss the issues that the Government have not yet finalised, as they may listen to the parties' views on them.

To continue an argument about whether the Government plan should be followed, or about who agrees with the plan, will not solve anything in Committee.

The Chairman (Mr Wells): There certainly will be issues about which members will not feel particularly strongly; we might reach agreement on those.

Mr Weir: To pick up Alan's point, it would be helpful to concentrate our efforts on the "Issues remaining" column. If parties wish to state their case as to what should move from the "What won't devolve" to the "What will devolve" column, I do not mind. Ninety-nine times out of 100, we will not reach consensus on the issues, so, in those cases, there is no point in a great deal of debate.

"Issues remaining" seems to fall into the category of issues in which there is a grey area. In some cases, the power was going to be devolved, but it was unclear as to which Department it would go. It strikes me that that is where the margin of opportunity for a degree of discussion lies. We may reach consensus on some of the issues; on a lot of them, we probably will not. That is where the discussion should be concentrated. However, that does not preclude, for example, Sinn Féin calling for responsibility for ARA to be devolved.

I have no problem with Sinn Féin's saying that; however, there will be no consensus on that issue because we will oppose it. The Committee should not waste an enormous amount of time discussing issues that will run into the sand very quickly.

The Chairman (Mr Wells): Mr Kelly, is that a way forward?

Mr G Kelly: It is helpful. It is set out quite well in the column, so we have agreed what will be devolved. However, I am looking through the document now, and we have general difficulties with what will not be devolved. The column that lists what will not be devolved simply takes parts of the previous column, which lists what will be devolved, and infers that these aspects of those matters will not be devolved. Therefore, the assessment is right, and if you want to hone the conversation, I have no difficulty with that.

Mr McFarland: Topics for a major discussion on the relationship between the police, the Policing Board and the Assembly are listed in the NIO discussion document. This will probably be the most vital discussion that we will have on policing, so it would be useful if we could move the conversation towards that.

The Chairman (Mr Wells): Parties can use a single-transferable objection to keep the discussion moving forward if they do or do not want a matter to be devolved.

It is quite clear that we will not reach agreement on ARA or SOCA.

Mr McFarland: The third column shows what will not be devolved. Obviously, parties will want to lodge their fiver's worth, which is fine, but Alex asked what we are talking about in relation to the Regulation of Investigatory Powers Act 2000 (RIPA). It is necessary to discuss vetting, criminal records and disclosures and so forth and how they are handled. Those are sensitive issues.

Mr Weir: I agree with Alex's suggestion. Some aspects of RIPA are referred to, but it would be helpful if we had clarification on precisely what is meant by that section.

Mr McFarland: With regard to criminal records and checks and disclosures, as members probably know, the new paedophile laws mean that we are moving to a centralised system for checking people. It is correct to say that there have been recent developments between the Republic of Ireland and the UK to put a better system in place so that people who have molested children cannot flee one or other of those jurisdictions.

The increased threat from al-Qaeda and international terrorism may mean that such records will go to a much more centralised database. Again, it is probably not at all sensible to divide that into little bits, depending on where you are in the country. Therefore, my sense is that this will go to some sort of central agency into which the police services, either in the UK or the Republic, can tap to find out whether person A, B or C is fleeing justice or has a record of abusing children or whatever. That is how that process seems to be going, and to suggest that it should all chalk down here, and that we should have a little computer in Belfast that stands alone, is not the way that this is going.

Mr G Kelly: The last column asks whether some: *"aspects of RIPA that are currently reserved will need to remain so."*

Let us find out what those are.

The Chairman (Mr Wells): Is there consensus on that?

Members indicated assent.

The Chairman (Mr Wells): Are we agreed on Alex's proposal to seek clarification from the Northern Ireland Office on the role of RIPA and SOCA in Northern Ireland —

Mr Attwood: I was referring just to SOCA.

The Chairman (Mr Wells): Just to SOCA. Are members agreed?

Members indicated assent.

The Chairman (Mr Wells): Good. We can get that sorted out.

Is there anything else that members feel that we can usefully discuss?

Mr Attwood: Although this is not a matter for discussion, members might have some comments to make. I invite the unionist parties to consider accepting the principle of making arrangements, which would be regulated on a Northern Ireland, UK-wide or island basis, to deal with criminal records. The *Attracta Harron* case is an example. She had gone to church in the Irish Republic and, obviously, was abducted thereafter.

The risk from offenders does not respect borders. Therefore, our thinking should be broadened from a Northern Ireland-wide basis to a UK-and-Ireland-wide basis.

1.15 pm

Mr G Kelly: It has recently become clear that the South does not have great child protection controls in place, and they do not hold comprehensive sex offender lists, etc. Therefore, our discussions here, and what we decide, will have an impact in the South also.

Mr Weir: The DUP believes that the list, should it be produced, should be on a British Isles or European-wide basis. The *Attracta Harron* case was mentioned; the media covered a case in my constituency also. The person committed offences in Northern Ireland, and then in the Republic of Ireland. The person was jailed initially in the Republic of Ireland, but was moved to a prison in Northern Ireland where he was entitled to benefit from the remission rates. When the person left prison, he immediately went to England where he committed more offences, for which he has been convicted.

Far be it from me to promote Europe, but this subject should be looked at on a more international basis. Many people have second homes abroad or are retiring to places such as France or Spain. We must ensure that people are not able to slip between jurisdictions to avoid being tried for offences: child protection is the most obvious reason, but the need applies to other matters as well. People should not be able to move about without the local police being at least aware of the threat that they pose. This problem is not confined to geography.

The Chairman (Mr Wells): It seems that we agree that there should be clear co-operation between all states on this important issue.

We will proceed to paragraph 9(d) of Schedule 3 of the Northern Ireland Act 1998, which deals with prosecutions, where there is already a wide degree of devolution. This subject — including the role of the Advocate General for Northern Ireland — is one that is close to Alban's heart, but he is not here.

Mrs D Kelly: Given that we will be discussing justice next week, could it not be deferred until then in order that Alban could participate?

The Chairman (Mr Wells): We will do that.

Paragraph 9(e) of Schedule 3 of the Northern Ireland Act 1998 deals with the treatment of offenders, including children and young persons. Does anybody have any views on that?

Mr G Kelly: There is no reason why that provision should not be devolved. The theme running through this paper is one that suggests a lack of trust in the Assembly and other interdependent institutions. Why should responsibility for sentence review commissioners and the remission of sentences not be devolved?

Mr Attwood: In the negotiations up to and since the Good Friday Agreement, the SDLP has expressed its belief that many areas retained by the British, should be devolved. I will not go through it all; it is recorded elsewhere. I presume that the British Government feel that the release of prisoners is an emotive subject. For instance, the release of prisoners could end up being a divisive area that is difficult to manage, and a situation might arise where there would be some perversity with respect to what the Sentence Review Commissioners might or might not do. I am sure that informs the British Government's thinking on this.

The principle should be accepted that hard issues, such as the Sentence Review Commissioners, the renewal of fifty-fifty recruitment, the Parades Commission, including the Chief Constable's right to appeal to the Secretary of State in respect of any determination, should be devolved, subject to agreement on all appropriate community safeguards, which would legislate against any group in the Assembly or any party from any background imposing its views in ways that would be against the public interests.

Similarly, we believe that that matter should be devolved, but it requires some safeguards that might govern many other matters outlined later in the schedule.

Mr G Kelly: I do not disagree with any of that. One of the biggest arguments about policing involves the protocols and demarcation lines that must exist between a justice Minister, the Policing Board, a scrutiny Committee, the Sentence Review Commissioners and so on. That argument is part of the wider discussion on the devolution and transfer of those issues, but we are dealing, in principle, with their devolution.

Mr McFarland: The powers within the Northern Ireland (Sentences) Act 1998 and the Northern Ireland (Remission of Sentences) Act 1995 will not be devolved. It is correct that matters connected with terrorism or residual matters remain excepted.

Presumably, they have been held back because the Government wish to have a broad UK-wide policy on sentencing, remission, and so on. It may be possible to re-examine those issues further down the road, but it makes sense to let them sit for the moment.

The Chairman (Mr Wells): Is there consensus on paragraph 9(e)?

Members indicated dissent.

The Chairman (Mr Wells): The pattern will be to do a quick poll round the table, and, if there is no consensus, we will have to move on.

Paragraph 9(f) is repealed, so we move on to paragraph 9(g) of Schedule 3.

Mr Neeson: What did paragraph 9(f) concern?

The Chairman (Mr Wells): I will just check in case something significant has been missed.

Mr T Moore: Paragraph 9(f) deals with the surrender of fugitive offenders between Northern Ireland and the Republic of Ireland.

The Chairman (Mr Wells): Paragraph 9(g) deals with compensation. The compensation scheme provided for in the Terrorism Act 2000, which is due to end in 2007, will not be devolved.

Do members have any views on that?

Mr G Kelly: This is an equality issue. That part of the Act has been abused. Sinn Féin believes that the compensation scheme should be transferred.

Mrs Foster: The compensation scheme should remain an excepted matter.

The Chairman (Mr Wells): Do we have consensus?

Members indicated dissent.

The Chairman (Mr Wells): The next matter is community safety partnerships (CSPs). This matter will be devolved in its entirety, with no issues remaining. Many of us are involved with CSPs at council level and have experience of them. What is the view on the present situation?

Mr McFarland: There are issues around CSPs, of which colleagues in the Policing Board will be aware. There has been a long-standing row about CSPs since their inception, as the Criminal Justice Review recommended that CSPs and DPPs should become a type of conglomerate that would give a much better service. For reasons that no one can figure out, the NIO has resolutely held its face against this. Originally, we thought that that was because of some deal between the NIO and Sinn Féin. However, if control of CSPs is devolved, the Assembly can perhaps take a more sensible view.

Mrs Foster: In relation to the Review of Public Administration, the Policing Board is considering how

CSPs and DPPs can have a more effective relationship with local communities.

The Chairman (Mr Wells): We will just leave that as it is, noting the suggestions, unless somebody wants to make a proposal.

Paragraph 9A of schedule 3 provides for a chief inspector of criminal justice for Northern Ireland. All related powers are to be devolved. Are members happy with the status quo?

Members indicated assent.

The Chairman (Mr Wells): Public order is a more complicated matter. Remaining issues include certain aspects of parades.

Mr Attwood: At least three issues remain. First, we do not accept the note in the schedule that states where responsibility lies for determining which weapons may be used in public order situations. There is a legal argument that responsibility resides with the Policing Board, in spite of the assertion to the contrary therein.

Secondly, we need clarification from the Secretary of State or the MOD about how future powers will develop to enable the Army to operate in support of the police. One interpretation is that there will be garrison strength, and that that will be it. The note asserts that there will be garrison strength with Army powers, in support of civil power. I would like to know more about that. I can imagine what that would mean for public order issues and for providing a technical capacity to policing. There may be other issues, but a note needs to be added to detail the broad ground rules, and that is without prejudice to the SDLP's view that the Army should have no role whatsoever.

Thirdly, I mentioned the principles that should govern sensitive powers being devolved to the Assembly, including the power of the Chief Constable on determinations of the Parades Commission. He has not used that power to date, but he may wish to do so in the future. Nonetheless, if that matter is devolved, there must be community safeguards, because a Minister for justice cannot be given a unilateral power to decide on appeals from the Chief Constable. That is not an acceptable outcome. Appropriate safeguards must be built in to ensure that, if a situation were to arise, a decision would be made that would reflect not just one party or one community interest.

Mr Neeson: The operational independence of the Chief Constable is important. During my days on the board of the Police Authority, decisions were taken by the then Chief Constable that I did not agree with. However, by the same token, when we deal with such sensitive issues as parades, the operational independence of the Chief Constable is vital.

Mr Weir: The DUP believes that the power to appoint members to the Parades Commission should

be devolved. The detail is vague, because certain aspects of appointments to the Parades Commission and its operation could remain reserved, if that were the wish of the Assembly. The default position is that all aspects of the Parades Commission would be devolved, unless the Assembly decided to the contrary. Is that the case? Is that in legislation?

Mr T Moore: As far as I know, that is not in legislation, but again, clarification is probably required.

Mr Weir: Did that statement come from the NIO?

Mr T Moore: That comes from the NIO discussion document.

Mr Weir: Our view is that appointments should be devolved in that regard, but we would like clarification on that matter. The example of appointments to the Parades Commission comes back to the earlier point about “certain aspects of parades”. We should seek clarification on what that means.

Mr McFarland: The PFG Committee dealing with rights, safeguards, equality issues and victims has been discussing parading, and the DUP submitted a detailed document on the make-up of the Parades Commission.

It would make some sense if the detail of that were allowed to run as a major issue with the PFG Committee dealing with equality, rights and safeguards, which meets on Friday — as has been happening — and we can agree or disagree with it here.

My understanding is that that entire issue will be devolved, unless we think that it is of such concern that it should remain an excepted matter. However, the Friday team can discuss that.

1.30 pm

On the military side, we will end up with a garrison here, where families live while the soldiers are in Afghanistan or Iraq. The soldiers will return only occasionally and then return to their posts. At any one time, a battalion’s-worth of soldiers would be here, and that is exactly what happens in other parts of the UK. It would be useful to get the protocols that govern that.

It would also be useful to examine the protocols: first, in respect of Military Aid to the Civil Power (MACP), which deals with riot situations and assists Ministries with events such as the BSE crisis; and secondly, in respect of Military Aid to the Civil Community (MACC), which is used, for example, when a helicopter has to help a farmer lift a cow out of a bog.

Defence is, of course, an excepted matter. Three of the excepted functions that will remain at Westminster are defence, foreign affairs and Treasury matters. If defence became devolved, the Government here would have to ask the Ministry of Defence for military aid, for which it would be expected to pay as part of the

Budget. It would be useful to get all that clarified, but the well tried and trusted protocols that exist in the rest of the UK can assist in that.

The Chairman (Mr Wells): Are we agreed that we will pursue Alex’s request for information? Without prejudice, we can look at that information and decide whether it is useful.

Members indicated assent.

The Chairman (Mr Wells): There is a proposal that we defer to the PFG Committee dealing with equality, rights and safeguards in respect of the reference to the Parades Commission contained in the NIO paper on national security. That Committee has had quite a long discussion on parades but has failed to reach a consensus. However, we agreed to consider further the DUP’s proposals for changes to the Parades Commission, and those proposals might fit neatly into that discussion. There is a fair degree of overlap between the two groups, so I am not trying to hide anything from anyone. Are members happy that we do that?

Members indicated assent.

The Chairman (Mr Wells): OK. We are making some progress.

Mr G Kelly: We are giving work to somebody else.

The Chairman (Mr Wells): We have parked less today than we parked on Monday. I do not know whether that is a victory.

Mr G Kelly: With regard to the Parades Commission, the community safeguards are clearly important, but we are passing the issue to the PFG Committee dealing with equality, rights and safeguards, so I will leave it at that. We believe that it should be transferred.

You will not be surprised to hear that we are against the British Army backing up the police. We went through a long period in which that was a common occurrence, and we do not want to go back to that. Hopefully, we are entering the final stages of demilitarisation. We are opposed to British Army involvement, and we believe that that remaining issue should be transferred.

The Chairman (Mr Wells): If that was a proposal, I do not think that we will get consensus on it.
[Laughter.]

We will note that and move on to the policing accountability framework. There is quite a bit to this matter. As it is so important, I will ask each party to have its say. I suspect that there will be a divergence of opinion.

Mr Neeson: As you say, Mr Chairman, this issue is very important, particularly where fifty-fifty recruitment is concerned. My party has always believed that that would not solve the problem and has always felt

that through time, and when there was confidence in the institutions, a police force comprising all races and religions would develop naturally. However, my party strongly believes that, although this remains a reserved matter, it should be devolved.

Mr McFarland: We are on record as saying that fifty-fifty recruitment should be removed pronto, so we will not get into a discussion on it.

However, I want to talk briefly about the point that is under the issues remaining column that concerns paragraph 11 of schedule 3 to the 1998 Act. It discusses:

“The detail of the relationship between the Policing Board, the Northern Ireland Minister for policing and an Assembly policing committee.”

If this Committee does nothing else, it should determine how that relationship will come about.

The Policing Board was set up as a result of the Patten Report. Alex Attwood has described how inviolate that report is — except, of course, if the Secretary of State decided, with the click of a finger, to abolish the provision to have 10 elected members. It seems that one can move away from Patten if one so wishes.

Patten set up the Policing Board to deal with a particular set of circumstances. However, if we end up with a Minister and an Assembly Committee for policing and justice, we will be in difficulty. Ten Assembly Members who were elected by d’Hondt would sit on the Policing Board, and the Assembly Committee would have 11 members who were also elected by d’Hondt. That means that 21 MLAs would be committed to policing. Colleagues will be aware from previous discussions that it can be difficult to fill Committees. A few weeks ago, we had an energetic discussion with Naomi Long about the difficulty of securing Committee quorums when the Assembly was up and running. It is obviously silly to tie up 21 elected representatives with policing.

How do we deal with that? The Policing Board has many roles. For example, it secures money for policing from the NIO. Presumably, that money would come first to the Minister, who would then pass it to the Policing Board to dole out. The board is also responsible for the police’s manpower and equipment. Therefore, it has operational, hands-on concerns. It is also charged with holding the Chief Constable to account.

There is confusion in that the board does not simply have a watchdog role; that would be the role of the Assembly Committee. The board has a combined role. Therefore, how would the Policing Board, with its many functions, operate, yet have a useful, supervisory relationship with the Committee?

One option is to use d’Hondt to replace elected representatives on the board with party nominees. Those who are chosen to serve on the board would,

therefore, be non-elected representatives, and the essential political input that the Patten Report requires would be retained. The Assembly Committee could then operate properly.

It is uncertain whether the Assembly Committee would, under normal circumstances, call the chief executive of the Policing Board to appear before it. The Policing Board would hold the Chief Constable to account, and the Assembly Committee would hold the Policing Board to account through its chief executive. I am sure, however, that the Committee would want to reserve the right to call the Chief Constable if circumstances dictated, given that it has the power to summon people and papers.

The Committee would oversee the Minister’s work. Matters that concern justice and prisons would be much more straightforward if the Committee had direct access to the relevant agencies.

The issues are complicated and impinge on all kinds of areas and sensitivities. However, if we achieve nothing else, I hope that we at least have clarity of thought about how to proceed.

Mr Attwood: I agree with Alan that the Committee’s work on the Policing Board could be some of the most useful that it addresses. However, the basis on which we progress must be that, although it is accepted that the Assembly and Minister would like to have as big a role as possible — since that is the nature of Parliaments and Ministers — all of the institutions established by Patten need to be ring-fenced and their independence protected to the highest possible degree. If we work from that principle, I believe that our efforts will be successful.

Parliamentarians and Ministers may not end up with the authority and role that they want, but given the nature of the policing issue, it is the best way to proceed.

Therefore, save as is outlined in Patten, the role of an Assembly and any Minister or Ministers should not extend beyond what I have outlined. Ministers would have responsibility for setting long-term objectives, deemed to be three to five years. Working from that basis, the principle of maximum dependence of the policing structures can be established.

I am concerned about some members’ views on this. Perhaps some still yearn for a return of the days when there was a Minister of Home Affairs with far-reaching powers.

Mr Kennedy: Hear, hear.

Mrs Foster: Bring back John Taylor. *[Laughter.]*

Mr Attwood: On the other hand, other parties feel that it has taken so long for us to get our hands on policing that now we are close we must grab it all. Perhaps I am over-characterising one or two parties

round the table, but we must be mindful of such tendencies.

In principle, the Policing Board, the PSNI, the District Policing Partnerships (DPPs) and the Police Ombudsman should be ring-fenced; as far as possible they should not be encroached upon.

As a consequence, an Assembly Committee or Minister will feel that their function in relation to policing matters is not what they would like it to be, but that is definitely the best approach. Views on some elements of that may converge over the next two or three weeks.

The SDLP supports the devolution of fifty-fifty recruitment, but it must be subject to safeguards. Given the likelihood, or otherwise, of the Assembly being restored by November 2006 or May 2007, the subject of its being devolved may become academic, as the British Government are about to go out to consultation on the renewal of fifty-fifty recruitment because its three-year provision runs out next April.

I remind members that Patten said that there should be fifty-fifty recruitment for at least 10 years. The SDLP is working from the basis that the recommendation of 10 years is a minimum and argues that it should extend beyond that.

Mr Cobain: Do you think that there will be a Prod in the police force if fifty-fifty recruitment runs for 10 years?

Mr Attwood: By the time fifty-fifty recruitment has run for 14 years, the police force will probably be about 55% Protestant — or non-Catholic, to give the proper legal definition.

Finally, I put down a marker about the appointment of a new Police Ombudsman in September or October of next year, when Nuala O'Loan's seven-year tenure ends.

Mr S Wilson: Are any more of your councillors' wives looking for a job?

Mr Attwood: I understand why Ian Paisley Jnr comes out with that kind of comment, but Sammy should know better.

Mr Cobain: You are right.

Mr Kennedy: There is no point appealing to his better nature.

Mr Weir: What better nature?

Mr Kennedy: Exactly.

Mr Attwood: Sammy should be mindful of the company that he keeps.

Mrs Foster: Sammy, I would leave now if I were you.

Mr Attwood: The SDLP also wants the appointment of a new Police Ombudsman to be

devolved. However, I am worried that, given the time frame, offering advice to the Prime Minister on the appointment of a new Police Ombudsman is a heavy power to give to OFMDFM.

Mr G Kelly: If the SDLP had had that job in OFMDFM, I wonder whether it would have had the same opinion.

Sinn Féin supports the transfer of fifty-fifty recruitment, but with community safeguards. There is almost paranoia about what will happen to the Policing Board in those circumstances, so let us try to balance it out. The Policing Board has powers that should be protected. However, we are not talking about a Minister or Ministers with no powers at all. Some of the ambience of the conversation suggests that there will be a lame duck Minister; that would assist no one.

The Policing Board does not legislate — the Minister may. A Department for policing and justice must have a scrutiny Committee. Other Departments will have a scrutiny Committee with powers or limitations, so why would a policing and justice Committee not operate on the same basis? That Committee might not have the power to legislate, but it would certainly have the power to offer assistance in creating helpful legislation.

1.45 pm

Bearing in mind that even this Committee has almost accepted that policing and justice matters would not be covered by two separate Departments, it is crucial to remember that discussion of a single Department for policing and justice involves more than policing and the Policing Board.

We are talking about the entire policing and justice issue, which is much more wide ranging; that should be reflected in the power that a Minister or Ministers would have. Some of the powers are already ring-fenced, and I have heard no one argue that the Policing Board's powers should diminish. That said, a scrutiny Committee is essential.

I have not yet given any thought to what Alan has said about political parties replacing their elected representatives on the Policing Board with party appointees, but I suppose that it is worth looking at, given that the board might have problems getting a quorum.

There is also an all-Ireland dimension to policing and justice, and I would like that dimension to be very robust, whether that be achieved through one or more implementation bodies or areas of co-operation. That would help to strengthen some policing and justice issues on which we have already had some sort of agreement. That is all that I have to say on that matter at present. I think that we can go some distance with it.

Table 1 on reserved matters and their implications for devolution states in relation to paragraph 11 of schedule 3 to the Northern Ireland Act 1998:

“The Secretary of State would retain power to issue statutory guidance to the Ombudsman (the Minister for policing would also have this power).”

I am not sure what that means exactly. Would the Secretary of State and the Minister both have power or would it transfer from the Secretary of State to the Minister?

The Chairman (Mr Wells): Mr Moore will seek clarification on that. After Sammy has spoken, our round-robin contributions will be complete. I shall then seek proposals.

Mr S Wilson: Like the Ulster Unionist Party, the DUP believes that fifty-fifty recruitment has been discriminatory and has damaged the police’s credibility in the unionist community. It has also been damaging to individual police officers, because they are considered to have been selected on the basis of their religion, not on the basis of their ability to do the job. Therefore, fifty-fifty recruitment should be ended as quickly as possible. I hope that that happens before policing and justice powers are devolved.

I suspect that those who want fifty-fifty recruitment to be devolved to Northern Ireland want it so that they can use their veto powers to ensure that discrimination exists for a considerable number of years. That worries me. Alex has talked about fifty-fifty recruitment lasting for 14 years or more. That in itself is a warning sign for people from the unionist community. They would simply see the devolution of policing and justice as a means of institutionalising discrimination, because nationalists could use their veto to prevent any change to the fifty-fifty provisions.

The relationship between the Policing Board and the Assembly is not such a big issue. Any MLA who has been involved in the Policing Board will know that a policing and justice Committee that would have other policing and justice responsibilities could not possibly do the job of the Policing Board, or, indeed, supersede it. The Policing Board’s job is more to do with the minutiae of policing.

It is best to see the Committee’s role as an overarching one, perhaps in relation to legislation and long-term strategic issues, with the Policing Board micro-scrutinising policing. If much of the Policing Board’s scrutiny role were passed to an Assembly Committee, there would be meetings two days’ a week on that one issue. That would not work.

I am not sure about Alan McFarland’s suggestion that political parties’ representatives on the Policing Board would cease to be elected members and instead be party appointees. That would probably lead to a

reduction in the number of Policing Board members. The board might well end up with 22 members. Politicians will be involved in scrutinising policing at some level, whether at a micro level for the Board, or at a macro level for the Assembly Committee. This is not a big issue — in fact, the more people involved, the greater understanding there might be among public representatives of the issues and complexities of policing.

I am not sure that we are in a position to start divvying up roles between the Policing Board and an Assembly Committee; however, it might be a natural division for one to have a strategic role — with all of the potential policing, justice and legislative scrutiny responsibilities — while the other takes responsibility for micro scrutiny.

One matter concerns me. If the Assembly wanted to be involved in the minutiae of policing, it could be seen as taking some political control of that matter. That would be a retrograde step.

As for the appointment of the Police Ombudsman, the DUP would be happy to see greater responsibility for at least advising as to who should be appointed. That is an important position, which requires a great deal of confidence from the police and from the community. The more that the person appointed is seen as having emerged from political consensus in Northern Ireland, the better.

We should learn from the present Police Ombudsman’s standing that, if the person in the post is perceived to have been elected in a partisan manner, and there is no consensus for that name, that is detrimental to the office itself. The position is important, and the police regard it as important to have independent scrutiny of complaints. Nevertheless, the office-holder must be seen to be independent and without a political agenda, hence the need for consensus and an input from the Assembly.

Mr McFarland: One of the most exciting things about the Assembly is that it has no equivalent of the House of Lords — its only balance is the Committee system, which is very powerful. In fact, Westminster’s scrutiny Committees are now similarly powerful.

A policing Department and its scrutiny Committee would allocate the money, establish the legislation and would be ultimately responsible for holding the Minister to account. I cannot see a Committee fettering itself by agreeing to take a watching brief at a macro level.

Secondly, Sammy cannot have forgotten, because we spent four years on it, that the Policing Board takes up an enormous amount of time, although it is supposed to be only two days a month. From a practical point of view, I cannot see how Assembly Members, who are taking part in plenary sittings on Mondays and Tuesdays, attending Committees on

Wednesdays and Thursdays and working in their constituencies on Fridays, would be able to put in the time that the Policing Board, with its subcommittees and so on, requires, if they are to do their jobs properly. There is a major issue here about the Committee's power and about the time required for Policing Board and Assembly work. The logical option would be to opt for a Policing Board equivalent to those in the rest of the UK with a number of independent members — that is the way that the old authorities worked. What I suggest is something of a halfway house.

The key to the Policing Board's success has been the political input; it brought a bite and a drive that it would not have had with independent members. This is vital work, but it means that 10 MLAs are tied up for great chunks of time. I have attempted to find a solution whereby the political input is retained, which has been important during the first four years, while taking the burden off the shoulders of the MLAs. If this place were functioning properly — and it never really got up to speed the last time — Members would need to be here full time. This suggestion is an effort to keep the political input on the Policing Board, which is healthy, while at the same time freeing up MLAs to do what they are paid to do.

The Chairman (Mr Wells): Let us start at the bottom. Do we have agreement that the Assembly should have the responsibility to advise — note that the word is “advise”, not “appoint” — the Crown on the appointment of the Police Ombudsman? Are we happy to take on that power? Is there any dissension on that?

Mr G Kelly: Is that the First Minister and the Deputy First Minister?

The Chairman (Mr Wells): Yes; the Assembly, through its Ministers.

I presume that a cross-community vote could come into this, or a petition of concern could be used, if members were unhappy. There would be some safeguards — the word “safeguards” was mentioned a couple of times. What do members think of this suggestion? Of course, the Assembly's advice could be ignored.

Mr Neeson: What do you mean by “could be”?

Mr McFarland: It depends on the mechanism. Will the First Minister and the Deputy First Minister decide over a cup of coffee in the morning that Mr Jones or Mrs Smith would be suitable for appointment? Will it go before the Assembly for a cross-community vote? How will this operate?

Mr S Wilson: This would be one way of ensuring that there is some confidence in the person who takes on the role.

Mr McFarland: So it would come through the Assembly on a cross-community vote?

Mr S Wilson: It would go through the Assembly.

Mr McFarland: That is not perhaps as it is envisaged here, with the First Minister and the Deputy First Minister having a cup of coffee. It would be quite healthy if the appointment were agreed in the Assembly.

Mr Attwood: Sammy's outline is a dangerous precedent, if the appointment of a person to head a senior public body, had to go through the Assembly and be subject to a cross-community vote.

The Chairman (Mr Wells): I hope that that is not what Sammy is saying. I think that he means that if there were dissension by a significant group of MLAs —

Mr Attwood: If there were dissension, would the appointment be subject to a cross-community vote? That is not where we are heading with this or other significant appointments. That is a power of veto that people from one, other or both communities would exercise.

The Chairman (Mr Wells): At the last PFG Committee we considered the issue of making public appointments more accountable to the Assembly, so there is consistency in having what is one of the most important —

Mr S Wilson: The post of Police Ombudsman is uniquely different from any other public post. I believe that there is a requirement for cross-community confidence in the person who takes that role. It may well be that, if the name suggested causes no concern, there will be no need for a vote. However, if there were, Members could lay a petition of concern that would require Assembly assent. Of course, that happens in other parts of the world; for example, for appointments of Supreme Court Justices in America.

2.00 pm

The Chairman (Mr Wells): This is a finely balanced argument, and we are hearing both points of view. Could we accept the principle that there should be some mechanism so that the Assembly could have an advisory input? Rather than deciding that there must be an affirmative vote in the Assembly or a Committee, we could agree on the principle that the Assembly take some role.

Mr Cobain: It would be a bit silly if we had devolved policing and justice powers, but did not take a view, as an Assembly, on who would be appointed Police Ombudsman. Alex Attwood has given the impression that perhaps the Assembly is not mature enough to do that or that the Assembly is so discriminatory that it could not be trusted. Assembly Members have put themselves forward for election, and they represent the people. It is absurd for the Assembly to take no view on the matters on the list that Alex read out.

Mr G Kelly: A simple proposition has been made complicated. The Assembly can decide to voice an opinion on any matter. However, it is not up to this Committee to stipulate that the Assembly must take a view. That is the difference. If we stipulate that the Assembly must have a say in the appointment of the Police Ombudsman, we will be in a situation in which everything will be run entirely by the Assembly; that leads to institutional arguments about corporate Executives and so on. The simple solution is to shift the responsibility for the decision from a single person — the Secretary of State — and to give it to OFMDFM. I am not saying that the decision should be made over a cup of tea.

That is a simple proposition, and we should keep it so, instead of trying to prescribe whether that decision is made over a cup of tea, whether the Assembly has its say, or whatever. We should be careful. If we stipulate that the Assembly must give an opinion, the Assembly will have to give an opinion on every single thing. Who are we to tell the Assembly what to do? No one will stop the Assembly from voicing an opinion. If a Member rises in the House and says, “I disagree with this appointment. I want a debate in the Chamber”, we may or may not have a debate. That is the way it goes. Let us not start stipulating that that must happen.

Mr Attwood: Earlier, we were told that the dangers of an Assembly Committee exercising political interference on policing matters would not arise because, logistically, that burden already falls to the Policing Board. However, 10 minutes later, there is an attempt to politically interfere with the independence of the policing structures in the North, namely the Police Ombudsman’s office. The very fear that I outlined earlier has been confirmed half an hour later. The proposal would represent political interference in public appointments in an area of great sensitivity where public confidence is essential. If we start with the Police Ombudsman, there is no doubt that we would have to do exactly the same for the Victims’ Commissioner, the Chief Commissioner of the Human Rights Commission —

Mr McFarland: The Chief Constable, perhaps?

Mr Attwood: Even the Chief Constable — thank you. Once that gate is opened, people will charge through it. Members know the nature of this place; from the past six or eight months, or the past year, we know how members from all parties had heightened sensitivities about who was appointed to an interim post or a full-time post in another public body. We cannot open that gate.

We are fundamentally opposed to that. Of course, we can raise things in the Assembly; that is the nature of politics. However, to give the Assembly any power on this matter would be a recipe for a return to the past.

Mr Cobain: The Chief Constable is appointed by the Policing Board, which is run by politicians.

Mrs D Kelly: And independent members.

Mr Cobain: Alex, in his capacity as a politician, sat on the interview panel for the post of Chief Constable.

Mr Attwood: Was there a cross-community vote?

Mr Cobain: No. There was no cross-community vote.

Mr Attwood: Sammy is proposing that the Police Ombudsman be subject to a cross-community vote in the Assembly.

Mr Cobain: Alex sat on —

Mr Attwood: I did not; Joe Byrne did.

Mr Cobain: A member of the SDLP, along with members of other political parties, sat on a panel and interviewed the candidates for the position of Chief Constable.

Mr Attwood: There were independent people as well.

Mr Cobain: Members of political parties sat on the interviewing panel and then voted —

Mr S Wilson: The majority were politicians.

Mr Cobain: Yes, the majority were politicians. They voted on the appointment of the Chief Constable. What is the difference in politicians sitting on the Policing Board? Do they leave their police hats outside that day and come in as independents?

Mr Attwood: You cannot see the difference between a mixed panel appointing the Chief Constable and an exclusive body of politicians taking part in a cross-community vote?

Mr Cobain: Alex, it is the same with Patten. When it suits you, you need Patten; when it does not suit you, you do not need Patten. It is the same with us.

We are appointed by the people; we put our names forward and are democratically elected. This is nonsense. It is like saying that Parliament should not have any say in this or in that.

Mrs D Kelly: It is one of the confidence measures that the nationalist community requires.

Mr S Wilson: The current Police Ombudsman was a political appointment —

Mrs D Kelly: Nonsense.

Mr S Wilson: The Secretary of State appointed her, at the behest of the SDLP, and she is from an SDLP background. Do not be getting precious now about political appointments to the Police Ombudsman’s Office.

The Chairman (Mr Wells): Mr Kelly will speak next, and that is it.

Mr Cobain: Sinn Féin always has the last word.

The Chairman (Mr Wells): Sorry, Mr Kennedy will speak next, then Mr Kelly, and then that is it.

Mr Cobain: You Sinn Féin Chairmen are desperate.

Mr Kennedy: I fail to understand what virtues so-called independent members have. All of us are from Northern Ireland, with a Northern Ireland background. Clearly, all of us are capable of holding particular views. I do not understand the logic of relying on and making a virtue out of having independent members, as opposed to people who have sought the vote of the electorate.

I do not see how the decisions taken by those who are supposedly independent can be defended; if the surfaces of all members were scraped, certain views would be found. Those who are democratically elected have put themselves forward and received the mandate to do it. It is astonishing.

Mr G Kelly: The DUP should not get too precious when we are talking about the Parades Commission and the Victims' Commissioner, whom they appointed. We could argue about this all day.

I was hoping for a short adjournment, as I have a couple of important phone calls to make.

The Chairman (Mr Wells): There will be a coffee break at 3.00 pm.

Mr McFarland: Perhaps we could have a comfort break, Chairman?

The Chairman (Mr Wells): Yes, the policy is that each party should be represented at meetings at all times. May I presume that we have consensus on the 10-minute coffee break?

Members indicated assent.

The Chairman (Mr Wells): That is another one chalked up. *[Laughter.]*

Does the Committee accept that OFMDFM has the power to advise the Crown on the appointment of the Police Ombudsman?

Mr McFarland: Without being prescriptive as to how it is exercised?

The Chairman (Mr Wells): Yes. It refers to general powers. What is the view on that?

Mrs D Kelly: There is no definition of "advise".

The Chairman (Mr Wells): I am getting the clear impression from Alex that there is no consensus on this. Let us not flog it; it is not going to happen — at least not through the work of this Committee.

Let us break for 10 minutes, and I mean 10 minutes, folks. Coffee will arrive at 3.00 pm, but we will have to continue working; we cannot have three breaks in two hours.

The Committee was suspended at 2.09 pm.

On resuming —

2.20 pm

The Chairman (Mr Wells): We have a quorum again, so we are back on air. As we did not reach consensus on advising the Crown on the appointment of the Police Ombudsman, we will move to the next suggestion, which is that the Assembly considers whether to seek devolution on fifty-fifty temporary recruitment provisions. There seems to be some support for that, so I shall throw it out for discussion. We do not want to get into a debate about the merits, or otherwise, of that provision because we could spend several days on it. I will formally put the suggestion: do we have consensus on the Assembly having a role in the temporary fifty-fifty recruitment provision?

Members indicated dissent.

Mr Weir: We are opposed to that, as we are concerned that it would be used as a device to enshrine fifty-fifty recruitment.

Mr Attwood: We are in favour of it, subject to appropriate community safeguards.

Mr McFarland: The problem is that, at the moment, the Government have the power to change the provision. If that suggestion were approved, community agreement would be necessary to change it, so it would never be changed. An entire political issue would ensue around those who moved away from the suggestion or tried to change it.

The Chairman (Mr Wells): For the sake of completeness, Sean, what is your position?

Mr Neeson: We are in favour for it.

The Chairman (Mr Wells): As we do not have consensus, the matter will be dropped. We will move on to new paragraph 11A of schedule 3 to the 1998 Act, which deals with co-operation between the PSNI and the guards.

Mr Weir: I am sorry, Chairman; was any level of consensus reached on the Policing Board? If I understood it correctly, there probably was consensus that a policing board should remain and that an Assembly scrutiny Committee should scrutinise the work of a policing Department. I know that that may be straightforward and obvious, but —

Mr McFarland: We need to discuss further the interaction between those bodies. At some stage, the parties will have to discuss how those arrangements will actually work, the make-up of the scrutiny Committee and whether the make-up of the board should change. Those arrangements are such a fundamental part of the devolution of policing that they should be agreed before we can implement it.

The Chairman (Mr Wells): Is there any chance of a low-level consensus on that issue?

Mrs D Kelly: Three of the political parties are represented on the Policing Board. Last week, Prof Sir Desmond Rea wrote to the Committee on behalf of all board members, suggesting that the status quo in the relationship with the Policing Board be maintained and that the Policing Board and its functions be protected.

Mr Kennedy: He would say that, would he not?

Mrs D Kelly: You are a member of the Policing Board, and he wrote on behalf of that board.

Mr Kennedy: I know that, but the politicians must sort out the prevailing arguments. We need not run to the Secretary of State, the security Minister, or Prof Sir Desmond Rea. There are issues to be resolved, and this is the place in which to do that, rather than hiding under other people's skirts.

Mr Weir: I hope that you are not accusing anyone of cross-dressing.

Mrs D Kelly: No one has any intention of hiding behind anyone's skirts, regardless of who chairs the Policing Board. It is a matter of record that Prof Sir Desmond Rea has written to the Committee in his capacity as chairman of the board, and one can only assume that he has done that with the blessing of that board, of which Mr Kennedy is a member.

Mr G Kelly: There are three aspects to the issue. Everyone agrees that the Policing Board should maintain its powers under Patten and should remain extant. Whether one or two Ministers are responsible for a Department for policing, they should have the same powers as any other Minister under the Good Friday Agreement. There would be a scrutiny Committee, but it would only have powers to scrutinise the Department, like any other scrutiny Committee. In that way, it is quite straightforward.

Mr Attwood: Except for the second point. A Minister for policing would not have the same powers as any other Minister under the Good Friday Agreement, because those powers were defined and constrained by the Patten Report. The Patten Report said that the Secretary of State's powers, for example, were limited and primarily included the setting of long-term objectives. That is somewhat less than the routine powers of any other Minister. So, subject to that —

Mr Weir: Three propositions were effectively put forward. I shall leave aside the second proposition, as there will clearly not be consensus on it, from what Alex has said. I have no problems with the first two points: the retention of the Policing Board's current powers and the setting-up of an Assembly scrutiny Committee; I am happy to agree to those.

Mr McFarland: Assembly Committees have legal powers to call people and papers. When people appear before a Committee, they can stay quiet or tell lies, but Committees have the ability to call them. One does not

want to interfere with the successful working of the Policing Board because, by and large, it is the one organisation that has worked over the past while. My point was that there are serious practical difficulties with 21 Assembly Members being involved in the Policing Board.

The PFG Committee dealing with institutional matters has been discussing whether the membership of the Assembly should be reduced to 90 Members or 72 Members. If, for example, Assembly membership dropped to 72, 21 Members will be pootling around in policing, if we stick with Patten and 10 politicians serve on the Policing Board.

There are real practical problems with giving full service to the Policing Board. Alex knows perfectly well how much time that takes; we have spent weeks, in some cases, at meetings of the Policing Board. Colleagues who served in the first mandate know well that, when the Assembly is fully operational, we can spend nearly all week here, including some Fridays, when we should be in our constituencies.

Therefore, we need to review the elected membership of the Policing Board to see whether there is another way to maintain the same political input and balance that would allow the Policing Board to do its business and allow a scrutiny Committee to operate in the proper way. It is a circle that cannot be easily squared.

Mr Weir: Two issues should be separated: the membership of the Policing Board, and the powers of the Board. For the moment, the Policing Board should retain its role and powers. We might achieve consensus on that.

As regards the elected membership, I am not quite convinced that the practical difficulties are insurmountable. However, if the Policing Board were reconstituted under some sort of devolved justice system, which is what we are talking about, with the Assembly up and running, it should retain the current 10 elected Assembly Members and nine independent members.

If, a year or two down the line, that arrangement were found not to be working because of time constraints, I would certainly be open to some degree of review. My general preference is to retain politicians on the Policing Board, who should be elected Assembly Members. I am not comfortable with moving away from that. If it were shown from a practical point of view that it simply could not be done, I would consider changes at that stage.

2.30 pm

Mr McFarland: Are we saying that an Assembly scrutiny Committee on policing and justice would examine the Minister? Nobody else is looking at the

Prison Service, so no doubt we will have the head of the Prison Service in every so often to find out what he is doing. The Committee could call the head of the judiciary to find out what is going on with regard to sentencing, bail and everything that relates to the courts.

Are we saying that the 11 members of that Committee would not be allowed to interfere with their 10 colleagues, from the same parties, who oversee the Policing Board? I cannot imagine the 11 good and true members of the Committee saying that the Policing Board is sacrosanct; that they have full confidence in their colleagues who sit on it; and that they will not examine policing, because that is the job of the Policing Board.

Mr Attwood: That may be the political imperative, as you see it.

Mr McFarland: That is the reality of it.

Mr Attwood: If the Assembly is restored, it will be subject to two police Acts, which will define the roles and responsibilities of the Policing Board and the PSNI. They will define them internally and externally, and, whatever role a scrutiny Committee or Minister may have will be subject to every section of those two pieces of legislation. A Minister, or an Assembly scrutiny Committee, may want to ride roughshod over that, but they would not have the legal authority to do so.

Mr McFarland: The Committee would. If an Assembly Committee produces money for policing and justice, which it would, it would have the ability to supervise the Minister and any agencies or organisations within its remit, and that would include policing and justice. Although it could not interfere with the operational activities of the Chief Constable, because that is sacrosanct, if there was a bog-up over baton rounds, I am sure that the Committee would wish to hear evidence from the chairman of the Policing Board or the Chief Constable about what went wrong. I cannot imagine any Assembly Committee forfeiting that right.

Mr Attwood: I did not say that they would not try to go in various directions — they will.

Mr McFarland: Would they have a legal right to do so?

Mr Attwood: As tends to happen, hopefully, equilibrium would be reached, whereby the Committee and the Policing Board would recognise their limits. That is how it would work in practice. With regard to the technical position, the law will govern who has real authority when it comes to any one issue.

In respect of any part of Government policy in the North, the paymaster can try to jump in on the conduct of any public body, agency or Department.

Mr McFarland: In my view, there is a conflict that is not resolvable by having two sets of politicians in the same mix, from the same party, scrutinising the same thing.

Mr Attwood: I will give you an example. Representatives from all the Northern Ireland parties at Westminster sit on the Northern Ireland Select Committee, and it reviews the Policing Board.

Mr McFarland: That is only because it is still a reserved matter.

Mr Attwood: Taking a hard parliamentary model, that Committee in Westminster reviews aspects of a Government body or Government policy.

Mr McFarland: No, it does not.

Mr Attwood: Yes, it does.

Mr McFarland: When the Assembly is sitting, the Northern Ireland Select Committee can only consider defence, foreign affairs or Treasury impacts on Northern Ireland issues. However, when policing and justice are devolved here, the Northern Ireland Select Committee will no longer be able to posture on policing and justice, except with regard to the Budget.

The Chairman (Mr Wells): This is an interesting academic argument between two experienced Policing Board members, but we are dancing on a pinhead, because the two proposals are: the Policing Board retains its current powers — and I think that everyone is agreed on that — and, the Assembly should have a scrutiny Committee on policing. The issue of who serves on it, and do we need to change —

Mr Weir: Sorry to interrupt, but it would be a scrutiny Committee on policing and justice — it would go wider than policing.

The Chairman (Mr Wells): If we agree that, at a later date — and it will be at a much later date at the rate that we are going — we can discuss whether it is better to have MPs, councillors, etc. on the Policing Board.

Mr McFarland: This Committee's remit is to prepare for Government. One area that requires preparation is policing, and I appreciate that it is academic until we solve the other outstanding issues that have been well rehearsed here. We can stop discussing the issue now, but we will have to sit down and discuss it again before a deal is made in the autumn. We can discuss it as part of the talks, or the five parties who have to decide how it will work could discuss it. It must be agreed before we get devolution of policing and justice.

The Chairman (Mr Wells): The only issue that we are falling out about, Alan, is the actual bodies that are on each Committee; that is all.

Mr McFarland: No. We are talking about the modalities of who has the authority to do what, and to

call whom, when the devolution of policing and justice occurs. This is the most fundamental issue. The Policing Board — of which I am a former member — has discussed it endlessly, and Sammy will know that the interface between who has the authority has become the most major problem in policing. Following the restoration of devolution, justice and the Prison Service will be fairly easy to deal with, but policing will not, because policing is run by a load of politicians already.

We must make a key detailed decision before a deal is made in November — if that is where we are heading. Imagine if the deal is struck, the Executive fires up, and there are shortened timescales. Imagine if the DUP and Sinn Féin iron out their differences, and then the question is asked about having to wait for two years before policing and justice are devolved — as it was asked here last Wednesday. If the differences have been ironed out, why should the issue be raised again then? We could reach a stage where there is a shortened timescale.

The moment that the Assembly fires up again, the Policing Board membership will change. However, when that happens, will Sinn Féin be represented on the Policing Board? Soon, we will have to discuss, in detail, the interface between the Policing Board, the Assembly Committee, and the Chief Constable and how policing is going to be implemented — that is the whole idea behind the Committee. We can park it for now; that is not a problem.

The Chairman (Mr Wells): We could agree by consensus that the issue requires further consideration.

Mr McFarland: The issue cannot be left for discussion by a review Committee or by the Assembly, as many others can; this is a fundamental issue.

The Chairman (Mr Wells): No party is flagging up the issue as being a major impediment to them going into an Executive, as far as I can see. It is a difficult issue, but it is not an impediment.

Mr McFarland: When policing is resolved, this matter will become a major impediment. It should be dealt with to coincide with that point — unless we are going to delay it further down the line for discussion within the Committee. It must be dealt with, and it is fundamental to the core of policing. If we are putting it off, there is no problem.

The Chairman (Mr Wells): I cannot see how we will solve it by 4.00 pm.

Mr McFarland: I am not saying that. You suggested that we agree two issues and park this. That is OK.

The Chairman (Mr Wells): Good.

Mr McFarland: However, colleagues will have to think about the matter and come back to it. Devolution

of policing will not go anywhere until this issue is dealt with.

The Chairman (Mr Wells): Would parties consider the interface between the Policing Board and an Assembly Committee on policing and justice and the powers involved? Would parties come back to the Committee at a later stage? It is not something, I am sure, to which some parties have given a lot of thought.

Mr McFarland: The Policing Board will have had some discussion on it, but it is a fundamental issue that must be resolved.

Mr Weir: I do not agree with Alan that this obstacle is on the same scale as some of the others, but I am happy to come back to it at some point.

The Chairman (Mr Wells): Are we happy to agree that?

Members indicated assent.

The Chairman (Mr Wells): We move on to something less controversial: co-operation between the PSNI and the Garda Síochána.

2.45 pm

Mr G Kelly: As the NIO document states, the Inter-Governmental Agreement on Policing Co-operation is an international treaty. However, it is stated in the column on issues remaining that:

“The Assembly will wish to consider whether, with the UK Government’s agreement, they wish in the future to negotiate replacement arrangements with the Irish government.”

Sinn Féin is all for strengthening the all-Ireland structures and for the Assembly to deal with the Irish Government in doing so. That is fine by us.

The Chairman (Mr Wells): Do you have any thoughts on that point, Alex?

Mr Attwood: The Inter-Governmental Agreement on Policing Co-operation is a moderate agreement that needs to be enhanced for many good reasons. We want a very early conversation to take place about how that could be done in such a way that threatens nobody and assists everybody on a North/South and east-west basis. To confirm: the Assembly should enter into ever-deeper arrangements with the rest of the people on this island.

Mr S Wilson: Considerable co-operation occurs between the police and the gardaí, and, through our positions on the Policing Board, some of us have become aware of how much co-operation there is.

There is no resistance to co-operation at that level where it is seen that it occurs for good operational reasons and produces practical results. However, unionists get nervous when the political structure is then imposed on that arrangement. As police officers will tirelessly tell you, that political structure is by and

large unnecessary. The same police officers will also endlessly tell you that good relations exist in liaisons between senior police and gardaí officers and even at lower levels.

We would not be happy if the arrangements with the Irish Government were enhanced or replaced. We believe that what currently exists does so probably more for political reasons rather than good, practical policing reasons. When unnecessary political structures are added to those arrangements, people only become suspicious of what should be natural co-operation between police forces on the island.

Mr G Kelly: I am not sure what Sammy is saying. Surely he wants enhancement; he said that he is worried about enhancing the arrangements, but his whole discussion was about how those arrangements were very good and that they should improve. Therefore, he is as much for enhancement as he is opposed to it.

Mr S Wilson: I was discussing practical arrangements and how practising police officers see where co-operation and liaison are necessary. There is no need to put a political structure on to that. Policemen know what co-operation is required, how that can occur, and that, by and large, it works.

Mrs D Kelly: I would have thought that, as in any public authority, structures and frameworks that state what individual employees of such bodies can do must be agreed at a strategic level. Surely Sammy is not advocating that a garda in one area and a PSNI officer in the other make up the rules as they go along. Operational directions and arrangements must surely be in place.

Mr S Wilson: I thought that the idea was that politicians did not involve themselves in operational police matters. It is dangerous to advocate that, because it will start interference on how the police forces operate with each other.

Mrs D Kelly: That is what those intergovernmental arrangements are for.

Mr G Kelly: There will be North/South Ministerial Council input into any of the Departments or structures that will be set up. A justice and policing Department should not be any different to any other Department. I return to the fact that all of the DUP's arguments are, actually, in favour of enhancement. A formal North/South footing allows for — as the column on devolution states — lateral entry, secondments and exchanges, training of officers, etc. Implementation bodies and/or areas of co-operation would clearly enhance that.

Mr McFarland: That proposal falls firmly into the category of “North/Southerly”, and the rules on that are quite clear. Everyone is more than happy with co-operation that helps in operational matters. That is correct, and Sammy has covered that matter in some detail.

However, there have been attempts to build an empire around this issue before it even reaches the Assembly. There are teams of civil servants who are all dreaming up new ideas. If measures are practical and sensible, there is no problem. However, for example, there were suggestions that all police training on the island should be carried out at a single police college where the gardaí and the PSNI would train together.

There are two different jurisdictions with different legal systems and rules, and some people are trying to make proposals for political reasons. I have no doubt that my party and the DUP will block those proposals, as we have on other matters. No one has a problem with ideas that are introduced for good practical reasons, but if a measure is solely political and an attempt to bring in all-Ireland harmonisation etc, I am afraid that we will not agree to that.

The Chairman (Mr Wells): There seem to be slight diversions on this matter. I assume that we shall not reach consensus on this issue. The remaining matter is a bit weaker than what is being proposed, however, and concerns replacement arrangements with the Irish Government.

Mr McFarland: It would make more sense if that matter were moved to North/South discussions. The Assembly and the parties have negotiated changes before and it is fair enough that we negotiate. If improvements are to be made in policing — structural or otherwise — those should be decided through normal Assembly inter-party and cross-community agreement. There is no problem if an issue is non-threatening. If one side or the other tries to steal a march on this matter, no doubt the other side will object.

Mr G Kelly: Consensus with caveats?

The Chairman (Mr Wells): Consensus on what is listed as —

Mr Weir: Generally, even when there are negotiations, other matters will fall outside the terms of a relationship with the gardaí at a governmental level and will fall outside Northern Ireland's jurisdiction. Some matters will be decided on a UK-wide basis and that also needs to be taken into account.

The Chairman (Mr Wells): Right; we are happy enough. We now move on to firearms.

Mr Kennedy: What have we actually agreed on that last matter? [*Laughter.*]

The Chairman (Mr Wells): We have agreed that we are happy to try to make progress on the remaining issue, which is that there should be future renegotiations to replace the present arrangements. With the safeguards that Mr McFarland has outlined, that would be done by agreement.

Mr S Wilson: I am not so sure that I would be happy with that. The SDLP and Sinn Féin have already indicated how they interpret any replacement of the present arrangements, and I suspect that the same goes for the Government. However, my understanding is that measures are intended to strengthen and deepen the political structures that have been put in place under the current inter-governmental agreement. I have made it quite clear on our part that that is not how we see the way forward for co-operation between police forces on the island, so I would not be happy to let that one through.

Mr McFarland: There are two different issues. One is on the operational side, where the police deal with the gardaí, which is ongoing anyway.

Mr S Wilson: That is fine.

Mr McFarland: To date, the two Governments have been cooking up proposals in the background with teams of civil servants, totally outside the control of any political advice.

Mr G Kelly: Set up the Assembly and we will be fine.

Mr McFarland: That is the point that I was making. As Peter has said, there are national issues that will be dealt with by the two Governments. There are other proposals that the Governments are currently cooking up on cross-border co-operation that would be better dealt with by the Assembly insofar as they deal with increased co-operation on transport or whatever else. I am talking about the operational side. I am asking whether setting up structures, increasing trade, etc, would be better dealt with in a place where unionists, in particular, had some say in what was going on.

Aside from the operational area — which will go on between the police services anyway — and the national issue, where, clearly, London will have to negotiate with Dublin over matters such as international treaties and the exchange of prisoners, other areas that might be up for increased cross-border co-operation really should be under some Assembly control, as are all the other elements of North/South co-operation. Does that make sense?

Mrs D Kelly: That is what that says.

Mr McFarland: I am trying to persuade Sammy that it might be worth considering an objection to this, here and now, provided that it is clear what we are talking about. We are neither talking about the inter-governmental stuff nor about the operational stuff between the Garda Síochána and the PSNI; we are talking about other areas that would benefit from coming before the Assembly and being dealt with by the Assembly, in keeping with normal North/South practices. Sammy, as I understood it, was about to object to all of that. I was trying to persuade him that some of it might make sense.

Mr Neeson: There could be well be an issue with regard to the Irish Constitution, as to whether a Government body in Northern Ireland could directly interfere with such an important issue as security and the gardaí. Although we all welcome the maximum co-operation with the gardaí, given the nature of modern crime, it is a sensitive constitutional issue.

Mr S Wilson: Despite Alan's attempts to reassure me about this, when I look at the remaining issues, my interpretation is that we look for a deepening and a strengthening of the current arrangements between the Irish and Westminster Governments, involving the Assembly. That is not the way for future co-operation. That, to me, is really done at police level, not at Assembly level; not through political structures, but through normal co-operation among policemen on the ground. There it can be seen to have real practical benefits and not to have some kind of political agenda. I am still not happy.

The Chairman (Mr Wells): It is clear that there is still no consensus. We are going to have to leave that and move on to the topic of firearms and explosives.

Should legislation governing automatic and semi-automatic weapons remain reserved, as in Scotland?

Mr S Wilson: When we talk about automatic and semi-automatic weapons are we talking about shotguns, for example? Those are quite common, especially among the farming community. What exactly is the definition? Are we talking about weapons such as machine guns?

Mr McFarland: It is rifles and machine guns.

The Chairman (Mr Wells): Any experts in this field?

Mr G Kelly: That depends how many rabbits you have on your farm.

Mr Kennedy: Has this anything to do with the aftermath of Dunblane? It might be useful to get an explanation of the Scottish legislation in respect of this.

Mr Weir: The Dunblane situation might also explain why there might be particular sensitivities in Scotland and why it may be a reserved matter there. I just do not know.

I appreciate what others have said in relation to that and I think it may be helpful to get some clarification.

Mr Attwood: That is right, Chairman. It depends on how the drafting is interpreted, but it might be implicit — or hinted — that it can be transferred, even though Scotland has chosen not to have it devolved. In any case, it is one of those matters about which people over here might have heightened sensitivities. We would favour devolution nonetheless.

Mr G Kelly: Whatever is the interpretation of what weapons are involved, it is named in the devolved column, but we are told to see the "Issues Remaining"

column. That suggests that we might want to reserve it, but there is no reason for that. If it comes down to whether we are capable of dealing with it as a transferred matter, I think we are capable, so it should be transferred.

The Chairman (Mr Wells): It is proposed that legislation governing automatic and semi-automatic weapons be transferred.

Mr Weir: Given what I have heard so far, my inclination is that that legislation should be transferred. However, before we take a final decision, I want to be absolutely clear as to which weapons we are talking about. If we could get clarity on precisely what it would be involved, it might provide us with a degree of reassurance.

The Chairman (Mr Wells): So, we shall wait to see the note from the research team.

The next issue is the transfer of responsibility for explosives. Does anybody know anything about this?

Mrs D Kelly: I suspect it refers to fireworks regulations.

Mr McFarland: It applies to fireworks and explosives used in quarries. Of course, when explosives are mentioned, everybody has visions of the past 30 years. Presumably, this legislation refers to normal explosives that are used for quarrying, road building and fireworks.

The situation in Northern Ireland is strange, and, certainly, it caused some confusion on the Health Committee. In Northern Ireland, the Department of Health, Social Services and Public Safety (DHSSPS) issues directions to the Northern Ireland Fire and Rescue Service (NIFRS), and the issue is whether the Health Minister should regulate for fireworks and explosives or should that responsibility be placed elsewhere. The debate is whether NIFRS should be grouped with the PSNI and the Northern Ireland Ambulance Service or should it remain as an agency of DHSSPS, which would keep health and safety issues within Government.

Mr Weir: I do not want to complicate this matter further, and correct me if I am wrong, but is it not intended that as part of the Review of Public Administration (RPA), NIFRS would come under local government control?

Mrs D Kelly: That is so that our rates can pay for it.

Mr Weir: Yes, it is to ensure that local government picks up the tab. If I am correct, does that add another degree of confusion? However, it would apply more to fireworks than to explosives.

The Chairman (Mr Wells): A helpful note has been handed to me. In 'Devolving Policing and Justice in Northern Ireland: A Discussion Document' it states that:

"14.6 The Secretary of State is also responsible for policy and legislation on explosives, including the substances which are controlled as if they were explosives, such as ammonium nitrate. His statutory functions include the licensing of controlled substances, factories, magazines and stores, shot firers, fireworks and the registration of premises. These functions are carried out on his behalf within the Policing and Security Directorate of the Northern Ireland Office."

"14.7 The Secretary of State's responsibilities for explosives will be devolved to Northern Ireland Ministers. Thought will need to be given as to whether these responsibilities would best sit with the Minister for policing or the Minister for public safety."

That is the context in which the proposal has been flagged up. Compared to responsibility for illegal explosives — which is, of course, a security matter — it is a relatively non-controversial proposal. Does that help members? It is a tactical issue to which the Committee might need to give a wee bit more thought. It is not an issue that we would have expected to discuss today.

3.00 pm

Mr McFarland: The discussion is straying into the territory of the PFG Committee dealing with institutional issues, which meets on Mondays. That Committee discusses such matters as the realignment of Departments; the headings under which topics lie; the reduction of Departments from 10 to seven; and the removal of issues from Departments as recommended in the RPA. There is still a question of whether public safety should stay within the remit of the Health Minister or if it should go elsewhere. In a future without today's security connotations, the question is whether it should go to the Department of Health or be left with the police.

The Chairman (Mr Wells): I cannot see how this is an impediment to devolution.

Mr McFarland: It is not, but the PFG Committee dealing with institutional issues could discuss it.

Mr Weir: I am happy for that PFG Committee to discuss it. I might be wrong, but I suspect that there are probably not strong views around the table as to which one of the two Departments should have responsibility for explosives regulations. However, we should not use guesswork to decide which Department should take responsibility for it. The PFG Committee dealing with institutional issues will perhaps know if there are experts in the field and find out their opinion as to the appropriate Department. I am reluctant for us to impose a solution without having any knowledge. However, most of the parties do not have a particularly strong view on it.

The Chairman (Mr Wells): Can we take the view that there is no strong view on this matter; which Department control of firearms and explosives is neither here nor there. They all come from Carrickfergus anyhow; it is all centralised and strictly controlled. Therefore, there is no need to get worked up about it.

Mr Kennedy: It should be referred to the PFG Committee dealing with institutional issues.

The Chairman (Mr Wells): I do not think that they will be remotely interested.

Mr Kennedy: I do not think they will be, but they will be more fascinated than we are. *[Laughter.]*

Mr McFarland: The PFG Committee dealing with institutional issues should consider whether public safety should remain with the Department of Health. However, we need to flag up the explosives issue for future consideration.

The Chairman (Mr Wells): Do we have consensus on that?

Members indicated assent.

The Chairman (Mr Wells): We move to paragraph 15 of schedule 3 to the Act, which deals with the courts. This is another difficult issue, and there are several items, such as judicial salaries, functions of the Lord Chancellor and the appointment and rule of the Lord Chief Justice, which will not be devolved as things stand. Do Members feel that it is important that the power to remove the Lord Chief Justice or to decide on the salaries of the judiciary be devolved?

Mr G Kelly: I have often wished for that power.

Mr Kennedy: Several attempts were made, but they were all illegal.

Mr Attwood: The matters under “What won’t devolve” were negotiated to exhaustion in Hillsborough, and the British would not concede any further ground on the appointment and removal of the Lord Chief Justice and the Lords Justice of Appeal. I wish that it were different, and I would like discussions on that to be re-opened, but it does not look likely. However, we could argue for it, and if there was devolution we would argue for it again when things were up and running.

The concordat may well be in the consultation document, but I have not picked up on it. Can our advisor advise us on what that was meant to cover?

Mr McFarland: Under “What will devolve” it says: *“governing the independence of the judiciary”*.

The Chairman (Mr Wells): It is worth saying that this should be read in conjunction with paper on the role of the Lord Chancellor. Some of the material in that is relevant to this debate. Alban flagged up this

matter because he could see that it might cause a problem.

Mr Attwood: Is the concordat a post-restoration agreement?

Mr McFarland: The concordat is with the Assembly, but presumably before the devolution of policing and justice.

The Committee Clerk: The concordat is between the UK Government and the Northern Ireland Administration governing the independence of the judiciary, because it is part of the guarantee of the independence of the judiciary.

Mr McFarland: Presumably that concordat is drawn up when the Assembly is up and running — because the Assembly cannot agree it before then — but before the devolution of policing and justice. It is difficult to imagine policing and justice being devolved without a guarantee or concordat on the independence of the judiciary.

The Chairman (Mr Wells): Is it not the case that one group will advocate that most, if not all, these matters, should be devolved; a second group will say that there is no chance of that happening; and a third group will say that some matters should be devolved?

Mr McFarland: The Committee agreed that to acknowledge the fact that parties wished to register issues, but that remaining issues were being considered. Unless we can change the plan, we will have problems in agreeing the concordat. We talked about registering our objections to the plan.

The Chairman (Mr Wells): I take it the standard response on this —

Mr G Kelly: As Alex Attwood pointed out, we have been through lengthy negotiations. Sinn Féin is in favour of the transfer of all these matters. The paper entitled ‘The Role of the Lord Chancellor’ states:

“The Lord Chancellor’s role in making judicial appointments has been devolved to an independent Judicial Appointments Commission”.

However, that will not happen until the institutions are up and running and policing and justice have been transferred. Judicial appointments will automatically revert to that commission. That is straightforward; they will become the responsibility of the First Minister and the Deputy First Minister. Sinn Féin’s position is that those matters should be transferred.

The Chairman (Mr Wells): Alex Attwood said that it was flogged to death at Hillsborough and that it will not be transferred.

Mr Attwood: The Lord Chief Justice will not agree to it, and people here have responsibility for his —

The Chairman (Mr Wells): May I have the views of the parties on my right about these proposals? Do you agree that the Lord Chancellor's functions and judicial salaries should be transferred also?

Mr Kennedy: No, the UUP is content that the Lord Chancellor is an appointment of the sovereign Government and they, therefore, have arrangements for salaries, and so on.

The Chairman (Mr Wells): That is what we would have expected. Do members agree that it is not worth taking that any further?

Members indicated assent.

The Chairman (Mr Wells): The next item is the Northern Ireland Law Commission. Everything in respect of that will be devolved. According to the list, no issues remain. Is everyone happy with that?

Mr Attwood: The commission should have been set up pre-restoration.

The Chairman (Mr Wells): Are you content with the powers that it will have?

Mr Attwood: No, the SDLP is not content with them, but that goes back to pre-Hillsborough.

The Chairman (Mr Wells): We do not want to stir up a hornets' nest.

We will move on to excepted matters. Alan McFarland summed them up to some extent: international relations; extradition; treason — we keep coming back to that; the defence of the realm; remuneration of judges; national security; and the Official Secrets Act. All the issues that would be expected to appear in that table are there.

Mr Weir: The Committee is covering all these issues to some extent.

The Chairman (Mr Wells): I am merely tabulating them for ease of reference.

The Committee Clerk: The Chairman is specifying that those matters appear in the excepted list.

Mr Weir: Presumably, the views of the parties on these issues are the same, regardless of whether they are excepted or reserved.

The Chairman (Mr Wells): Sinn Féin wants all these matters transferred, the SDLP says that will not happen, and the Unionists are against any transfer of powers.

Mr Weir: The Alliance Party seems to get ignored.

Mr Attwood: The SDLP is making the case that these matters should be transferred; every day we make that case.

The Chairman (Mr Wells): Alex, you made the point that excepted matters had come up time and again, but were met each time with a blanket no.

Mr Attwood: Yes, on some matters. However, national security issues are separate from, say, the pre-Hillsborough issues, on which the British would not give any ground. The MI5 stuff is still a live issue.

The Chairman (Mr Wells): Sean, does the Alliance Party believe that any excepted matters should become reserved or be devolved?

Mr Neeson: We are still considering that, but, like others, we believe that the maximum amount of power should be devolved.

Mr Kennedy: What part of the word "no" do you not understand? *[Laughter.]*

The Chairman (Mr Wells): There are excepted matters such as international relations.

Mr Attwood: Chair, may I ask a question? Arlene mentioned two issues.

The Chairman (Mr Wells): I have not yet discovered what they are.

Mr Weir: There may be a slight degree of misunderstanding. The issues that Arlene raised probably concern the Police Ombudsman and the Parades Commission.

The Chairman (Mr Wells): Does the DUP, therefore, have no issues to raise about table 2, which concerns excepted matters?

Mr Weir: Anything that we have wanted to raise, we have dealt with, but those issues are not extraneous to table 2.

The Chairman (Mr Wells): Sinn Féin proposes that we have power over acts of treason, the defence of the realm and the remuneration of judges.

Mr G Kelly: I did not think that there was any such offence as treason. *[Laughter.]*

Mrs D Kelly: Well, now.

Mr Weir: You would not win with that defence in court. *[Laughter.]*

Mr G Kelly: It did not work the last time.

The Chairman (Mr Wells): Are you saying that excepted matters to do with policing and justice should be transferred to a devolved Assembly?

Mr G Kelly: Our position is that the maximum number of powers should be transferred. As somebody has pointed out, we are going through the same list as we have gone through before. I think that Sinn Féin has made its position clear. There is no definition of national security. Come to that, there is no definition of treason. Therefore, our position on table 2 remains the same as that on table 1. That is the only way I can answer your question, Chairman.

Mr McFarland: There is a definition of national security; it is just that there is no legal definition of

national security. I read out the definition this morning. It is contained in section 1(2) of the Security Service Act 1989, as the letter from the NIO's devolution and legislation division states. However, that letter confirms also that there is no legal definition of national security.

Mrs D Kelly: According to that definition, Chairman, the Ulster Workers' Council (UWC) strike in 1974 would have been a threat to national security, would it not?

Mr Kennedy: How far do you want to go back?

Mrs D Kelly: It was industrial action.

Mr Kennedy: What about the attempt that was made at the General Post Office (GPO) in 1916? *[Laughter.]*

Mrs D Kelly: I was merely asking whether the UWC strike would have come under that definition.

Mr G Kelly: What was your point? *[Laughter.]*

Mr Kennedy: What about the actions of King James's army in 1689? *[Laughter.]*

Mr Weir: I would point out that the reference to:

"by political, industrial or violent means"

relates to:

"actions intended to overthrow or undermine parliamentary democracy",

which obviously — *[Interruption.]*

Some Members: Refers to the 1974 workers' strike. *[Laughter.]*

Mr Weir: That was trying democracy, rather than trying to overthrow it.

The Chairman (Mr Wells): I think that we are straying.

We have covered policing and intelligence services issues. We have discussed the Police Ombudsman on several occasions. Are we content that we have looked at policing issues sufficiently, or do we want to continue to discuss table 2, and leave the issue of the Police Ombudsman? We have covered the whole issue of devolution of policing and justice.

Mr McFarland: Chairman, we have covered devolution of policing and justice insofar as we have covered the NIO discussion paper. In the process, we have managed to cover intelligence services.

What policing issues were raised initially? We specifically included policing issues when we drew up a list a few weeks ago, and I think that a number of sub-headings were added. Can we be reminded of the issues that went under the heading of "Policing issues", as my addled brain cannot remember what they were?

The Committee Clerk: It probably would have been at the very start. The DUP and Sinn Féin asked for the heading to go in. We do not have the issues at

our fingertips, but they would have been those identified in the original papers submitted by parties at the very beginning.

3.15 pm

Mr S Wilson: Attitudes towards policing.

Mr Weir: I do not know whether it came under that category or not but support for the rule of law and support for —

Mr McFarland: That came under category 4 — rule of law — which is our last item — and criminality — but there were other issues that went into that, and I just cannot remember them.

The Committee Clerk: At the outset, the parties presented five-minute position papers on what they saw as the big issues. We included policing because a couple of the parties mentioned it. Underneath that, different parties raised different matters.

Mr McFarland: Can we take a rain check? Parties may want to come back to this later, in case something was slotted in here that we just cannot remember now.

The Chairman (Mr Wells): Yes, we can return to this. Alan has a point, because we have concentrated entirely on the devolution of policing and justice, rather than overall policing issues. Of course, there have been numerous opportunities to raise general policing issues.

If we parked that, would we have time to consider the issue of the Police Ombudsman's Office? It has come up in discussion several times. Policing comes under three headings: intelligence services, policing issues, and the Police Ombudsman. It would have been nice to try to get to the bottom of that list.

Mr McFarland: That would catch us up and put us well ahead for next week.

The Chairman (Mr Wells): It would, provided that the debate on the Police Ombudsman was not too long, and we did not have to carry it forward.

I detect that there is no objection to the principle of a Police Ombudsman and the powers that the Office has. There has, however, been some discussion about the holder of the post and some of the actions taken.

Mrs D Kelly: Surely that is about the appointment, as opposed to the holder of the post. I have not heard any discussion about the holder of the post or how she has performed.

Mr McFarland: Hansard will show that there were several discussions about that matter in the first two months of the Committee.

Mr S Wilson: I hope that I have made it clear today that one of the reservations about the way in which the post holder was selected was due to her performance,

and the lack of trust that there now is in the Police Ombudsman's Office as a result of that.

The recent disgraceful actions of the Police Ombudsman have raised the whole issue of its accountability. She trailed the news media around people's homes while high-profile arrests of former policemen were being made.

The Chairman (Mr Wells): So, issues of concern do exist. It is hardly fair, but we would normally begin with each party giving a five-minute résumé of its position. However, we did not do that for the previous heading. Is any party in a position to give its initial comments on the Police Ombudsman's Office?

Mr Attwood: Sure.

The Chairman (Mr Wells): If Alex is ready to go, that will give other folk time to make notes.

Mr Attwood: There are several matters to consider. First, though I have no doubt that Sammy and his party have a certain view in respect of confidence in the Police Ombudsman, it is not reflected in survey after survey of public attitudes. It is now confirmed that confidence among the Catholic and Protestant communities, as they are defined in the attitude survey, expressed as a percentage, is now in the high 70s and low 80s, and if they go to the Police Ombudsman's Office with a complaint, people believe that they will be treated impartially. That is a very high level of public satisfaction. It is based on empirical fact and not on what any party might state in a partial manner. We need to remember that.

Secondly, we are fundamentally opposed to what Sammy is hinting at in respect of the accountability of the Police Ombudsman's Office. The Police Ombudsman reports annually to Parliament, and is subject to legal challenge through the courts. Its decisions, whatever they might be, are referred elsewhere for action. For example, prosecutions are determined independently by the Public Prosecution Service (PPS). Disciplinary action taken against any officer is referred to the Chief Constable for police disciplinary procedures.

The Police Ombudsman's Office is subject to much public and political scrutiny, and is subject to legal challenge. When it makes judgements in respect of individual cases, a determination is made elsewhere on whether any action should be taken. All of that, in my view, represents significant levels of accountability. Any argument for further accountability would be in conflict with any other ombudsman's office, where it is accepted best practice that the levels of accountability that I have outlined are appropriate. In fact, if a further level of accountability were introduced for the Police Ombudsman's Office, by which its judgements were appealed to some other body, the first principles of an independent complaints system would be contradicted.

Thirdly, analysis of what the Police Ombudsman's Office says and determines, shows that police officers who have nothing to fear will be exonerated. That happens on a consistent basis. However, those officers who stray beyond the requirements of public service will be held to account. Although that is painful and difficult, it is pivotal to growing confidence in the general administration of policing.

The Police Ombudsman's Office needs more help. In the initiative taken by the Policing Board and the Chief Constable to review all past murders, it has responsibility only for those instances that involved the police; however, it needs further assistance. It has been given some level of funding — I think it is £275,000 — to get that work done, but that project is important enough for overtime and additional funds to be made available both to the Police Ombudsman's Office and the Historical Enquiries Team (HET).

We must support the Police Ombudsman's Office's recent recommendations on informal resolution of disputes between citizens and police officers. As a community, we are indebted to it for the very brave investigations that it has launched into the past because, while there should be accountability for all those who have been involved in serious conflict in the past — just as individual officers may be held to account for past actions — those who perpetrated violence in our country should be personally held to account for what they did, whether they were in illegal organisations or in state agencies.

The Police Ombudsman's Office's work on the Raymond McCord case, the Samuel Devenney case, the Sean Brown case — or on any other past cases — is a very important contribution to what John Hume would refer to as the "healing process". That work will certainly help all of us to deal more wholesomely with all that happened during the past three or four decades.

Mr Neeson: I well remember how the former police oversight complaints body operated. It was noticeable that a very small number of complaints were made at that time, despite its being a time of some of the worst violence in Northern Ireland. When one contrasts that with the Police Ombudsman's Office today, the number of complaints from right across the community shows clearly that the public at large have confidence in its role. It is important that we focus on the Police Ombudsman's Office and not on the individual in post, and that we do not focus on individual cases.

The Police Service of Northern Ireland is probably the most accountable policing body in the world at present. I regret that the police service in the Republic of Ireland does not have the same facility and that it is not subject to the same level of oversight as the PSNI is from the Police Ombudsman's Office and the Policing Board.

The Police Ombudsman's Office has made a major contribution since it was established. Not only has it dealt with recent cases, but, as Alex pointed out, it has dealt with cases that happened some time ago. Although I said I would not mention individual cases, I particularly welcome the Police Ombudsman's Office's involvement in the Raymond McCord murder case. It is important that the Police Ombudsman's Office is allowed to be independent. That is vital to further progress.

Mr S Wilson: The discussion is fairly predictable. The SDLP supports the spouse of one of its councillors. Nationalists, generally, support a body that is still perceived as partisan and that is not, I believe, particularly effective.

The SDLP's claim that there must be public confidence in the Police Ombudsman's Office because 60% to 70% of people support it does not rest easily with its denigration of the RUC, which consistently recorded a higher level of public support in surveys. The SDLP's view is inconsistent. If the RUC could be regarded as a partisan and discredited force, even when it had the support of 70%-plus of people, how can the Police Ombudsman's Office be considered a model organisation if it has the support of only 60% to 70% of people?

The real measure of support for the Police Ombudsman's Office is how the people who come under scrutiny view it. Do they feel that they get a fair deal? Significantly, I tried for a year and a half to get the Police Ombudsman's Office to publish the results of a survey of the attitudes of serving police officers towards it. It refused point-blank to publish those results. As it turned out, about 40% of police officers believed that they would get a fair deal from the Police Ombudsman's Office. I believe that that is a better measure of the standing in which it is held.

There are fundamental problems with the perception of the Police Ombudsman's Office, which is why it is important that any appointment to that body should be done through the Assembly. If a large number of MLAs have concerns about the appointment, it would be subject to a vote in the Assembly. The Police Ombudsman's Office is starting off from a low base; there is significant distrust. If a new chief executive were to be appointed, there would have to be an indication of widespread support for that appointment.

Accountability is, of course, another issue that must be addressed.

This morning's long debate on MI5, the security services and the need for accountability was significant. During that debate, it was stressed that accountability must be to Northern Ireland bodies, and that the Assembly must have powers of scrutiny. However, I quote Alex Attwood, who said that, of course, the Police Ombudsman is accountable because:

"The Police Ombudsman reports annually to Parliament."

If the accountability of the Police Ombudsman's Office can be measured in terms of its reporting to Parliament, it seems a bit odd that an entirely different standard is applied to the security services. Both Alan McFarland and I pointed out that, of course, MI5 is subject to parliamentary scrutiny — and to much greater parliamentary scrutiny than any report that the Police Ombudsman will ever send to Westminster. However, that was not regarded as a sufficient level of accountability.

3.30 pm

Many police officers do not have confidence in the Police Ombudsman's Office and do not feel that they get a fair deal. It has been said that many, who are now ex-police officers, can achieve remedy through the courts, but, in practice, that often means that there is no remedy at all. Going to court requires them to bring expensive cases off their own bats. Having left the police service, they are unlikely to have the support of their federation. Therefore, that aspect of accountability is not open to all those who have a grievance against the way in which the Police Ombudsman's Office has handled cases.

No one can deny that when the Police Ombudsman's Office decides to take on a high-profile case, it ensures that the case is drawn to public attention, right down to notifying journalists that six or seven carloads of officers are going to arrest a former Special Branch officer. Cameras are in tow and the newspapers are notified well in advance so that media deadlines can be met. The most recent example, and I could cite many others, was last week's case involving Mr McIlrath. The Police Ombudsman's Office should be held accountable for publicising such cases. Therefore, the way in which we appoint a new Police Ombudsman is important.

I have heard the special plea for more resources. The coffers of HET have already been raided to the tune of over £250,000 to finance the Police Ombudsman's Office. That will severely curtail HET's ability to carry out its work. The Police Ombudsman's Office already employs 140 people. I cannot remember the last figure that I got from Parliament, but it costs more than £9 million. When compared to any other equivalent police service complaints procedure in the United Kingdom, that figure represents mega money and mega resources. The DUP is totally opposed to any further use of police resources to finance the burgeoning empire that has grown up around the Police Ombudsman's Office.

I have three suggestions to improve the image of the Police Ombudsman's Office. The first is to carry out authorised attitude surveys of serving police officers. The Police Ombudsman's Office should not be afraid

to publish those results. At least that would provide a degree of transparency on how police officers view it.

Secondly, there must be a layer of accountability, whereby there is redress for officers who feel that they have not been fairly treated during the Police Ombudsman's investigations.

Do not forget that if the Police Ombudsman finds a police officer guilty, the case will not be returned to the police for decision on the sanction. It is often decided that the trauma and the horror that that police officer has been through is sanction enough, and no action is taken at the end of it all and there is no access to redress for the officer, who is left feeling unfairly treated by the investigation.

Thirdly, we accept the need for independent scrutiny of complaints against the police. However, to ensure that the Police Ombudsman's Office has public confidence, the appointment should be more open to debate in the Assembly.

Mr G Kelly: The Police Ombudsman's Office was created to take complaints and to make sure that there is no abuse of power, and it has a scrutiny role. Its establishment was crucial. When talking about this, we cannot ignore the history of the police force here or, indeed, the whole conflict.

Sammy Wilson said that some scrutiny is necessary, but I am not sure whether he is opposed to the current Police Ombudsman in particular or to the Police Ombudsman's Office in general. However, we fought very hard to get the Police Ombudsman's Office.

Sammy mentioned resources also. The Police Ombudsman's Office is massively under-, not over-, resourced. I do not care whether those resources do not come out of the police budget; HET receives £30 million, yet Sammy is complaining about the Police Ombudsman's getting £250,000 at a time when the number of past murder cases that it is examining increases daily. In fact, the PSNI hands such cases over to the Police Ombudsman.

The argument about scrutiny is circular: somebody scrutinises something, somebody then scrutinises the scrutiniser, and somebody else then scrutinises them. There was a fierce argument about the Police Ombudsman's Office, as I remember it, after its first major case, which was the Omagh investigation. It made six recommendations, but the only one that was implemented was that the Police Ombudsman should come under the ambit of the Criminal Justice Inspectorate. Since then, the Criminal Justice Inspectorate has carried out work on the Police Ombudsman's Office several times.

The Police Ombudsman's Office is crucial, and, as Sean pointed out, it has far more power than its equivalent in the South, which, as anyone would tell

you, is a toothless tiger. Therefore, the Police Ombudsman, whether Nuala O'Loan or someone else, should have that scrutiny power, and needs resources to carry it out.

Earlier, we got into an almost institutional argument about whether the Assembly has a veto over the Police Ombudsman's Office. Sinn Féin wanted that particular power to be devolved so that its credibility would increase. Why is anybody surprised that the police do not like the Police Ombudsman's Office? It is there to take complaints against the PSNI. As cops are very insular, it would be impossible to find one who supports the Police Ombudsman's Office, and no cop will praise an organisation that exists to keep them right. Therefore, we are a bit naïve to think that we would find such a person.

We need an independent complaints system. Given that there is a great distrust of nearly anything that the NIO pays for, the Police Ombudsman began working from a very low base. I lodged a complaint or two, and on many occasions, the Police Ombudsman found against me. However, we must move on. We either need an office to do this job or we do not.

If the unionists are arguing against the Police Ombudsman's Office, let them do so. However, we should not make this a personal argument about Nuala O'Loan or anybody else. Let us continue to have somebody in the post who is independent, and let us, above all, keep the Police Ombudsman's Office independent. It was established to scrutinise the police. It has a very clear purpose, because there was an abuse of powers in the past. With all due respect, without that scrutiny function, any organisation would abuse power. Therefore, the Police Ombudsman's Office is very necessary.

Mr McFarland: We support the concept of a Police Ombudsman; it is an extremely healthy one. On a personal level, Mrs O'Loan is a very nice lady, and I like her. But can you imagine the chaos that there would have been if Eileen Paisley, wife of the Rev Dr Ian Paisley, had been nominated as Police Ombudsman? *[Interruption.]*

The Chairman (Mr Wells): Baroness Paisley.

Mr McFarland: I look to Sinn Féin and the SDLP to tell me of the wailing and gnashing of teeth that would have occurred at the injustice of the Rev Dr Ian Paisley's wife being made Police Ombudsman. You can just imagine it — I can hear it now. So can nationalists and republicans not understand that this was not perceived by unionists as playing the game?

I will leave it at that. It is not a personal issue; it is one of perception. Had it been the other way round, there would have been chaos. People would have been throwing themselves off cliffs because of it.

I remind Members — and Patten was quite clear about this — that the deal was that the Police Ombudsman would look at issues post-1998. The Office was to be allowed to go back before April 1998. If a police officer came into her sights, she was permitted to examine whether that officer had been guilty of previous activities similar to those for which they now stood accused. That was the deal.

No sooner was the SDLP in than it got at the Ombudsman's Office as some sort of deal-breaker and, suddenly, it was a one-sided truth commission. It went straight back to 1972, to the Devenney case in Derry. That was not the deal, and it is grossly unfair. That is not what the Police Ombudsman's Office was supposed to be about. It was political, and it was used for political reasons, and that was not right.

The issue is one of fairness. Sammy spoke about that. Despite what people say, there is no oversight of policies, or of what the Ombudsman's Office is doing and why. There is oversight on the money side, and reports are produced; but, with regard to pre-1998 matters, the Ombudsman's Office is not questioned on what it is up to and why.

I have no problem with chasing police officers who are up to no good, but why are we going back through the past 30 years without bringing any terrorists to book, while the Ombudsman's Office is after police officers who may or may not have done something in the past?

If we want to visit the past or have some sort of truth commission, then let us have one. Let us put our colleagues around this table into the dock to question them about what they did in the past. Let us have all those politicians out. I have no problem with that. If we spend 50 years raking over old wounds, we will never heal this community; but the idea that a Police Ombudsman can thrash around in the past, trashing members of the security forces, is grossly unfair. No one can say: "Why are you doing this?" or "What are you at?"

The Chairman (Mr Wells): I am having difficulty spotting the consensus here. *[Laughter.]*

Mr Attwood: I do not want to lengthen the debate, but there are a few things it might be useful to mention.

Mr Kennedy: Are we going to go round the block again? We can do that, but what we are not going to do is allow people to have the final say.

The Chairman (Mr Wells): Each group normally gets its five minutes on the issue, and then there is an opportunity for Members to question presentations. We can then move towards some proposal where we can reach consensus. I am having difficulty in seeing that,

but Alex, this is your question on one of the presentations.

Mr Attwood: I have a few questions and comments, although it is odd that at 3.45 pm someone has begun to question how the meeting is being conducted when a fair bit of latitude has been given by each party to every other party.

Mr Kennedy: Get on with it and we will see what you think.

The Chairman (Mr Wells): And you will get that latitude.

3.45 pm

Mr Attwood: I do not often comment about the current Police Ombudsman. However, I advise people to look at what the SDLP said when Mrs O'Loan was appointed, rather than rush to embrace the portrayal of her as being in one particular camp. We laid down very clear requirements in respect of her conduct, as we would in respect of the conduct of any Police Ombudsman. We were informed that the current Police Ombudsman had previously sat on the Police Authority for Northern Ireland at a time when it was our view that Police Authority was not a forum in which people should participate. Sean will know that better than anybody else.

This portrayal of the current Police Ombudsman as somehow being in somebody's camp is mischievous, dangerous and personally disrespectful to her. I suggest that you look at both her personal history and at the SDLP response to her appointment. We laid down very strong criteria, saying that we would judge Mrs O'Loan by what she did. You can come back on that.

Secondly, if you want to look for something positive, I find it very encouraging that Sammy Wilson is now so protective of the HET, even to the point that he says that a small sum of money was taken from its budget to give to the Police Ombudsman. That is actually not true. The NIO found a separate budget line to fund Nuala O'Loan's part of the HET inquiries. However, his endorsement of the HET and his concern that it might lose some money is reassuring and very welcome.

When it comes to parliamentary accountability, I hope that Sammy is now suggesting that MI5 should be subject to a level of accountability at least equal to that of the Police Ombudsman. If he is suggesting that, we are making some progress on a very hard issue that we tackled earlier. It would mean that there would be public hearings in respect of MI5, as there have been for the Police Ombudsman; reports would be published and laid before Parliament, as happens in respect of the Police Ombudsman; a parliamentary Committee could compel witnesses and call documents in respect of MI5 matters, as is the practice in respect of the Police Ombudsman. If that is the model that Sammy is

promoting in respect of MI5 because it is equal to that of the Police Ombudsman, as a starting point, I strongly welcome it.

I do not want to talk about the current investigation in respect of Raymond McCord, save to say that any citizen — whether an ex-police officer or not — who fails to co-operate with a proper and serious inquiry into serious wrongdoing should be compelled to participate in the inquiry rather than keep silent or walk away.

Finally, police officers are concerned about what the Police Ombudsman does; that is probably inevitable. I prefer to draw conclusions from the public approval rates of 70% to 80%, not from the 60% to 70% that Sammy mentioned. Furthermore, the police leadership says that the Police Ombudsman is part of the essential architecture of the new beginning to policing. When the police leadership is allied with the wider public sentiment, the conclusion can be drawn that, on this issue, police officers' concerns are often self-serving.

The Chairman (Mr Wells): Thank you, Alex. I am a wee bit uneasy about people actually naming cases. It has happened from both the DUP side and your party. I will stop that from now on because both cases are under investigation and are a legal matter.

Mr Kennedy: I think that Alex misses the point to a certain extent. Most of us have tried not to personalise the Police Ombudsman in terms of the present occupant, but, whether we like it or not, there is a perception — certainly in the unionist community — that she is in some way aligned to, associated with, or sponsored by the SDLP.

Certainly when it comes to defending her, Alex has been in that vanguard. We want more objectivity in the performance and, particularly, the role of the Police Ombudsman. We must also ensure that the empire building that has undoubtedly been a feature of the current term is at least controlled and curtailed into a meaningful and useful role, rather than a role that is designed to cause major problems that, in themselves, are not easily solved.

The Chairman (Mr Wells): We have heard varying views on the Police Ombudsman and her role.
[Laughter.]

Interestingly, the discussion has homed in on the person and her policies rather, than the actual legislation on, and function and powers of, the Ombudsman's Office as an institution. There seems to be consensus that a group, body or individual must scrutinise the police.

I am at a loss as to how we can proceed. Apart from the fact that we have agreed to discuss the issue in the Preparation for Government Committee on devolution of policing and justice, which meets on Wednesdays, I cannot envisage there being any consensus on it. There will be a Police Ombudsman regardless of whether

there is devolution. It will not, therefore, be an impediment to ongoing discussions on devolution.

As there is no proposal, how do members wish to proceed?

Mr McFarland: Chairman, you may be aware that for several years, those issues have been aired in the Policing Board, and they have been aired here today. Like you, I cannot envisage a solution. This issue may park and resolve itself eventually.

Mr Kennedy: It is all happening in the car park.

The Chairman (Mr Wells): Yes, it is about seven storeys high at this stage.

Are members content to move on?

Members indicated assent.

The Chairman (Mr Wells): There are some practical issues that I hope will short and sharp to deal with.

First, I am conscious that the Committee has been meeting for the past two months; members have given up their holidays, and some individuals, whom I will not name — there are certainly half a dozen — have been extremely faithful and have been here at practically every meeting. Despite that, there does not seem to be any perception of that in the media. I am talking not about our discussions or disagreements, but the fact that the meetings have taken place. The Subgroup on the Economic Challenges facing Northern Ireland has issued press releases to keep the media updated, and I am conscious that the Committee has not done that.

I have had a brief discussion with the Committee Clerks, and we have scribbled out a draft press release for your approval. You will be glad to hear that it is not too controversial. To be honest, I have been disappointed that there has been so little media coverage on the effort that members have made.

Mr McFarland: Chairman, one of my colleagues raised the issue with a senior journalist. He enquired why that was the case, given that Hansard is available on the web and that anyone who is interested in politics could find some of the issues that the Committee has discussed during the past two months very fascinating.

Mr Kennedy: Steady on.

Mr McFarland: The word was that they were not getting press releases and could not be bothered to read Hansard. I thought to myself, wow — that says a great deal about the level of journalism that exists in Northern Ireland.

Mr Weir: I do not know who that journalist was. However, I suggest that he was being slightly economical with the truth. I have been to several meetings of the economic subgroup. A press release

that roughly outlines the evidence that was presented has been issued after almost every one of those meetings. That information is in digestible form and tends to be a page or so in length. However, those press releases have been completely ignored.

According to one newspaper, Committee meetings supposedly occur only when the trustees of the Assembly Members' Pension Scheme (Northern Ireland) 2000 meet, despite the fact that either the Preparation for Government Committee or its subgroup meets every day.

Sometimes, the media will run the stories that it wants to, irrespective of the information that it has been given. It is essential that the Committee issues press releases in the interests of openness and transparency and keeps the public informed of the facts.

The Chairman (Mr Wells): Admittedly, the draft press release is somewhat bland. It states that the Preparation for Government Committee has continued to meet over the summer recess and will continue to make efforts to scope the issues that are to be resolved prior to devolution. It goes on to say that, in addition to the meetings of the economic challenges subgroup, which will report to the Committee on 25 August, the Committee has been meeting three days per week. Members have been discussing institutional issues, law and order issues, and equality and shared future issues. Today, the Committee discussed devolution of policing and justice, and policing issues generally.

There is not much to the press release: it is simply to show that we are working away and doing something.

Mr McFarland: Is it worth sending a copy of Hansard to each of the major media outlets? I wonder whether a political editor would be more inclined to have a quick glance through Hansard if there was a copy on his or her desk. It is more difficult to go on the Internet, scroll through it, print it all out etc. Do members see any merit in that? A copy costs about £8.

The Committee Clerk: It costs £5.

Mr McFarland: Perhaps the budget would not stretch to that.

The Chairman (Mr Wells): It is a big undertaking. We need to speak to the Assembly press office about that and also ask that at least a press release is sent to advise editors where to find the Hansard on the Assembly website. I spoke to the editor of one of our biggest newspapers yesterday who was totally unaware that it was available.

Mr McFarland: The Hansard reports would need to be sent to the 'Belfast Telegraph', the 'News Letter', 'The Irish News' and 'Daily Ireland'. They could also be sent to the BBC and UTV, and perhaps to the 'Daily Mirror' or whatever else is in circulation.

The Chairman (Mr Wells): Can we agree to send a copy of the most up-to-date Hansard to alert the media? Are members happy with the standard press release?

Mr McFarland: Alerting the media on how to find Hansard may help to some extent, but journalists are just idle.

Mr Kennedy: Normally, when a press release is issued to attract wider attention, it includes a point of contact for further comment. Have you given any thought to that or does modesty forbid you?

The Chairman (Mr Wells): Mr Molloy and I can handle any procedural queries on what the Committee is doing. Beyond that, questions must be referred to the lead spokesman from each party.

Mr Kennedy: Will you and Mr Molloy be in the same radio car this time?

The Chairman (Mr Wells): That is unlikely.

Mr Weir: I have a small point on the accuracy of press releases. When referring to a discussion on policing and justice issues and, strictly speaking, our remit is identifying obstacles to devolution on those issues, what would be the title of the press release?

The Chairman (Mr Wells): We could amend that accordingly.

Mr Weir: The real remit is looking at the impediments.

The Chairman (Mr Wells): I assume that we have consensus on issuing 10 copies of Hansard to the media and on releasing the press release. Are members content?

Members indicated assent.

The Chairman (Mr Wells): The Clerk has asked whether members want to autograph the issues before they are sent out.

A communication from the economic challenges subgroup, in Alan Patterson's name, has been handed to each member. As you can see, members of the subgroup are keen to hear the views of Maria Eagle, but she is on leave until the end of August. Apparently, MPs do not work at all during August.

Mr Kennedy: How do you solve a problem like Maria?

Mr Weir: By not making jokes about it.

The Chairman (Mr Wells): The subgroup wants to schedule a meeting with the Minister and the Northern Ireland Youth Forum on 5 September 2006. Technically, that would mean taking evidence after the event. However, because of the importance of getting the Minister's involvement, it is worth consideration. Are members content to allow the economic subgroup to do that?

Members indicated assent.

The Chairman (Mr Wells): The other issue, which we have touched upon several times, relates to the letter from the Secretary of State dated 9 August 2006. Several members have indicated that they are not particularly happy with his response.

Mr S Wilson: Have we not already dealt with that?

The Chairman (Mr Wells): I was going to ask whether members want to raise any other issues in relation to the letter.

Mr McFarland: I thought that we had agreed to write to Secretary of State to invite him to our final meeting, perhaps saying that we expect him to be available, given the importance that he has attached to this Committee.

The Chairman (Mr Wells): The issue was whether we were prepared to give him advance notice of our questions.

Mr McFarland: It seems to make sense to give him notice of the questions that we will be putting to him, provided that he will come. Members may wish to raise other issues with him on the day, and we must allow for that.

Mr S Wilson: Some questions are technical, so we want him to have advance notice so that we get full answers. If it entices him to come along, there is no reason not to give the Secretary of State the questions in advance. There will be supplementary questions anyway.

Mr Kennedy: Chairman, wherever the Secretary of State is with his bucket and spade, he has access to the Hansard reports of this Committee.

Mr S Wilson: I am sure that he is not reading them.

The Chairman (Mr Wells): I am sure that his officials, at least, are reading them on his behalf.

The Committee Clerk: They will have only read the Hansard reports that have been agreed. The Secretary of State does not receive draft copies, so he will be a bit behind.

Mr S Wilson: He is probably awaiting the next episode with bated breath.

The Chairman (Mr Wells): The next meeting, to discuss rights, safeguards and equality issues etc. will be on 18 August 2006 at 10.00 am in room 144. The format is the same: an all-day meeting day starting at 10.00 am and ending at 4.00 pm, with lunch at 12.20 pm.

Mr McFarland: Sadly, Chairman, I will miss the next three meetings of the Committee, as I propose to take a week off.

The Chairman (Mr Wells): You have been a faithful attendee, Mr McFarland. I think that you have been at every meeting so far. You deserve your week off.

The Committee Clerk: Have you got a contact number? *[Laughter.]*

The Chairman (Mr Wells): Is there any other business?

Mr Kennedy: We could sing the national anthem.

Adjourned at 4.00 pm.

COMMITTEE ON THE PREPARATION FOR GOVERNMENT

Friday 18 August 2006

Members in attendance for all or part of proceedings:

The Chairman, Mr Francie Molloy
Mr Dominic Bradley
Mr Francie Brolly
Mr Gregory Campbell
Mr Derek Hussey
Mr Danny Kennedy
Ms Patricia Lewsley
Mrs Naomi Long
Mr Kieran McCarthy
Mr Dermot Nesbitt
Mr John O'Dowd
Mrs Patricia O'Rawe
Mr Ian Paisley Jnr
Mr Edwin Poots
Observing: Mr Jim Wells

The Committee met at 10.01 am.

(The Chairman (Mr Molloy) in the Chair.)

The Chairman (Mr Molloy): You are welcome to the meeting. I remind members to switch off their mobile phones, because dialogue has been lost from almost every meeting due to interference. It is possible that we may lose a contribution that a member wants to be recorded — or, perhaps, something that he or she does not want to be recorded — so it is important that mobile phones be switched off completely to ensure an accurate Hansard report.

We will break for lunch at 12.20 pm, and I hope that the meeting will finish by 4.00 pm. If members want home earlier, talk quicker. Are there any apologies?

Mr O'Dowd: Francie Brolly, Pat O'Rawe and I are replacing our usual team.

Ms Lewsley: I am here on behalf of Mark Durkan.

Mr D Bradley: I am here on behalf of Alasdair McDonnell.

Mr McCarthy: I am here on behalf of David Ford.

Mr Kennedy: I am here on behalf of Alan McFarland.

Mr Nesbitt: I am here on behalf of one of the other two who normally attend.

Mr Campbell: Edwin Poots, Ian Paisley Jnr and I are here in place of our normal team; that does not mean that we are abnormal or subnormal.

The Chairman (Mr Molloy): Are members content with the draft minutes of the meeting that was held on 11 August?

Members indicated assent.

The Chairman (Mr Molloy): The research paper on the European Convention on Human Rights (ECHR) and domestic legislation in the Republic of Ireland appears in the agenda under "Matters Arising".

Mr Nesbitt: I would like some clarity on the agenda now that the minutes have been agreed. I do not wish to be awkward, but it is important that the procedure is clear. Last week, we agreed — on Naomi's recommendation — that a research paper on ECHR in the Republic of Ireland be commissioned, but we did not agree that it be taken as item 2 on today's agenda. I am not saying that it should not be discussed, but we did not agree that it be item 2 on the agenda.

The Chairman (Mr Molloy): It is not item 2 but appears under "Matters Arising", which is item 2.

Mr Nesbitt: That is correct, but it is down as an item on the agenda, and if the agenda is accepted, that could lead to our discussing it now.

The Chairman (Mr Molloy): Or we could avoid a discussion on it.

Mr Nesbitt: I repeat that I am not opposed to its being discussed, but last week we agreed that research be undertaken. In agreeing that it be undertaken, I did not assume that it would appear as a quasi-substantive item in today's agenda ahead of item 4, which is "Discussion on Equality and Shared Future Issues" — if that is the implication of its being placed there.

The Chairman (Mr Molloy): That is not the intention.

Mr Nesbitt: The "Formation of a Round Table Forum on a Bill of Rights" is a matter arising, as is "Parades". Those two issues should come under "Matters Arising" and not be listed as separate items under "Rights and Safeguards". We must ensure that the procedure is clear. Item 4, "Discussion on Equality and Shared Future Issues", is the first substantive item on today's agenda.

Mrs Long: My understanding was that any issues in the minutes on which further information would be forthcoming would come under "Matters Arising". That has been the procedure in all meetings of the Committee on the Preparation for Government (PCG) that I have attended to date. It is simply a courtesy to list the research in "Matters Arising" and inform members that it is included in our papers. That is the standard practice in all PCG Committee meetings, so I do not see a difficulty.

I do not envisage a lengthy discussion on the research, because we have not had an opportunity to

consider it in detail. In all PFG Committee agendas, “Matters Arising” includes additional reports and information requests.

Mr Nesbitt: Although our meetings will not be too numerous, it might be better to list such items under “Matters Arising”, and if members have matters that they wish to raise, they can raise them. For example, item 2 of the agreed minutes of the meeting of 11 August states that:

“The Chairman agreed to seek a response from the Editor of Debates on this matter.”

That could be a matter arising that I could follow up, but it is not specifically listed as such. A little clarity is needed. When my party advisers mentioned what was on today’s agenda, the implication was that the discussion on equality might be way down the agenda. Therefore I sought a little clarity. I stress that I did not do so to be awkward; it was to ensure that we know under which procedure we are operating.

The Chairman (Mr Molloy): On that point, Dermot asked whether Hansard could report members’ comings and goings. The Editor of Debates has said that it is not the role of the Official Report to record when members enter and leave the Committee Room; the role of the Office of the Official Report is to produce a report of the meeting. As much as possible, the minutes of Committee meetings record members’ comings and goings. If someone wanted to know which members were present at a particular time, they could look at the minutes in tandem with the Official Report.

The next issue for discussion comes under “Rights and Safeguards”, and it is the establishment of a round-table forum on a bill of rights. As is mentioned in the minutes, the DUP sought time to confirm its position on the establishment of a round-table forum. Any proposals did not go to a vote last week because of that. The DUP may wish to respond.

Mr Poots: After discussions with party officers, the DUP’s position is to seek the establishment of a round-table forum under the Committee of the Centre, which is an all-party Committee, once an Assembly has been formed.

The Chairman (Mr Molloy): May I take it that the DUP is happy with the proposal?

Mr Poots: No. There are two proposals: one is to establish a round-table forum; the other is to establish it by a particular date. The Committee of the Centre in the Assembly should establish the round-table forum.

Ms Lewsley: My proposal was to support the basic principle of a round-table forum. Mr Poots says that the DUP now supports that, but only when the Assembly is up and running. That places a timescale on the establishment of a round-table forum. If the DUP

agrees in principle with a round-table forum, I cannot understand why it does not support my proposal.

Mr Campbell: As Patricia has outlined, the issue is one of principle, so it should not pose a problem. It does not pose the DUP a problem. However, the Committee of the Centre was, and hopefully will be again, the conduit in the Assembly that would deal with such issues. We consider the Committee of the Centre to be the most appropriate forum in which any round-table discussions should be held. That is our reason for our position.

Ms Lewsley: The original proposal encapsulated the principle of a round-table forum and a date by when it would be established. That proposal was divided in two, much like the proposal concerning the bill of rights and the round-table forum was divided into two proposals.

Can we determine whether there is consensus to establish a round-table forum in the first instance? After that, proposals can be made on the timescale, whether they come from the DUP or Sinn Féin. A timescale for the forum is totally different to the principle of establishing it. I want to agree the first proposal on the round-table forum.

Mr O’Dowd: If the SDLP wants to put that proposal, I am more than happy for it to be put before the Committee, and I will speak afterwards.

The Chairman (Mr Molloy): The original proposal was that the Committee should support the formation of a round-table forum to help create a bill of rights for Northern Ireland. Is there consensus?

Members indicated dissent.

Mr Campbell: There is not consensus on that wording.

The Chairman (Mr Molloy): Is there an alternative wording?

Mr Nesbitt: To reiterate the Ulster Unionist Party’s position, we do not advocate a round-table forum. However, in the event of the Minister calling for a round-table forum to be established, we will participate in it. The primary reason for not supporting the round-table forum is that there has been a six-year delay in creating a bill of rights. If anything, the round-table forum will elongate the process without any guarantee at all that it will contribute to a solution.

Mr O’Dowd: I am disappointed that the Committee cannot even accept the principle of a round-table forum on a bill of rights. This Committee has deliberated over a wide range of equality issues, and the only way that we are going to get anything going is through the establishment of a bill of rights. The two Governments have caused unacceptable delay in that process.

Neither will we accept a consensus on a round-table forum on a bill of rights being tied to the establishment of

an Assembly, because we are not going to allow the DUP to have a veto on a bill of rights or on an Assembly.

Mr Nesbitt: I am glad that Sinn Féin made that point, because I emphasised again last week that the Ulster Unionist Party supports a bill of rights. I wrote an article nine years ago advocating a bill of rights; that is on the record. There is no way that the UUP does not support a bill of rights. The problem for the UUP is the process by which a bill of rights is obtained. We believe that a round-table forum would elongate the process, making more distant the outcome that members here wish for. Back in January the Minister said that he would not have the round-table forum until September.

Ms Lewsley: May I ask for clarity from the DUP? Which part of the proposal do you have a problem with?

Mr Campbell: I would have thought that it was fairly clear. The Committee of the Centre is the forum in the Assembly that would deal with matters such as this. That was the case in the old Assembly. Because of the importance that we attach to these issues, we have recently proposed to this Committee that it ensure an even more fundamental role for the Committee of the Centre. It must be central to the development of issues around safeguard, equality and related matters. The round-table forum should be tied intrinsically to the establishment of the Assembly and the Committee of the Centre.

There is an idea abroad that equality issues can be resolved through parties sitting down and discussing matters involving equality on its own, as a stand-alone topic. We believe that they are fundamental to the future of our community as well as the other community. But the Committee of the Centre is the body in the Assembly that establishes that issue. To have a forum in the absence of any Assembly, never mind a Committee of the Centre, would be a waste of time. It would not take the issue forward; it certainly would not solve the long-standing issues that we believe need solving. The Committee of the Centre would be a better conduit for the resolution of those issues.

Ms Lewsley: The issue here is about supporting the proposal that was put forward, which is the basic principle of supporting a round-table forum.

I take on board what Gregory Campbell has said, but I am attempting to get consensus — around this oblong table — for a round table on a bill of rights. If that consensus is achieved, it will be up to the parties to propose who will sit on it; how many members should sit on it; where it should sit; and how it should progress. That is where the confusion lies. I do not expect to decide on all those things today, although we could agree on a timescale and decide on who will be responsible for it and who will sit on it. I understand that the DUP is in favour of having a round-table

forum on a bill of rights, and I would like that proposal in principle to be agreed today.

10.15 am

Mr Campbell: Without an Executive or any method of delivery, what would be the point of a round-table forum? In the absence of an Assembly and a Committee of the Centre, a round-table forum would enable the parties around that table to give their views. I am sure that the Secretary of State would thank us very much, and he would be appreciative; but then he would go off and do whatever he wanted.

To establish a round-table forum in the absence of any move would be to avoid the issue. I keep on hearing from other parties that we need to move in a direction that helps resolve these matters. A round-table forum would not do that; it would allow parties to air their grievances on a subject, as we will today. If anybody can convince the DUP that a round-table forum would be a positive way to take the issue forward, we might be prepared to listen. However, we have not seen or heard anything that would convince us that that forum — in the absence of any practical proposals to take the issue forward — would do anything to achieve that.

Mrs Long: Whether there is devolution or not, the bill of rights issue still needs to be progressed. The round-table forum will not produce the bill of rights; that is the responsibility of the Northern Ireland Human Rights Commission (NIHRC). The forum would be an opportunity for the ideas and proposals of all interested parties — not only those around this table — to be market tested. Therefore the round-table forum is key to getting a wide breadth of opinion fed into the process of producing a bill of rights.

Whether there is devolution or not — and the Alliance Party prefers that this would happen in the context of devolution — the bill of rights needs to be developed. On that basis it would be beneficial to have the round-table forum established so that, as these talks progress, a wider cross section of the community could be consulted and informed about what is happening, and participate in the process. I suspect that Gregory Campbell is right: if direct rule continues, the Secretary of State will make the final decisions on a bill of rights. In that case, I would prefer that there was some type of forum in place to feed into that process, rather than none. If the Secretary of State chooses to ignore the forum's opinions, we can take that up with him. However, if he does not have the benefit of hearing the opinions first, we can hardly criticise him for not listening.

Ms Lewsley: We do not know what the future holds, but we have agreed that we need a bill of rights. The best way to achieve that is through a round-table forum to include all the people that Naomi has mentioned.

That will send the strong message to the wider community that we support a round-table forum and a bill of rights and, therefore, the opportunity for them to have a voice.

Mr Brolly: The DUP's position on this contradicts their normal position on talking shops. Gregory Campbell has said that the bill of rights should not be discussed outside of a re-established Assembly, because — even though members will be talking about it — we will have no authority or power to take it anywhere, and a decision on it will be made by the direct rule governors. That is the position that Sinn Féin took about the talking shops that were previously held on other issues in the Assembly.

Mr Campbell: I still have not heard any further declaration or improvement on this issue. I do not see how a round-table forum will be radically different to the present approach.

This Committee is a forum of sorts, which thus far has not made as much progress as it would like. Would a round-table forum on a bill of rights be a replica of this, and would it make any more progress than we have made? Is anybody suggesting seriously that the Committee of the Centre would not deal with these important issues? There has been broad acceptance that that would be the case.

It seems that there has been a role reversal. Some members appear to be saying that there is no prospect of the IRA's going out of business in the next five years, and, consequently, no prospect of the restoration of a functioning Assembly, which includes, obviously, the Committee of the Centre and the Executive. According to that logic, as the restoration of the Assembly will not be permitted, the issue will not be dealt with, and a round-table forum will have to be established to fill the vacuum. It appears that certain members of the PFG Committee are close to taking that approach. However, the DUP is not prepared to accept that defeatist attitude.

We have to move forward in the expectation that people will move with us. People have been moving; let us keep them moving. We must work towards resolving these very important issues in the way in which they ought to be resolved. They will not be resolved by establishing a forum that goes nowhere, and which sets no date and makes no progress towards establishing a proper forum that can really deliver, discuss the issues, make proposals and question Ministers. That would enable us to make progress on this issue, rather than simply having a discussion that does not go anywhere.

Patricia Lewsley mentioned that the Secretary of State could take account of the views of a round-table forum. Yes, he could — just as he could have taken account of the views of the South Eastern Education

and Library Board. Unfortunately, he did not: he chose instead to send in commissioners. Are members really going to choose to go down the route of asking for more consultation, more round tables and more hot air? Are they going to allow Ministers to thank them for their views, but do as they please? Or will members decide that they can nail this down, tell the Ministers what issues must be resolved, and how they should be resolved, which is through the proper mechanisms of the Committee of the Centre and the Assembly Executive?

Mr Kennedy: It is clear that there is not going to be consensus. My party said earlier that it is also against the establishment of a round-table forum because it would serve no useful purpose. The discussion on this matter has been good and useful, but, given the absence of consensus, we should move on.

Ms Lewsley: Danny is right; we are not going to reach consensus. It is sad because, last week, my understanding of the DUP's position was that it was, and still is, in favour of a round-table forum. However, the party has added the caveat that such a forum cannot be agreed unless it is given some structure. That sends a very clear message to the public.

We had the opportunity to debate this matter last week, but the SDLP had hoped that some of the detail would have been ironed out at the round-table forum and in other forums that would give civic society the opportunity to voice its opinion. I am saddened that we could not reach consensus on the very basic principle of setting up a round-table forum.

Mr Paisley Jnr: We should make it clear for the record that it is not a matter of finding consensus on the basic principle; it is a matter of finding consensus on the trigger mechanism for its establishment. That is where the problem lies. You may not see that, but everyone who reads Hansard will see clearly that the trigger mechanism is the problem, not the issue of whether, in principle, any future Assembly Committee decides or does not decide to implement such a process.

Ms Lewsley: Sorry, but I think that you are wrong. If you look at the minutes, you will see that I said at the beginning that the proposal should be separated into two proposals. The first proposal was that consensus should be reached on the basic principle of establishing a round-table forum, and the second was that other parties would be entitled to make proposals on the trigger mechanism and the detail.

Mr Paisley Jnr: Again, if you read the proposal that you put to the meeting, you will see that it would not allow that to happen.

Mrs Long: I do not want to prolong the discussion. Regardless of whether other members agree on the principle, the Ulster Unionist Party has said that it does not agree. As one party will not consent to even the principle, we are just talking around the houses.

Gregory said that the proposal for the establishment of round-table forum on a bill of rights was designed to fill a vacuum. That is not how I view the matter. Should devolution be restored, the Human Rights Commission would bring its firm proposals to the round-table forum, consult on them and then consult the Northern Ireland Executive, which would bring them to the Assembly.

If that were not the case, they would advise the Secretary of State. I cannot accept that the proposal was designed simply to be taken forward in a vacuum. If devolution is restored, the value of civic society's continuing to be engaged in the process will remain valid.

In addition, I am not sure that we can say that the PFG Committee does not operate as a round-table forum. It is "a" round-table forum. The difference is that it is not "the" round-table forum that members envisage. For example, the Human Rights Commission has not attended the PFG Committee to consult members on detailed proposals, which is what members would expect of it at the round-table forum. We will not get consensus on the proposal, but it was valid. If we cannot establish consensus, even at that level, we will send out a disturbing message about the issues involved in the formulation of a bill of rights.

Mr Poots: Consensus could be formed, but it has to be achieved on the basis of the first principle, which is that, whatever happens, the support of both communities can be commanded. The only available way to do that would be a cross-community vote in the Assembly. Establishing round-table forums to drive particular agendas and to which interest groups would come to give their points of view would not achieve that consensus. Ultimately, if we want a bill of rights that will work and will be supported by the community, we must establish cross-community support in the Assembly.

If the SDLP is minded to establish a forum under the Committee of the Centre, consensus could be achieved on that. However, the proposal is fairly vague and could not achieve that.

Mr Nesbitt: Naomi said that we might send out a disturbing message. I do not concur with that. My party advocates a bill of rights. However, after six years of an elongated process that is going nowhere, and after much consultation with the previous Human Rights Commission, along with the forums that we have had, a round-table forum would, if anything, slow down the process. Our position might not be disturbing; it might actually help to secure a bill of rights for Northern Ireland, which I advocate strongly.

The Chairman (Mr Molloy): We are not going to make much progress on this matter. May I take it that there are no other proposals on this issue?

Mr Paisley Jnr: Correct.

The Chairman (Mr Molloy): We shall move on. I am not opening this up for discussion, but do members have any further comments to make on the Parades Commission? Do members have copies of the DUP paper?

The Committee Clerk: Members have been given copies of the DUP paper, and more copies are being made.

The Chairman (Mr Molloy): If there are no comments, we will move on to the main items for discussion.

Mr Kennedy: May I place on record a few observations that my party has made on parades?

The Ulster Unionist Party agrees that the creation of the parades "controversy" was and remains a strategy used by some in society to carry on the war by another means. We believe also that the Parades Commission should be abolished. It has not aided the resolution of the politically motivated controversy surrounding parades in Northern Ireland.

Our submission to the Quigley Review is broadly in line with that which the DUP has suggested, and we believe that mediation and decisions should be separated. The current designation of a parade as contentious — and we use that word advisedly — must be re-examined, as single objections currently have the potential to create problems. We question also the assertion that:

"any process must be open and transparent and should allow for public scrutiny".

We need more detail on that.

It is our clear view that, in all determinations, there should be a presumption to allow a parade, and a presumption to allow a counter-protest, as long as it is peaceful. The organisers of any parade should be responsible only for those on parade and should not be held responsible for those who are not under their control. The Ulster Unionist Party Assembly Group believes also that all main thoroughfares should be open to everyone, and that no group has the right to withhold permission from passing along a thoroughfare.

10.30 am

In our view, no one should have to ask the permission of a residents' group, or any other group, to walk along a road or pass through an area. That could lead to a serious situation, whereby self-appointed groups withhold permission from other groups and organisations, such as the police, the Post Office and other service providers.

That would be a recipe for a serious situation. Therefore, we must overcome the obstacles that are preventing the correct circumstances for the formation of a Government, and any outstanding controversies

around parades must be well on their way to being resolved before devolution is restored.

The Chairman (Mr Molloy): The PFG Committee dealing with law and order issues, which meets on Wednesdays, agreed that this Committee, which is tasked with dealing with rights, equality issues, safeguards and victims, should discuss whether the Assembly might wish to have appointments to the Parades Commission devolved with justice and policing. An attached table from an NIO letter of 15 August on that subject will be circulated. Paragraph 10 of schedule 3 to the 1998 Act deals with public order, and reference is made to the Parades Commission in the “Issues remaining” column.

Mr O’Dowd: Considering that members have just been presented with this, could discussions be deferred to allow us a chance to look at it and to discuss it with our colleagues?

Mr Paisley Jnr: This has been available since February of this year in the Government’s discussion paper, so it should not come as a surprise to anyone.

Mr O’Dowd: I did not say that it was a surprise, and I am not surprised by it. I asked whether it could be deferred to a future discussion, as it had just been presented to the Committee.

The Chairman (Mr Molloy): Does anyone wish to comment on the table today, even though it is not a substantive issue on the agenda?

Mr Poots: It is more fundamental than appointments to a flawed body; it is about the process under which the running of parades would be conducted. We have made clear proposals on the separation of the mediation role and the determination role. If that matter is not dealt with, regardless of who is appointed to that body, which has not operated or functioned properly in the past, he or she will not change it, because it is impossible to act both as an impartial mediator and as a determiner.

The Chairman (Mr Molloy): Are there any other comments at this stage?

Mrs Long: The context for the devolution of policing and justice is one in which a triple lock should be in place to ensure that it is done under the correct conditions. The proposed target date for the devolution of policing and justice was two years from the restoration of devolution — a period that covers two marching seasons. That would have given us the opportunity to test the stability of the Executive, and it would have given us the chance to see how matters moved during a two-year political cycle. Considering the sensitivity of many of the matters that would be devolved under policing and justice, I am not sure that appointments to the Parades Commission would rank among the most sensitive.

I am not sure whether there are strong arguments for appointments to the Parades Commission being retained as a reserved matter, but we are not particularly concerned about that issue and would be flexible. Other more sensitive policing and justice matters would be transferred at the same time to the Northern Ireland Assembly.

Mr Kennedy: This matter has been referred from the Preparation for Government Committee that deals with law and order issues in order that we might examine whether it is an issue of public order or law and order. My party’s view is that the Parades Commission should be abolished, which rather deals with the issue of appointing anybody to it. There are other issues, such as who might be appointed to adjudicate at tribunals. “Parades” cannot be separated from “Good relations” and “Shared future”, given that main roads presumably constitute a shared space. There are interesting aspects that must be examined in some shape or form.

The Chairman (Mr Molloy): We will not reach consensus on this issue today. One party has asked for some additional time to discuss the matter, so we should park it for now and return to it later. At Wednesday’s meeting of the Committee, we sought opinions, but we but did not take any decisions. Can we agree to set this issue aside and move on to the next item?

Members indicated assent.

The Chairman (Mr Molloy): We will now deal with issues under the sub-headings “Equality”, “Good relations” and “Shared future”. We should try to discuss each issue separately, although there will be overlaps. Can I ask members to keep their contributions as short as possible? The DUP has referred to its submission in relation to the “Equality” sub-heading, so perhaps the DUP could open the discussion.

Mr Kennedy: Can you tell us the rules of the game, Mr Chairman? You have asked for short presentations, but we have a detailed presentation. If it is helpful, we will submit a paper in conjunction with that presentation. How long are you allowing for each presentation?

The Chairman (Mr Molloy): We suggest a five-minute opening presentation, which will be followed by a general discussion. Do you wish to circulate your paper today?

Mr Kennedy: We will consider that suggestion.

Mrs Long: May I have some clarification? In previous meetings of the Committee, each party gave its presentation in alphabetical rather than a particular party that had expressed an interest go first. You have identified the DUP as having expressed an interest, but members may feel that they have to respond to the DUP’s presentation rather than give their party presentation, followed by a discussion. Are we still

simply giving our presentations, albeit in a different format and order?

The Chairman (Mr Molloy): We have used both mechanisms. If we go around each party, sometimes parties feel compelled to make a submission. However, if we start with the party that raised the issue, we can short-circuit the process and proceed to a discussion.

Mr Nesbitt: I agree with Naomi. This is my second week of attending the Committee, and there appears to be some volatility in relation to procedure. If there is a lack of clarity, and procedure is inconsistent, we do not know where we are. Each party should give a two- or three-minute introduction, followed by a substantive discussion. I have a fairly lengthy presentation that I wish to give. I agree with the way in which the other Chairman operated last week, when each party made an introductory presentation. You have said that the DUP will be the first party to make a presentation because it has expressed a particular interest in the issue. From a unionist perspective, having an interest in equality is not the sole preserve of the DUP. I support Naomi's view that we stick to procedure.

Mr Paisley Jnr: If Dermot is itching to go, he can go first.

The Chairman (Mr Molloy): I did not express a preference for any party.

Mr Nesbitt: Chairman, there were certain implications in what you said.

The Chairman (Mr Molloy): They were not intentional.

Mr Poots: We are happy to go with the normal protocol. Mr Nesbitt said that he wanted to know where he was, and that this is his second week at the Committee — it is actually his third. I do not want to confuse him any further.

The Chairman (Mr Molloy): We do not need to get into the nitty-gritty.

Mr Nesbitt: This is the second week of considering issues that were agreed at the first meeting, at which I was not present for the full time. I am normally in control of what I say.

The Chairman (Mr Molloy): Let us begin with the Alliance Party.

Mr McCarthy: I am itching to start.

The Chairman (Mr Molloy): Good. You have five minutes.

Mr McCarthy: First, there are differences between equality matters, a shared future and good relations. Equality and shared future are fundamentally different concepts. Equality is about ensuring fair treatment, access and opportunity for all people, while community relations — or “Good relations” or “Shared future” —

are about the quality and nature of the relationship between people, notably in a divided society. There is also, however, a clear relationship between the concepts. The Alliance Party argues that a cohesive and integrated society provides a better environment for promoting equality, and that equality is crucial to building good relations.

In no sense should a lack of sufficient progress on either equality or a shared future be portrayed or regarded as a barrier to making progress on the other. It is possible to progress equality issues in the context of a divided society, through the provision of separate goods, facilities and services. To date, in many respects, that has been the practice in Northern Ireland. A critical mass of people have now realised that “separate but equal” is not sustainable. Equally, it is possible to promote integration in society, even in the absence of sufficient equality. Arguably, that is the case in the USA.

On equality, the Alliance Party is committed to protecting the rights and ensuring the opportunities of every individual. Equality is essential in order to give everyone a stake in society. For the Alliance Party, that means equality of opportunity; equality of access; equality of treatment; equality under the law; and equal citizenship. It is not about forcing an equality of outcome, but if that can occur through recognition of the former, it is welcome.

Those principles govern the Alliance Party's approach to equality, which is: the individual is the foundation stone of society; all individuals are of equal worth and should be treated as equal citizens; individuals are also members of religious, ethnic, cultural and regional communities; those identities are open and fluid — people can hold a range of identities and loyalties to different structures and levels of Government; citizens have different needs, and equal treatment requires that full account be taken of those differences; and when equality ignores difference, uniformity of treatment leads to injustice and inequality.

For society to be cohesive, as well as respectful of diversity, it must nurture diversity, while fostering a common sense of belonging and shared identity among its members. The Alliance Party does not believe that there should be a hierarchy in equality. Equality issues in Northern Ireland are overly associated with issues relating to religion and/or political identity. Discrimination or other inequalities on the grounds of gender, race, disability and sexual orientation should be of equal concern. Opportunity, a sense of belonging, and fair treatment do not exist evenly and consistently across society. Some individuals are more marginalised than others, due to historical inequalities, discrimination, geography or other obstacles to participation. As a result, it may not be sufficient to apply good public policy generally and hope that all sections of the

community will benefit appropriately. The use of neutral policies does not necessarily produce neutral actions or outcomes.

10.45 am

There is, therefore, a case for positive or affirmative action, but we remain opposed to positive discrimination or the use of quotas. We support the targeting of resources towards particular disadvantaged and under-represented sections of the community and certain localities. That is the essence of targeting social need. It is important that vacancies be filled and resources distributed on the basis of the merits of applications. Alliance opposes, however, the use of quotas to fill vacancies or allocate resources, as that inevitably leads to individual cases of greater merit being passed over in order to address the need of someone identified with a disadvantaged group.

With respect to how equality is handled in relation to religion and identity, Alliance is concerned that the overemphasis on groups further institutionalises divisions. Alliance believes in treating all persons as equal citizens but is opposed to institutionalising a false parity of esteem between groups. Furthermore, the assumption of a majority/minority problem is not only simplistic in that it ignores existing diversity, but in that it assumes that discrimination is unidirectional.

The Alliance Party has been a long-standing advocate of fair employment legislation and monitoring in order to ensure equality of opportunities and non-discrimination in the workplace. Fair employment legislation has been very successful in removing discrimination from employment in Northern Ireland and in moving towards a workforce that is more representative of the entire community.

That legislation has been generally successful in creating integrated workforces. The employment sphere is now one of the most integrated aspects of Northern Irish society. That stands in stark contrast to matters such as housing. However, workplace integration has been from the top down — something imposed through regulation rather than having developed organically.

Alliance recognises and understands the need for monitoring of workforces. However, we have concerns about the methodology used to categorise people in pursuit of those objectives. Alliance looks forward to the creation of a single equality Act that would standardise and harmonise upwards the equality protection on all existing grounds.

Finally, all outstanding equality issues can be addressed through public policy; therefore, the Committee has no need to address equality as a barrier to the restoration of devolution. That concludes our submission on equality. We have a further paper on a shared future.

Mr Campbell: For us, this issue is central and goes to the core. It could decide whether progress is made over the next five or 10 years or regress sets in. In the DUP's view, part of the problem in Northern Ireland has been that equality is a concept that is quite often measured in terms of the past, and because of that we have opposed much of what the Equality Commission has done. We will reserve our opinion until we see how the new Chief Commissioner, the new commissioners and the newly reinstated commissioners perform in practice.

At the moment, the Equality Commission appears to analyse equality in terms of the Northern Ireland of 30 or 40 years ago. Unfortunately, that concept appears to permeate much of society. Our view is that, in devising policies for a shared future, we must look to the twenty-first century and what is likely to happen over the next generation.

A number of facets have to be addressed. One that goes to the core of the community that we represent is the blatantly discriminatory approach that the Equality Commission and the Government have taken to police recruitment. A discriminatory recruitment policy says to the community against whom it discriminates that it is less valued and less respected. It says that, because of denominational background, irrespective of qualifications, members of that community are not welcome to join our Police Service. That is what our society has done. The Equality Commission — a misnomer if ever there was one — should not endorse discrimination, yet that is what it has done. We must try to move away from that. That is why our view of the Equality Commission is as it is, on the basis not just of police recruitment but of much of its work.

We support the concept of dealing with equality issues — whether they be gender, disability, age or religion — in a holistic way. That is a good way in which to make progress, not least from the perspective of reducing the amount of bureaucracy. It has to be said, whether people like it or not, that most of the other issues, such as age, disability and gender, tend to be more individualistic approaches, whereas the religious issue tends to attract a communal approach. The religious breakdown of the community presents the issue of “Shared future” with a huge problem.

That is why we have made a major case consistently and repeatedly, year on year, to the Equality Commission and its predecessors, on, for example, the public sector. The public sector is the largest employer in Northern Ireland. The under-representation of people from the Catholic community applying to the police is less than that for people from the Protestant community applying to the Housing Executive, yet there is a fifty-fifty recruitment requirement placed on one but not the other. Our view is that a fifty-fifty recruitment requirement should be placed on neither, nor on any

other body. We agree with the Alliance Party in that respect. We do not believe that quotas are the answer. The merit principle should be applied. Whether it is a Housing Executive applicant or a police applicant, a Civil Service applicant or a private-sector applicant, everyone should be treated on merit. That is a huge issue that will increasingly be central to our concern.

The other, wider issue in looking at a shared future is the criminal and paramilitary activity that prevents better relations evolving among the two main communities and other communities in Northern Ireland. If paramilitary groups control areas, and if political parties recommend to communities that they should not give information to the police when a young female is raped in their community, that is an appalling indictment of those passing for politicians who go down that route. That in itself creates further division and diminishes any hope of good relationships being built for the future.

Mrs O’Rawe: Paragraph 3 on page 16 of the Good Friday Agreement sets out the nature of the statutory equality obligations on public authorities in the North:

“to carry out all their functions with due regard to the need to promote equality of opportunity”

across nine grounds, and:

“to draw up statutory schemes showing how they would implement this obligation.”

Paragraph 6 on page 17 refers to the establishment of:

“a new statutory Equality Commission to ... advise on, validate and monitor the statutory obligation and ... investigate complaints of default.”

Paragraph 7 leaves the choice of whether to establish a dedicated Department of equality up to the Assembly.

The statutory equality duty under section 75 of the Northern Ireland Act 1998 has not been embraced or used in a consistent way by most public bodies, resulting in failed opportunities to mainstream properly the duty to the degree to which it could have been used to advance equality of opportunity and outcome.

It has, therefore, become a cosmetic, tick-box exercise that many public bodies consider a burden rather than a duty to adhere to a maximum sway. The Equality Commission has the power to investigate public bodies where a potential breach has occurred in equality schemes. However, that power has rarely been used.

Likewise, the commission has supported few investigations brought by directly affected parties. On the rare occasion that the commission initiates an investigation and finds a public body to be in breach of its equality scheme, it has limited powers to compel the public body to comply. It can only refer the matter to the British Secretary of State.

Sinn Féin believes that the Equality Commission must use its powers of investigation and enforcement to greater effect. Therefore, consideration must be given to amending the Northern Ireland Act 1998 in order to provide the commission with the power to compel public bodies to comply. That would give the commission more teeth.

Sinn Féin wants to see further designations of public bodies such as the BBC, the DPP, the Treasury, the Ministry of Defence (MOD) and the British Secretary of State. The British Government must establish an independent recruitment and selection panel when making appointments to the Equality Commission. The commission should be representative and balanced in its composition.

The commission must be resourced in order to provide legal assistance, where appropriate, in discrimination cases. Alternatively, legal aid should be provided in such cases.

I want to raise some points under the sub-headings “Good relations” and “Shared future” later in the meeting. Thank you, Chairman.

Ms Lewsley: I want to raise three points about equality. The first is the issue of need. The agreement makes it clear that need must be targeted objectively. If real need is targeted, all communities — whether they are Catholic, Protestant, unionist, nationalist or from any other background — will be enhanced. Perceived need can also be dealt with. There is underachievement in educational attainment in Protestant communities. The SDLP believes that, by tackling need, that issue will be addressed. However, the proportion of Catholics who leave school with no qualifications is higher overall and is, of course, a fast track to unemployment. It is important that that problem is also tackled.

Secondly, there can be no regression in equality laws; those laws are a given. The SDLP will consider the opportunities to enhance the laws. However, it will not support any dilution of them.

An integrated equality agenda is needed. That should be brought about through a single equality Bill that harmonises our laws upwards as far as is practicable. During the lifetime of the previous Assembly, its two junior Ministers had hoped to take Northern Ireland into the lead with the single equality Bill. Unfortunately, because of EU regulations on age and sexual orientation, the Assembly decided to defer the Bill. I hope that it can be moved on.

Equality of opportunity can be created through the realisation of the promise of section 75. In order to do that, the standard of equality impact assessments must be improved. Often, they lack statistics and rigour; they should focus more on key policies. A strategy for the implementation of section 75 would help.

Thirdly, the commitment to eradicate unemployment differentials referred to in the agreement must be realised. The unemployment differential in 1971 was 2·5; it has now been brought down to 1·8. I want any differential to be eradicated. Likewise, there are differentials in economic inactivity. There are many high-unemployment black spots. A process to deal with those problems must be introduced. The Government must also take responsibility centrally to ensure that differentials in housing allocation are dealt with.

Progress has been made. However, there is more to do. Equality of opportunity is not only a right in principle but will help to build a more harmonious and cohesive community.

Mr Nesbitt: As Danny mentioned, our paper will be circulated before any substantive discussions. I want to make a few introductory comments.

I agree entirely with Kieran in the sense that equality is viewed primarily as a religious domain. It is much more pervasive than that. It also covers race, gender, and so on.

11.00 am

Having said that, however, I want to make the point that a religious dimension has permeated relationships in Northern Ireland. One side of the community feels that it has been, and still is, unfairly treated — if not discriminated against — in the jobs market, as Michael Ferguson's comments evidenced last week. I have no doubt that Michael Ferguson holds his views sincerely, but they were a reflection of Sinn Féin comments that are often repeated. Sinn Féin wants that issue to be dealt with, and I will come to how it could be addressed in a moment.

Equally, unionism has concerns, which Gregory has mentioned and with which I agree. Two key employment concerns must be addressed, and those tie in with 'A Shared Future: Policy and Strategic Framework for Good Relations in Northern Ireland'.

Last week, I mentioned Darby and Knox, the authors of the consultation paper on 'A Shared Future'. Without resolving what is or is not the labour market's real position, it is difficult to move to a shared future and a society at ease with itself.

Moreover, there has been a "grammar creep". Words such as "neutrality" have crept into the equality debate, although not in a legal sense. That said, the word has been absorbed into the lexicon — people talk about it. I am not the sort of loyalist who rams his loyalty down another person's throat. I am not one to wear flags or badges. I am a citizen of the United Kingdom. I do not have to flaunt my citizenship or be triumphalist. The reality is that we are in the United Kingdom; that is the legal position. It is not a neutral position. The United

Kingdom is a legal entity, and respect should be given to that.

Little words are important. I noted that Pat used the phrase "in the North". That may be a euphemism, but it has a political overtone. Whether people recognise that Northern Ireland is or is not a region of the United Kingdom, it is in law.

Those aspects are relevant to notions of equality and parity of esteem. We must subscribe to section 75(1) of the Northern Ireland Act 1998. That is the law. We must:

"have due regard to the need to promote equality of opportunity".

The law is important. The word "need" is included in subsection (1). It does not say that we "have to do it always and every time". The law says "need". Therefore, before we do something, we must establish the "need".

Finally, more often than not, I find that commentary on equality is based more on emotion than on evidence. As adults in the political process, we must use evidence to judge positions on equality. We must determine, by correctly interpreting evidence, who is hard done by or disadvantaged. Emotion must be taken out and evidence used.

Chairman, those are just a few opening comments to start the debate. I will return to the issue shortly.

The Chairman (Mr Molloy): Are there any proposals or any issues that members want to question?

Ms Lewsley: I would like to propose that we agree that need should be targeted objectively.

Mr Nesbitt: I have no problem with those two words — "need" and "objectively".

Mr Paisley Jnr: What about "targeted"?

Mr Nesbitt: And, of course, "targeted".

[Laughter.]

Mr Campbell: I do not have a problem with that, but could we have it explained a little more? It is a nice cliché; it sounds OK, and I am sure that it will read fine in Hansard, but what does it actually mean?

Ms Lewsley: For a long time in Northern Ireland we have addressed need on the basis that if one side gets something, the other side gets it too. I agree that there is an issue with the educational underachievement of young Protestants in working-class areas, but, on the other hand, educational underachievement is also an issue for young Catholic people, who are leaving school with fewer qualifications, or none at all. Those two areas of need must be addressed objectively. It should not simply be the case that because underachievement has been identified in a Protestant area, the Department of Education gives out money across the board. Need must be targeted objectively.

Mr Paisley Jnr: If we agree to equality, does delivery not then become the issue? The concept of targeting need objectively then becomes, as Gregory says, more of a cliché than a mechanism. We should have delivery mechanisms to ensure that equality exists and is delivered.

Mrs O’Rawe: If we are to have equality, we must have strong legislation and enforcement. I have three proposals, which I mentioned earlier. First, the Northern Ireland Act 1998 must be amended to provide the Equality Commission with the power to compel public bodies to comply with their statutory duties. Furthermore, the British Secretary of State and public bodies such as the BBC, the DPP, the Treasury and the Ministry of Defence should be designated under the 1998 Act and subject to those statutory duties. Thirdly, the British Government must establish an independent recruitment and selection panel for making appointments to the Equality Commission, and the commission should be representative and balanced in its composition.

The Chairman (Mr Molloy): Any comments on those three proposals?

Mr Paisley Jnr: I think that Dermot mentioned offensive —

Mr Nesbitt: Sorry, but could you speak up?

Mr Paisley Jnr: It is not often I am asked to speak up, but I will.

Mr Kennedy: It is not often that a Paisley is asked to speak up. *[Laughter.]*

Mr Poots: He is not the man his father is.

Mr Nesbitt: It was a genuine request.

Mr Kennedy: Your father would be ashamed of you for talking quietly.

Mr Paisley Jnr: He would be ashamed of you as well. At least I know who my da is.

Mr Campbell: That was a joke.

Mr Paisley Jnr: I am not going to talk about inflammatory language. To move to a point on which I would like some clarification: I assume that references to the DPP should really be references to the Public Prosecution Service, as the DPP no longer exists here.

Mr O’Dowd: We accept the clarification.

Mr Nesbitt: When a phrase is spoken quickly, one often hears words that one empathises with. However, on reading the same phrase in Hansard, one can find that it contains little words with which one does not totally agree. Ms Lewsley was very clear in asking for “need” and “objectivity”. That was all she was asking for. Before I can agree or disagree, I would like to hear precisely what I am being asked to agree to, and it would be good if I could have the written words in

front of me as well. That is a serious question; I am not trying to be trite.

Mrs O’Rawe: All public bodies should be designated to comply with section 75. They are spending public money, have a workforce, and are operating outside the framework, so they need to come within the guidelines. It is as simple as that.

Mr Nesbitt: I have a slight difficulty with a blanket designation of “all public bodies”, because “public bodies” is very general, and perhaps some should not be designated. I also have a stronger underlying problem. Sinn Féin said that we need “strong legislation”. Section 75 states that we must:

“have due regard to the need”.

When I hear someone say that something is needed, I say: “For what purpose?” Not a simple process — we must have something. What is the problem that has been identified that needs to be addressed? Has the problem been identified? Patricia Lewsley said “objectivity”, which means evidence. Where is the evidence of the need? If clear evidence of need is objectively established, we implement either primary legislation or statutory instruments. To a blanket “all public bodies” and “we need strong legislation”, I say: “Hold on. Let’s see first of all whether the need has been established.”

Mr O’Dowd: If Dermot wishes to identify public bodies that he believes should not be included in equality legislation, perhaps that is where the debate should start. Any public body that is spending public money and implementing policies that affect the public should surely be affected by equality legislation. To me, that is a basic principle of equality. If any public body is allowed to opt out of equality legislation, surely that is a flaw in itself.

If a body receives money, and that body is making decisions that affect people’s everyday lives, those decisions need to be made on an equitable basis. Equality is a double-edged sword. Equality legislation is there to protect the rights of the unionist community and the nationalist community, the rights of those from a different racial group or of a different sexual orientation, the rights of people with a disability, etc. All those sections of the community need to be protected, so if a public body is spending public money, I do not see any reason — and my party does not see any reason — why it should not be governed by equality legislation.

Mr Poots: We had this discussion last week when we were talking about appointments to the Human Rights Commission. Others shot down my suggestion that a deputy chief commissioner should be appointed. We have bodies that are supposed to be dealing with equality, and, from where we stand, we feel that our point of view is not expressed by any of the

commissioners on the Equality Commission. Others could probably say the same.

How can we have an Equality Commission that is not reflective of the views of the people of Northern Ireland? It simply cannot command the support of the people of Northern Ireland if its body of commissioners is not at all reflective of the community.

Mr O'Dowd: Mr Poots makes a fair enough point, and there are concerns around that. Our third proposal of the morning is that the British Government need to establish an independent recruitment and selection panel when making appointments to the Equality Commission, and that the commission should be representative and balanced in its composition. I hope that that covers the concerns that have been raised.

Mr Campbell: There are a number of related but slightly separate issues here. The composition of the Equality Commission and other public bodies sends out a signal. When it is the wrong signal, that creates the wrong context, and it is then difficult to return to some sort of parity. That needs to be rectified, and it has been an ongoing sore. Let us be clear about this, however: if we rectify that sore — if the composition of the Equality Commission is remedied in such a way that 98% of the community says that it is reasonably reflective of the wider community — but the Equality Commission still implements policies that go in the wrong direction, that is not the answer.

Over the past 10 to 15 years, section 75 has not provided safeguards to a section of the community in Northern Ireland. In my opening remarks I referred to the public sector, where the situation has become worse rather than better, in spite of section 75. The intrinsic equality legislation should have made things better, but in some cases it has made the situation worse.

11.15 am

I want to make a proposal that, I hope, can achieve some form of consensus: equality measures must be implemented in a manner that addresses current trends in order to avert future problems. We must try to distance ourselves from what happened 40, 50, 60 or 70 years ago. We must work on what is happening now so that the future will not be worse.

I refer again to the fifty-fifty recruitment policy in the Police Service. If it is harder to recruit Protestants to the Housing Executive than it is to recruit Catholics to the Police Service, why is there a quota system for one organisation but not the other? The DUP argues that there should be no quota system for anyone, anywhere, but that is an intrinsic problem. The policing issue, set beside other sections of the public sector, has not been addressed by section 75. If we simply say that section 75 should be implemented more rigorously, the logical outcome for my delegation and for my party is that in five years' time, the situation will be even worse than

it is now — and it is bad enough now. We must address the current problem to try to prevent the situation becoming even worse in the future.

Mr Brolly: We are in danger of sectarianising equality. Equality is an objective concept that includes everybody. It is not about equality for Catholics but not for Protestants, or equality for unionists but not for nationalists. We want an equality mechanism, and we want people who understand, and are passionate about, equality to man that mechanism. We do not represent the Catholic community — we do not have a mandate from the Vatican to do that. We want to talk objectively about equality for everybody. I would be equally annoyed at members of the Protestant community being discriminated against as at members of the Catholic community being discriminated against.

Unfortunately, we cannot ignore history in relation to the policing issue. Séamus Mallon described the membership of the RUC as being 92% Protestant and 100% unionist. I am not terribly happy about fifty-fifty recruitment or interfering with recruitment, but we must find some way of creating, in the not too distant future, a police force that will command everybody's respect. I am not saying that Protestant members of the police force should not be respected, or are not respectable, but in relation to equality, it is the two major communities that are involved. Historically, it is about the disadvantages of Catholics as opposed to Protestants, and it would have been impossible for the situation to have been otherwise since this state was set up to be a Protestant state for a Protestant people.

I agree with Mr Campbell that we are a long way down the line compared to 40 or 50 years ago, when Protestant businesses were entitled to put notices in their windows saying: "Help needed. Catholics need not apply". We have come a long way since those times. The wheel may be turning quite quickly in the other direction, and in the next 10, 15 or 20 years, we may have to deal with more cases of discrimination against the Protestant community than against the Catholic community. In our discussions, we should stick with the objective concept of equality.

Mrs Long: Sometimes when members discuss equality issues, the language used can create a permanency to the divisions in society. For example, there have been several references to the "Catholic community" and the "Protestant community". I am not aware that those are two mutually exclusive communities. Certainly, the community to which I belong includes Protestants, Catholics, and people of many other religions and of none. The notion of a "Catholic community" and a "Protestant community" is bizarre.

Such references are often used as shorthand for some kind of political aspiration that people may hold. The figures show that a significant number of people

who are Protestant — around 27% — do not consider themselves to be unionist; a higher percentage of Catholics consider themselves not to be nationalist. People's identities are fluid, and that must be reflected in our discussions.

Issues of discrimination, balance and trying to achieve a reflective workforce are also more complicated than simply considering two identities, Protestant and Catholic, and trying to balance them. A significant number of people do not subscribe to either definition. Those people must also be treated equally when applying for jobs and must not suffer from discrimination, either deliberately or simply by being overlooked in the statistics.

We must also look at what those definitions are taken as shorthand for. As I said, Protestant and Catholic will often be taken as shorthand for unionist and nationalist or loyalist and republican. Fifty-fifty recruitment, for example, has been successful in recruiting more Catholics to the Police Service, but I question how successful it has been in reflecting the balance across the entire community — from loyalism, through unionism, those who choose not to be part of either bloc, and nationalism to republicanism. It has probably not achieved that at all. If we are going to have monitoring, it must be based on something substantive; not on identities imposed on individuals but on identities that people choose for themselves.

There has also been an issue of group rights and protecting sections of the community. We had this discussion last week in relation to human rights and the right of an individual to not be treated as part of a minority group. That is an important right. Therefore, group rights are an anathema as far as the Alliance Party is concerned.

Our view is that, as with human rights, equality is concerned with the treatment of the individual. A workforce can be monitored to ensure that it is representative, but there should not be this process, which unfortunately still exists, of pigeonholing people in order to fit what is really a binary system of monitoring equality.

Mr Campbell said that, even if the Equality Commission were more reflective than he considers it to be at present, it would still not be acceptable if it took the wrong decisions. Who is the arbiter of what are the right and wrong decisions?

Mr Campbell: I do not think that I mentioned decisions. I said that the policies of the Equality Commission are wrong, as well as its composition. By policies, I mean, for example, the policy of fifty-fifty recruitment for the police. The under-representation of Catholic recruits to the police is “less worse” than that of Protestant recruits to the Housing Executive, yet the commission says nothing about the Housing

Executive. We want to see the commission's double standards on such policies changed, as well as its composition.

Mr D Bradley: I want to comment on the fifty-fifty recruitment policy in the Police Service. The Patten Report recognised the under-representation of Catholics in the police, for which there were various reasons, not least the targeting by paramilitary groups of Catholics who were members of the police force.

Mr Campbell: Killing them; not just targeting them.

Mr D Bradley: And the murdering of them, yes. The ethos of the police at the time, to which many nationalists felt that they could not subscribe, was also an issue. Indeed, in itself the low representation of Catholics in the police discouraged other Catholics from joining. We all recognise that society needs a police force that has the support of all sections of the community and in which all sections of the community are represented in proportion.

The Patten proposals attempted to address all the aspects of the policing service that were in need of reform, including the under-representation of Catholics in the service, so that all sections of the community could give their support to the police. The fifty-fifty recruitment policy was the key element of the proposals. It was aimed at creating a proportionate representation of all sections of the community. I believe that a key element for the future of any society is that all sections of the community are represented in the police in proportion, and that all sections give their support to the police. That goes to the very heart of the future stability of society, and justifies the fifty-fifty recruitment policy.

The policy has been successful. The application rate for Catholics has been between 35% and 38%, and there have always been enough suitably qualified Catholics to fill the quota. The percentage of Catholics joining has increased from 8.3% to over 20%, and by the year 2010 will have reached 30%. Fifty-fifty recruitment is only a temporary measure to alleviate a particular situation. It is operating successfully, and it will come to an end.

Mrs Long: Only history will be able to judge — if even it can — whether it was fifty-fifty recruitment or the removal of threat that led to the increase in applications from the Catholic section of our population.

Mr Bradley says that all sections are represented. Does he accept the point I made earlier: that republicans, for example, are still under-represented, if represented at all, in the Police Service? Ethnic minorities are collected in with “Protestant and other”, and therefore are discriminated against in the recruitment process.

Mr Paisley Jnr: There is no such thing as “Protestant and other”.

Mrs Long: They are grouped together, so the issue there is that ethnic minorities are not treated in the same way and are not promoted. The policy has addressed only one part of the imbalance in the police. The Alliance Party has been opposed to it from the outset. There remains a question as to whether it has addressed imbalance. Mr Bradley referred to “all” sections of the community; I am not sure that the policy has addressed that at all.

The Chairman (Mr Molloy): I remind members that the Committee is dealing with policing and justice matters in another format. We do not want to get too deep in discussion about it.

Ms Lewsley: I am a bit confused. You asked for proposals, and we have now discussed three or four separate proposals. I agree with Mr Campbell about addressing current trends. He referred to the problem with recruitment to the Housing Executive; I hope that he would agree that it is not just about under-representation in the workforce of the Housing Executive. It is a much wider question of the whole Civil Service, even the Equality Commission itself. The issue is one of under-representation in the workforce across the board.

As for the Alliance Party’s stance on group rights, I believe that to ignore groups is to ignore the patterns and trends about which Mr Campbell talked, and which can help address some of the inequalities and injustices.

11.30 am

Looking at all of the issues that have been raised, I think that the overarching proposal that I put in the first place would address much of the need objectively. That is what the SDLP wants. Rather than have a divisive climate of lobbying and to seek support for particular communities, we want to develop common ground and an approach based on evidence of need and the implementation of policies across the board.

If we could reach consensus on the basic principle of targeting need objectively, we could address many of the issues that we have talked about around this table.

The Chairman (Mr Molloy): Perhaps members would address that issue. We have five proposals in front of us now.

Mr Nesbitt: At this stage, I should table my proposal. I welcome Sinn Féin’s talk of speaking objectively about matters. It rightly talks about the danger of sectarianising issues. However, we do monitor the employment patterns of Protestants and Catholics. I also agree with Patricia that it goes much wider than the Housing Executive. We should have a common ground for evidence. I have genuinely tried to approach the issue in that way.

I have a dilemma. Equality is a very important and emotive subject for all of us around this table. More often than not we have tried to address it by way of the megaphone; this is the first time that we have sat around a table discussing it, and that is good. My dilemma is that, in being objective, we cannot at the same time be brief, because we need evidence to consider.

Language can create division, and I will give you an example. Mr Brolly used the phrase:

“a Protestant state for a Protestant people.”

The Prime Minister actually said:

“a Protestant Parliament and a Protestant people.”

Language is important. The context was that his counterpart in Dublin had referred to a Catholic Parliament and a Catholic people. It must all be put in context.

I shall ask the officials to circulate a paper. I do not want members to grimace and grunt, because I am not going to speak to the paper at length. I will go through it quickly and highlight some points. My aim is to put the paper on the table for the parties to note. I am not asking for discussion or agreement. I would welcome a bilateral meeting with any party, subsequent to this meeting, to discuss the content of the paper.

I wish to talk objectively — words that have been used by Sinn Féin. I wish to reach a common understanding of the problem on the basis of evidence, from which we can derive mechanisms to go forward. I will leave the paper with the parties and go through it quickly. I hope that, in noting the paper under the auspices of this meeting, parties will come back to me and seek a bilateral to discuss it.

The Chairman (Mr Molloy): Are members content for the paper to be circulated?

Members indicated assent.

The Chairman (Mr Molloy): Do you wish to talk to the paper now?

Mr Nesbitt: Yes.

Mr Paisley Jnr: I want to make some points.

The Chairman (Mr Molloy): I shall bring in Mr Paisley now.

Mr Paisley Jnr: First, for the purposes of Hansard, I want to say that my earlier comments were, of course, in jest. I am sure that people will understand that.

People have talked today about institutionalising sectarianism. It is a fact that the current process, since the Belfast Agreement, has certainly institutionalised and copper-fastened sectarianism in a number of the issues on which we have already touched.

We have an institution here that relies on sectarianism. For example, we have to have a First Minister and a

Deputy First Minister who must be drawn from particular communities, which, of course, is short for saying that we must have a Protestant and a Catholic in office. Whether we like it or not, that is what the legislation allows for.

The Assembly relies on cross-community votes — so many Catholics and so many Prods must vote for something in order for it to be agreed. Even the process of appointments in the Assembly relies on sectarianism. If we are really going to drill down into the issue of equality, some people may have some real soul-searching to do. Our form of Assembly, our form of government, and our institutions and the legislation governing them really should be changed if we are to move away from the institutionalisation of a sectarian regime.

There has been some comment about public appointments. Gregory Campbell made a proposal about how we should deal with public appointments. It is important to put on record that the current process of many public appointments deliberately discriminates against the unionist community. Mr Poots mentioned the Equality Commission — we would be hard-pressed to identify anyone on that body who could truly be described as representing the community from which I come. The Human Rights Commission has a number of unionist members of various types, but, again, its overall balance could not be described as reflecting the unionist community.

Take other public appointments such as the Police Ombudsman. I remember when that legislation was going through Westminster. The Hayes Report proposed that a senior or retired High Court judge with a significant level of experience could be regarded as neutral enough to be in charge of Police Ombudsman work. The appointment went to someone who, irrespective of her ability, is the wife of a prominent member of a political party. That does not augur well for people's confidence in independent, impartial, equal and fair appointments. It has been said before, but I cannot imagine a situation in which there would not be a hue and cry if the Police Ombudsman happened to be the wife of a DUP member. I think that people would be going mad about that.

We have the reverse of that situation when unionists are appointed to bodies. People from the republican community are inspired by Sinn Féin to oppose those appointments. If orangemen are appointed to bodies, they are opposed because they are orangemen. If, for example, a victim of an IRA atrocity is appointed to a body — think of the interim Commissioner for Victims and Survivors of the Troubles — Sinn Féin opposes that too. There has to be some balance in equality when it comes to public appointments.

Quite a lot has been said about police appointments and the issue of equality. We should identify the fact that the discrimination clauses in the Police (Northern Ireland) Act 2000 — they are not fifty-fifty clauses, they are discrimination clauses; that is what they are called in the legislation — cause long-term damage to both sections of the community. For example, they cause significant upset to people who get into the merit pool, know that they are qualified and know that their scores put them higher up their section of the merit pool, but who do not get appointed because of their religion. I know of over 1,000 Protestants who have been turned down for employment in the Police Service of Northern Ireland (PSNI) only because they are Protestant, yet they were higher up the merit pool than others who were appointed. I know of 230 Roman Catholics who are in the same position.

Therefore the discrimination clauses cause significant, deep-seated resentment in the community and in those people who want to be police officers. They do not want to be Catholic or Protestant police officers; they want to be police officers, and it causes resentment and affects the morale of the Police Service.

If a person gets into the PSNI as a result of fifty-fifty recruitment — I will use that misnomer for the example — there is a chance that his or her promotion could also be decided on that basis. There is now an expectation that an officer's promotion prospects in the Police Service should reflect the community's demographics, or be based on what church the officer attends on Sunday, rather than on his or her skill, ability or length of service. That would be disastrous, and we must pull back from a policy that is affecting morale and that has a long-term and deep-seated effect on police officers.

Police officers in California were in a similar situation when equality legislation stipulated racial equality of appointments to the police force there. Both black officers and white officers will say that the long-term effect of any sort of discrimination is resented within the service; therefore we should move away from that.

People may claim that 50:50 recruitment is a principle, but it is not. If it were, it would have to be applied to every appointment in the organisation. However, parties here that claim that it is a principle voted for the Police (Northern Ireland) Act 2000, which allowed for the recruitment of 1,000 part-time reservists on the merit principle alone. If fifty-fifty recruitment is not a principle for appointing part-time reservists, why is it a principle for appointing regular officers? That must be addressed, because under the current legislation all future part-time reservists could end up being drawn from one section of the community because its applicants were better qualified. Alternatively, recruits could end up being drawn from a mixed

section of the community, which would more than likely be the case. However, they will be recruited on one basis — merit — and there will be no question about their appointment because of that.

There is also a significant depletion of detective ranks in Northern Ireland, but the principle is not that all detectives should be recruited on the basis of their religion. They will be recruited on merit. On that basis, all the parties on the Policing Board — even those that claim that fifty-fifty recruitment is a principle — voted to ensure that the lateral entry of detectives from England, Scotland and Wales into the PSNI should be on merit. They agreed that those appointments should not be influenced by religion or identity. Therefore the fifty-fifty recruitment principle appears to be flexible: one that must be observed for the big stage, but not for other important appointments. One should recognise that it is not a principle; rather it is something that is causing significant damage.

Reference has been made to the past and the part played by the Royal Ulster Constabulary George Cross (RUC GC). Significant numbers of people from the Roman Catholic community have played a large part in the PSNI and in the Royal Ulster Constabulary. The father of the current leader of the SDLP — a Roman Catholic — played a significant role in the Police Service, and did not mind that it was the RUC. In the past, there has been a Roman Catholic Chief Constable of the RUC, and that is often brushed over. Many officers from different sections of the community have played a significant role in the RUC. The hurt around the RUC is a straw man that is used for political purposes, and it has done much to damage community relations in Northern Ireland.

I remember watching the SDLP conference — I think that it was last year's — and an invited guest called for fifty-fifty recruitment to be scrapped. I doubt whether the SDLP would have given a person a platform to go against its policy.

Nonetheless, I do not believe that the people who declared fifty-fifty recruitment to be the great totem think that the underlying principle is to protect a certain community; it exists for political reasons. The issue affects the mindset of Protestants, who feel that their noses are being rubbed in it. That should not be so. Nationalists should recognise that fact and start to disengage themselves from the notion that they need fifty-fifty recruitment.

11.45 am

It is important to clarify that fifty-fifty recruitment does not mean 50% Protestant and 50% Roman Catholic appointments. In the Police (Northern Ireland) Act 2000, the sections that deal with discrimination allow, and guarantee, that 50% of regular officer appointments be given to Roman Catholics. The 2000 Act

gives no such guarantee to any other section of the community; it simply states that the appointments are for others. Therefore, the Protestant community feels doubly outdone on that issue.

Sinn Féin has stated today that it does not speak on behalf the Roman Catholic community and does not wish to discriminate. Its members wish to discuss equality. Certainly, when the IRA bombed factories, it did not discriminate against workers. IRA activity did not discriminate — it injured everyone in Northern Ireland. Sinn Féin's talk about equality is simply talk. It is important to put that on the record.

The Chairman (Mr Molloy): We must move on because several members wish to speak — John O'Dowd, Naomi Long and Derek Hussey.

Mr Nesbitt: I thought that I was about to start.

Mr Paisley Jnr: I thought that Dermot was going to go next. I am just the warm-up act.

Mr O'Dowd: I had indicated before the paper was distributed —

Mr Nesbitt: I thought that I had said that I would make my presentation next, Mr Chairman. You said that Ian could make his presentation while the paper was being distributed. The paper has now been distributed.

The Chairman (Mr Molloy): Go ahead.

Mr Nesbitt: I am simply following procedure.

Ian said that we should drill down into the issue of equality, which was a good introduction. I shall be very brief. I will leave the paper with members, because it will be easier to comment if they have the paper in front of them. I will speak to the paper, and it would be helpful if members could follow the pages as I refer to them.

Mr Paisley Jnr: Mr Nesbitt indicated earlier that he intended to make a proposal. Will he make the proposal before he speaks to the paper or afterwards?

Mr Nesbitt: I am not asking for agreement on the paper, but I will make the proposal, which contains nothing sinister, later.

Page 3 of the paper states that we must demonstrate the effectiveness of the equality policy. It is also stated that, no later than February 2006, the British-Irish Intergovernmental Conference was discussing the unemployment differential.

On page 4, a table is reproduced from David J Smith and Gerald Chambers's 'Inequality in Northern Ireland (Oxford 1991)', which states that 27% of Catholics and 21% of Protestants viewed discrimination/rights as one of the causes of the troubles. That is a clear identification that it is perceived that discrimination/rights was one of the causes of the problems.

On page 5 there are quotations from: a Standing Advisory Commission on Human Rights (SACHR) report, 'Religious and Political Discrimination and Equality of Opportunity in Northern Ireland: Report on Fair Employment (October 1987)'; a Government White Paper, published in March 1998; a Northern Ireland Affairs Committee Special Report, 'The Operation of the Fair Employment (Northern Ireland) Act 1989: Ten Years On'; and the 'Report of the Taskforce on Employability and Long-Term Unemployment', published in December 2002. All those quotations point up equality of opportunity and how that will improve community relations.

I want to highlight a quotation on page 6, to which I referred last week. In John Darby and Colin Knox's 'A Shared Future (Consultation Responses)', it is stated:

"there cannot be good relations until there is equality of opportunity".

"Good relations" deals with a shared future.

I want to mention a few political quotations. On page 6, a quote from Caitríona Ruane states that discrimination is "rife" and that Catholics are twice as likely to be unemployed as Protestants. A quotation from Gregory Campbell states:

"22,000 more Roman Catholics and 5,000 fewer Protestants in work ... discrimination against our people has to stop."

Those are genuine views held by both those people. The two sides of the community say that discrimination exists. We must examine the evidence.

Mr Campbell: Will Mr Nesbitt take a point of information?

Mr Nesbitt: Yes; no problem.

Mr Campbell: That quotation is accurate, but the figures come from the Equality Commission rather than it being my view.

Mr Nesbitt: I do not doubt that. My point is that we are taking data, whether those are unemployment differentials in Sinn Féin's case or employment trends in unionism's case, to point up discrimination claims on both sides. Something must be done. This is a problem that we need help with if we are to solve it.

On page 7 of the paper, the 1987 SACHR report is again cited, recommending targets for the reduction of the unemployment differential. There is another SACHR reference on page 8. This time it is a quotation from a 1997 report:

"Government should publicly adopt realistic targets for the reduction of ... unemployment differentials".

There are two quotations on page 8 that I thought would show up a dichotomy. On the one hand,

UNISON, the public-sector-workers' organisation, said in 1997 that Government policy:

"failed to remove ... unemployment differentials and discrimination".

Against that, as an antithesis, the Queen's Speech of 14 May 1997 said that the Government would:

"combat discrimination in the workplace".

Inez McCormack of UNISON might not view the latter as an antithetical source, but they are different ends of the spectrum. Both quotations flag up the question of discrimination.

What was the Government's response to the comments? On page 9 of my paper, the Government said in the introduction to their response to the 1997 SACHR report that they were going to introduce policies:

"centring on jobs and employment".

They saw that as the problem and planned to:

"put in place a new statutory framework requiring the public sector to promote equality of opportunity",

namely the law that Pat O'Rawe referred to earlier, which was section 75 of the Northern Ireland Act 1998.

The Government also said that they were going to recruit directly from the unemployed. They were hoping that that would reduce the unemployment differential, and indeed, that they were going to have:

"benchmark measures for the future reduction of the unemployment differential."

Let us look briefly at some evidence, and then I will leave the paper for members to reflect on. A problem has been identified by a wide range of sources with varied views, and the Government have implemented policies to try to alleviate the perceived problem.

The Northern Ireland Affairs Committee heard evidence in 1999 on that important issue. It also concluded that benchmark measures should be in place. Indeed, its report said that its next review in five years' time would consider any deviation between the benchmarks established and the available data. However, the Committee has never looked at it again. The benchmark measures for the unemployment differential have never been established, despite a commitment to do just that.

On page 11 of the paper, a Northern Ireland Statistics and Research Agency (NISRA) briefing note is quoted. NISRA raised much wider issues than discrimination, talking of:

"personal characteristics such as age, marital status, number of children, family experience of unemployment, housing tenure and educational qualifications".

In other words, it identifies the background that can influence whether a person gets a job. The briefing note concluded that there were no specific actions that Government could take to address the unemployment differential, and that it was:

“not actually a valid measure of ... discrimination in employment”.

The Office of the First Minister and the Deputy First Minister (OFMDFM) had research conducted by Tony Dignan. On page 13 of his research he concurred with NISRA's view on the impact of Government policy on the unemployment differential measured as a ratio.

On page 14 of the paper, I reference the 2004 book, 'Fair Employment in Northern Ireland: A Generation On'. It was sponsored by the Equality Commission and was written by a wide-ranging group of academics, which the Equality Commission described as a “distinguished panel”. An important element of its remit was social mobility. That dimension led to what was described as:

“perhaps one of the most significant conclusions for this book as a whole”.

That is the authors of the book talking; it is not unionism or nationalism.

Social mobility means how well one can move through the social classes. On page 14, under 'Social Mobility', there is a quotation from 'Fair Employment in Northern Ireland: A Generation On'. It reads:

“Much of the claims of discrimination being voiced by the Northern Ireland Civil Rights Association could be seen as claims of adverse social mobility”;

in other words, people cannot move up through the classes.

Mr O'Dowd: Does the fact that one cannot move upward not prove discrimination?

Mr Nesbitt: No. The book is saying —

Mr O'Dowd: Dermot is saying that those who were being discriminated against were unable to move upward because they were socially dysfunctional, or whatever. What is he trying to say?

Mr Nesbitt: All I am doing is establishing a measure of objectivity as to whether there is discrimination. The book was saying that if one cannot move up the social ladder, one is probably being discriminated against.

Mr O'Dowd: That proves discrimination.

Mr Nesbitt: No. If one cannot move up the social ladder, that proves discrimination.

Mr O'Dowd: Then the question is why one cannot move up the ladder.

Mr Nesbitt: We have to see whether or not one can move up socially. That is the point that I am making. I am establishing the measurement criterion.

The answer is given in the diagram on page 15 of my paper. Without going into detail, present occupation is determined more by first job and educational qualifications than by anything else. A first job is determined by years of education, by qualifications and, to a much lesser extent, by age. Age has a value of 0.089 as opposed to 0.390 for years of education and 0.219 for educational qualifications.

Religion can be tracked on the diagram by moving left from first job to years of education. The number of years of education available is determined by the father's occupation, which can depend on his education, which, in turn, depended on his religion. I am not saying that religion is not a factor.

Mr Poots: Thank you for explaining that, Dermot.

Mr Paisley Jnr: It is a two-generational thing as well?

Mr Nesbitt: It is at least two-generational.

The book concluded:

“religion ceased in the 1990s to have a direct independent effect upon an individual's social position.”

The significance of that conclusion was that it was based on data collected in 1996 and 1997, at a time when SACHR, the Government, the Queen in her speech and others, were committing themselves to combating discrimination. The evidence shows that social mobility, as a measure of the presence of discrimination, is not directly linked to religion. There is, perhaps, an indirect link, back down the generations, but whether a person gets a job and moves up the social ladder is not now affected by religion. The evidence shows that.

I shall not look at the worked examples; they are there for members to examine in detail on pages 16 to 19. However, at the bottom of page 20, there is an important point, which highlights the problem between Gregory on my side of the House and Sinn Féin's side of the House.

I am not going to look at pages 22-24 in detail. They simply show, from an evidential point of view, that if the proportion of Catholics who are unemployed is twice the proportion of Protestants who are unemployed, it does not mean that Catholics are twice as likely to be unemployed as Protestants. The absolute number of people who are unemployed does not have a bearing on likelihood of being unemployed. The likelihood of a person getting or not getting a job depends on the person who applies and whether he or she is appointed. It is probability analysis.

12.00 noon

At the bottom of page 24 I have the heading "Poverty and Disadvantage". The latest Government report shows that poverty and disadvantage are manifested in large measure by being unemployed. Unemployment is one of the single most important measures of disadvantage; my party accepts that. We accept that there is more disadvantage where there is a greater proportion of unemployment. The question is whether it is discrimination and how to deal with it, which is a different matter.

I am not saying that there is unfair discrimination. I am only pointing out what the data says. Look at pages 25 and 26. Do not go into the data, but if you read it you can follow it. Go straight through to page 28 — there are only 30 pages.

Mr Campbell: There are 31 pages in my copy.

Mr Nesbitt: Yes, well, OK.

Mr O'Dowd: That is not the only inaccuracy in it.

Mr Nesbitt: The first page is just the title.

I will leave you with the table on page 28. Logically, if 40% of applicants are from one denomination you would probably expect 40% of the appointments to be from that denomination — if there is equality of opportunity, and if they have equal education and equal experience, you would expect the grouping selected to be reflective of the grouping who apply. In the case of appointments to the public sector, in six of the last eight years the proportion of Catholics appointed has been statistically significant in comparison with the proportion who have applied. It is out of kilter. I am not saying that Protestants are being discriminated against. The evidence cannot point that up. All that the evidence can point to, on a basic statistical analysis, is that in six of the last eight years more Catholics have been appointed than the proportion of applicants would suggest should have been appointed. That is a question to be addressed. That is the minimum that we can say about it: the question needs to be addressed.

Before I come to the conclusion, a little anecdote. As I say at the bottom of page 29, it was pointed out in the DTZ report that members of the Church of Ireland have a greater unemployment differential than Presbyterians. Also, look at the statistics for Monaghan, where there is an unemployment differential against Catholics of 3·1. In Cavan it is 2·7. Are we saying that Catholics are discriminated against in the South compared to Protestants? Dare I ask, as a member of the Church of Ireland: are Church of Ireland members being discriminated against as compared with Presbyterians? That is what the data might say. Never mind Free Presbyterians; we will leave them for the moment.

Mr Poots: Presbyterians have a stronger work ethos than members of the Church of Ireland.

Mr Paisley Jnr: To compare page 31 and page 14, are you actually saying that —

Mr Nesbitt: Can I finish this, and then come to questions?

Mr Paisley Jnr: I want you to address this in your conclusion.

Are you saying that Government policies are better addressed if they target need and tackle disadvantage, rather than relying on general equality legislation to tackle disadvantage and need?

Mr Nesbitt: I am saying that TSN and New TSN target need objectively — that is what they are meant to do. Need is where there is disadvantage and unemployment, and therefore the policy might be to recruit from among the unemployed. I am saying that that policy did not affect the unemployment differential as people thought it would. People are still seeing the unemployment differential. While someone said earlier that it was down to 1·8 from 2·4, it had actually been down to 1·6 earlier. It oscillates. It is there: it is a structural dimension that needs to be addressed. We should not confuse disadvantage with discrimination.

Let me move to my conclusion. The process of accurate, clear and simple representation by Government is essential. There are issues around this table, and members will disagree with what I have said. You hold your views with clarity and I do not disrespect your views, but Government needs to make an assessment of this. We cannot do it.

As the Government have the resources, the wherewithal and the data, the Committee should tell them to explain this matter in clear and simple terms so that the Ulsterman or Ulsterwoman in the street can understand it. For example, is the unemployment differential caused by discrimination or not? Does the unemployment differential show equality of opportunity or not? I have listed the questions. Government should also initiate, as a matter of urgency, the appointments procedure.

The Ulster Unionist Party strongly supports fairness for all. It is realised that equality is a sensitive issue and disadvantage must be addressed by Government and by others who have such responsibility. I do not deny that.

The challenge to Government is to fully address the issues of equality that are of concern to the people in Northern Ireland. Until then, it will be difficult to turn away from past perceptions and look to a different future — a future beneficial to both Catholics and Protestants.

I ask members to note that. I do not ask them to return to this issue next week unless they wish to do so, but I have no problems with answering any questions that may arise. However, I would prefer to have bilateral discussions with parties on this. Given that there have been disagreements, the Committee should ask the Government to tell us where we stand on equality issues — they have the responsibility, the authority and the knowledge to do so.

Mr O'Dowd: Sinn Féin will take up Mr Nesbitt's offer to have a bilateral discussion on the Ulster Unionist Party's document. Certain parts of the document brought to mind the Flat Earth Society's very good website, which can convince a person that the earth is flat, if they wish to be so convinced. However, other evidence shows that the earth is not flat, and I am inclined to believe that. Mr Nesbitt can produce as many statistics and documents as he wishes, but if they ignore the reality of our lives, it is a pointless exercise.

Mr Nesbitt: I would like it noted that I mentioned community differentials, which include healthcare and so forth, as distinct from the unemployment differential. I have never denied that there is disadvantage in this community. However, I do question whether that disadvantage arises from discrimination. There is a distinct difference between disadvantage that must be addressed by Government and unlawful discrimination, which section 75 prohibits. If Mr O'Dowd disagrees with me — flat-earthers versus round-earthers, in a sense — perhaps this is something for the Government.

Mr O'Dowd: I will come to that point.

The Chairman (Mr Molloy): Three members have yet to speak, and five proposals are to be put to the Committee. We need to move quickly if we are to get this matter half sewn-up by lunchtime.

Mr O'Dowd: My comments will be very brief. We gave Mr Nesbitt a long time to go through his document. Discrimination causes disadvantage, and it has done so over the years.

Mr Nesbitt suggested that this Committee should ask the Government; the parties around this table should be the Government. We should not be running, cap in hand, to ask a party that has no votes here, and that does not understand the thinking of this place, to solve our problems. We are all more than capable of solving our own problems, including discrimination and equality issues. We can do it on our own; we do not have to ask Peter Hain or whoever else is sent to this place next time around.

Unionism has built a state on the belief that equality and civil rights are not needed, and that there is no discrimination. The communities that the unionist parties represent now believe that they are being discriminated against, but the mindset that they have

been given is such that they believe that there is no mechanism to remedy that discrimination. On the other hand, all the other parties spent decades campaigning for such mechanisms to be put in place, and Sinn Féin still believes that those mechanisms should be strengthened.

If there is discrimination in the Housing Executive — and I would like to see the figures to which the DUP refers — it is wrong. The DUP must ensure that mechanisms are put in place to protect the rights of the individual and of the community being discriminated against. If applicants for jobs in the Housing Executive have been discriminated against because they are Protestants, they should have access to the Equality Commission. That body should be properly funded so that cases can be progressed. If discrimination is proven, the Equality Commission should have the power to ensure that it does not happen again. That is Sinn Féin's argument.

Mrs Long: I want to address some of Mr O'Dowd's comments. I accept the truth of what he says, but it is a half-truth: discrimination can cause disadvantage, but not all disadvantage comes from discrimination. There is a difference there. If Mr O'Dowd believes that disadvantage in the Catholic community results solely from unionist discrimination, how does he explain disadvantage in the unionist community?

Mr O'Dowd: I did not say that.

Mrs Long: You said that discrimination caused disadvantage, but that is only part of the picture. There is a bigger picture.

Last week, we discussed at length the issue of public appointments, specifically in relation to the Northern Ireland Human Rights Commission. We discussed how people viewed those appointments, whether they were broadly representative of the community, and what exactly that meant. We discussed the fact that unionists panned the previous Human Rights Commission as being too nationalist because its Protestant members were not perceived as being unionist enough. Nationalists also panned the commission because they felt that there were too many Protestant members, even though unionists did not accept that those members were unionists. There is a whole complexity there that we need to look at. We have talked about public appointments being broadly reflective of our communities, but we have not reached a consensus as to what that means.

I want to reiterate the Alliance Party's position: appointments and offers of employment should be based on merit. Merit should be the primary driver. That leads on to Ms Lewsley's proposal. If we are going to appoint on merit, then unless the issues of disadvantage and need are addressed, there will be imbalance in the workforce because one section of the

community will be better educated, better qualified and better prepared. If the issues of disadvantage and need are addressed, based on objective criteria, people can approach the employment market — whether public appointments or direct employment — on a level playing field. It is at that point that appointments are made on merit.

I also want to talk about differentials. The Ulster Unionist Party made a long presentation that was quite important because we all tend to lift figures that represent a window in time. For example, one could look at the figures from one round of recruitment in a particular organisation to see how many Protestants and Catholics have been offered jobs. If there are too many of one or the other, one might think that there must have been discrimination, but that is not true. There can be a differential at any point in time if people are appointed on merit without any discrimination. You may find that the majority of appointees will be Protestant in one case or Catholic in another. The question is whether there is a trend over a period to suggest that the organisation is skewing the figures deliberately in one direction or another. A differential does not prove discrimination. In order to prove discrimination, it has to be shown that an organisation is actively skewing the figures. We must be very careful. I am not arguing the case for differentials. I am simply saying that trends, not windows, must be examined. Otherwise, you get an unfair picture of what is happening.

The Alliance Party is in favour of affirmative action. It is fine, based on need, to go out and take affirmative action in advance of the recruitment and selection process, but it has to be distinct from that process, not least because it is being done in the context of Catholic and Protestant, unionist and nationalist. Many other members of society need to enter the employment process knowing that their applications will be treated fairly, whether those people are disabled, are of a different gender or have a different sexual orientation. They need to know that their rights are protected, and the only way to do that is to encourage all to apply, to establish what needs to be done to raise people up to a certain standard and then to appoint on the basis of merit. That is how a healthy society ought to function.

Ian Paisley Jnr mentioned fifty-fifty recruitment and the notion of positive discrimination. There is no such thing as positive discrimination — discrimination against one person in favour of somebody else is not a positive thing. It may appear positive to the individual who benefits — although I would question that — but it is certainly not positive to those who are being discriminated against. I am not even sure whether it is a good thing for the people whom the discrimination favours.

I have argued against positive discrimination and quotas that favour women, because people should be

appointed on merit, and I am confident that there are women of merit who can be appointed to posts without having to rely on quotas or positive discrimination. That same argument can be applied for any other section of society. The issue of need must be dealt with. Therefore the Alliance Party supports Patricia Lewsley's proposal because it would lead to there being fully merit-based appointments.

12.15 pm

Mr Hussey: I am glad that Francie Brolly mentioned the potential for turnaround. People in my neck of the woods — and I am thinking of an east-west divide rather than a religious divide — must be made aware of that. The Committee has concentrated on labour-market issues and employment issues, and rightly so. It is something about which people feel strongly. However, I hope that, as the debate on equality issues opens up, we shall be discussing more than the labour market. For example, where I live, I have exactly the same access to public transport as my Catholic neighbour does. Therefore there are more issues around equality than simply those in the employment market.

Naomi mentioned consideration of the individual. I hope that we are working towards establishing principles that can create a climate of equality, as opposed to our having to enforce legislation. Equality must be objective, and in order to achieve that, we must look at opportunity, access, needs and merit. We can find a way forward for our society if we adhere to those principles.

Mr Poots: I note what Sinn Féin said about proper funding for the Fair Employment Commission and the Equality Commission. The Fair Employment Commission ceased to exist a number of years ago, so why one would put public money into a body that does not exist is beyond me.

The composition of the RUC was mentioned earlier, yet the Equality Commission could be described as being two thirds Catholic and 100% non-unionist. Although the Equality Commission has acted on behalf of individuals, it has never acted for the entire unionist community in any case in which that community has identified a problem with equality.

As an example of a high-profile case, pressure was put on Shorts to ensure that more Catholics were employed there. However, we have not seen the same pressure being applied to such groups as the Quinn Group. There is a huge chill factor against the unionist community at Queen's University, particularly in its school of law. It is worrying that that is from where our future barristers, solicitors and judges will come. The huge inequality that exists there will feed through to those who operate our judiciary. However, in spite of the fact that those issues have been brought to its

attention time and again, the Equality Commission has refused to take any of them on board.

Reference was made to the Housing Executive, for example. Last year, 32% of job applications to the Housing Executive came from the Protestant community; that figure should have been 52%.

Why does such a chill factor exist in the Housing Executive? Why does the Equality Commission do nothing about it? The Equality Commission does nothing because it is not interested in tackling unionist concerns. Whenever unionist politicians raise such issues, they are not dealt with. The unionist community has no confidence whatsoever that the current Equality Commission will carry out its duties impartially.

Another aspect of that lack of confidence is that the Equality Commission appears to deem the national flag as potentially creating a chill factor for the nationalist community. That criterion does not appear to be applied to the Irish language. At least two councils in Northern Ireland erect exclusively Irish language signs in some areas — not dual language signs; exclusively Irish signs. The Equality Commission has made no attempt to move against those councils for doing that.

All the evidence is that the Equality Commission is non-unionist, anti-unionist and will do nothing to address concerns raised by unionists. The unionist community has no confidence whatsoever in the Equality Commission. Unless those issues are addressed — and addressed at commissioner level — that will continue.

Ms Lewsley: The SDLP does not claim that the differential proves ongoing discrimination. However, we are focused on reducing the differentials; the elimination of such differentials is already stated in the Good Friday Agreement.

Differentials can be tackled by wider action on disadvantage, unemployment black spots, and even under-representation in the workforce, whatever that may be. There are also issues of addressing trends and, of course, investment west of the Bann or elsewhere. All the issues that have been raised are encompassed in my proposal about targeting need objectively.

Mr Campbell: I will speak about Patricia's proposal at the end. I shall try to make a composite proposal, although it might be difficult. There are elements that are complementary rather than contradictory.

Dermot kindly quoted me in his document. As I said in my intervention, that quote is from the Equality Commission. It took considerable time, a number of parliamentary questions, and several letters and phone calls to the Equality Commission to establish that figure. If the Equality Commission were performing its

function adequately, it should have undertaken that research and published that figure in the public domain to demonstrate the type of problem that the commission currently faces, rather than creating the appearance that the Equality Commission operates on the basis on which its predecessor was established. That is, to try to understand or rationalise why Catholics are more likely to be unemployed than Protestants.

It is a ludicrous, but logical, conclusion that figures show that Protestants are, to some degree, under-represented in relation to the number of jobs that have been available on the job market in recent years. If Catholics got 100% of the jobs, they would still be more likely to be unemployed than Protestants. What is the next logical step for anyone who believes that the unemployment ratio must be fixed — as Dominic said, bringing the ratio down from 2.5 to 1?

Anyone who accepts the premise that the unemployment differential must be eliminated, and that that is the holy grail, is up against the logic that even if, the Catholics get all the jobs available, they are still more likely to be unemployed. What do you do then? There is nowhere to go.

Difficult as it may be, the unemployment differential must be set aside. Both Dermot and I have referred to the fact that Catholics are more likely to be unemployed in parts of the Republic.

Mr Nesbitt: I do not want to get into an argument with Gregory, but the point is that unemployment differential says nothing about the likelihood of being unemployed. Unemployment data does not show that Catholics are more likely to be unemployed.

Mr Campbell: I was speaking statistically. I am in danger of getting a sore head, and I want to avoid that.

There is a perception — and I heard it from Sinn Féin today — that unionist representatives take a particular view now because of the evolution of problems facing the unionist community. The Fair Employment Agency was established in 1976 and released its first report in late 1977. I was on its doorstep within 24 hours of that report being issued, nearly 29 years ago. My party has not been raising those issues because of a latter evolution since the late 1990s or early 2000s; we have been tackling them for over a quarter of a century. Unfortunately, the passage of time is proving that what we have been saying is true.

I do not want to reiterate that; it is a matter of record. I want to move to what will hopefully be an amalgam of proposals. Equality measures must be targeted objectively and have to be implemented to address current trends in order that future problems can be averted.

Ms Lewsley: Can that last bit be repeated? Equality measures must be targeted objectively and have to be —

Mr Murphy: Implemented.

Mr Campbell: They must be implemented to address current trends in order that future problems can be averted.

Mr Nesbitt: I want to add something to try to get a real composite motion, if that is possible. I take John O'Dowd's point that it is for Members to be in Government and to take action.

Ms Lewsley: You said John Dallat; do you not mean John O'Dowd?

Mr Nesbitt: I did not; I said John O'Dowd.

Mr O'Dowd: That is all right; I have been called many things.

The Chairman (Mr Molloy): It is getting close to lunchtime.

Mr Nesbitt: I may have inadvertently called you Carmel, Patricia. A few weeks ago, I forgot Arlene's name and did not call her anything and she chided me.

Ms Lewsley: I am sorry.

Mr Kennedy: It was in the papers, I think.

Mr Nesbitt: Was it? *[Laughter.]*

Although John O'Dowd said that it is for Members, not the Government, to take action, I still think that it will be at least three months before there is an Assembly here. The Government can help by notifying us of their position on this matter. Words to that effect should be added if we are seeking a composite motion. There is nothing to preclude that happening in the next three months.

Although we want equality to be objectively targeted, adverse trends to be addressed and objectively implemented, we also want to know what we are dealing with. Government should be able to bring that forward. I have not found the form of words yet, Chairman, but that should be reflected in the proposal.

Mr O'Dowd: I have a question. The Housing Executive has been batted back and forth across the table today. Gregory made the point that the DUP has been using mechanisms — with which we may not agree — to resolve discrimination. Has the DUP, or anyone else, lodged a complaint with the Equality Commission about the Housing Executive's employment practices?

Mr Poots: We have lodged a complaint about the Equality Commission itself, which has not been taken up.

Mr Campbell: To be fair, I have been working with the Housing Executive on affirmative action measures, and I have met Paddy McIntyre on a number of

occasions. The Housing Executive has adopted a number of measures, but they have not worked, which the Housing Executive freely admits. We have lodged numerous complaints.

I do not want to single out the Housing Executive; it has been mentioned several times — indeed, I have done so. The Housing Executive is an example of the problem rather than the exclusive preserve of the problem.

The public sector comprises much more than the Housing Executive. It includes the Child Support Agency (CSA) and the general service grades of the Civil Service. It employs 30,000 people, not just the 3,000 who work for the Housing Executive.

12.30 pm

The Chairman (Mr Molloy): Can we try to tie down the wording of the proposal?

Ms Lewsley: May I table an amendment to the proposal?

Mr Nesbitt: It is 12.30 pm; we normally break for lunch at this time. The officials have heard our discussion, so it would be good if, after lunch, they could present members with a nicely phrased composite of all the views that have been heard rather than have members rush to draft something now.

The Chairman (Mr Molloy): Good idea. How about 15 minutes for lunch?

Mr Nesbitt: Note that I said that the officials should summarise our discussions to help us. I always believe that officials are here to help us.

Mr O'Dowd: The officials are not getting any lunch.

The Chairman (Mr Molloy): We will reconvene at 12.50 pm.

The Committee was suspended at 12.31 pm.

On resuming —

12.54 pm

The Chairman (Mr Molloy): I will put the first proposal.

The Committee Clerk: The proposal is that equality measures need to be implemented to address objective need and current trends to avert future problems; and all interested parties, including Government, should be fully committed to addressing this issue.

The Chairman (Mr Molloy): Is there consensus on that?

Mr O'Dowd: To clarify, that motion covers a number of areas that we have discussed, but it does not cover Sinn Féin proposals. Is that agreed?

The Chairman (Mr Molloy): Yes.

The proposal is mainly a mixture of Patricia's and Gregory's proposals.

Is there consensus?

Members indicated assent.

The Chairman (Mr Molloy): We move now to Pat O'Rawe's proposals.

The Committee Clerk: The first proposal is that the Northern Ireland Act 1998 be amended to give the Equality Commission enforcement powers.

The Chairman (Mr Molloy): Do we have consensus?

Members indicated dissent.

The Committee Clerk: The second proposal is that all public bodies should be designated to comply with section 75.

The Chairman (Mr Molloy): Do we have consensus?

Members indicated dissent.

The Committee Clerk: The third proposal is that the British Government need to establish an independent recruitment and selection panel for the Equality Commission to ensure that the commission is representative and balanced in its composition.

The Chairman (Mr Molloy): Do we have consensus?

Members indicated dissent.

Ms Lewsley: I accept that we are discussing equality, but the issue involves more than the Equality Commission. The composition of the Human Rights Commission, and appointments to it, were mentioned at our previous meeting, as were other bodies.

The Chairman (Mr Molloy): The proposal deals with the section on equality that we have been discussing.

Mr O'Dowd: I wish to clarify a point, without re-opening the debate: Sinn Féin made those proposals, as it wants to ensure that a strong mechanism exists to enforce equality. That is why the party concentrated on those issues.

Mrs Long: The Alliance Party does not see the need for a separate procedure for either the Equality Commission or the Human Rights Commission. We believe that there should be a standard procedure for public appointments.

The Chairman (Mr Molloy): We do not have consensus on those proposals.

The next issue is "Good relations". The Alliance Party will begin the debate.

Mr McCarthy: The Alliance Party believes that addressing our deep communal divisions is critical to placing the restored institutions on a durable and sustainable basis. Until very recently, community-relations problems have not been addressed in any serious manner. Community relations was a marginal issue in the Good Friday Agreement. Furthermore, it was, at best, a marginal issue in all the various plans, declarations and agreements that have been devised in attempts to implement the Good Friday Agreement.

Despite — or perhaps because of — the agreement, Northern Ireland remains a deeply divided society. Unfortunately, in many respects, divisions have become even more entrenched. Strong sectarian and racist attitudes remain prevalent, and there is a deeply ingrained pattern of segregation. Often, territory and public space are marked out through the use of exclusive communal symbols. Although separation is generally not the formal policy of the state, there is substantial duplication in the provision of goods, facilities and services by both the public and private sectors.

In the field of education, 95% of Northern Ireland's schoolchildren attend what is, in effect, a segregated school system. More peace walls, which are built to keep people apart, have been erected since the 1994 ceasefires than were ever erected before.

However, there are also many positive trends. Significant elements of civil society are organised on a cross-community basis. The workplace is integrated, largely through top-down regulation. There is evidence of substantial public support for shared education, housing and leisure pursuits, but that aspiration for shared provision is often frustrated, sometimes because of the lack of facilities, but mainly because of fears over security — both physical and cultural.

More and more people are casting off traditional identity labels and challenging the notion that

Protestant equals British equals unionist or that Catholic equals Irish equals nationalist. A growing number of new immigrants is coming to Northern Ireland to live and work, and that is an encouraging sign of globalisation in the economy. Their welcome presence poses a challenge to the traditional conceptions of identity. Furthermore, it is increasingly recognised that the economic, financial and personal cost of managing a divided society is unsustainable.

The them-versus-us competition for control over resources and territory is a continued source of communal tensions that sometimes flares into violence or, indeed, mass public disorder.

1.00 pm

The Alliance Party warmly embraces the concept of a shared future. The term can refer to the commitment of a divided community to overcome barriers and work together for a better future. However, it more properly refers to a set of policy principles and specific policy commitments. My party welcomes the framework document, 'A Shared Future', published in March 2005, and also the first of the triennial action plans that was published in April 2006. "Shared future" is not simply another label for repackaging community-relations policies of old. It is not primarily about looking at the funding of projects. Rather, it must be seen as a challenge to the range of policies and practices in Northern Ireland.

The Alliance Party regrets that most of those developments have occurred under the watch of direct rule Ministers rather than devolved or local Ministers. It is notable that the Government have finally accepted that the division of Northern Ireland into two communities that, they assume, are impossible to reconcile, and, at best, trying to manage those divisions, is not a sustainable or acceptable strategy. Instead, the Government now accept that the only credible way forward lies in a shared and integrated society, in which people can live, learn, work and play together in safety. The 'A Shared Future' action plan puts forward a commitment to mainstream such thinking throughout public policy and in the delivery of goods, facilities and services.

In conclusion, the Alliance Party believes that the details of building a shared future can be left to the normal public-policy mechanisms. However, a commitment to a shared future is essential to advance the political process. I propose that all parties endorse the framework document, 'A Shared Future', and the action plan; and that they regard their implementation as critical to political progress.

Mr Paisley Jnr: When people talk about good relations, they say that it is a good idea and that they want some of it. They then try to build on that. It is difficult to nail down exactly what "Good relations"

involves. How can good relations be implemented? Policies or strategies for building good community relations should not be based on an attack on the education structure, but that is a debate for another day. The pursuit of good community relations should not bring about a leap towards integrated education. Intolerant people can be found in various schools, including schools in the integrated sector. It must be recognised that integrated education is not a panacea.

We must try to put together the building blocks for good relations. Those building blocks have already been discussed with regard to equality. If people believe that they have equality in law, they will believe that they have a shared future. If people perceive that equality exists, good relations will develop and grow. If people believe in the services of the state — the legitimacy of law and order, in particular — suspicions will decrease and the opportunity to build a shared future will increase.

There are examples of the private sector, as well as the public sector, trying to generate the notion that Ulster is everybody's. Linfield Football Club has recently upgraded and increased its activities to combat sectarianism with its commitment to the Irish Football Association's (IFA) 'Kick it Out' campaign. That follows the Football Association (FA) in England's campaign, 'Let's Kick Racism Out of Football'. That demonstrates a positive activity of people trying to show, on a practical, day-to-day basis, how we should try to share this piece of the world and live together in peace and harmony.

Most people want to live together in peace and harmony. However, those who have wrecked the peace and harmony for the past 30 years — the paramilitary gangs, thugs, and gangsters on all sides — have brought us to this point at which we are discussing ways of overcoming that. Most people want to live together and share this piece of turf, but, unfortunately, the legacy of the past causes suspicions, and those suspicions must be addressed. People will find that they are addressed in different ways to their satisfaction.

It is difficult to pin down specific ways in which to legislate for good relations; a lot of it needs to be done by example. What seem like good relations to one person may not be comfortable for someone else. We should not challenge what people ultimately believe. Some people have the notion that achieving good relations means that they set aside what they believe in, and that strong views — religious, cultural or political — must have the rough edges taken off. However, that sours the notion of true relations, because a person should be able to respect another's beliefs, whatever those beliefs are.

We have seen that people in Northern Ireland cannot respect those who are different. Every year, the orange

community is reminded that it is not respected. Most people would be happy if nationalists said that they are not offended by it, because they are not interested in it. I am not offended when I go to England and see Morris dancing, because I am not interested in it. If we could get to that point, we might start to see a practical and pragmatic good-relations strategy develop.

Mrs O’Rawe: I will cover “Shared future” as well as “Good relations. Paragraph 13 on page 18, paragraph 13 of the Good Friday Agreement pledges:

“The participants recognise and value the work being done ... to develop reconciliation ... understanding and respect between and within communities and traditions, in Northern Ireland and between North and South, and they see such work as having a vital role in consolidating peace and political agreement.”

The British Government subsequently produced ‘A Shared Future: A Consultation Paper on Improving Relations in Northern Ireland’. That document, like its predecessor, shied away from any analysis of the causes of division, inequality and structured discrimination and sectarianism that the British Government fostered and nurtured.

‘A Shared Future’ is fundamentally flawed in many ways, not least because it places the burden of blame for community conflict on people’s lack of trust. It also shows the classic and insulting “two tribes” approach shown by British Ministers and policy-makers that provides a smokescreen for the divisive role they played in failing to honestly tackle the causes of community conflict.

The document acknowledges that disadvantage and community conflict are related, but the major flaw is that there is no recommendation to amend the Northern Ireland Act 1998 to allow the Equality Commission to assume the statutory responsibility for good relations that would provide the oversight for monitoring the mainstreaming of good relations across public bodies. Instead, a significantly enhanced role is to be undertaken by the existing Community Relations Council (CRC), with ministerial oversight.

‘A Shared Future’ fails to acknowledge the divisive role that the state played in contributing to deeply rooted mistrust and suspicion between communities, which extended into the core patterns and structures of relationships at all levels in the North. It fails to provide any clear definition of sectarianism or, in its section on fundamental principles, a commitment to measures to eradicate it.

The Equality Commission — not the CRC — should be the clearly identified public authority responsible for promoting good relations. The Equality Commission is already responsible for promoting good race relations. In order that there be no dilution of existing equality

laws, and that there be clarity on whether the CRC or the commission should be given the additional responsibilities to promote good relations between people of different religious beliefs and political opinions, the commission must have the leadership role.

In England, the Commission for Equality and Human Rights (CEHR) is responsible for promoting good relations on six grounds: faith; age; disability; gender; race; and sexual orientation. The Equality Commission’s position on the single equality Bill, which is stalled at present, is that it is seeking to have similar powers extended here.

A commission on national reconciliation should be established under the aegis of the North/South Ministerial Council. The commission would report to the Executive and Dáil Éireann and would instigate participative consultation, research and inclusive discussion. It would also ensure that any good-relations strategy would be built primarily on mainstreaming of the equality agenda.

Ms Lewsley: I would also like to cover “Shared future” and “Good relations”, because they overlap. We are supposed to be talking about good relations, yet we have had a proposal on a shared future.

To create a shared future is the purpose of any peace process. It is about equal citizenship and human rights for all. All public goods, services and facilities should be open and accessible to everyone. A shared future should be about living, working and playing together. Policy-making in any new Executive must take account of a shared future, and give it its full support.

As things stand, those who are intimidated, rather than the perpetrators, are moved on. It matters that people are frightened when going through our cities and town centres at night and that people are intimidated by flags, murals and, more recently, football regalia. Such attacks cannot be justified, and the failure to reach political agreement cannot be justified either.

A shared future cannot be seen as a small side-policy — it must be a major structure of government. It means opposing all forms of sectarianism and taking a firm stand on all that is said and done in a sectarian nature, rather than explaining, minimising or making excuses for it. It means taking down all flags down public property.

The Committee has heard talk about the building blocks of a shared future. I believe that there are many of them, and that good relations is one building block. Good relations must be the mainstay of central Government and their Departments, as must be our councils, or the new councils that the Review of Public Administration (RPA) will create. Good relations should be implemented as a key part of section 75 alongside the new power-sharing arrangements that

will promote working partnerships when we see the RPA put in place.

Good-relations committees have been set up in most councils — a few have still to be established. Some are working, many are not, and some are paying lip service. We need to reach a standard across the board. In particular, it is important that political parties on all councils sign up to the concept of good relations and try to ensure the delivery of good relations in their councils and communities.

As Ian Paisley Jnr said, good relations are often seen as good for one person but bad for another. In trying to reach a compromise, we need an understanding of respect and diversity. Good relations are a building block to help that.

We have talked for a long time about a shared future, and it is time we made that talk a reality. I support the Alliance Party's proposal.

1.15 pm

Mr Kennedy: The Ulster Unionist Party believes that the overall aim of any community relations policy must be to work for a pluralist society in which views and opinions, consistent with democratic values, co-exist and are respected. Only in such a context can a truly modern and cosmopolitan society develop.

While — realistically — the main relations at issue are between the Protestant and Roman Catholic communities, a community relations policy must be able to embrace and promote other communities, such as other faiths, ethnic groups, and those who are less able.

The objective of having a shared society is important. However, it is essential that policy makers accept that due to the legacy of the conflict, the violence and the continued political uncertainty, many in our society, at this point, are unable to endorse such an aspiration. Those views must be respected; but equally, they must not constrain others who are able and willing to develop a more shared society.

In essence, the policy objective must be to develop a society in which the main drivers are tolerance and mutual respect. Progress would be much quicker and easier if violence and paramilitarism would end; however, it is probably unrealistic to set that as a precondition. The development of a pluralist society is regarded as part of the process of hastening the end of those negative influences, but it will not be nearly enough on its own. Nonetheless, communities need to have confidence that the forces of law and order are serious about getting to grips with paramilitarism.

The overall aim of any community relations policy in a modern society must be to develop tolerance and respect. The acceptance and promotion of diversity as an asset must be developed, as opposed to the current pervasive attitude, which suppresses expressions of

difference and sees diversity in the workplace, school or society as a cause of conflict.

A community relations policy must strive to develop respect so that different cultures and traditions can be celebrated in a way that adds to society, rather than being seen as a cause of offence. In many areas, cohesion has broken down and the community often feels isolated, embattled and belittled. A community relations policy must seek to develop structures in communities to raise confidence and community self-esteem. In many cases, there is a need to break the dominance of paramilitaries so that genuine leadership and community structures can emerge. Apathy and the general malaise towards building improved relationships must be removed. Throwing money at the problem has manifestly proven not to be the solution.

New policies to develop community cohesion must recognise that the two main communities approach community relations in very different ways. Consequently, the same model will not fit — nor must it be made to fit — both communities. The outcome of such policies must be confidence in communities and societies so that individuals will have the freedom to choose where to work and live, unrestricted by fear.

Furthermore, individuals and groups should be able to express and promote their views and beliefs in a climate of respect and tolerance. Under a community relations policy that promotes diversity and respect, it is essential that civic society and Government be proactive in the promotion of cultural diversity. Tolerance and respect must replace the current policies of neutrality and avoidance.

Finally, new community structures need to be developed to replace the paramilitaries. Those structures must show that problems within and between communities can be addressed through routes other than violence. The relative calm of the summer sets a precedent, but it certainly should not be regarded as evidence that any underlying problems have been solved.

Increasing neutrality has led to increased intolerance, as evidenced by the extension of the classification of offensive items, such as political emblems, to include sporting emblems etc. Such a lack of tolerance breeds intolerance.

The Chairman (Mr Molloy): Does the Alliance Party or DUP want to add anything on shared future issues? All parties seem to have taken equality and shared issues together.

Mrs Long: We took the two together, although we did not preface that in our remarks.

Mr Campbell: I want the SDLP to elaborate on the view that Patricia expressed on the councils. I understand the ramifications of the RPA, because the SDLP, the DUP and others have spelt them out.

Patricia's comments suggested that, however the RPA develops, the SDLP wants particular good relations issues to be resolved in advance of the RPA. Good relations could, therefore, be established on the back of the allocation of positions, power-sharing or whatever else being statutorily enshrined.

Ms Lewsley: Yes, that is right.

Mr Campbell: That is what I understood from your comments. Do you equally accept that that is one side of the coin, which I presume also applies to many in the nationalist community? The unionist community wants similar assurances to be statutorily enshrined in relation to any prospect of nationalist-controlled councils proceeding on a North/South basis, establishing North/South bodies or establishing matters in relation to a power-sharing Administration between Northern Ireland and the Republic.

Do you accept that that should be similarly enshrined? In the same way that nationalists seek comfort and reassurance in the way that you have described, unionists seek reassurance on the other side of the coin on North/South issues.

Ms Lewsley: I understand that. Both sides have a number of issues that must be resolved in any future Government here. I have no problem with that.

Mr Campbell: Do you accept that the concerns of each side of the community are equally valid?

Ms Lewsley: Yes.

The Chairman (Mr Molloy): Gregory, do you have anything to add on shared future issues or did you take the equality and shared future issues together?

Mr Campbell: We took them together.

Mr Nesbitt: Pat O'Rawe said that the failure to tackle the causes of the conflict was part of the community relations problem. Some of those causes have been stated to such an extent that they are not soluble.

I choose my words carefully: the paramilitary wing of the republican movement has strongly stated that one cause of the conflict is the British presence in Ireland. I accept that removing that cause has been taken forward in peaceful terms since July 2005, as distinct from removing it by other means. However, if a peaceable removal of the causes of the conflict remains an agent provocateur within the structures of government, that does not help community relations.

A recently published work by Peter Shirlow states that the 35% increase in communal violence was partly due to constitutional and political uncertainty.

I wish to see a stable, functioning Northern Ireland accepting the position as it is, and that we thus proceed. Therefore, when we talk about failing to tackle the causes of community conflict, I wonder whether some of those causes can be removed.

Mr Brolly: We have an even split between those who describe themselves as British and those who do not. That does not necessarily have to be a cause of conflict; in many countries in the world people of different ethnic origins live together peacefully and get on with the practical business of living.

People on the other side are not going to stop being British just because I ask them to stop, and I am not going to be British because someone asks me to be. I resent people insisting that I am British just because I live in Dungiven, County Derry, rather than somewhere in Munster.

Rather than tackle something that, at this point, is insoluble, I prefer to discuss some of the positive things that we can do, such as accepting each other as we are — you British, me Irish.

Let us return to the question of education as a platform for shared experience and shared territory. Integrated education, as is now described and espoused so enthusiastically by the Alliance Party, does not make a useful contribution at all. It adds a third tier of schooling that takes away the very people that should be using their influence in the main school population to take the rough edges off this idea of Protestant versus Catholic schoolchildren.

I am a firm believer in integrated education, but I mean total integration — not some people being drawn off certain communities, usually middle-class. All youngsters, Protestant and Catholic, from whatever community, should be educated together. There should not be state schools, as our friends across the table prefer to call them — we call them Protestant schools and Catholic schools. There is a good practical reason for my preference, just as there is a good reason for not having integrated education as a third tier, and that is that there need only be one school instead of two, and one set of staff instead of two.

Ideologically, the consequence is that children grow up together, get used to their difference, and do not mind if the lad sitting on one side calls himself British, or if the lad sitting on the other side calls himself Irish, plays Gaelic football or puts Irish language signs up on his desk. We should discuss seriously that area of education.

Education is about more than a curriculum or what is read in text books; it is about making an impression on young people at the right time. We should not wait until they are educated together at university. There are some very good secondary schools, such as Limavady Grammar School in my constituency, in which the population is very well mixed. However, we should start at the beginning, in prep schools and primary schools, with all the children together.

Mrs Long: I want to go back to a couple of things. The issue of integrated education has been raised, and

we referred to it in our document. I am not sure where Mr Brolly is coming from, because what he says seems to be at odds with itself.

It has never been our view that integrated education should be a third option in a multiplicity of systems, and we have never promoted that. There are almost five systems running side by side, not three. However, the status quo that confronts parents is one in which schools are largely divided on religious grounds, some by choice and some by default.

In reality, if parents want their children to have an integrated education, their only options have been either to transform the schools that their children attend or to remove their children from their current schools and start them afresh at schools that have an integrated ethos. You mentioned, for example, that there may be mixing within existing schools — we accept that. The difficulty is that if mixing extends only to the religious denomination of the pupil base, and does not extend to the management structures and ethos and the curriculum and extra-curricular activities, it is not a fully integrated system.

1.30 pm

There is an argument. The economic arguments are clear as regards shared facilities, particularly given declining attendance rolls, and we accept that. However, there is the issue of parental choice also. The Alliance Party has not argued for a multiplicity of systems; the argument has come from parents who choose other forms of education and parents who choose integrated education. We must respect the parents who make those decisions for their children.

This is not solely a middle-class issue. If that is the perception that members have, I suggest that many integrated schools would be happy to invite them along to speak to their pupils who largely come from working-class backgrounds.

Mr Brolly: I would be the last person in the world to deny parents the right to have their children educated where they wish. I agree that the only way that parents can have integrated schools is through the third tier. I am suggesting that we get to a point where that tier is not needed and all children can be educated together.

Mrs Long: You would have the Alliance Party's support on that.

Mr Brolly: As well as integrated schools, as they are called, I would get rid of Catholic schools and the so-called state Protestant schools: my remarks are not discriminatory towards the integrated sector.

Mr Hussey: Is Sinn Féin proposing controlled-integrated schools, as opposed to the current system, and that any parents who sought to go beyond that

arrangement would have to finance the venture themselves?

Mr Brolly: My point is that if parents wanted their children to attend Catholic schools, they should be private schools. If parents wanted their children to attend Protestant schools, or Church of Ireland schools, that would be up to them. Those parents would face the same circumstances as those who want integrated schools do now. I do not know whether the state would be expected to help religious-based schools. I would probably oppose that.

Mr Poots: It is interesting that Sinn Féin is adopting a policy that was voted for by the first Government in Northern Ireland in 1921: a single state education sector, where all children were educated together. The local Catholic Church decided to opt out of the state school system. State schools have never been Protestant schools; they have always been schools that everyone was welcome to attend. The maintained sector contained schools with a Roman Catholic ethos, and that is a significant difference. There are no Protestant schools; there are schools, which are attended predominately by members of the Protestant community, because Roman Catholics were discouraged from attending them.

Mrs Long: Edwin, could you provide us with some information? If you are saying that there is no such thing as a Protestant or unionist school, could you explain the following situation? I accept your point that some of this situation happened by default, but it is established in law that members of the Protestant churches have the right to sit on the boards of governors of transferred schools. Also, children at state schools do not have the same access to culture. For example, the majority of state schools do not teach the Irish language or include Gaelic games in the sports curriculum. Therefore, state schools have an ethos problem, in that young Catholics or nationalists, when considering prospective schools, may feel that all their cultural issues would not be addressed by schools in the state sector.

I accept your point about the evolution process. However, do you accept that there may be barriers, either real or perceived, to children's feeling comfortable attending predominately Protestant schools, albeit that that is not how they are classified?

Mr Poots: I take a number of those points. Nominees from Protestant churches are in the minority on boards of governors. Their presence has a lot to do with history and the fact that the churches helped to establish those schools.

Mrs Long: All of this is about history though.

Mr Poots: Those churches funded schools late in the nineteenth century and early in the twentieth century.

Roman Catholic attendance at many state schools has increased significantly in the past 10 years. Many parents have voted with their feet and sent their children to the schools that provide the best education in their area. Many Roman Catholics have decided that the state sector is the best sector for them, which means that integration has already taken place. I understand that Methodist College has a mix of pupils; about 30% of whom are Roman Catholic and 70% of whom are Protestant. That is a fairly high level of integration. Quite a number of so-called integrated schools have not achieved that level of integration.

Mrs Long: Who is the head of the school's Gaelic football team at the minute?

Mr Poots: I have no idea who is the head of its rugby team, never mind its Gaelic team.

Mr D Bradley: I would like to clarify a point with Francie Brolly. Are the views on education that he expressed today his personal views or are they simply party policy?

Mr Brolly: My party is in favour of integrated education. I am simply taking it to its logical conclusion.

Mr D Bradley: I was under the impression that Sinn Féin was in favour of choice in education and that, like the SDLP, it believed that parents should have the right to choose the type of school that they send their children to, be it controlled, maintained, integrated or Irish-medium. Perhaps I have misunderstood Sinn Féin's party policy.

Mr Brolly: It depends on whether we are considering education in the short-, medium- or long-term. The ultimate objective would be for all children to be educated together and taught a curriculum that fulfils every need, whatever the religious divide. It may well be the case in future that immigrants here who are not Protestant, Catholic or Irish-speaking will be helped to establish their own schools so that they can maintain their own ethnic culture and language. All that is possible. However, the ultimate dream for education, and, beyond that, the ultimate dream for this part of Ireland, is that everybody will live together and that we will stop remembering whether people are Protestant, Catholic or Irish-speaking, or whether they play on a Gaelic football team or a rugby team. I imagine us heading in that direction.

The Chairman (Mr Molloy): We must remember that this is not about education; it is about a shared future.

Mr Brolly: That is a good example of a platform.

Mr Nesbitt: Education is highly important as schools provide an informative environment for children and can impact on their views as they grow up. Like others sitting around this table, I found Sinn

Féin's contribution interesting, given the historical context and where the party is today. For example, Mr Brolly talked about the possibility of Catholic schools becoming private and funding themselves, if they so wished. I am not sure how the Council for Catholic Maintained Schools would view that, but it is an interesting point.

Mr Kennedy: Without even asking the council, I can confirm that it would certainly be horrified.

Mrs Long: That is an understatement.

Mr Brolly: Is it not a factor that the CCMS, as it currently stands, will no longer exist?

Mr Nesbitt: I did not collude with my colleague who made that witty comment. Mine was a very serious comment.

I wish to return to Mr Brolly's comments on so-called state schools and Catholic schools. Catholic schools were part of the controlled state system, which was set up for all. However, as Edwin said, the Catholic Church opted out of that system. Similarly, at the time of the formation of the state, a quota of 30% was set for Catholic provision in the RUC, but that did not happen. We are where we are.

Naomi spoke about barriers, and she asked, jokingly, who the captain of the Gaelic team is in Methodist College. However, such barriers exist not only between the Irish and the British. George Best passed the 11-plus and went to the rugby-playing Grosvenor Grammar School. However, he wanted to play soccer so he transferred to Lisnasharragh High School; he was looking for a school that played soccer, not a school that played rugby. Therefore, to an extent, schools meet the clientele's expectations.

Francie Brolly said that in many places throughout the world, people simply get on with their lives. I wish that we could do that in Northern Ireland. At a previous meeting of the Committee, I referred to international legal principles for governing democratic societies, where a person's identity is established by his or her culture, language, education and religion. Unfortunately, in Northern Ireland, a political overtone is attached to that. I wish that people could feel very Irish, and speak Irish, but at the same time be British citizens. It should not be mutually exclusive to have an affinity with Irishness and Britishness. More Welsh is spoken in Wales than Irish is spoken in Ireland, yet people can feel strongly about their Welsh identity but also be British. Those positions are not mutually exclusive.

Citizenship and cultural aspiration and identity are different, but they are not mutually exclusive. In a normal society, they should complement one another — as Francie rightly said — as they do elsewhere in the world. Russians live in Estonia, where they remain Russian but play a part in Estonian life; the same

applies to Hungarians living in Transylvania. In many countries, culture is seen as being different from citizenship. Unfortunately, in Northern Ireland, culture and citizenship overlap, which has led to disharmonious community relations and a divided society. That has had a knock-on effect in schools and the wider environment.

Ms Lewsley: Gregory asked me a question about power sharing and North/South issues. The SDLP wants power sharing to be a requirement and wants opportunities for North/South development based on mutual agreement and mutual benefits. The SDLP does not support prohibitions or restrictions being placed on councils that work on that basis. However, the party will address any concerns. Although power sharing, and checks and balances in the RPA, are important issues for the SDLP, it is not a problem for the party that the DUP has major concerns about North/South issues.

Mr Campbell: I accept Patricia's clarification, although I am slightly confused because she spoke about the SDLP wanting power sharing to be a requirement — in other words, power sharing is essential. Equally, unionists state that their support of any North/South developments is a requirement and essential. One community's requirements do not supersede the requirements of the other community.

Ms Lewsley: I said that if North/South developments were a big issue for the DUP, that posed no problem for the SDLP.

Mr Campbell: It is good that we have some measure of consensus.

I want to respond to a comment that Naomi made about education. The DUP view is that we should work toward a single education sector. Since 1948, there has been an uneven playing field in relation to education. We must move on from that position.

At the moment, my community, my family and my children have a straight option: I can send my children to a public sector, controlled state school — that does not mean a Protestant school; or I can pay for a private education, which creates many difficulties. There really is no option available. The Catholic community has a choice: it can send its children to a fully funded Catholic school or to a fully funded state school. I do not have that choice. That has been the situation for almost 60 years.

That must be ironed out in a way that is acceptable to every community.

1.45 pm

The first option is a level playing field with a single education sector for everyone. The second option is that the Protestant community is given what the Catholic community has now — an education sector funded by the taxpayer, with all the benefits that, as

Naomi pointed out, currently apply to the Catholic sector. The latter option may not be everyone's cup of tea, and it would not represent progress towards trying to build good relations.

Protestant children are not educated in Ulster-Scots history. They should be educated in that subject to the same extent that Catholic pupils are educated in Irish history. For the most part, Catholic children leave school fully conversant with their Irish history and background, but Protestant children are not similarly conversant with their Ulster-Scots history and background. If Protestants want to be educated in those subjects, they must go to the Ulster-Scots Agency or other funded bodies.

That, and so many other imbalances that flow from issues that do not come directly from the common curriculum, must be ironed out, one way or the other. Do we move towards a single education sector? If we do move in that direction, that is good, but the question is: how long will it take to get there? In the interim, how do we create a level playing field?

Mrs Long: I want to come back on a couple of points.

First, Francie Brolly referred to British and Irish ethnic identities. I do not accept the fact that they exist. The British and the Irish are not ethnically different. I have made that point previously when members complained that certain comments were racist. The differences between British and Irish people are of nationality, not ethnicity.

Mr Brolly: If I may intervene, I would never have used the term "British" in an ethnic sense.

Mrs Long: Hansard will reflect what he said.

Mr Brolly: "British" is a political term.

Mrs Long: It is, and "Irish" is also a political term and a nationality. The terms "British" and "Irish" may be used to refer to cultures, and so on, but largely when talking about national, not ethnic, identities.

Mr Brolly: People talk about Irish games and the Irish language.

Mrs Long: My second point concerns integrated education. Gregory referred to a single system of education. He spoke about the right, for example, of children from the unionist community to be educated in Ulster-Scots history in the same way in which children from the nationalist community are educated in Irish history. Perhaps it would be a real education for the entire community if all children were educated in both histories. That might open up opportunities for pupils to leave school with a more comprehensive view of history and the society in which they live than is currently the case.

I am not arguing against people being educated. My argument is against unionists having sole access to

Ulster-Scots education. It would be useful for the entire community to be properly educated on all scores.

Mr Campbell: I fully accept what Naomi says and have no difficulty with it. The only problem is that it is likely to take a considerable time, whether it be one or two generations, to reach that goal. I want to know what we do in the interim.

Mrs Long: That was my next point, because Gregory talked about transformation. The Alliance Party has made clear its consistently held position — and it seems to be the position of other parties around the table — that the default arrangement should be that all children are educated together in a single system. In supporting the integrated-education movement, the Alliance Party has tried to focus on a transition to such a situation.

We are not interested in creating an extra tier of education. We want to know how to transform the current divided and divisive system into something that moves us forward towards a level playing field with which all parties, to varying degrees, are comfortable — the default position, which is that all children be educated together. Therefore, the debate is on the transformation process, not its outcome.

Mr Paisley Jnr: In that case, how do we get over the issue of choice?

Mrs Long: The issue of choice is not about the right to an integrated education. It comes down to Francie's point about the right to have it funded by the state. As this process moves on, the debate will focus on that.

In any other society in which there has been community division — and one need only look at the US to see the usefulness of integrating education — education can be a tool to unite or divide people. Where it is used to unite, it is an effective mechanism, although it is not the only one. This should not be about putting all our eggs in one basket, but it is a mechanism.

For that reason, for example, under the principle of a shared future, Alliance supports a raft of policies across Departments. From the point of parental choice, we want to move in that direction. It is a transformation process. Ultimately, however, the momentum must be created. Schools must be provided in line with demand, thereby creating a system in which integrated education is an option.

Currently, the only people who are denied the right to attend a school that reflects their ethos are those for whom no integrated school is available. Surplus places are never used. If Catholic parents wish to send their child to a Catholic school, or Protestant parents wish to send their child to a state school, they are never referred to a Protestant school or a Catholic school down the road if surplus places are available. That does not happen.

Mr Paisley Jnr: It does.

Mrs Long: It does not.

Mr Paisley Jnr: It has happened to my children.

Mrs Long: It only happens where parents choose integrated education. If we are talking about a process to move towards a default situation in which children are educated together, something must kick-start it. The integrated education movement has been part of that.

Mr Hussey: I was interested in Francie's comment about an education system in this part of Ireland. My understanding was that Sinn Féin's policy was an all-Ireland one.

Surely to goodness the major issue in education is the quality of provision, not where it is delivered. In strongly nationalist constituencies, such as mine, controlled grammar schools have a large number of nationalist kids who have chosen to go to those schools. We should examine the matter of choice.

Reference has been made to historical backgrounds. A major problem for unionism has been that many historical facts have been airbrushed out of history by nationalism/republicanism — the 16th Irish Division has more or less been ignored by the nationalist community. Moreover, the unionist community has withdrawn from its part in the 1798 rebellion. Each side of the community has ignored that cultural background.

I firmly believe that a different ethos exists in the Protestant community to that in the nationalist community. A parish structure exists in the nationalist community, whereas there is a more independent structure in the Protestant community. That, shall we say, community weakness has meant that unionists have been accused for a long time by nationalists/republicans of not having a culture. In fact, our culture is degraded at times.

Where unionists are a minority in strongly nationalist areas, the community lacks the capacity to advance. Therefore, in any shared future, the capacity to advance must be built within the weaker community. A community can only move forward to a shared future from a base of self-esteem.

Mr D Bradley: My impression from some of Gregory's remarks was that he believed that maintained schools have taught their own brand of Irish history from within their walls.

A common history curriculum that is available to all schools is formulated by the Council for the Curriculum, Examinations and Assessment (CCEA), which welcomes consultation. At the moment, CCEA is reviewing the GCSE syllabuses, and anyone is welcome to express his or her ideas regarding the content of the curriculum. Generally speaking, the

syllabus content for GCSEs is decided by a range of teachers, covering the various types of schools that there are in Northern Ireland, in conjunction with third-level experts from Queen's University and the University of Ulster.

If it were felt that there is not enough emphasis on the Ulster-Scots contribution to Irish or Northern Irish history, CCEA would welcome views on that.

Mr Campbell: I do not know whether I have spelled it out explicitly, but it is our view that part of the problem flows from the fact that young people in the Protestant community lack identity, a concept of who and what they are, and knowledge of their tradition, history, values, culture and ethos. The Catholic community, however, through its education system, raises those ideologies and issues daily from four to 17 years of age, and beyond if pupils decide to go on to higher education.

Could CCEA encapsulate those values in a single education sector? That would be fine, and we would have no difficulty with that. However, we are not going to get to that point in the next five, 10 or probably 25 years. We may make progress in that direction, but we shall certainly not arrive at it.

It comes back to the issue that I raised with Naomi — what do we do in the interim? At present, nobody whom I have met from the nationalist community identifies flaws in the Catholic education system regarding the type and quality of education. When Catholic young people leave the system, they know about their history and culture, know clearly who they are and where they are going, and know the nature of their identity, ethos and background.

That cultural education is not shared to the same degree in the Protestant school-leaving population, and that is where, we believe, some of the problems are. Do we allow that to continue? That is the analogy that we make. The anomalies that exist between the two sectors must be ironed out.

Mr D Bradley: I do not believe for one minute that those who are in charge of Catholic education aim to create a neat, individual package out of each pupil. Their aim is to develop well-rounded individuals who are able to think for themselves, and who, from the Catholic point of view, are well grounded in their faith, since their schools are faith schools.

On the other hand, I do not accept that people coming from controlled schools are in some way confused about who they are and have no concept of their historical, cultural or sporting background. I do not believe that.

Mr Campbell: I did not say that they do not have a concept. If we took a survey of 1,000 school leavers from the maintained sector, it is our view that there

would be a higher degree of consciousness of their Irish history, tradition, background and culture than there would be in a similar survey of 1,000 school leavers from the controlled system of their history, tradition, background and culture. The reason for that is the different emphasis in the two school traditions, both of which are paid for out of the public purse. That anomaly has to be ironed out.

Mr D Bradley: That is Gregory's perception of the current situation. Gregory's survey has not yet been carried out, so his views are based on his own perceptions, not on evidence. If such a survey could be designed, I would be interested to see its results. They might be surprising.

Mr Campbell: The evidence is in some of the election results. Those are the views that we put before the people, and they endorse them.

Mr D Bradley: Elections are not sociological, sensitive surveys.

2.00 pm

Mr Nesbitt: I wish to return to a couple of Naomi's points. I empathise a lot with the distinction that she drew between the words "ethnic" and "national", as the UK Government would with ethnic minorities and national minorities. The term "ethnic minorities" would, for example, relate to south-east-Asian émigrés who come to live in the United Kingdom. Although they would be diverse geographically, they might not necessarily feel that they have to be south-east Asian, as regards citizenship. The term "national minorities" would, in the UK sense, be more akin to the Scottish, Welsh and Irish.

Would Naomi take the logic to its conclusion and agree that there is a difference between nationality and citizenship? In Northern Ireland, the problem has not been that there are national minorities; rather, the problem has been one of secession. I stress that the word "minority" does not mean inferior: it means fewer in number, and it is most important that I repeat that on every occasion. Sections of the people of Northern Ireland wish to secede from the state in which they live. It has been quite a violent form of secession, which is not acceptable in international legal terms. Therefore, people can have British citizenship and consider their nationality to be Irish.

Naomi came across quite strongly about integrated education. The leader of the Alliance Party calls it the preferred choice rather than the third choice. Naomi was quite assertive about the denial of rights. In my community, there are three sectors: the controlled primary sector, the maintained primary sector and the integrated primary sector. We are back to the concept of rights, and to the discussion on the bill of rights that we had at the last meeting. The allocation of resources is finite. It is one thing to have a right; it is another

thing to have the necessary economic rationing of resources to exercise that right.

The community has gone down the road of maintained and controlled education sectors. However, the same dispensation has been given to the formation of integrated schools, as has been given to the formation of Irish-medium education: before a school can be opened, there does not have to be a minimum number of pupils. That is not the case for the controlled sector, which must be able to show a greater number of potential pupils before a school can be opened. Parents may wish to have educational rights, but those rights must be tempered by financial constraint.

Mr Long: Dermot raised two issues. First, a person can be a British citizen but consider himself or herself to be Irish. That is not a conflict. Others at the table may see that as a conflict, but I do not.

When I referred to rights, it was not in the context that every child who wished to have a place in an integrated school should have that right funded by the state.

Mr Nesbitt: Sorry, you said: “were denied the right”.

Mrs Long: Yes. Integrated education is underfunded, and, therefore, children do not always have the opportunity to exercise that right. My point was how the other two sectors are treated when compared with the integrated sector. I was not saying that every child who wishes to should be able to have an integrated education, although the Alliance Party wants to see the time when that will be the case.

I realise that the discussion has become very focused on education. The Alliance Party submitted a proposal under the “Shared future” sub-heading. The discussion has been very informative, because there has been some agreement about the outcome — albeit that members have not agreed on the mechanism needed to achieve that outcome. There seems to have been some agreement, however, among the parties on the aspiration for a single, shared education system.

I propose that all parties endorse the aspiration of having a single, shared education system in Northern Ireland. We are not arguing about its mechanisms at this stage but about the aspiration.

Mr Poots: We seem to have become bogged down in education, and it has had a reasonable airing here. I expect that most people agree with what Naomi said, but I am not sure about the SDLP. Is it still looking for an opt-out for faith schools? If there were an opt-out for faith schools, it would have to go beyond the Roman Catholic sector as it is now.

Other issues must be addressed. Paramilitaries are viewed as an answer to problems in some local communities, but they are working to ensure that a

shared future does not exist in many communities. They ensure that people from other faiths do not go into certain areas or are made to feel uncomfortable when there. If we are not prepared to address paramilitarism, and if paramilitary organisations are not prepared to disappear, it will be difficult — particularly in working-class areas — to deal with issues relating to a shared future.

The Housing Executive is supposed to be signed up to a shared future, yet it is proposing to erect Irish-language signage in an area before anybody moves in. That indicates that the area is a nationalist or republican area, and not one in which unionists would feel comfortable. The Housing Executive — a state body — is adopting policies that fly in the face of the so-called commitment to a shared future. Therefore there are matters other than education to address.

The Chairman (Mr Molloy): To conclude on education, Naomi proposed that all parties endorse the aspiration of having a single, shared education system in Northern Ireland. Is there consensus on that?

Members indicated dissent.

Mr Kennedy: The issue of education is complex and detailed, and we could not expect a recommendation to gain consensus after such a brief discussion. It did go on for a while, but in itself it is a brief discussion that we have had today. It would not be sensible or useful to make recommendations on such a weighty subject at this early stage.

Mr Long: It has never been my approach to this Committee to try to be unhelpful; I have always tried to be helpful. I simply noted that there appeared to be consensus around the aspiration of a single, shared education system. That does not, in any way, tie it down; it leaves it open. I would have thought that there would be very little valid reason, regardless of the complexities of the education system, to find fear hidden in that proposal. It was not my intention to back people into corners.

The Chairman (Mr Molloy): We do not have consensus, so we will set it aside for the moment.

Mr Kennedy: I have listened carefully to the debate, and I have identified in some of the statements the premise that the controlled sector and the maintained sector have somehow been fostering some degree of sectarianism and bigotry in their education systems. I strongly refute that, and I defend both systems from that. If the curriculum needs to be extended to educate better our children in Irish history, British history, Northern Ireland culture or anything else, the current systems can address that.

I am a strong admirer of the Catholic form of education and the ethos that is attached to it. I do not subscribe to it, but I can easily recognise its

importance within the Roman Catholic community, not only in Northern Ireland, or in Ireland, but throughout the world. To raise expectations that we could somehow find an easy solution to a complex problem would create as many problems as it is likely to solve.

The Chairman (Mr Molloy): We do not have consensus.

Mrs Long: With regard to any implied criticism of the current school system, it is worth putting on record that, from my perspective, the current system is a product of the difficulties in our society. It is not the architect of those problems. It is not my party's position to infer that the schools are the problem. That is not the case. The separation of children at an early age contributes to the problem, notwithstanding that the schools themselves have done a significant amount of work to try to overcome that separation and to increase cross-community contact. It is not a reflection on the schools, because they did not create our problems. My comments, and my party's stance, should not be interpreted in a way that would suggest that that was our position.

Mr Paisley Jnr: We are in real danger of talking in circles and navel-gazing here. If Mr Hain picks up Hansard from this meeting, he will rush forward to 24 November. This debate is going absolutely nowhere. We are now in an apologetic mood: "Hang on, we might have offended some school systems. We had better clarify our position for Hansard's sake, and protect ourselves in case schoolteachers say that they will not vote for us next time."

Mrs Long: I hope that that is not an interpretation of my making my position clear.

Mr Paisley Jnr: This qualifying, re-qualifying and protecting our backsides in case something has been said that should not have been said is a nonsense. Schools are not a product of the problem here. Schools have been here. We are all clear that the problem has been years of terrorism and abuse that has gone on in this society.

We are trying to move away from that, and we should move away from talking in circles. We have decided to spend the lion's share of today's meeting on this matter, so everyone who has spoken obviously thinks that it important enough. As I said earlier, to siphon off education as the one issue that will resolve good relations and our shared future is just wrong.

For a start, we will not resolve the education problem here. Secondly, and more importantly, neither integrated education nor changing the education system will address the big problems that have led to a divided society and to the bad relations and mistrust that exist. Yes, there is a layer of it in there, but it is not the lion's share of the problem. Much of what we have been talking about is "mom and apple pie" stuff: it

would be great if we could all just sit down and have a collective societal hug, and we will all get on better if it happens at school.

We need to get back to basics on why there have been bad relations in this society and why we need a good-relations strategy. That returns us to the fact that we are trying to rebuild a society that has been at war. That war has had nothing whatsoever to do with the education system, and we should stop indirectly knocking the schools, which we have been doing, and start to address the issue that has led to the division, and that is terrorism. We have been dancing around that elephant in the room all day, and we should start facing up to that.

The Chairman (Mr Molloy): Let us not return to the issue of education.

Mr Brolly: I just want to apologise for starting all this. I wish to make some reference to culture. A Protestant does not have to have a Catholic licence to speak Irish or to enjoy the wide variety of cultures that are available on the whole island. Many Protestant unionists do love the island.

I have a particular liking for what is now described as Ulster-Scots music. There is a terrific affinity between traditional Irish and Scots cultures. Everybody should accept that culture belongs to them and that there are no doors barred to people who get involved in cultural Irish activities. I can play any game that I like, whether it be cricket or Gaelic football.

2.15 pm

Mrs Long: I distance myself from the view that the only problem in our society is terrorism. It is certainly a significant problem; however, the divisions that exist in our society, when terrorism is removed, must be dealt with in order for there to be good relations.

The reason that we must keep qualifying our remarks is because other people wilfully misrepresent what we have said. At the outset, I said that education was only one layer of a multi-faceted problem, yet, because a full discussion on education has ensued, it is being talked about as though it were the only important issue. It certainly is not.

For example, the promotion and maintenance of mixed housing, and how housing is managed within society, were raised. I would be quite happy to explore those issues. However, one must go with the flow of the discussion. At that point, the discussion was about education. If members want to proceed to issues such as the 'A Shared Future' action plan, or, indeed, other issues that they want to raise, that would be helpful. We have to recognise that terrorism has been, and still is, a huge problem for our community. However, good relations, and the interplay between people who are not terrorists, still needs to be addressed.

Mr Poots: Terrorism is the big issue, and it affects the outworking of many issues relating to a shared future and good relations.

Paramilitary organisations are the biggest problem that we have, because they still retain a grip over their communities. They are still recruiting, still engaging in criminal activity, and still involved in low-grade intimidation if not the more severe kind that took place over many years.

Ultimately, people want the Assembly to be up and running. We are saying that particular paramilitary groups have political representation and that there is no mission whatsoever of an Assembly getting up and running while those paramilitary groups exist. We must get those groups off our backs before there can be progress on a shared future. Other matters will fall into place when the paramilitaries are taken out of the system.

Mrs Long: With regard to paramilitarism, people's understanding of the rule of law is being addressed in the PFG Committee dealing with law and order issues. The discussion that I believed we were to have today was on good community relations.

If the DUP wants to frame the discussion around terrorism, and make proposals as to how it thinks it should be dealt with, I am sure that everyone would be keen to address them. As I have already said, there is more to community relations than paramilitarism, albeit that that is part and parcel of it. However, if the DUP simply wants to hijack the discussion on community relations, it seems that we will be simply replaying discussions on the rule of law, which are being addressed in a different strand of this Committee.

Mr Poots: We have discussed education for an hour.

Mrs Long: Education is not being discussed by the PFG Committee in any of its other formats.

Mr Poots: I do not believe that by focusing on paramilitarism for five minutes, we are hijacking the discussion.

Ms Lewsley: As Ian Paisley Jnr mentioned, we have gone around in circles for an hour and a half, and now we are going around in circles again. Members know that parties will differ on various issues within "Shared future". I hoped that the Committee could agree some basic principles. That was demonstrated in some of the proposals that were put forward earlier. I suggest that we proceed and consider some of the proposals that have been made.

Mr Kennedy: I largely subscribe to that. We have given it a good flogging all afternoon. I suggest that the other parts of the agenda — the past and its legacy, culture and confidence building — should be referred to another session. They are deserving of proper concentration and a proper detailed response. We should wrap up "Shared future" and "Good relations" and leave ourselves fresh for another sitting.

The Chairman (Mr Molloy): I think that that was the intention. We can take on the entire agenda if people are happy. *[Laughter.]*

Have we any proposals at this stage?

Mr McCarthy: Alliance proposes that all parties endorse the 'A Shared Future' framework document of March 2005 and its first triennial action plan of April 2006, and regard their implementation as critical to political progress.

Mr Paisley Jnr: There is not enough "mom and apple pie" in there; it is very specific.

The Chairman (Mr Molloy): Do we have consensus on that proposal?

Members indicated dissent.

Mr Paisley Jnr: It is far too specific.

Mrs Long: That being the case, Alliance further proposes that all parties stress their commitment to building a shared future.

The Chairman (Mr Molloy): Do we have consensus on that?

Members indicated assent.

The Chairman (Mr Molloy): There is a proposal that the Equality Commission should be identified as the primary body responsible for promoting good relations. Have we consensus on that?

Members indicated dissent.

Mr Poots: I proposed that all parties call for the immediate stand-down of all paramilitary organisations as the best contribution towards a shared future.

The Chairman (Mr Molloy): Do we have consensus?

Members indicated assent.

The Chairman (Mr Molloy): Do we have any other proposals?

Is there any other business? Mr Nesbitt asked whether he could put his document from this morning on the website as part of this meeting. Is there agreement on that?

Members indicated assent.

The Chairman (Mr Molloy): The date of the next meeting of the PFG Committee is 21 August; it will deal with the institutional issues.

Mr Kennedy: Given the deadlines that have now been created, are the outstanding issues the only ones to be dealt with by the Committee? Are our officials confident that we are on course to complete our remaining deliberations?

The Committee Clerk: Yes, according to the schedule, we are on track.

Adjourned at 2.24 pm.

COMMITTEE ON THE PREPARATION FOR GOVERNMENT

Monday 21 August 2006

Members in attendance for all or part of proceedings:

The Chairmen, Mr Francie Molloy and Mr Jim Wells
Mr P J Bradley
Mr Gregory Campbell
Dr Seán Farren
Mr David Ford
Mrs Naomi Long
Mr Michael McGimpsey
Mr David McNarry
Mr John O'Dowd
Mrs Patricia O'Rawe
Mr Ian Paisley Jnr
Mr Peter Robinson

The Committee met at 10.03 am.

(The Chairman (Mr Wells) in the Chair.)

The Chairman (Mr Wells): The meeting is scheduled to last until 4.00 pm, and lunch will be provided at 12.20 pm, when we will have a short break. I have read the Hansard reports of the last few meetings, and I was quite disturbed to note that Hansard had had to include the line “Inaudible due to mobile phone interference” on several occasions. There were at least three interruptions in the last report. Clearly the message has not got through to everyone that such interference will result in some of what you say simply being obliterated from the record. It is important that we do not allow that to happen. I ask everyone in the room, including research staff, to please try to make Mr Burrowes's life as easy as possible.

Have we any apologies and deputies?

Mr O'Dowd: Mrs O'Rawe and I are deputising for Mr Murphy and Ms Gildernew.

The Chairman (Mr Wells): Will there be a third member?

Mr O'Dowd: No, it will be just the two of us today.

Dr Farren: Mr Bradley is here for Dr McDonnell or Mr Durkan.

The Chairman (Mr Wells): Will you have a third member?

Dr Farren: No, I do not anticipate that there will be.

Mr Ford: I am here, and Mrs Long will be here shortly.

Mr McGimpsey: I am substituting for Mr McFarland, who is unavailable. Mr McNarry will be here shortly.

Mr P Robinson: Mr Campbell and I are substituting for anybody but Mr Paisley Jnr, who is expected to arrive later.

The Chairman (Mr Wells): I remind members that the quorum is seven. We need to watch that carefully, as we do not have much leeway today. Members should do a head count before leaving the room. I think that you all have been here before. Mr Bradley, have you sat on this Committee before?

Mr P J Bradley: Yes.

The Chairman (Mr Wells): There are no further declarations of interest, so we can pass over that.

Members should have received the minutes from the meeting of 14 August. Does anyone have any additions or corrections? Do members agree that they are a true and accurate record?

Members indicated assent.

The Chairman (Mr Wells): The next item on the agenda is the draft ministerial code. It sets out in detail the ground rules and procedures for the exercise of the duties and responsibilities of Ministers of the Assembly as set out in the Belfast Agreement and the Northern Ireland Act 1998. It applies to Ministers of the Executive Committee and junior Ministers.

At the last meeting, Mr Peter Robinson asked two important questions: first, whether any legislation applies to decision-making by the Executive; and secondly, to what extent Executive decision-making is governed by custom and practice. It is a complex matter, and the Committee staff have investigated it. I will read their advice for the record:

“The code makes reference to parts of the 1998 Act but it appears that there is no other relevant legislative provision in this respect.”

That relates to Mr Robinson's first question about legislation. I will read the rest, as it is quite complicated:

“Section 3.19 of the draft code covers decision-making by the Executive Committee. The Code was drafted prior to the first meeting of the Executive in 1999 and was adopted by the Executive Committee in February 2000 (specifically the Executive “adopted” Para 4.4 (notifications to the Assembly) of the draft Code at its meeting on 14 December 1999; “agreed” at the meeting on 18 January 2000 that Section 3 (Executive Committee) should come into immediate effect; and “endorsed” the remainder of the draft Ministerial Code, subject to review within 6 months ... The review never happened. I am advised by officials that custom and practice did not apply because the

Ministerial Code was used and that it was treated as binding by participants.

The Ministerial Code's requirements are not set down in legislation. While Ministers are expected to observe its provisions, they have no statutory backing.

At last week's meeting the Committee agreed to request a copy of the draft Ministerial Code with a view to reaching an agreed position that can be put in legislation."

That is the situation so far regarding the draft ministerial code and its present status. We will return to this issue, though members may wish to comment now on that specific information. We do not know why the review did not occur, unless Mr McGimpsey or Dr Farren can remember something from February 2000.

Mr McGimpsey: In relation to this? It was to be reviewed in six months; then, obviously, the Executive fell.

The Chairman (Mr Wells): This was not carried forward, then?

Mr McGimpsey: We had several discussions about the ministerial code. I assume that what we are looking at now is the ministerial code that we drew up at that stage, but we never got as far as adopting it.

The Chairman (Mr Wells): And when the Executive was re-formed in — was it February 2000?

Mr McGimpsey: The Executive was re-formed in June 2000.

The Chairman (Mr Wells): This was not brought forward as an issue for review?

Mr McGimpsey: My memory is that by and large we followed the provisions of this ministerial code. I have had a quick run through it and it is all familiar. That is what we followed and it is what we built up into the ministerial code. I could be wrong; I have not read this page by page, but it looks very familiar.

Mr P Robinson: At the previous meeting of the Committee we discussed whether the ministerial code had any statutory effect. It does not; there was a general view in the Committee that it should. However, on looking at the weight of the document, it is probably unreasonable to expect the whole of that ministerial code to become a schedule to legislation. Important elements of it — a core code, if you like — could become part of a legislative statutory code.

The Chairman (Mr Wells): I detect from the minutes of the previous meeting that there seemed to be agreement on that. The question is, do we want to get into that issue now or do we want to come back to it?

Mr P Robinson: Please not.

Dr Farren: No, no.

Mr McGimpsey: As you are aware, part of the Pledge of Office is to comply with the ministerial code. Once the ministerial code is adopted, the Pledge of Office requires you to comply with it. The question of whether legislation is drafted around that, and what the consequences of breaking the Pledge of Office might be, takes us back to discussions we had at previous meetings about other issues.

Dr Farren: While there is probably a great deal in it that remains uncontroversial, it needs a more considered examination than we are able to give it at this time. Parties may want to submit more considered views on those aspects that definitely have to go into legislation and be underwritten in some kind of statutory way, and also whether, in the light of our discussions, any changes and additions need to be made. There is a responsibility on the parties to make their submissions on matters that they consider important over the next few weeks.

Mr O'Dowd: Without wishing to annoy Mr Ford first thing on a Monday morning, I think that we agreed during the earlier discussions of this Committee that the ministerial code would be a matter for discussion for the parties in the Executive. It should be one of the first tasks of any new Executive to discuss the ministerial code and put it onto a statutory footing.

The Chairman (Mr Wells): Members will remember the letter we got from the Secretary of State outlining the work programme from now to 24 November. We have to deal with this in October, because it is in that schedule.

Mr Ford: I want to briefly respond to Mr O'Dowd, who I am sure was not trying to be disagreeable quite so early on a Monday morning. It may well be that it should be Ministers who address the ministerial code in the first instance, but it is surely something that would require the approval of the full Assembly if it were to be adopted into legislation. So, all Members of the Assembly, including those who might or might not be in an Executive formed on whatever basis an Executive might be formed on, would have a say at that point.

Mr O'Dowd: Most certainly.

Mr P Robinson: We may be getting slightly confused about the ministerial code and its statutory effect. There is a code of conduct provision in schedule 4 of the Northern Ireland Act 1998; it has the core principles of a ministerial code in it. I would take it that insofar as the Pledge of Office requires Ministers to comply with the ministerial code of conduct, it is referring to the statutory code of conduct in schedule 4, which is framed in very broad, general terms. I assume that the issue then is whether the code of conduct is what we are describing as a ministerial

code, or whether it is this code of conduct that we want to either elaborate on or add to.

The Chairman (Mr Wells): There are other issues. The Freedom of Information Act 2000 was unheard of at that stage, and it might now have to be included in the code of conduct. No matter what happens, some updating will be necessary.

10.15 am

Mr P Robinson: I am not sure about that. Compliance with the 2000 Act is a legislative requirement. It is not up to Ministers to choose whether to obey it or not; they are legally required to do so — although there is probably wriggle room.

The Chairman (Mr Wells): There are 23 exemptions in the 2000 Act.

Mr P Robinson: Yes, but they are statutory exemptions. By law, Ministers do not have a choice; they must operate in accordance with the 2000 Act.

The purpose of the ministerial code is not to duplicate what exists in law, but to set standards for ministerial behaviour. The code of conduct has some very broad-brush requirements. Having looked at the detailed ministerial code, I assume that it is simply a more precise version of that general code of conduct. The bulk of the ministerial code is common sense.

The Chairman (Mr Wells): It was unanimously agreed at the last meeting that the ministerial code should be put on a statutory footing. Perhaps we can leave that issue at this stage and move on to strand two of the agreement. Parties can discuss their positions at a later stage, although the content of the code does not seem to have generated much controversy. Are members happy enough to do that?

Members indicated assent.

The Chairman (Mr Wells): That being the case, I will adopt our usual policy of asking each party to give a short presentation on strand two and the North/South implementation bodies. There was a wee bit of debate on Friday because Mr Nesbitt objected to the DUP being asked to speak first. To avoid any further complaints, I will go back to calling each party in alphabetical order. I will stick religiously to that format from now until the end of the hearings. Unfortunately, that means that the Alliance Party will always be called first.

Mr Ford: The party could always use its formal name, “The Alliance Party of Northern Ireland”, if that would be of any help.

Mr P Robinson: The DUP could be the Ulster Democratic Party. *[Laughter.]*

Mr McGimpsey: I could agree not to object.

Mr Ford: My contribution on strand two will be fairly brief. The practical outworking of many of the

North/South issues has been much less controversial than it was expected to be in the early days. Therefore, we have relatively few suggestions about the structures.

I will not go through everything in detail. We highlighted the issue of the accountability of the North/South Ministerial Council (NSMC). We saw virtue not only in individual Ministers reporting on individual meetings, but in an annual report, perhaps prepared by the First Minister and the Deputy First Minister jointly with the Taoiseach and Tánaiste. Some questioning in the Assembly and the Oireachtas might also be involved, to enable everyone to get an overview of the NSMC’s work. In the past, individual meetings of individual strands have been examined in great detail, but little has been reported back on the overall structures.

The Alliance Party tabled a motion in the Assembly proposing the establishment of a North/South parliamentary tier, which would bring together members of the Assembly and the Oireachtas. Provision for such a parliamentary forum is mentioned in paragraph 18 of strand two of the agreement. Mr Chairman, you will recall that motion because you were one of the members who voted against it. Creating an opportunity for Back-Bench members of the two Parliaments to meet regularly to exchange information would undoubtedly bring benefits. It would allow us to move forward, and it would be of benefit to the many MLAs and TDs to encounter each other at that level.

The number of implementation bodies is fairly arbitrary. The agreement refers to 12 areas of co-operation and six implementation bodies. We are not fans of creating bodies for the sake of it. The task should be to identify areas where practical North/South co-operation would be of mutual benefit and to assess the best way of achieving that, which might or might not be through a further implementation body.

I am reminded of my experience as a member of the Agriculture and Rural Development Committee, when I kept a close eye on the operations of Ms Rodgers as Minister of Agriculture during the foot-and-mouth outbreak. I have no doubt that the greatest degree of North/South co-operation was shown at that time, when there were no institutional linkages at all, merely a telephone line between Brid Rodgers and Joe Walsh. The Alliance Party seeks to encourage that spirit of co-operation, rather than creating structures purely for the sake of it.

That is all I wish to say at this point, although I may respond to members’ detailed comments.

Mr P Robinson: I will not immediately engage in considering the headings and the order in which they appear as a backcloth to our discussions.

The DUP’s view is that the two sections of this community look in different directions. The nationalist

community clearly has a common culture — one might even say identity — with the Irish Republic. The unionist community has shared issues with the rest of the United Kingdom.

There is a clear advantage in recognising the value to Northern Ireland society of people's ability to feel at ease within Northern Ireland and to feel that they have some relationship with the larger allegiances that they hold. In that context, a British Isles template that embraces both cultures and identities should be used. Within that, there can be compartments, whether east-west or North/South, but the overarching body should be a British Isles body within which both our traditions are fully embraced. That is how we can reach out beyond the boundaries of Northern Ireland. The DUP, therefore, argues for a central structure — a British Isles council with east-west and North/South compartments — rather than for separate corridors.

Several issues immediately come to mind concerning the North/South relationship. They are similar to those that we have already dealt with concerning the accountability of the decision-making process within that relationship. The existing arrangements leave much to be desired. There may have been a satisfactory working operation in practice, but the DUP requires more than custom and practice: we need a legal requirement for people to act in a certain way in relation to the decisions. Preferably — almost essentially — there must be a requirement for decisions to be agreed before Ministers take part in North/South structures.

Mr Ford's first point was on the implementation bodies. The DUP strongly believes that many were set up solely for a political purpose as part of a process towards a united Ireland. The DUP does not share that goal. Pragmatism should be the governing feature of the North/South relationship. Quite frankly, some of those implementation bodies are not doing a full day's work. They are very much for dress and show. Some of the personnel of those implementation bodies have approached the DUP and indicated how hard it is for them to find sufficient work to do.

There is a drive to increase the number of North/South bodies. The burden of our argument is that the number should be reduced, and that they should exist for real and practical purposes rather than to bolster the political ideology of one section of the community.

However, the DUP wants to have the kind of working relationships that ensure that common interests are pursued through co-operation and on a mutually satisfactory basis, so that people can feel comfortable that they are not being sucked towards a political end and that there are benefits for the community of which they are a part.

Mr O'Dowd: Clearly, the North/South bodies are an important facet of the agreement for the nationalist and republican community; they acknowledge, as Mr Robinson says, the Irish identity of a large section of our society and its wish to work on an all-Ireland basis with its neighbours.

Unionists have often said that they are comfortable with North/South bodies so long as they are practical. We have yet to find any facet of life on this island on which it is not practical to co-operate on an all-Ireland basis. All aspects of life can be covered within the remit of "North/Southism" or "all-Irelandism" — whatever you want to call it.

Clearly, Sinn Féin wants to increase, rather than restrict, the role of the bodies. If people within any of the implementation bodies find their role difficult, or do not have work to do, they are clearly not being motivated properly. They are not being given direction. That is partly due to this establishment being closed; there is no ministerial governance of the process. We must ensure that when the Executive is up and running, all facets of life are governed as efficiently as possible.

Sinn Féin calls for greater co-operation in areas such as community development, arts and heritage, economic co-operation and public investment, for example. With regard to the Review of Public Administration, council structures and community development are clearly areas that could be covered by North/South bodies.

Sinn Féin also wants expansion of the implementation bodies to cover issues such as justice, policing, social economy and energy, to name but a few. The ruling factor for Sinn Féin is practicality. No one has yet identified an area in which it is not practical for the people of the island to work in co-operation with each other.

Dr Farren: I listen with a degree of scepticism to assertions that we should address the whole North/South issue purely on the basis of pragmatism. We are in the business of politics. Whether we like it or not, there will be an ideological underpinning to our actions, attitudes and proposals on all issues. That is our approach, whether we admit it or not.

Therefore, while some people may say that they will only address certain issues because of their pragmatic value, for others the same issues will have much stronger ideological values associated with them. Indeed, a particular ideological outlook motivates those who claim that pragmatism should govern.

10.30 am

I have no trouble acknowledging that the SDLP's views on North/South bodies have always had a particular ideological underpinning, but not in a narrow sense. We want to strengthen relationships on

the island because we believe that that will begin to create conditions in which people can be brought ever closer together and, ultimately, will lead to unification. I make no bones about that; I do not believe that I have to apologise for it in any way.

I know that others will be wary that the SDLP has proposed strengthening North/South relations, perhaps because they want things to go in a different direction. Notwithstanding those two opposing, almost exclusive views — though today we cannot see these things in quite the same exclusive way that people several generations ago might have seen them — there is plenty of scope for co-operation and improvement of relations; all of which will contribute to the political stability that we need.

I want to examine a more precise issue: our experience — short though it was — of the North/South aspects of the Good Friday Agreement. There are matters that are worth highlighting as a result of that experience, under several headings. One of the headings I would choose would be “Operational Matters”, and that would comprise the process of nominating Ministers to attend; the responsibilities on Ministers for attendance; the consequences of refusal to attend; and accountability issues, such as accountability before and after meetings.

The claim was often made that there was not enough accountability. I feel that there was quite an amount of accountability. The extent to which matters were dealt with might not always have been to everyone’s satisfaction, but nonetheless every meeting was reported upon to the Assembly, and the Ministers who attended were there to be questioned on what they reported to the Assembly. The Assembly had plenty of scope to discuss North/South matters, and to make its views known on particular issues.

The manner in which the North/South Ministerial Council meetings were conducted would also come under the heading of “Operational Matters”. Having been involved in quite a number of the meetings, I can say that there was an element of pre-cooking of agendas to the point where free-flowing discussion that might have benefited the development of the subject being discussed was absent. Perhaps that was the inevitable consequence of trying to make sure that things moved ahead and that something concrete came out of the meetings, and I certainly endorse that.

Then there are the “Structural Matters” themselves, particularly the provision in the agreement for the establishment of a parliamentary forum — that has already been referred to — and a consultative forum. We need to look at how we could move ahead with the structures of both of those institutions, if I can call them that, so that they enhance the whole set of

relationships and help to achieve the objectives set for the North/South dimension of the agreement.

The third heading would be “Areas for Co-operation”, and there are 12 of those. In all agreements similar to the Good Friday Agreement, there is an element of compromise, which is a product of the political discussions that take place. We all recognise that we cannot always get all that we would want. There are areas that the SDLP would have liked to have had included that are not there. We would like to be able to review the list and make sure that it is as comprehensive as possible.

I frequently hear the claim — and I think we discussed it in earlier sessions of the PFG Committee — that the structural bodies are a product of political requirements. That may be true in one sense, but if the test of a body’s usefulness is not always met, practical measures should be applied. If some bodies have shortcomings or have outlived their purpose — and we can convince each other that that is the case — then they should be replaced. If other bodies are required to meet other purposes, then create them. I am prepared to examine the existing bodies using that criterion. However, most of the bodies have been doing a worthwhile job.

There is, of course, the question of the Foyle, Carlingford and Irish Lights Commission. Because of the legislative basis upon which Irish Lights are established, that was not the most appropriate set of functions to have been included among the North/South implementation bodies. Certainly, that gap needs to be filled. There are other areas for which we might well consider the creation of additional bodies.

I caution against Mr Ford’s view that phone calls are enough: they may well be enough to get some things moving, but the benefit of creating formal structures in some areas is that Ministers become more accountable. For instance, Ministers must have clear agendas when they go to the meetings of the North/South Ministerial Council, and they have to account for how they have conducted themselves with respect to those agendas. Suggesting that we promote North/South relations based on the informality of phone calls or other types of contacts does not meet the criteria that I often hear described as being necessary — sometimes from the same people.

The SDLP does not promote North/South co-operation from an exclusive, inward-looking, Irish-only perspective. We have always been foremost in promoting a much wider perspective on relationships within these islands, Europe, in particular, and elsewhere. Therefore, I reject the claim that “North/Southerly” is a product of an inward-looking perspective, and I welcome the discussions that will take place later on how we might develop the British-Irish Council,

because I recognise from experience that it has had a weaker and, probably, less effective structure.

In examining those areas, we should ensure that we are aware of what has happened and what is happening. We should get copies of North/South Ministerial Council and British-Irish Council reports to find out what has been happening. In that way, any claims that we make regarding the effectiveness of such bodies will be based on evidence.

Mr McGimpsey: This is an area of ideological division. It is a particularly sensitive issue for unionism because of the 1937 Irish Constitution that contained de Valera's articles 2 and 3 and their legal claim and constitutional imperative in relation to Northern Ireland. Many unionists viewed the IRA as fulfilling the drive of that constitution to bring about a united Ireland. The IRA sought to do that through violent means because it could not persuade a majority of people in Northern Ireland to support its political objective.

For decades, articles 2 and 3 dogged discussions with the Irish Government. At one stage, the Irish Government claimed that articles 2 and 3 did not constitute a legal claim or a constitutional imperative, and were merely aspirational. During the Brooke/Mayhew talks in the early 1990s, unionists brought this important issue to the table, but at that time it was left unresolved.

That issue has now been resolved, in so far as articles 2 and 3 have been converted from a legal claim to an aspiration. The Irish Republic is entitled to that aspiration, whereby it wants a united Ireland by consent, and so forth. By definition, Northern Ireland is no longer part of the Irish Republic. The inhabitants of the island of Ireland are no longer a nation, in the political sense. Dublin and the SDLP have accepted that position, and, most pointedly of all, Sinn Féin has accepted that position. The only way to achieve a united Ireland is for the people of Northern Ireland to vote for it in a referendum.

Once changes had been made to articles 2 and 3, unionists felt that they could proceed with a North/South agenda. Dr Farren and Mr O'Dowd would probably argue that that was a modest step, but it was a major step for unionism. Unionists regarded certain principles and safeguards as being crucial, based on the Belfast Agreement. In strand one, it is stated that:

"The Assembly will exercise full legislative and executive authority ... [it] will be the prime source of authority in respect of all devolved responsibilities ... Executive authority to be discharged on behalf of the Assembly."

There were several checks and balances. Dr Farren has already referred to some of them. For example, a Minister could not attend a North/South Ministerial

Council meeting without prior approval from the First Minister, the Deputy First Minister and the Executive Committee. At least one unionist had to be present at all meetings, and he or she could veto any decision. Those were essential checks and balances. Attendees at those meetings had to report back to the Executive Committee.

My party is more than happy to examine ways in which to make the implementation bodies more accountable. That could be done through the Northern Ireland Audit Office, and the UUP has proposed that the financial constraints and safeguards of those bodies should be examined. The chairmen and chief executives of the implementation bodies could also report to the relevant Assembly Committees.

Mr O'Dowd's agenda concerns a greater level of North/South co-operation and an increase in the number of implementation bodies. There is a whole raft of stuff in the comprehensive agreement about efficiency and value for money. At present, my party does not agree with the case for the creation of additional bodies. In addition, my party would have some difficulty with the idea of a North/South parliamentary forum or a North/South consultative forum. However, we worked in the existing North/South bodies as best we could, and we worked as equals. They were there for our mutual benefit.

Mr Robinson said that some of those bodies were not doing a full day's work.

10.45 am

Mr P Robinson: Neither are we at the moment.

Mr McGimpsey: Indeed.

We can certainly consider how to make those bodies more robust. That was our approach then, and it remains our approach now. We have no problem with Assembly scrutiny.

Dr Farren mentioned the Foyle, Carlingford and Irish Lights Commission and operational efficiency. Six implementation bodies were set up and six areas of co-operation were identified; we should first try to get those right before discussing the establishment of additional bodies and the practicalities of identifying further areas of co-operation.

The key, of course, is the interdependency of the institutions. It is also essential that the British-Irish Council operate as energetically as did the North/South Ministerial Council. The big problem with the British-Irish Council was primarily inefficiency in London, not in any of the regional Assemblies or in Belfast. That needs to be examined.

Mr Campbell: Mr McGimpsey has mentioned the problems with the strand two issues. How they manifest themselves — and how the outworking of

any proposals are viewed by the various communities — are central and acute concerns. The demographics of the past 30 years show that the terror campaign has been the principal — though not exclusive — reason for unionists drifting away from the border areas.

That is not to say that unionists who live in border areas are any better disposed towards “North/Southerly” than those who live far from the border. As the unionist MP who lives closest to the border, I am not exactly in favour of creating North/South links just for the sake of it.

As unionist communities have moved further away from the border in the past 35 years, in many respects they do not consider that North/South issues will directly affect or benefit them. That is an unfortunate reality, but a reality nonetheless, which has been brought about principally because of the IRA terror campaign. I have not heard anyone say that that is likely to be reversed in the next decade or so, so we must deal with the issue.

Some four years ago in my neck of the woods, a tourist campaign was launched to promote the new ferry crossing between Magilligan in County Londonderry, which is in my constituency, and Greencastle in County Donegal. It has been a fantastic success, with four or five times the number of vehicles using the service than was originally envisaged. However, the irony is that the reason for its popularity is the change in fuel duties — people are using it mainly because of the cheaper fuel available in the Republic.

That is the irony. There is greater North/South co-operation precisely because there are two countries on this island. If there were not, there would be nothing like that degree of support for a ferry service. I just picked that one out, and I am sure that there are other examples.

Dr Farren said that he looks forward to moving on to strand three — we do too. On almost every occasion there will be, unfortunately, an issue about “North/Southerly”, which unionist eyes will view as having a political slant. It was a fault in the previous system. With Northern Ireland’s *de facto* position in the UK and its relationships with the Republic and with the rest of the UK, unionism will be looking for a similar degree of co-operation, business links, intensity and practicality of co-operation in all areas, whether it be transport, tourism, marine, heritage, or sporting issues.

Part of the problem was that, even though neither Mr Robinson nor I, nor any of our Ministers, was involved in North/South meetings, we were able to put down questions shortly afterwards to discover the degree of imbalance that existed — the weight of business on North/South issues was many times more than in relation to east-west issues. That clearly is untenable. It is not the case that for every North/South

meeting there must be an east-west meeting, but there has to be a balance with regard to the intensity of interest and the degree of business that is undertaken in strands two and three.

That is our approach. I think Mr Robinson mentioned efficiency. We will not put forward areas of efficiency in relation to strand one without applying the same criteria, principles, logic, and reasoning to strand two. If bureaucracy can be cut back in relation to the internal workings of Northern Ireland, it can certainly be cut back in relation to the workings between Northern Ireland and the Republic, and between Northern Ireland and the rest of the UK. It cuts every way. If we are going to try to curtail Government, we will not do it only in the Assembly or through the Review of Public Administration. It has to be much more widespread than that.

Mr O’Dowd: First, I want to refer to Mr McGimpsey’s comment — and I think I am quoting him directly — that Sinn Féin has accepted that the Irish nation, in a political sense, no longer exists. Apart from the obvious difficulty of partition, I do not agree with that statement, and I am surprised that Mr McGimpsey thinks that that would be a Sinn Féin belief. Sinn Féin campaigned vigorously against the removal of articles 2 and 3. We saw those as important, even though no Irish Government had ever implemented them to protect the rights of an individual nationalist or the nationalist community in the North. However, their removal was voted on, and they are no longer part of the Irish Constitution.

Secondly, in relation to unionist misgivings around North/South co-operation or “all-Irelandism”, reading the Hansard report of the economic subgroup, which meets on Tuesdays and Thursdays, shows that the unionist business community, for instance, has embraced cross-border activity and has moved it forward. Indeed, its members are leading lights in it, have seen the opportunities for increasing business on an all-Ireland basis, and have used those opportunities very well. The unionist business community has not seen it as a problem. I accept, however, that it is a difficult matter for political unionism.

I return to the issue of practicality. No one has yet identified an area of existing, or future, co-operation that would be impractical on a cross-border basis. As Mr Campbell said, if we ask for one thing, then inevitably unionism will ask for something in terms of east-west co-operation with Britain. If it is of a practical nature, Sinn Féin will not stand in the way. We will examine its practical value and say: “Yes, if that makes sense then let us do that.”

Clearly, political ideology is a factor for republicans, as it is for unionists. We see North/South co-operation as one part of going down the road to a reunified state,

but again, as Dr Farren said, there is no need to apologise for that or to hide our light under a bushel. That is part of our agenda; we have never denied that.

Does it make sense to run two health services back-to-back on an island of five million people? No, it does not. Does it make sense to run two education services back-to-back on an island of five million people? No, it does not. Does it make sense that the work of civil servants in Dublin or Belfast on transport or spatial planning stops at the border? It makes no sense whatsoever.

In respect of efficiency, if Departments worked more closely together it would save the island as a whole millions of pounds a year, which could be reinvested in services. The practical benefits of co-operation and all-Ireland activity are there to be seen. They have been grasped, as I said at the beginning, by the unionist business community.

Mr P Robinson: If sharing a piece of turf makes so much more sense when everyone belongs to one country, I would suggest that it does not look too good for the future of Portugal, Luxembourg and a number of other countries. Indeed, thousands of peoples around the world would find themselves absorbed in those circumstances.

I find refreshing, at least, the honesty from both of the nationalist parties that their views on North/South issues are underpinned by the ideology that they share. To some extent, therefore, it is clear that for them — whatever the reasons of practical benefit, co-operation, mutual understanding and common interest they may put forward — the real underlying issue is political: they want to advance their political goal of a united Ireland.

The same honesty comes from unionists: that is the reason that there is resistance to this. If the reasons were practical, they could be justified and people would not be concerned. Mr O'Dowd says that the business community does not have these difficulties. The business community does not have difficulties in doing business with Russia, Iraq or Iran, but that does not mean that, politically, we should join up with any of them; nor should there be institutions of a political nature to assist in that.

The references in the comprehensive agreement, which Mr McGimpsey mentioned, are actually contradictory. One talks about the efficiency of the implementation bodies, and the other talks about their expansion. Very clearly, unionists are saying that there should be fewer and nationalists are saying that there should be more. Dr Farren seems to have a block on this matter — he said that there might not be a day's work for some people, and that if the implementation bodies were not doing the job they should be replaced. If they are not doing the job, the answer is to remove

them. Why would you need another body? That does not give you an argument for having another body — if they are not doing the job, then they are not needed. The political view is that they are there for a purpose and their number cannot be reduced. Even if there is no practical reason for them to be there, they have to be replaced with something else just for the sake of being replaced. On efficiency grounds, that could not be justified. It could be justified only on political grounds, and no unionist is going to attempt to justify it on that basis.

Like Mr Campbell I think that, from a unionist perspective, there should be a very significant dynamic on the east-west front, and it will have to be beefed up and have more emphasis put on it. I suggest that we take up Dr Farren's proposal.

I want to see the reports and minutes of all the formal meetings, both North/South and east-west. That would give us some idea of the scope and nature of the work. I am sure that similar reports exist on the implementation bodies' work, and it might be worth seeing just how much work they did.

11.00 am

The Chairman (Mr Wells): We will take that as a formal proposal and return to it later to see whether we can reach consensus — unless you are willing to second that proposal, Dr Farren?

Dr Farren: I might do that.

Mr P Robinson: I was seconding his proposal.

[Laughter.]

Mr McNarry: Rather than interfere with cross-community enterprise, I will not second it; I will leave that to Seán.

Dr Farren: I proposed it first, actually.

Mr McNarry: I suggest that we try to reach consensus on that proposal as it would be useful to have an analysis and summary of those reports.

I am rather taken with John O'Dowd's reference to the unionist business community. Republicans have a way of filtering unionism into phrases — they now talk about "unionist paramilitaries" as well. Surely it must be accepted that the Northern Ireland business community has long embraced doing business across the border. The major change has been the reception in the Republic; people there are now willing to do business with people in Northern Ireland.

However, unionist businessmen feel discriminated against by republican businesses; I will put that another way — by businesses domiciled in the Republic of Ireland. Businessmen here will say that that situation continues. Perhaps we all can deal with that issue; after all, it is business, and, as has probably been mentioned, where opportunities exist to do

business, they will be taken. It is two-way traffic. The figures also show that Northern Ireland is doing remarkably well; the traffic is flowing better in our direction than it is in the other direction.

We should not become terribly set on the idea of a unionist business community. Is there a nationalist business community? Is there a republican business community? Such terms are divisive. There is only a Northern Ireland business community. Although people are entitled to their own individual political views, representatives of the business community do not present themselves as anything other than representatives of a business alliance or whatever. Therefore, I would not put much stock in John O'Dowd's comment; there is not really a unionist business community in Northern Ireland. That term can misrepresent unionists who are to the fore in business and who would work with anybody.

Finally, mention has been made of the RPA. I apologise for being late this morning, and this point may have been mentioned already. Unionists are concerned that the outworkings of the RPA will open the door to North/South bodies being formed by "super councils" along the border areas. The Northern Ireland Assembly would have to keep a check on that situation, should it develop. Indeed, the entire remit of the North/South bodies should perhaps be a matter for the Assembly at some stage.

Unionists see dangers in the greening of border areas.

Mr Campbell: On a point of information, that was dealt with at Friday's meeting of this Committee. I raised that very issue with Patricia Lewsley, who represented the SDLP. There did not appear to be any resistance to my proposition that the concern of nationalists about the RPA in relation to power sharing within the councils was matched by the equal concern of unionists concerning "North/Southery". She accepted, I presume on behalf of the SDLP, that one concern was no bigger an obstacle than the other.

Mr McNarry: I appreciate that information, Gregory. I have not had time to read Hansard and was not here on Friday, so your point is well made.

Mr P Robinson: I have a further point of information. At another level in local government, the Department of the Environment has set up a Local Government Reform Taskforce, which comprises a political panel, a working group and nine subgroups. The governance subgroup, which has been considering how decisions would be taken, also has proposals to deal with the kind of issue that David raised. That is not to say that the Government will accept those proposals, but all parties generally agreed them.

Mr McNarry: I find that comforting as well, so I appreciate that point of information.

I am glad that the concerns surrounding "North/Southery" have been aired. It is a sensitive subject for unionists, and therefore I am sure that members will appreciate my raising it again on behalf of the Ulster Unionists. However, I also raised the issue in response to what John O'Dowd said. He talked, rather flippantly in my opinion, about whether there is a need for an education authority in Northern Ireland and one in Southern Ireland, and whether Northern Ireland needed a health board and this, that and the other. He said that surely those could be combined.

Given the uncertain future, unionists fear what will happen if the Assembly is not restored. If Northern Ireland is left to the devices of that type of opinion that holds sway and is the majority opinion in the border areas, what effect would that have on our education and health services here?

The Chairman (Mr Wells): Before I go to Dr Farren, Mr Ford and O'Dowd, there seems to be consensus on the request for information. I do not know whether Mr Robinson or Dr Farren made that request.

Mr Ford: I think that it was a joint request: give them both credit.

The Chairman (Mr Wells): The request was that we seek further information on the work of the implementation bodies. I do not know how much is involved in that. Either Mr McGimpsey or Mr McNarry had the idea that we request a summary that may be useful while the researchers carry out further work. Is there consensus that we request information on the work of the implementation bodies?

Members indicated assent.

The Chairman (Mr Wells): OK. Having achieved our first consensus of the morning, let us move on to Dr Farren.

Mr Campbell: Perhaps we will get carried away now.

Dr Farren: First, I feel that I am in a state of déjà vu. Perhaps it is inevitable, but some of the remarks being made around the table have the flavour of the discussions that preceded the agreement in 1998. Some of the fears and apprehensions about North/South relationships are again being reflected, although perhaps in a milder tone than they were then.

Perhaps due to the DUP's absence from the Executive and from the final stages of those negotiations, some of the subtleties and flavour of the general thrust of North/South matters is absent from its experience and therefore from its thinking on those issues. However much we engage in revisiting earlier discussions, if it helps to allay fears and apprehensions, that would be a helpful outcome.

We must address the more practical lessons that can be learned from the experience. I have attempted to

outline what I believe those to be. I am not going to repeat them.

The agreement settled the constitutional issues and created a fixed framework in which we were to operate for the foreseeable future. I only attended North/South Ministerial Council meetings as a kind of supporting Minister. Mr McGimpsey was in the lead on inland waterways and the languages body; Reg Empey was the lead Minister on cross-border trade and enterprise. InterTradeIreland now has responsibility for those issues. With regard to the fears and apprehensions that have been mentioned, my experience — I am not sure whether Mr McGimpsey would back me up — was that my unionist colleagues were at ease in those meetings. Indeed, there was an appetite for more rather than less.

At one meeting we dealt with InterTradeIreland's setting up of programmes for information exchange and the development of co-operation in marketing, which would involve graduates from both sides of the border working with businesses in the North and in the South. Those programmes continue to provide expertise to small and medium-sized businesses, in particular, that could not otherwise afford it. I cannot remember the precise figure that was initially proposed. For illustration purposes, let us say that the suggestion was that there should be 20 participants in each of the programmes. Ministers had no difficulty in saying: "That figure is far too modest to achieve anything in the short term. Why not double it?" That was achieved. There was no threat. The programmes were recognised to be of mutual benefit to businesses on both sides of the border. The new scale was considered to be far more appropriate than that originally suggested by the civil servants. Significant progress was achieved. The programmes continue to flourish.

Since I had more involvement with that implementation body than any of the others, I was able to witness its growth during the short period in which the North/South Ministerial Council was in operation. The business world in both parts of the country responded enthusiastically. Trade shows were mounted North and South. Work was done to help companies on both sides of the border to tender for contracts. People say that some of that could happen spontaneously; it was not happening. Companies were not becoming involved in the procurement process on the opposite side of the border, which they are now. They are trading with each other much more. Networks are being created that are bringing companies, north and south, together for joint enterprises overseas.

Surprisingly, some of today's remarks have suggested that those who are most critical of the bodies have not read the evidence that they have produced over the years. That is implied in some of the comments that have accompanied the requests that

those reports be made available to us. I am happy to see whatever information can be made available — whatever has already been published, and more about the way that the bodies operate, the scope of their work, and indeed other areas of co-operation — brought to the Committee, so that we will be better informed to make appropriate plans for the future.

Finally, I want to comment on Mr Campbell's proposal that every North/South plan must be accompanied by an equal and parallel east-west plan. I would have thought that if it was to the benefit of his constituents for co-operation between Altnagelvin and Letterkenny General Hospital, for example, to be enhanced, it should not have to await some form of co-operation between a hospital here and a hospital in Scotland in order to demonstrate that the North/South development was being accompanied by an equal and parallel east-west approach. That would be nonsensical.

11.15 am

I agree that there is, of course, an ideological thrust — in the sense that I have attempted to illustrate — to North/South aspirations, as there is to east-west aspirations. Is the DUP prepared to accept that the yardstick of practicality and "mutual benefit" to communities North and South — those are the words that are used in the Good Friday Agreement — can be applied equally to east-west matters? The party that prides itself on its pragmatism must learn to adhere to its own principles.

Mr Ford: I want to respond to the criticism that I received from Dr Farren earlier. The Alliance Party has always recognised the political significance for nationalists of North/South co-operation. However, that does not contradict the notion that the specific structures under which co-operation takes place should be based on the need of particular areas. In many cases, informality may be a better approach.

I said that there might be a case for further implementation bodies. The arbitrary number of six should be regarded as just that: it was arrived at during the last few hours of the negotiations that led to the Good Friday Agreement. We should not be bound by it in future. While the SDLP might wish to stick to every dot and comma of the Good Friday Agreement and have precisely six implementation bodies, that is not the view of my party.

Take the issue of tourism. In the colour supplements of London's Saturday broadsheets — or what used to be broadsheets — you can see the advertising that is being done to promote this island. One week, it might be Cork and Kerry. The next week, in a similar style, it will tell us the benefits of coming to Belfast for a stag weekend. Clearly, the practical reality for most people outside the island, except those who have close family

relationships here, is that we are one tourist market. That sort of work must be encouraged. The structures that exist are doing a reasonable job. However, we would need to examine detailed figures over a number of years in order to fully assess its value.

My illustration of the response to foot-and-mouth disease was to show that most cross-border co-operation is informal and does not work through specific implementation bodies. We should not restrict that co-operation by the imposition of new bodies; we should seek to encourage it in whatever form it takes. The focus should be on practical outcomes and outworking. If nationalists see the practical outworkings of cross-border co-operation to be much better than each end of the island merely doing its own thing, then that should be the bonus to nationalists, not the setting up of institutions without there being any certainty that they will be beneficial.

The unionist references to the British-Irish Council have been interesting. It parallels a discussion that we have had in the economic subgroup on the relative size of the public and private sectors in Northern Ireland. The issue is not whether there is too much North/South co-operation, but whether there is too little British-Irish co-operation and a need to build up the structures to maximise the benefits of that. Undoubtedly, the island is too small to deal with many of the matters that have been discussed.

We must work to achieve a balance between those areas. Mention has been made of the RPA and the greening across the border. If co-operation is to be developed between Altnagelvin Hospital and Letterkenny General Hospital — that is east-west rather than North/South co-operation — we should also examine the benefits of, for instance, cross-border A&E services, where there are real needs. In the past, the Alliance Party has asked for an examination of issues such as specialist training at the higher levels of psychiatry where, at either end of the island, the market is inadequate for that discipline to stand on its own. We need to build up those institutions together. East-west co-operation must also be considered in that regard.

The needs of people living in particular areas must be examined, and if that shows that people in Sligo, Monaghan and Fermanagh should avail of the same A&E services, North/South co-operation in that regard will benefit people from all those areas. However, that does not require an all-Ireland health body; it requires co-operation between the existing institutions.

Mr O'Dowd: I am not sure about David's last point. There is a political, rather than a practical, argument against setting up an all-Ireland health body. David used the example of co-operation between Health Departments that I intended to use. When we talk about all-Ireland healthcare, we really mean planning

health on an all-Ireland basis. It has taken many years for the two Departments to co-operate to set up a cross-border GP service. Many obstacles have been thrown in the way, and only now are we seeing some practical movement. If there had been ministerial co-operation on that matter, the cross-border service might have been in place many years ago, benefiting the people living in those areas.

The island of Ireland has a population of 5.5 million, and a population of that size can be serviced by one children's cardiology consultant: the recognised ratio is one consultant to 5 million people. Therefore, there could be effective co-operation in that area.

EU legislation instructs councils on different sides of a border — for instance, in Luxembourg, Germany or Holland — to work closely together. The biggest difficulty facing councils on this island is waste management. Councils in the Six Counties should work together — as they do with the Southern Waste Management Partnership and arc21 — and on a cross-border basis to deal with waste management. I seriously doubt that any unionist ratepayer would object to their bin being lifted by a particular council worker because the rubbish may end up in a plant in Monaghan. Likewise, ratepayers in Monaghan would not object to their rubbish being treated in a unionist council plant. No one — regardless of his or her political opinion — would object to practical measures that would save the ratepayer and the council money and which would allow money to be invested elsewhere.

Mr McGimpsey: As Seán Farren says, there is an element of déjà vu about this; it is something of a Pandora's box. I was not involved in any of the discussions on the agreement, but it was clear that nationalism required some recognition of its Irishness in the form of North/South co-operation and that unionism required Stormont and the British-Irish Council, which reflects the common polity that is the British Isles. That is where the deal fell: if unionists tried to boycott the North/South bodies, that would have an effect on Stormont; and if nationalists did the same with Stormont, that would affect the North/South Ministerial Council. In other words, the institutions were interdependent.

There is a fine balance, and we have ended up with six implementation bodies and six co-operation areas. They worked well, and we progressed on the basis of doing practical business for the mutual benefit of everyone on both sides of the border. That was what the North/South Ministerial Council was about, and members worked by unanimous agreement.

There was an element of pre-cooking the agendas, because things were sorted out before we got down to the formal business of having the North/South Ministerial Council meeting. The North/South bodies

are currently being kept on a care-and-maintenance basis because Stormont is in cold storage. If Stormont is not restored, the deal is that those North/South bodies fall and the staff go back to their parent Departments.

The British-Irish Council, in purely practical terms, suffered from the lack of a secretariat. It was not due to a lack of will; the regional Assemblies were very keen on the British-Irish Council, but the slowness of the secretariat support hurt us badly. That needs to be brought up to a much more robust standard.

There is a deal there; we could start tinkering with it and pulling it apart but, for the sake of practical politics, making it work as it stands is more important, as David Ford and John O'Dowd said, than thinking about extra elements, because there will not be agreement. We have to try to make the deal work and if we cannot do that, we are not going anywhere at all.

I am intrigued by John's constant referral to unionist businessmen. If somebody comes in to sell you a car or a van how do you know he is a unionist?

Mr McNarry: They know every unionist in the country.

Mr O'Dowd: I will come back to you on that point if you so wish.

Mr McGimpsey: Business is business. I was in business all my life; it is all about turning a profit. I presume that John meant that there are Protestants who will sell to anybody. Businessmen will cross borders; of course they will. John talks about an island of five million people; we think in terms of a Kingdom of 60 million people, and business does the same. Why stop there when you have got a European community of over 400 million people? That is the way business approaches it.

There has always been business activity between North and South, and good luck to everybody engaged in it. However, there is bigger business to be done with the mainland and, ultimately, much more business to be done in Europe and further afield. It intrigues me when John talks about business because every year, for example, the Chancellor sends us a cheque to the tune of about £11 billion and Sinn Féin are dedicated to stopping the cheque. That has always been one of the queries I have had about North/South co-operation, "Ourselves Alone", and the idea that the Chancellor can keep his cheque. What would we do without the £11 billion? That gets us into a whole different area.

We have six implementation bodies and six co-operation bodies. They were working well for practical benefits and they threatened no one. That is where the deal stands; trying to expand them is not going to take us anywhere.

The Chairman (Mr Wells): I want to bring PJ in here. We have given this —

Mr P Robinson: You do not have my name down. I put my hand up about 10 minutes ago.

Mr O'Dowd: I would also like to respond to a few points made by Michael.

The Chairman (Mr Wells): I am going to call it a day at that. We have given it a good airing and I do not detect much in the way of a proposal.

Mr Campbell: I thought you were going to say that you did not detect a consensus there.

The Chairman (Mr Wells): Well, it was not too acrimonious, but there does not seem to be any suggestion as to how to take this forward, and far be it for me to try to suggest one. Therefore, after Mr P J Bradley, Mr P Robinson and Mr O'Dowd have spoken, I will say that we have had a discussion on this. If a proposal was forthcoming I would be very pleased to see it in order to bring this discussion to a conclusion.

Mr P J Bradley: Perhaps I will get some consensus on behalf of the farming community. We have talked about health, education and business right around the table but agriculture on an all-island basis was not really touched on. An all-island agricultural programme can easily be defended by all sections of the North/South arrangements, especially in animal health and the important issue of marketing. Unionist fears would be set aside if the farming community were given an opportunity to recover and to see their farms leading the way again as the largest industry in the North, which it had been for generations.

11.30 am

In agricultural terms, we pay a high price for our attachment to the UK. For example, since the ban on live exports was lifted, Dutch, French and Italian buyers are now in every sales yard in the Republic of Ireland where cattle can be purchased, but they are not coming North. One wonders why they do not come North, where prices are lower. The UK baggage that is attached to stock in the North means that farmers here do not attract European buyers. That is why no farmer would resent a policy that joined up the marketing of all-island products but kept the politics of North and South separate.

I am conscious that when making a political speech there is a suspicion of some hidden agenda. I have no such agenda: I speak for the benefit of farmers North and South, and particularly in the North where I live and work. They would welcome the extra £100-per-animal profit from an all-island marketing programme.

Mr Campbell: I follow the logic of your argument. However, do you accept that if positions were reversed in the future, and farmers in the Republic found that UK prices were better, they would want to rejoin the UK?

Mr P J Bradley: Not necessarily. Unlike here, farmers in the Republic can turn to their Government. Even now, they are saying to the Government that the price that they are receiving is too low. The North does not have a Minister of Agriculture.

Mr Campbell: I thought that your point was that there would not be much resistance to joint marketing because farmers in the North would see the benefit of a higher pricing structure in the Republic, whose connection with the EU is better for sales and export. If your proposals were totally reversed, would that not result in a political reverse? Would farmers in the Republic see the sense in, and possibilities offered by, rejoining the UK for precisely the same reason?

Mr P J Bradley: Try to think like a farmer, who would probably look to wherever the profits are highest. The name of the game is that farmers need profits. Again, I point to the ability of farmers in the Republic to turn to their Government for assistance: farmers here cannot do that. Mr Campbell will be aware that the UK does not even have a Minister of Agriculture — it has a Minister for Environment, Food and Rural Affairs.

Dr Farren: Mr Campbell has extrapolated way beyond Mr Bradley's argument. Why is Irish linen that is manufactured in Northern Ireland marketed abroad as Irish linen? Does that cause a problem to members of the DUP?

Mr Campbell: That has been the case for over 100 years.

Dr Farren: I know, but there is some benefit in marketing.

Mr Campbell: It has been happening since before 1920.

Dr Farren: The events of 1922 did not change the way in which linen manufactured in Northern Ireland was marketed abroad.

Mr P Robinson: The Republic does not have ownership of Irish linen. It was around before the Republic removed itself from the United Kingdom. Why should the Irish Republic have ownership?

Dr Farren: Linen is generic; it is not a specific brand.

Mr P J Bradley: Members of the Agriculture and Rural Development Committee always agreed on animal health issues. Animal health was never seen as a political issue and was a prime example of the co-operation that was demanded across the frontier. Importantly, neither animals nor diseases knew about the border. I consider marketing in the same way.

Mr P Robinson: I want to deal first with Dr Farren's patronising claim to be experiencing a feeling of déjà vu. He said that he had heard all the arguments

before; that perhaps because the DUP was not part of previous negotiations, it needed to be brought up to speed; and that if doing so helped to allay fears it might be worth it.

Let me tell him, I have heard no argument in this room today that I have not heard many times before — there is nothing new under the sun. Sinn Féin has advanced no new argument today that it has not already advanced publicly. Indeed, the party would not be doing its duty if it had not publicly put forward the arguments that it is privately putting forward today. Therefore, there is nothing new, no new nuance. The DUP has heard it all before.

As for allaying unionist fears, he has given an honest interpretation of his party's views. His remark that his party's attitude to "North/Southery" is effectively underpinned by ideology leading to unification will be in Hansard. Those are his words. How will that allay the fears of unionists? It alerts unionists to the real purpose and intent of "North/Southery". Mr McGimpsey is right; there is no scope for extending the nationalist community's ideology, even if it is under the pretence that there is a pragmatic reason for doing so.

Dr Farren attempted to build straw men with his attack on Mr Campbell. Mr Campbell did not advance the proposal of point-for-point balance on North/South and east-west issues — indeed, he specifically said that it was not realistic to expect that. It is fairly clear that the DUP is warning that the effort and enthusiasm of unionism towards practical North/South co-operation will be commensurate with the effort and enthusiasm of nationalists towards east-west co-operation. Identity issues should be considered on that basis. Just as Dr Farren indicates his political intent that "North/Southery" might be a move towards the goal of unification, I hope that at some stage the people in the Republic will have the good sense to return to the fold as part of the United Kingdom. It would make a lot of sense. After all, based on Sinn Féin's argument, it must make sense for a small group of islands to be part of one political unit.

Mr O'Dowd: By the same logic, one could argue that the Republic should take over the whole group of islands and become one massive united Ireland. It does not really make sense in practical terms. However, I take the comment in the humour in which it was made.

Mr McGimpsey and Mr McNarry have come back at me about the term "unionist business community". One would think that I was the first person to come up with the term. I do not consider it to be an insulting term, and I hope that my use of it has not been taken in that way. Mr McGimpsey and Mr McNarry cannot seriously be telling me that they have never heard it before.

The Ulster Unionist Party was built by unionist businessmen — and I deliberately use the word “men” — so it is not the first time that the phrase has been used. There is a unionist business sector, just as there is a nationalist business sector, but they do not compete against each other. Wherever there is a political philosophy, whether it is that of the British Labour Party, the Conservative Party, Fine Gael, Fianna Fáil or whatever, there is always a business sector floating about behind it. That is nothing new, and it is certainly not something to get flabbergasted about.

It is not true to say, as Mr McGimpsey did earlier, that if the DUP decides to take the Assembly down before or after 24 November, the North/South bodies will go into cold storage. They will not. The Good Friday Agreement recognises that it is best for the bodies to be interdependent. However, Sinn Féin will argue strongly with the two Governments that even if one political party chooses to veto the Assembly, the rest of the agreement should still move on — and that will include all aspects of “North/Southerly”. No civil servants will be traveling back to their former Departments. In fact, more civil servants will be moving into that field of work. If the DUP chooses to bring down the Assembly, the rest of the agreement will not go with it.

As for Mr Ford’s comments about the number of North/South implementation bodies, there are mandates for at least six bodies, as the Good Friday Agreement allows for the setting up of at least six bodies to work on areas of co-operation. Therefore, there is room for expansion.

The Chairman (Mr Wells): We have had a full and frank discussion on the issue. Mr Robinson said there was nothing new under the sun, and I suspect that we could agree on that. Is there any way of moving this forward, or will we just simply leave it? I am thinking of the dilemma that the report-writers will face. This is a very important issue.

Mr McGimpsey: Did we not previously agree that the chairpersons and chief executive officers of the North/South bodies would be subject to Assembly scrutiny Committees?

The Chairman (Mr Wells): We did. However, today we are discussing the number of bodies and their roles, and we are clearly not going to reach agreement on that.

Are members content that, notwithstanding the lack of agreement, we should request the extra material? We have no idea of the quantity involved; it may be colossal.

Mr P Robinson: If it turns out to be a colossal amount, a summary would be sufficient.

The Committee Clerk: We are looking at the websites to see what is available. There are joint communiqués from every meeting, which are just like the minutes of this Committee. However, we can find nothing that tells us how they worked or how matters were discussed. We are trying to work out the best way to present the information to members.

The Chairman (Mr Wells): There must have been minutes of every meeting.

Dr Farren: Yes, there were.

The Committee Clerk: There were annual reports as well.

Mr Campbell: Some minutes may have been shorter than others.

Dr Farren: The implementation bodies and the North/South Ministerial Council published annual reports, and they are still available. We would not need each year’s report; the most recent one would give us a flavour of what is happening now, if that is what members feel is necessary.

In addition to the areas of co-operation, I spoke about institutional matters under three headings; operational matters, structural matters and the areas of co-operation. I said that there were issues arising out of our experience that would need to be addressed. Are they not part of our agenda?

The Chairman (Mr Wells): We can discuss those issues. That is not a problem. The commitment has been given that if anybody raises related issues they will be dealt with.

Mr P Robinson: Presumably Dr Farren will want to talk about the efficiency of reducing the number of implementation bodies as well?

The Chairman (Mr Wells): I am absolutely certain that the DUP group does.

Dr Farren: Whatever the outcome is, I presume that the DUP will prejudice it.

The Chairman (Mr Wells): Has the issue been aired adequately, or do members want to speak on it? I got the impression during the various contributions that that point was well made.

Mr P Robinson: The whole issue has been sufficiently aired.

Mr Campbell: It would be difficult to say that this issue has not had sufficient airing this morning.

The Chairman (Mr Wells): That would be my view, but I have to take the view of the members. I propose that we move on to discuss the North/South Ministerial Council, unless anyone has any objections.

Mr P Robinson: My view is the same as Mr McGimpsey’s. If Sinn Féin brings down the Assembly

by not ending its paramilitary and criminal activity, then clearly the implementation bodies and “North/Southerly” will come to a standstill. It would be absurd to suggest that one part of the agreement can move ahead without the other. An agreement is an agreement among all of the signatory parties, and if the Ulster Unionist Party, a signatory party, has not signed up to the element that Sinn Féin is suggesting, then it is not an agreement.

The Chairman (Mr Wells): Are there any proposals?

Dr Farren: I want to make a final comment on the matter. The responsibility for taking matters forward would fall to the two Governments. They have made it clear that they are prepared to accept that responsibility, and that they will deal with North/South arrangements as well as other matters. It is not for us to dictate to them. We may want to air our views on what they should or should not do, but they have made it clear that North/South matters will move ahead. There will be a momentum maintained, and developments are not going to be artificially constrained by our views on these matters.

Mr Campbell: Of course, should things happen as Dr Farren suggests, opposition from the unionist community is guaranteed.

Dr Farren: Well, it is up to the Government. It depends on what happens, of course, and on whether or not you make the judgment that those things are not in your best interest. I am just saying that the responsibility will fall to the two Governments; it is not for us to dictate. No doubt we will have our views on what they should and should not do.

11.45 am

Mr P Robinson: But you are wrong, Seán — you cannot argue that. Responsibility falls to the Government of the United Kingdom as to what they do in Northern Ireland. They can operate themselves by the decisions that they take, but they cannot decide to take an agreement that does not exist, somehow skew it, and then have a meeting that they did not originally intend to have. They can take a new decision that there should be some arrangement, but they cannot unilaterally take a decision that was multilaterally agreed and then tell us what is going to happen.

Dr Farren: I will not speculate as to how the two Governments will operate. However, they have a responsibility, and they have made it clear that they will exercise that responsibility and maintain a momentum in North/South relationships, because they believe that that is necessary for the greater good.

Mr P Robinson: Except that that is absurd.

Dr Farren: Pardon me?

Mr P Robinson: East and west Governments cannot produce momentum on a North/South basis.

Dr Farren: That is not part of today’s argument.

Mr O’Dowd: None of this should come as a surprise to the DUP. The comments of the two Governments were made public months ago. With regard to the opposition from unionism, any political body has the right to oppose, so long as it is done in a peaceful and democratic manner and not that of the UVF. *[Laughter.]*

Mr McGimpsey: Chairman, the deal is clear. Strands one, two and three are interdependent and interlocking, and without one the other two fall. That is made clear in strand two, paragraph 13 of the Belfast Agreement.

There is no point in asking “what if?” The British Government have said a number of things over recent years — some of them have been kosher and some have not. It may be that they are giving certain guarantees in some directions that they are not giving in others; I do not know what is going on. I hear Mr Hain talking, but he is merely making statements.

Mr O’Dowd: Can I assure you that —

Mr McGimpsey: The agreement is clear. It cannot be argued that if Sinn Féin busts the Assembly it will still get its North/South bodies, because that “ain’t gonna happen”. It is not the deal. I believe that neither the British nor Irish Governments are looking to push that through.

Mr O’Dowd: Sinn Féin has no attention of busting the Assembly. Our plan A is the implementation of the Good Friday Agreement, including the Assembly. With regard to assurances from the British Government, we do not accept those unless they are written down and implemented.

Mr P Robinson: May I reassure everyone that I do not envisage that the unionist community’s opposition and reaction will be anything other than the peaceful kind that Sinn Féin has advised us we should take. The unionist community would find it difficult to take a lecture from Sinn Féin about acting peacefully and within the law.

The Chairman (Mr Wells): Mr McNarry will speak next and, in the absence of any proposals, I will then move to the next item on the agenda.

Mr McNarry: Comments about the interlocking aspects of the strands have been well made, and they should be considered. Sinn Féin has said that its intentions are clear, but it would be great to hear its representatives say that they intend to help the rest of us to put a devolved democracy back in place. That is absent from their argument.

Mr O’Dowd: You have not been listening.

Mr McNarry: I have listened to what you have said in this past five minutes.

Mr O'Dowd: Sinn Féin's plan A is to fully implement the Good Friday Agreement, including the Assembly. What is not clear about that?

Mr McNarry: You did not participate when the rest of us were attempting to work through plan A.

Mr O'Dowd: That is your opinion.

Mr McNarry: Everybody's opinion is worth something here.

Mr O'Dowd: Correct.

Mr McNarry: Unfortunately, you dismiss everyone else's opinion except your own: that is how you operate.

I cannot go along with the idea that if we cannot reach agreement, the responsibility for the North/South bodies will be handed over. It has been made clear that that will not happen. I hope that progress will be made by this Committee working through the remit of making preparations for Government.

On hearing some of Sinn Féin's rhetoric in discussions such as this, it is clear that we must also prepare ourselves for not being in Government. That possibility must be aired at this table, because leadership will be required and may need to be shown in the future.

The Chairman (Mr Wells): That is the end of the discussion on the North/South implementation bodies. Some of the discussion will be relevant to our next subject, which is the North/South Ministerial Council (NSMC), and some of the principles that have been articulated will also apply.

The usual format will apply: each party will make a short contribution. I am extremely grateful to those who have been so succinct throughout the last two months, and I hope that that trend will continue.

Mr Ford: Does that include me?

The Chairman (Mr Wells): The Alliance Party has always been very brief. Contributions will be made in alphabetical order, so Mr Ford will lead off.

Mr Ford: In my opening remarks this morning, I made some reference to the Alliance Party's view on the NSMC. Therefore, I will confine myself now to making a suggestion for consideration, and perhaps a formal proposal.

I am interested in hearing responses to the suggestion that the Alliance Party made in the Chamber on establishing the North/South parliamentary tier, although there may not be unanimity on that today.

On a more serious point, the Alliance Party's formal proposal is that the annual report of the NSMC should not be in the form of a document. A formal report should be presented in the Assembly and in the Oireachtas by the First Minister and the Deputy First Minister, the Taoiseach and the Tánaiste. There is considerable merit in opening up the general operation of the NSMC, rather than individual aspects of it. I want to put that forward as a proposal and hear responses from other parties.

Mr Campbell: As you rightly indicated, Mr Chairman, there is quite an overlap between our previous discussion and this one.

Mr P Robinson: That will not stop us from saying it again.

Mr Campbell: I will try to phrase my comments in a slightly different way.

In all seriousness, the major issue for the DUP is the difficulty relating to the practicalities of the 1998 system, of which I will give an example. Mr McGimpsey went to some length to outline how the NSMC operated in a practical sense. However, those of us who were on the outside can testify that, whatever the workings of the NSMC itself, when proposals came to the Assembly for discussion, it appeared that it was simply a case of a Minister coming back with NSMC-agreed proposals. MLAs may have been able to discuss them, but that was all. It was almost like an Order in Council: a proposal could be discussed but could not be changed, vetoed, added to or diminished. The DUP strongly believes that that should change.

The business of nominations was fraught with difficulty in the past. Mr Robinson, Nigel Dodds, Maurice Morrow — now Lord Morrow — and I were all caught in the same position. On account of our views on the Executive and the workings of the NSMC, whose meetings we did not want to attend, we were prevented from attending the British-Irish Council (BIC). However, we got round that by engaging in informal discussions. I hope that that answers Dr Farren's point — he said that the SDLP did not deem a phone call between a Northern Ireland Minister and a Republic of Ireland Minister to be sufficient. I found that a phone call and an informal meeting were sufficient, particularly given that I had been blocked from attending BIC meetings.

It is more a case of the practicalities of working these issues out. It almost reinforces our concern that the entire issue of North/South co-operation — whether it be the implementation bodies or the NSMC — causes the unionist community in particular to view it with some suspicion because of its political undertones. However, if it is built on a practical relationship from which benefits flow, then both communities can see it

in a relaxed and positive way, and will not view it as a threat or as political leverage to take things off in one direction only. That is our concern.

I am not sure that we can arrive at a more acceptable implementation of NSMC accountability, how it carries out its work and how it reports back to the Assembly. However, if we could, it would be a positive thing, not just for unionism but for nationalists as well.

Mr Ford: Mr Campbell referred to informal meetings with Southern Ministers. My definition of an informal meeting is standing around with a coffee cup in your hand. Do I take it that what he actually means is a formal meeting, but outside the scope of the NSMC?

Mr Campbell: Yes.

Mr Ford: So, not actually an informal chat but a formally structured meeting?

Mr Campbell: It can mean that. For example, in the context that Dr Farren mentioned — two hospitals in Dundalk and Newry, or Altnagelvin and Letterkenny, or Larne and Stranraer on an east-west basis — if a health matter required immediate attention and had to be resolved within 24 hours, and so could not await the formal requisition of a NSMC meeting, I would regard that as an informal meeting.

Mr Ford: Did Mr Campbell have informal meetings as a Minister on that basis?

Mr Campbell: Yes, on the basis that I have just described.

The Chairman (Mr Wells): Before we get to Sinn Féin's presentation, Mr Ford, you made a suggestion about a North/South parliamentary tier. Was that a proposal, or did you just want to raise it as an idea?

Mr Ford: I threw it out as idea rather than as a formal proposal at this point. I thought that the idea of greater openness and accountability might be more likely to achieve consensus.

Mr O'Dowd: It is difficult to review the past workings of the NSMC, because it operated for only a limited time. It may be opportunistic of some people to say that there was not enough accountability to the Assembly. The fact of the matter is that none of those arrangements were bedded in long enough to see how they worked.

Our general view is that during its limited lifespan, the NSMC was accountable to the two bodies that it reported back to. Obviously, one of the difficulties that arose, and Mr Campbell has given his perspective on it, was the right of Ministers to attend. For a time, David Trimble used a veto against Sinn Féin Ministers' attendance. That example has shown us that Ministers should have an automatic right to attend NSMC meetings. That would clearly require new legislation.

It is also important that Ministers fulfil their duties within the NSMC and the BIC. Sinn Féin will be looking at several factors with a view to making changes to that. With regard to the mechanisms of reporting back and forth, we have not had the practice for long enough to see where the weaknesses or opportunities are.

Dr Farren: The Good Friday Agreement, in paragraph 6 of the section dealing with strand two, states:

"Each side to remain accountable to the Assembly and Oireachtas respectively, whose approval, through the arrangements in place on either side, would be required for decisions beyond the defined authority of those attending."

12.00 noon

The SDLP has no difficulty with trying to maximize, and make as comprehensive as is reasonably possible, the various forms of accountability. If we can be precise about those, and agree on how to improve accountability, I do not have any problem. Some 60 meetings of the North/South Ministerial Council were held in various formats, mainly in the formats related to the workings of the implementation bodies. That is a sizeable number of meetings to have taken place during the short time that the Council operated. There was a report on every meeting, apart from those that took place immediately preceding the suspension of the Assembly. No plenaries were held after suspension, so it was impossible to report on those final meetings.

The Assembly was not so overburdened with business that there was no chance to propose motions for Ministers to be made more accountable on North/South matters. The same applies to east-west issues. The Assembly was experienced enough to do that. I hope — although I am not sure that the record will show this — that the informal meetings that Gregory claims he took part in were as fully reported to the Assembly as all the formal meetings that Ministers attended.

Most decisions are not instantaneous. During a crisis such as the foot-and-mouth-disease outbreak, decisions had to be taken when the Assembly was unable to meet to consider them due to time constraints and priority pressures. Matters to do with hospitals, schools, universities and the infrastructure have been given much airing lately. Decisions must be made on policies to deal with those medium- to long-term issues. Forms of co-operation must be developed, considered and accepted. On such matters, the North/South Ministerial Council can take a longer-term perspective than some suggestions would indicate. The SDLP is open to improving accountability as much as possible.

Mr McGimpsey: The North/South Ministerial Council is conditional on there being an Assembly. The agreement states:

“It is understood that the North/South Ministerial Council and the Northern Ireland Assembly are mutually inter-dependent, and that one cannot successfully function without the other.”

As Paul Murphy told the House of Commons on 8 March 1999:

“The North/South Ministerial Council, to which the bodies are accountable, would disappear if there were no Assembly. Similarly, the bodies envisaged in the agreement would disappear.”

That is the current situation. The Assembly must function. From May 2000 to October 2002, my experience of the North/South Ministerial Council is that it undertook its work well and threatened no one.

Unanimity was required; if one Minister disagreed, a proposal fell. That veto gave unionists comfort, because major ideological divisions in the NSMC made it a sensitive area for them. It also got mixed up with other political issues; for example, the one that John O'Dowd referred to as the automatic right to attend.

The Ulster Unionists exercised a veto over Sinn Féin because, when the Executive first started up, and although it was against the odds, Sinn Féin failed to provide what was expected and the Executive collapsed. That was in February 2000. Therefore, next time round, there was an effort to ensure that those responsible for the collapse would be punished, not everybody else. That was the thinking behind David Trimble's refusal, as First Minister, to approve the attendance of Sinn Féin Ministers at North/South Ministerial Council meetings, and that gave unionists a degree of comfort. It worked, but it took some time.

We assume that that no longer applies, but the Ulster Unionist Party would still regard the attendance of Ministers as being determined by a joint signature of First Minister and Deputy First Minister. However, the automatic right to attend will give us some problems.

With regard to the practical steps for the accountability of North/South bodies, Gregory Campbell talked about informal meetings. Before the agreement was set up, something in the region of 105 meetings of North/South bodies or committees — call them what you want — were held between the Northern Ireland Government under direct rule and the Dublin Government. We ended up with a formalised structure under the NSMC with six implementation bodies and six consultative areas. Concerns were expressed that they were not fully accountable to the Assembly. Therefore, there is scope for better reporting and accountability in finance; that is a key issue. The Northern Ireland Assembly and Executive remain fully

in charge of the powers on this side of the border, and the Ulster Unionist Party is content to look at any practical measures or steps that will increase scrutiny or accountability.

The Chairman (Mr Wells): David, was your point properly covered by the intervention?

Mr Ford: Yes.

Mr P Robinson: The SDLP and the DUP differ on the definition of accountability, and that became obvious at several private meetings. The SDLP's definition of accountability was the entitlement of Assembly Members to ask Ministers questions, and to ask them for an account of what they had done. The DUP considered that accountability was calling a Minister to account, with the right to decide whether what they had done was proper. That distinction caused difficulty for a long time in our understanding each other's position.

Accountability to the Assembly means that Ministers must act within the scope of the Assembly's view of the issue. Section 52(3) of the 1998 Act states that there is a legal requirement for Ministers attending North/South meetings to act in accordance with any decision taken — past tense — but there is no legal requirement on them to come into line with decisions that the Assembly might take after the event.

So many of the North/South arrangements came down to custom and practice. I will put this as delicately as I can: there is no guarantee that the custom and practices that existed during the previous Executive would be adopted by a future Executive with a different composition. That is why it is essential to have clear statutory rules and why the comprehensive agreement proposes the introduction of a statutory ministerial code, which would increase accountability requirements. That safeguards everybody; previous custom and practice would effectively be replaced by a statutory ministerial code and the statutory requirements contained therein. That is the way forward; it would give everybody the comfort of knowing that their position is safeguarded.

Dr Farren: Peter, is this discussion not similar to last week's discussion on ministerial accountability with respect to departmental portfolios? We discussed whether Ministers are working within the defined authority given to them and the decisions that they take within that defined authority. Such accountability pertains as much to their behaviour in the NSMC as it does to their behaviour in the Executive. I have no difficulty with that. Paragraph 6 of strand two of the agreement makes that very clear:

“Each side to remain accountable to the Assembly... whose approval, through the arrangements in place on either side, would be required for decisions beyond the defined authority of those attending.”

Therefore, I assume that the defined authority has already been defined and that if a Minister acts outside that defined authority the Assembly would have some authority to sanction them. However, when I think about accountability, I think about Ministers who are acting within their defined authority, not outside it.

Mr P Robinson: Seán is quoting the agreement, but it has no legal or statutory authority. He may be able to score political points if a Minister breaches it, but that ministerial decision cannot be stopped or nullified. Under existing law, there is no sanction for breaching it. Therefore, it is the law that we seek to change.

Dr Farren: I apologise if I am jumping in in front of another member, but I will be brief.

I certainly agree with Peter's remarks, and I have no difficulty with considering the necessary legislative provisions to remedy that here. However, I wish to attach a rider, which I have mentioned several times before. Since another Government are involved in North/South matters, we cannot exclusively define the legislative requirements here. Peter, you may well respond that this is Northern Irish legislation, but we must consider the wider setting before we can make any definitive decisions.

The Chairman (Mr Wells): Unusually, no one has indicated that they wish to speak on this issue.

Mr Campbell: I would bank that, if I were you, Chairman.

The Chairman (Mr Wells): Mr Ford made a proposal that the NSMC annual report should be presented in person by the First Minister and Deputy First Minister in the Assembly and by the Taoiseach and the Tánaiste in the Oireachtas.

Mr Ford: Chair, that is not strictly correct. I suggested a joint presentation in both Parliaments. Therefore, the Taoiseach and Tánaiste, alongside the First Minister and Deputy First Minister, would answer questions in the Assembly.

Mr McNarry: No one picked that up.

The Chairman (Mr Wells): Is that a serious proposal, David?

Mr Ford: It absolutely is a serious proposal. It has been in the Alliance party's documentation for two years.

Mr Campbell: He was going well up until that point. *[Laughter.]*

The Chairman (Mr Wells): I did not pick that up when you first raised that.

Mr Ford: I apologise. I had no doubt that you had been reading up on the Alliance Party's paperwork from 7 January 2004 and would have realised what the proposal meant.

The Chairman (Mr Wells): David, I suspect that there may have been a greater reaction to the initial proposal had anybody picked up on the import of what you are saying. Take us through the mechanics of your proposal: the Taoiseach would come to this Assembly to —

Mr Ford: As the report is from the North/South Ministerial Council, the leaders of the Governments of both parts of the island would attend both Parliaments to present, and be questioned on, the report.

Mr P Robinson: Why would the leaders of the Irish Government come to the Assembly? They are not accountable to the Assembly, and the Assembly cannot sanction them. Is David proposing an information session?

Mr Ford: I thought that you wanted to increase accountability.

12.15 pm

Mr P Robinson: There is no accountability: they are not accountable to the Assembly.

Mr McNarry: Chairman, I do not think that there is consensus.

Mr P Robinson: How does presenting a report make them accountable —unless you share the SDLP's view that accountability means being asked to give an account as opposed to being called to account?

Mr Ford: The accountability measures differ between those Ministers who are accountable, in your terms, to the Assembly and those who are, by virtue of the joint operation of the North/South Ministerial Council, accountable in SDLP terms. I thought that even the DUP would perceive the SDLP's version of the accountability of the Southern wing of the North/South Ministerial Council to be of benefit.

Mr McNarry: If it is the same report, that does not matter.

Mr P Robinson: The proposal may breach so many other principles that its benefit would be somewhat diluted.

Mr McNarry: The Alliance Party will be inviting P O'Neill next to report to the Assembly.

Mr Campbell: Much of what we are considering is an attempt to build on international best practice. I know of no other two adjoining countries where a Minister, Tánaiste, or whatever the equivalent would be in Luxembourg or Portugal or wherever else, reports to the adjacent country's Parliament.

Dr Farren: Let us be pioneers.

Mr Campbell: The proposal is that the leaders of both Governments attend the Parliament in each jurisdiction to present the report. That has no international precedent.

Mr Ford: I am quite sure that there is little in the way of international precedents for much that is contained in the Good Friday Agreement.

Mr Campbell: Are we reaching consensus now?

The Chairman (Mr Wells): We were on a roll, but —

Mr Ford: I am interested in any amendments that other parties may have to my proposal.

Mr P Robinson: The position that the DUP previously outlined was that those who are responsible to the Assembly should be accountable to the Assembly. I do not mind whether that is done through a full Assembly meeting or through the Committee of the Centre, where the First Minister and Deputy First Minister are collectively called to account, but they must be accountable for their actions.

Mr McGimpsey: May I also suggest, in relation to the previous section, that the Northern Ireland Audit Office (NIAO) examines the workings of the North/South bodies in order to reassure us. They are, after all, spending money that comes straight out of the Northern Ireland block grant.

The Chairman (Mr Wells): David, do you want me to put your proposal to the Committee and then move to a discussion of those suggestions?

Mr Ford: I sensed that there was not full consensus on my original proposal. That was why I sought any amendments that might attract more support.

Mr McNarry: What you have said is that you have put another bummer in front of us. You have then said that you think that you will get more support for this proposal. I assure you that I did not hear the original proposal that way.

The Chairman (Mr Wells): I must be honest, David, neither I, nor any staff, heard it that way the first time round. However, you have clarified the proposal. I assume that there is no consensus.

Mr Campbell: I think that you can take the silence to mean that there is no consensus.

The Chairman (Mr Wells): We move on to the DUP proposal, which is that the relevant Minister brings the report to the Committee of the Centre or to the Assembly. Is that acceptable?

Dr Farren: Can you read that again?

Mr P Robinson: The DUP's proposal is that in the same way that chief executives and chairs of implementation bodies would report to Committees, the First Minister and Deputy First Minister should report either to the Assembly or to the Committee of the Centre. We can consider which is the better mechanism annually. It would be a poor Committee of the Centre that did not call for —

Dr Farren: I am in favour of as much discussion of North/South issues in the Assembly as possible.

Mr P Robinson: I am in favour of as much exposure of what goes on as possible too.

Mr Ford: That is consensus.

Mr O'Dowd: There was not sufficient opportunity for the procedures to bed in to see what worked. Therefore, to make changes at this stage is, in Sinn Féin's view, unnecessary.

The Chairman (Mr Wells): My understanding is simply that the report would be brought to —

Mr O'Dowd: I understand perfectly. I do not need to have it explained again.

Mr Campbell: Seán, you said that there were over 60 meetings. Is that right?

Dr Farren: There were 60 meetings of the North/South Ministerial Council.

Mr P Robinson: There have not been 60 formal meetings of the British-Irish Council, which is what you indicated earlier.

Dr Farren: No, I was talking about the North/South Ministerial Council. I did not refer to the British-Irish Council.

Mr P Robinson: How many British-Irish Council meetings have there been?

Mr Campbell: Considerably fewer.

Dr Farren: I cannot recall. I am prepared to acknowledge that there were far fewer. I never attended a British-Irish Council meeting. Like Gregory, I was not nominated to attend those meetings.

Mr McGimpsey: There is a difference between meetings of the North/South Ministerial Council involving all Ministers and meetings of the North/South implementation bodies. The latter falls under the auspices of the North/South Ministerial Council. That accounts for the total figure of 60 meetings.

Mr McNarry: How many meetings, Chairman, would the —

Mr McGimpsey: Two Ministers went to meetings of the implementation bodies that were set up.

Mr McNarry: How many practical meetings would it take to bed in, in Sinn Féin's view?

Mr O'Dowd: How long is a piece of string?

Mr McNarry: But you cannot operate —

Mr O'Dowd: You are asking me an impossible question.

Mr McNarry: Your opinion is that they have not had enough meetings to bed in. So you must have an

idea of many meetings they may require before they can bed in.

Mr O'Dowd: But they have not. Does anybody believe that any of the institutions set up under the Good Friday Agreement have had a chance to bed in? They have not. If parties can present practical alternatives or proposals, Sinn Féin will examine them; however, that is difficult in the current uncertain climate. Seán has suggested that there were 60 meetings. I do not believe that. I do not know whether he is saying that there were 60 meetings of actual Ministers across the table from each other. Is he saying that?

Dr Farren: Yes, there were. I have that information from the General Secretary of the North/South Ministerial Council.

Mr P Robinson: Given the time it took for the implementation bodies to bed in, there could not possibly be an argument to extend the number of implementation bodies.

Mr McNarry: That goes right down the line. Mr O'Dowd is saying that he would not agree to an annual report of the meetings that have taken place.

Mr O'Dowd: I am not saying that I disagree with it. I am not saying that it is a bad proposal. The institutions have not had the chance to bed in. If a proposal comes forward in a working environment, it would be worth looking at. But to do that in the absence of a working environment is impractical.

Dr Farren: The North/South Ministerial Council publishes an annual report. For the life of me I cannot see why we should object to an annual report being tabled by the First Minister and the Deputy First Minister and discussed in the Assembly. It is a sensible proposal, even if we were only starting from scratch.

Mr McNarry: Indeed.

Mr O'Dowd: We are making a mountain out of a molehill. I have already said that if it was presented in a working environment it would be worth looking at.

Mr McNarry: But you are saying the answer is slumberland as well.

Mr O'Dowd: Saying what?

Mr Campbell: Let us be clear about this mountain out of a molehill. Four out of the five parties have agreed its size, whether or not it is a mountain or a molehill. We need the fifth party to agree.

Mr O'Dowd: I have given my answer.

Mr Campbell: If that is the case then there is consensus and if not, there is not.

The Chairman (Mr Wells): It is clear that we do not have consensus. Mr O'Dowd has said that he is not happy with that proposal.

That moves us on to Mr McNarry's proposal about the Northern Ireland Audit Office.

Mr McGimpsey: It is that the Northern Ireland Audit Office examine the workings of the North/South bodies.

Mr P Robinson: Are they prohibited at the present time from doing so?

Mr McGimpsey: I only know by my own experience. I believe that they are just not doing it and should be, because public money is being spent. I know from my own experience that when we had concerns or wanted to do a check we had to call the Audit Office.

Mr P Robinson: I am quite content with that. It is a sensible thing. Could we ask officials to find out whether the Audit Office believes that it has any role at present?

The Chairman (Mr Wells): Do members want to defer a decision on that matter?

Mr McNarry: Subject to an answer from the Audit Office.

The Chairman (Mr Wells): Can I put that proposal regarding the Northern Ireland Audit Office. Have we consensus?

Mr O'Dowd: No.

Dr Farren: Let us find out what the current practice is. I cannot imagine that public money is being spent without some form of accountability.

Mr P Robinson: It would be absurd not to have it.

Dr Farren: That is why I believe that there must be form of accountability. Let us find out what exists and then perhaps come back to the proposal.

Mr P Robinson: To suggest that that was not a sensible proposal would be saying that it is right to watch how money is spent in Northern Ireland, but we can do whatever we want and throw millions away without any scrutiny.

The Chairman (Mr Wells): Are we happy to accept Séan's suggestion to defer a decision until we find out where we stand?

Dr Farren: It may be that there is accountability that meets our needs. I do not wish to be doctrinaire about this.

The Chairman (Mr Wells): It is lunchtime. I suggest that we adjourn. Mr Molloy will take the Chair at 2.00 pm.

Mr P Robinson: Do you want us to adjourn until 2.00 pm?

The Chairman (Mr Wells): No. We will be back in 15 minutes to resume business. Mr Molloy will take over at 2.00 pm.

The Committee was suspended at 12.25 pm.

On resuming —

12.52 pm

The Chairman (Mr Wells): We now have a quorum, and all parties are represented. Before lunch, we failed to reach consensus on one proposal. The second proposal concerned the role of the Northern Ireland Audit Office. Secretariat staff are liaising on that issue, and we may have a decision before the end of the day. Therefore, we will park the issue until we hear something further.

Are members content that North/South Ministerial Council issues have been adequately discussed? Are there any burning issues that we have failed to cover?

Dr Farren: I have misunderstood the procedures that we are following. When we were discussing what lessons could be learned from experiences of the North/South Ministerial Council, I mentioned only accountability and the need for Ministers to report back in detail.

The SDLP urges that an obligation for Ministers to attend meetings of the North/South Ministerial Council, the British-Irish Council and the Executive be included in the Pledge of Office. Other parties hold similar views, but I want to ensure that the SDLP view is on the record.

The operation of the North/South Ministerial Council was mentioned earlier, and I said that there was room for more free-flowing exchanges in the meetings. That did happen from time to time, but many of the meetings were formal because of the nature of the business that was being conducted. There has to be a certain level of formality, as proposals and propositions are brought to the meetings by those who are charged with advising the Ministers through the secretariat. The formality or informality of the meetings is a minor matter in the scale of issues that are being discussed. However, we need to examine how the business is allowed to be structured and to flow.

The Chairman (Mr Wells): The proposal is that Ministers would be required to attend North/South Ministerial Council meetings.

Dr Farren: Yes.

The Chairman (Mr Wells): We will take that to a vote. Do any members wish to comment further on the North/South Ministerial Council?

Mr Campbell: Is Dr Farren's proposal based on the premise that all the Ministers who are appointed to the Executive and who are carrying out their functions — including participation in the North/South Ministerial Council — agree to do so at the outset?

Dr Farren: Is Mr Campbell talking now about how we choose Ministers? That is agreed first. I am saying that it would not just be in respect of the North/South

Ministerial Council. The Ministers' duties should be made explicit in the Pledge of Office, not covered by "Ministers must attend all meetings". It should state that Ministers are expected to attend meetings of the Executive, the North/South Ministerial Council and the British-Irish Council. Is that sufficient?

Mr Campbell: Therefore, what Dr Farren is proposing now is not what happened in the 1998 era.

Dr Farren: That is correct.

Mr Campbell: I presume that it takes account of what happened in the 1998 era.

Dr Farren: Yes. It is based on the experience of some Ministers. Let me put it another way; it is necessary —

Mr Campbell: Dr Farren is not normally so shy and retiring.

Dr Farren: It is necessary that there be an explicit duty on Ministers to attend all meetings of the Executive, the North/South Ministerial Council and the British-Irish Council. There were two Ministers at any one time from Mr Campbell's party, and they did not attend any Executive meetings; Mr Campbell was complaining earlier that he did not get the opportunity to attend the British-Irish Council. If you are in for one, you are in for them all, and that must be made explicit. The SDLP is urging that the Pledge of Office contain a commitment for Ministers to attend all the meetings that they are required to attend.

Mr Campbell: I was not complaining about not getting the opportunity to attend the British-Irish Council; I was stating a fact and explaining how I got round it. I was not complaining that I was excluded; I was saying that an informal meeting took place after I had been excluded. I was not making a complaint that I had been excluded; it was simply a statement of fact.

Is it the underlying premise of Dr Farren's proposal that there is all-party agreement on how the Executive is appointed and its functions — including ministerial involvement in the North/South Ministerial Council — and that the proposal flows from that, or is it irrespective of whether there is agreement?

Dr Farren: That would not apply if there were no agreement. Perhaps I am being thick, but I cannot follow that logic. If we have agreed on how the Ministers are appointed, and so on, it is when they are appointed that their Pledge of Office contains a commitment to attend those meetings. I am not referring to the manner of their appointment.

1.00 pm

Mr Campbell: Under the former system there was no agreement. If Dr Farren's proposal were transposed back in time to 1998, it might have been the case that Ministers who chose not to attend the Executive would

have had no choice but to attend the North/South Ministerial Council. Is that correct?

Dr Farren: I can see what Mr Campbell is getting at now. My proposal would require Ministers to attend all meetings; there would be no opt-out clause. Is that correct?

Mr Campbell: Yes.

Dr Farren: Is there any objection to that?

Mr Campbell: If Ministers disagreed with the underlying rationale for the Executive being established and the appointment of Ministers to carry out certain functions, they would not have a choice.

Dr Farren: Rather than talk about what has happened since 1998, we should learn from experience. I assume that the next Executive will be established according to what we have agreed to be the basis of its formation and whether we have agreed to change the basis of its formation.

Mr P Robinson: That is why Dr Farren's proposal is not necessary. The only justification for it is what has happened in the past. Those circumstances would not happen in the future — at least, not in the foreseeable future. Twenty years down the road, perhaps, a party might not accept it.

Dr Farren: What is wrong with Ministers being required to commit themselves to attend —

Mr P Robinson: That is like saying: "What would be wrong with a Member of Parliament who has been elected being required to attend Westminster?" Is that what Dr Farren means?

Dr Farren: Not quite. I refer to Ministers.

Mr P Robinson: What about the responsibility of elected representatives?

Mr Ford: There may not be a valid comparison between people who stand for election to Westminster on an abstentionist platform, and Ministers. I have a sense of déjà vu from the discussion that we had on strand one matters. Why would a Minister want to be part of an Executive if he or she did not have confidence in it, or if he or she were not prepared to play a full role in it? It seems that positions have been reversed on opposite sides of the table.

Mr P Robinson: The answer is: to stop somebody else from having it.

Mr Ford: That is not necessarily a good argument for the construction of an Executive. Although one might make that case to prevent somebody else from occupying a parliamentary seat, an Executive has other responsibilities.

Dr Farren: The proposal simply provides added reassurance that Ministers will discharge their duties.

Mr Campbell: I certainly do not have a problem with the proposal, provided that it is based on that premise.

Dr Farren: How the premise relates to the formation of the Executive is not the topic of discussion: it is what will happen when several Ministers have been nominated and, in accepting their nominations, have committed themselves, through the Pledge of Office, to attend meetings of the Executive, the North/South Ministerial Council and the British-Irish Council.

If it were assured that we would all be good boys and girls, perhaps rules and regulations would not be needed. Unfortunately, however, they are needed because we are not always good boys and girls.

Mr Campbell: The proposal would not have to stop there.

Dr Farren: I know that.

Mr Campbell: Other conditions could be included, such as Ministers having to do x, y and z, and we must find out, in advance, whether each and every one of them fulfils those obligations.

Mr P Robinson: Perhaps that is the issue. It is more a matter for the ministerial code.

Dr Farren: The DUP pushes for that kind of approach from time to time.

Mr P Robinson: It is absurd. If there were an agreement to form an Executive, it is unconscionable that those who form that Executive and who want it to be formed would not attend whatever meetings were required.

Dr Farren: I would like to think that that would be the case.

Mr McNarry: To cut to the chase, are we saying that the assurance is that the precedent created and operated by the DUP in the previous Executive would not be followed by others in any newly formed Executive? Is that a restraining order? Are we looking for that assurance? That precedent worked, and the fact is — I will choose my words carefully — that the DUP got away with it. DUP Ministers saw everything to do with the Executive and the cross-border bodies. They were familiar with all those issues; the Ministers rotated, but they stayed outside the room and did not participate in Executive decisions. Is that what we want to curtail, so that no one else can do it?

Dr Farren: The DUP seeks reassurance from others on various matters, which, in a restoration situation, could be assumed in any case. In our view the DUP sinned on previous occasions — it may not be willing to accept that fact. The SDLP wants a reassurance that all key duties will be fully respected and acted upon. That is the point that I am making.

Mr P Robinson: Let us make it clear. During the course of the previous Assembly and Executive, the DUP was not simply in opposition to those who were in the Executive; it was in opposition to the whole process. It sought to oppose and expose that process, which is why it took the position that it did. Because of the strength of the party, we have to assume that if a new Executive were formed, it would be with the consent of the DUP, so the issue would not arise. However, that matter should be included in the ministerial code.

Other matters flow directly from that issue, such as the right of Ministers who have a prime responsibility for a subject to be the chosen Minister. Those issues must be addressed. If the First Minister and the Deputy First Minister decide that someone other than the Minister of Education should speak about an education issue, Members may feel aggrieved. There are issues surrounding who should be the Minister.

In normal circumstances, the appropriate Minister would be selected, but there might be circumstances in which that might not happen. If the Minister of Education held a peculiar view on a particular education issue that was inconsistent with the Executive's position, it might be deemed appropriate to select somebody else. Those issues could be discussed in the context of the ministerial code.

Mr Campbell: In which case Dr Farren would be the sinner.

Dr Farren: I am often the sinner.

Mr Campbell: That is the first step.

Dr Farren: Without prejudice to the reference to the Pledge of Office, I accept what Mr Robinson says about the ministerial code being an appropriate place in which to include a commitment to the responsibilities that I outlined. If that is a first step on the issue, let us ensure —

Mr P Robinson: I have no difficulty with that, because I am not in any way embarrassed by past practice. I always thought that the people who devised the system that allowed “Ministers of Opposition” needed their heads felt in the first place. It was their system, not mine.

Mr Ford: I am delighted that Mr Robinson feels that he is in a position to give guarantees of good behaviour in the future.

Mr P Robinson: The DUP is always well behaved, but I cannot guarantee that for anybody else.

Mr Ford: Mr Robinson seemed to be guaranteeing that there was no need to include responsibilities for attending meetings in the Pledge of Office or in the ministerial code because the DUP intended to behave itself in the future. The implicit assumption was that

everybody else was guaranteed to behave themselves anyway.

There is a valid point —

Mr P Robinson: I am glad that Mr Ford recognises that that was not a valid point.

Mr Ford: There is a further valid point: if an issue has arisen about the duty of Ministers to attend meetings, an issue will almost certainly arise about the right of Ministers who have a particular interest to attend. The Alliance Party has concerns about the sectarianism of nominating Ministers to North/South Ministerial Council meetings, whereby no unionist Minister can attend without a nationalist Minister also having to attend to keep an eye on him or her, and vice versa. That would be rendered completely unnecessary if the Executive operated on the basis of collective responsibility, in the expectation that Ministers could agree not only on attendance of meetings but on what the Executive policy should be in the first instance.

Mr P Robinson: It would certainly be less of an issue, but it would not prevent an item being included on the agenda that had not perhaps been considered by the Executive — or, for that matter, an issue that arose during a discussion on an agenda item. Those circumstances would have to be considered.

Mr McNarry: It is an interesting discussion, but I do not know where it is going.

The Chairman (Mr Wells): That had occurred to me.

Mr McNarry: As far as I can tell, Mr Robinson has given us an assurance that the DUP will participate. As to behaviour, there can be no assurances on that. Dr Farren's proposal seems to be looking for assurances along the lines that he has teased out. That is either sufficient or it is not; I hope that it is and that we can move on.

The Chairman (Mr Wells): The proposal is that the nominations to attend North/South Ministerial Council meetings, and the requirement to attend, be incorporated into the ministerial code. Is that acceptable?

Mr P Robinson: Some other issues probably need to be incorporated as well, such as who should attend.

Dr Farren: Can I take it that whatever else Mr Robinson is hinting at would be —

Mr P Robinson: I am talking about ensuring that the appropriate Minister attends — for example, if his or her departmental issues are to be addressed.

Dr Farren: In so far as was possible, that was attempted during the previous Assembly, but it is a separate issue.

The Chairman (Mr Wells): Would the inclusion of the word “nominations” in the proposal cover that

concern as to who attends? Is it wide enough? We will return to the ministerial code at a later stage, and we will not preclude any debate on these issues.

Mr O'Dowd: Can I suggest that the matter be left until then? I have no difficulty with the proposal as it currently stands, but I am concerned by Peter Robinson's remark about the "appropriate Minister". For instance, if a Minister holds a peculiar view on, for example, education, I see a line for exclusion in that. It would be more useful to return to this matter during the debate on the ministerial code.

The Chairman (Mr Wells): Do members have any problems with the general proposal?

Mr O'Dowd: Can you read it out again, please?

The Chairman (Mr Wells): The proposal is that nominations to the North/South Ministerial Council meetings, and a requirement to attend, be incorporated into the ministerial code.

Dr Farren: My final point is that that duty in the ministerial code would probably include the British-Irish Council and the Executive.

The Chairman (Mr Wells): By putting that comment in Hansard, you have achieved that. There will be a wide-ranging discussion on the ministerial code, so you can be guaranteed that those issues will be raised again.

Can we take it that there are no other burning issues on the North/South Ministerial Council? Are members content?

Members indicated assent.

The Chairman (Mr Wells): Are members happy enough to move on? That being the case, we can move on to the other issues that arose from the various submissions and the Hansard report.

We will follow the usual format, and members should speak for a maximum of five minutes on one or all of the issues — not that anyone has taken the full time so far this morning. Members can then indicate to me if they wish to ask questions or raise a subject matter.

Mr Ford: I must confess that I am not sure what the first point means:

"Assembly decision for issues outside departmental responsibilities".

The Chairman (Mr Wells): That came from the DUP.

Mr Ford: I am not sure what that means in this context. I shall await with interest what the DUP has to say on that. We have already tossed around the matter of the interdependency of the institutions.

1.15 pm

The establishment of a North/South consultative forum is part of the agreement and must be considered,

although I suspect that I will probably apply the O'Dowd argument to that, if John does not mind my misquoting him. I agree that as there was so much difficulty in establishing a role for the Civic Forum, it would be better to have the institutions up and running before we attempt to make further progress.

I have already made clear my position on the North/South parliamentary forum and on developing other cross-border bodies as appropriate.

The Chairman (Mr Wells): The point:

"Assembly decision for issues outside departmental responsibilities"

was taken from the DUP's written submission. No doubt Mr Robinson will take the opportunity to explain that in his contribution.

Mr P Robinson: You may not doubt it, but I need someone to indicate what that is shorthand for in our proposals.

The Chairman (Mr Wells): I have a copy here:

"NSMC/BIC agendas. The relevant legislation would be amended as necessary to make clear that where a matter on the agenda for a meeting of the NSMC or BIC was one outside the responsibilities of a Minister due to attend, because it was outside his or her departmental responsibilities and not covered by a transfer of authority from another Minister it would be subject to a decision of the Assembly."

Mr Ford: That is clear now.

Mr P Robinson: You have clarified that, so I do not now need to speak about it.

I will start by addressing the point on the status of the North/South bodies and whether they should stand alone or be part of the British-Irish Council. The DUP believes that the British Isles as a whole should be the axis on which we should compartmentalise. Therefore, North/South bodies should not stand alone. Rather than having a separate relationship, they should form part of the overall relationships within these islands, and there should be a British-Irish axis.

The DUP has said publicly on several occasions that it will consider the establishment of a North/South parliamentary forum in the context of an overall agreement. We have misgivings about the type of forum that is being suggested. The DUP believes in a parliamentary "association" as opposed to what is being defined as a parliamentary "forum". Any Member of Parliament can join and take part in the proceedings of the parliamentary associations at Westminster. The North/South parliamentary forum would be restricted. Only a percentage of people — in accordance with party strengths, and so forth — would be entitled to attend. It would not be an inclusive body. Therefore, it might be set up for purposes other than

parliamentarians getting to know each other and share views on issues.

The North/South consultative forum would probably have as much value as the Civic Forum — and everyone knows my view on that from previous discussions. There are enough areas in the labyrinth of structures that we have been considering to allow for consultation with civic society. We do not need to construct or, more importantly, pay for another one. I am not a great supporter of that proposal.

The DUP believes that the British-Irish Council should have a secretariat. The secretariat of the North/South Ministerial Council has provided much of the drive that led to the multiplicity of North/South meetings. The lack of a similar secretariat on the British-Irish Council, or east-west front, is probably one reason that it has a much lower profile. If the intention is to have equivalence between the two bodies, that will happen only if a secretariat drives forward the British-Irish Council.

The Chairman (Mr Wells): Is that a formal proposal?

Mr P Robinson: Yes.

Mr O'Dowd: We need to discuss further what the DUP means by:

“Assembly decision for issues outside departmental responsibilities”.

Sinn Féin has already commented on the interdependency of the institutions. We are in favour of establishing a North/South consultative forum, a North/South parliamentary forum and other cross-border bodies.

The status of North/South bodies is legislated for under the 1998 Act and the Good Friday Agreement, and we see no need to change that.

The Chairman (Mr Wells): Does the SDLP wish to comment?

Dr Farren: Since the DUP raised the first point:

“Assembly decision for issues outside departmental responsibilities”

I am wondering whether it is related to paragraph 3(iii) of strand two of the Good Friday Agreement:

“The Council to meet in different formats: in an appropriate format to consider institution or cross-sectoral matters (including in relation to the EU) and to resolve disagreement.”

There was discussion during some of the general plenary meetings of the North/South Ministerial Council of how we might meet in cross-sectoral format. I wonder whether that was in the minds of the DUP with respect to matters outside departmental responsibilities.

I am in favour of what the NSMC was proposing to do, although we never got round to meeting in cross-sectoral format. Alongside the meetings that were held in the specific sectoral formats, Ministers with appropriate responsibilities could have met to address issues that crossed their departmental boundaries. Given that there is no immediate congruence between all the portfolios, North and South, it might be necessary for more than one Minister from either side to attend as the lead Minister on occasions where such matters were being addressed. That requires consideration.

We have already heard quite a bit about the interdependence of the institutions. I accept the principle.

I would not reject the notion of a North/South consultative forum as easily as Mr Robinson seems to. The agreement makes provision for consideration to be given to the establishment of an independent consultative forum and the bringing together of representatives from leading sections of civic society North and South, perhaps twice a year. That would be a helpful source of advice from the perspective of those particular sectors. We should consider the establishment of such an independent consultative forum. I believe that initial ideas on this were being put together by the North/South secretariat before suspension.

As for the parliamentary forum, it would be useful to have that in the more structured way that is suggested in the agreement. It would be a forum in which matters of mutual interest and concern would be discussed, and it would provide an opportunity for people to get to know one other, and for the type of informal contacts that are often wanting in North/South relationships at political and, in particular, parliamentary level, to be positively developed.

I have not spoken specifically about the need for other cross-border implementation bodies. However, the SDLP has a number of proposals that would enhance the range and work of the existing bodies and which would allow us to consider other areas that could be included in their remits. The Assembly would have to agree to any further development of the North/South areas of co-operation and the North/South implementation bodies. We should not shy from such a discussion. However, we must always bear in mind that whatever our ideological approaches, the key test is whether those bodies are of practical benefit to people, North and South.

Finally, we do not accept the arguments for the DUP's inclusive approach on this matter. The intensity and need of North/South relationships are such that they could not be addressed effectively in a council, as the DUP has proposed. North/South relationships are

different, so that proposal does not commend itself to us in any way.

Mr McGimpsey: I will deal with the issues in no particular order, as we have already drifted across several of them this morning.

The Belfast Agreement clearly states that the institutions are mutually interdependent and that one cannot successfully function without the other. As I said this morning, on 8 March 1999 Paul Murphy said in the House of Commons:

“The North/South Ministerial Council, to which the bodies are accountable, would disappear if there were no Assembly. Similarly, the bodies envisaged in the agreement would disappear.”

That is the deal.

The North/South consultative forum is a little offering straight out of the comprehensive agreement, which arose from discussions that the two Governments had with the DUP and Sinn Féin. We are just lifting bits out of it. The Belfast Agreement states:

“Consideration to be given to the establishment of an independent consultative forum.”

The UUP has not been persuaded of the need for a North/South consultative forum. It does not even believe that the Civic Forum for Northern Ireland has fully vindicated itself. As the party considers the Civic Forum to be redundant, it would therefore not want to see the creation of an even bigger, full-blown forum.

I now turn to the North/South parliamentary forum. The comprehensive agreement states:

“The Northern Ireland Executive would encourage the parties in the Assembly to establish a North-South parliamentary forum bringing together equal numbers from the Oireachtas and the Assembly, and operating on an inclusive basis.”

As matters stand, that would be premature. I do not see how the establishment of such a forum would make a difference, as far as reaching agreement is concerned. Mechanisms already exist to facilitate North/South discussions, if they are to be entered into. The establishment of a parliamentary forum would thus be unnecessary, given the number of other North/South bodies that are already floating about.

To discuss the creation of more cross-border bodies is pretty much to open a Pandora’s box. The agreement was “six-six” — that six implementation bodies would be set up and six further areas of co-operation would be identified — and one was a quid pro quo for strands one, two and three, which are each mutually interdependent. When one element of a quid pro quo agreement is altered, it is very difficult to maintain that agreement. It seems that there will be no agreement on the proposal to increase the number of cross-border

bodies. However, the comprehensive agreement proposes the establishment of a review group to examine objectively the case for additional bodies and areas of co-operation. Again, as matters currently stand, that is a long shot. It would be a step too far.

Are there any issues that I have missed? As regards:

“Status of North South Bodies (stand-alone or part of the British Irish Council)”,

our problem with the British-Irish Council was that it did not have a satisfactory secretariat and, therefore, functioned poorly. I would be concerned if that were reinforced. The British-Irish Council must work and operate properly. That requires a three-strand approach, with each strand dependent on the others. If one does not work, the others do not work: that was the deal. I am not clear how that would operate under a British-Irish Council. My party sees the British-Irish Council as being important because it recognises the common polity of the British Isles, North/South bodies and strand one as part of the quid pro quo.

1.30 pm

As regards:

“Assembly decision for issues outside departmental responsibilities”,

that has been washed around today. However, nobody has defined what the issues are. It seems to me that the Office of the First Minister and the Deputy First Minister, with its cross-cutting and co-ordinating role, would have a responsibility to bring matters that are outside departmental remits to the Assembly for decision.

Mr P Robinson: The establishment of an independent North/South consultative forum was not part of the comprehensive agreement. Annex B, paragraph 8 of the proposals for changes in strand two and strand three institutions contains carefully formulated terminology suggesting that the establishment of a North/South consultative forum would be a matter for the Northern Ireland Executive to determine.

There is a conflict with regard to the review of the implementation bodies that is proposed in the comprehensive agreement. The unionist view is that the number of implementation bodies should be reduced; the nationalist view is that there should be additional ones. All that shows is that there was no agreement on the issue. The Governments took that into account.

“Assembly decision for issues outside departmental responsibilities”,

it appears, refers to paragraph 4 of the proposals on strands two and three in the comprehensive agreement, which states that when a topic arises that does not fit neatly into a departmental portfolio, then rather than have a random Minister take responsibility for it, the

Assembly would take a view. I am not sure that that is likely to occur often. I suppose that it will depend on how many Departments there are. There is already conflict within some of them. For instance, the Department for Regional Development (DRD) is responsible for energy policy. In my view, energy is better dealt with by the Department of Enterprise, Trade and Investment (DETI), though one could argue that it is the responsibility of DRD. If an energy policy issue arises, therefore, it could be decided upon by the Assembly.

The Chairman (Mr Wells): Do you intend to make a proposal on matters that fall outside the remit of a specific Minister? Does the party feel particularly strongly about that?

Mr P Robinson: There are two ways to deal with that. One is for the Executive to agree on which Minister should deal with the subject. If there were conflict with regard to joint ownership of it, it would, presumably, be the role of the First Minister and the Deputy First Minister to determine which Minister would speak on behalf of the Executive. As we discussed earlier with regard to the ministerial code, it is difficult to determine which Minister is responsible for an area where there is conflict or an overlap.

The Chairman (Mr Wells): So you are just putting it on the record, as it were.

There was one suggestion that seemed non-controversial, which was that the British-Irish Council should have its own secretariat — in the same way that the North/South Ministerial Council has its own secretariat. There did not seem to be any great opposition to that. May I put that to the meeting to get it out of the way?

Mr McGimpsey: A standing secretariat.

The Chairman (Mr Wells): Are there any problems with that?

Mr O'Dowd: I will be the fly in the ointment again. We will have no consensus on that matter.

Mr P Robinson: I assume that Sinn Féin is moving back from its 2004 position on that issue.

Mr O'Dowd: As Mr Robinson is aware, the comprehensive agreement was not implemented. His party walked away from it.

Mr P Robinson: There are two issues that flow from that. First, it is clear that Sinn Féin walked away. They took cold feet and held a press conference before the discussions had even concluded. Secondly, whether the agreement was proceeded with or not, I do not recall that Sinn Féin had any difficulty with this issue back in 2004, and I wonder, irrespective of what happened to the overall agreement, why it is a problem now.

Are we saying that there should not be a secretariat — that there is some point in principle why we should not have a secretariat for east-west matters? What is the point of principle?

Mr O'Dowd: I am not saying that it is a point of principle. I said that we are not going to get consensus on it today. Mr Robinson said earlier that there might be matters that would be raised at future engagements; this may be a matter for a future engagement.

The Chairman (Mr Wells): We do not have consensus on that.

Dr Farren, did you want to make a proposal for a North/South consultative forum? You seemed quite keen on that idea.

Dr Farren: There is provision for consideration of the establishment of an independent consultative forum, although the comprehensive agreement does not explain by whom the consideration should be given. Is it solely the responsibility of the two Administrations — the Executive, and the Cabinet in the South? Leaving that aside, we would certainly propose in the course of any consideration that there be an independent consultative forum.

Mr McGimpsey: May I offer some clarification on this issue? Mr Robinson appeared to say that it was not agreed in the comprehensive agreement. In annex B it is quite clear that:

“The Northern Ireland Executive would support the establishment of an independent North/South consultative forum appointed by the two Administrations”.

Not “could” but “would”. There is clearly an imperative there.

“The Northern Ireland Executive would encourage the parties in the Assembly to establish a North-South parliamentary forum”.

The point of the latter is that the parties in this deal, as part of the Northern Ireland Executive, “would encourage” the parties in the Assembly. We can take it as read that the two parties involved with the two Governments would be in there as part of that.

We had a little exchange there in which Mr O'Dowd said that the comprehensive agreement was not implemented and that the DUP walked away; and Mr Robinson said that Sinn Féin walked away. Clearly, there was some form of pre-agreement agreement between the two Governments, Sinn Féin and the DUP that they:

“would support the establishment of an independent North/South consultative forum”

and

“would encourage the parties in the Assembly to establish a North-South parliamentary forum”.

I am concerned about those side deals and where the real discussion is going on. Dr Farren can make his proposal. I am already on record as saying that the Northern Ireland Civic Forum is redundant. I do not see why we need another one. There are enough bodies floating around for co-operation without yet another — this North/South parliamentary forum.

I am concerned that we will go through this dance, and then at the end of it all, when Sinn Féin, the DUP and the two Governments get together for discussion as they inevitably will during the autumn, this is all going to cough out.

John says that the comprehensive agreement was not implemented and that the DUP walked away; Peter says that it was Sinn Féin that walked away from it. Therefore, I wonder about the point of much of this discussion.

Mr P Robinson: What happened is public knowledge. We were in the final days of negotiations when Mr Adams called a press conference and took his ball home with him. That was the end of that process. That annoyed the Government so much that they came over here and announced proposals that they had been considering anyway.

It is very clear that the DUP did not, at any stage, agree to the establishment of an independent consultative forum. The two Governments put forward the proposal, but the proposal required that its establishment be an action of the Northern Ireland Executive. Therefore, it did not have our support. It would not have happened under present circumstances.

Mrs Long: Whatever else might be said about the comprehensive agreement, we can at least agree that it was not agreed.

I want clarification of Seán’s proposal. Does he propose that consideration be given to a consultative forum being set up or that the forum be set up? Those two proposals differ slightly. We would be happy with one, but probably not with the other.

Dr Farren: I am following the proposal in the Good Friday Agreement, which states:

“Consideration to be given to the establishment of an independent consultative forum appointed by the two Administrations.”

The SDLP certainly believes that a consultative forum should be established, not because it wants a plethora of bodies, but because such a forum would make a useful contribution and would enable leading representatives from key sectors of civic society — and not always the same key sectors — to engage in consultation. We must consider how that kind of

advice can be best provided. A consultative forum would enable the future development of North/South relations in general and, in particular, of those areas for which the North/South Ministerial Council has responsibility. My proposal is that consideration should be given to a consultative forum. Have we moved on to considering its formal establishment?

Mrs Long: That was what I want to be clarified. I want to know whether your proposal was that we should consider the establishment of a forum or agree to its establishment.

Dr Farren: I am saying that we should consider it. I do not believe that today’s discussion amounts to a comprehensive consideration of the matter. The discussion has been on the general concept of a forum.

Mr P Robinson: Neither do I. No one has yet put a case for a consultative forum, other than to say that the agreement provides for it. Nobody has told me why it would be a good thing, why it is necessary or why the money to be spent on it would not be better spent elsewhere. What is the value of it?

Dr Farren: I tried to explain that a few moments ago.

Mr P Robinson: The only thing that you said was that it was part of the Belfast Agreement.

Dr Farren: I said that it would be useful for representatives from key sectors of civic society to meet. I support the case for a consultative forum in the same way that I support the case for the Civic Forum. If the Committee wants serious consideration of the proposition, I am prepared to bring more detailed proposals.

Mr P Robinson: The general view of the Civic Forum was that, as a limited number of people were involved, a limited part of civic society was represented. There are many other ways in which representatives of civic society can give their views to Government.

Exactly the same applies to a North/South consultative forum to which there are alternatives that do not involve further expenditure. There is no constitutional issue: it is just a waste of money.

1.45 pm

Dr Farren: We will need evidence of what you referred to as the “general view”. I do not include myself in the “general view” that the Civic Forum was a waste of time and money and was unrepresentative. I do not accept those judgements. We must not be so dismissive. Quite a number of highly respected people participated in the Civic Forum. There were frustrations but those were a result of the frustrations that affected the general political situation. We should give serious consideration to the retention of the Civic Forum and the creation of a North/South consultative forum, as proposed in the Good Friday Agreement.

Mr McGimpsey: A North/South consultative forum is mentioned in the agreement. However the agreement states only that parties should give it their “consideration”. The UUP has considered it and was not convinced. That remains our position on an interparliamentary forum and the Civic Forum.

The Chairman (Mr Wells): Unless I hear otherwise, it is clear that the UUP and DUP do not agree to either the consideration or establishment of a North/South consultative forum. As there is no consensus, Seán’s proposal falls.

We have examined the catch-all “Other Issues” category. Should any other points have been raised during that discussion?

Mr Ford: Yes. When we were discussing an interparliamentary forum, Peter talked about an interparliamentary association.

Mr P Robinson: Instead of a forum.

Mr Ford: Is that a formal proposal?

Mr P Robinson: I do not think that it would achieve consensus.

Mr Ford: You are not normally so reticent.

Mr Campbell: It is catching.

Mr P Robinson: I do not see the benefit of putting forward a proposal that I know will not run.

The Chairman (Mr Wells): Are there any other points?

Mr D Bradley: The only time that we reached consensus all day was at the break for lunch, since when there has been none. Sinn Féin objected to the annual presentations being made in the Assembly on behalf of the North/South Ministerial Council and also to the east-west body having a secretariat. Those minor proposals are not high on the Richter scale. Nevertheless, they should have been agreed today and they were not.

The Chairman (Mr Wells): We have not made as much progress on reaching agreement as we did on Friday. However, the Committee operates under the rule of consensus.

Mr P Robinson: Is a change in personnel needed to reach consensus?

Mr Campbell: Might the two things be linked?

The Chairman (Mr Wells): I do not know, but it is disappointing that we have not made much progress today. However, as we are bound by the rule of consensus, we must proceed on that basis.

The Committee Clerk has just made an important point. Normally, when the Committee has not reached consensus, those who objected have been asked to indicate whether they merely disagree with certain

proposals or consider them to be major impediments to devolution. When the reports are being written, it is important to distinguish between the issues that are major obstacles over which parties will die in a ditch and those on which there is merely disagreement.

Does Sinn Féin consider anything to which it has objected to be an impediment to devolution?

Mr O’Dowd: No. I was about to make that point when I noticed that the Committee Clerk was speaking to you. None of the issues to which Sinn Féin has objected today are deal breakers. We may reach agreement on some after further discussion and debate, but we will simply not reach consensus on others today. That is normally how politics works.

The Chairman (Mr Wells): There is still no decision on the Northern Ireland Audit Office issue, but I will let members know when I receive it.

Is that as far as we can take the other issues?

Mr O’Dowd: Did the DUP and the Ulster Unionist Party not withdraw consensus from a few matters as well?

Mr P Robinson: I want to make it clear that some issues are deal breakers. The accountability of the North/South Ministerial Council to the Assembly in strand two is a vital issue for the DUP.

The Chairman (Mr Wells): What about the Ulster Unionists?

Mr McGimpsey: Nothing that we have discussed today is of strategic importance. Everything can be talked through.

The Chairman (Mr Wells): The Alliance did not break any consensus today.

Dr Farren: We will come back to the issues on which we have not reached agreement. We will then weigh up what has and has not been agreed.

The Chairman (Mr Wells): Are there any other issues that members feel have not been adequately dealt with? If I do not hear from anybody, we will move on to strand three.

There are some housekeeping and procedural issues to deal with. Members will recall that the Secretary of State referred a work programme to the Committee on 3 July 2006. Under “October” it states:

“Parties conclude discussions and finalise draft Programme for Government and draft Ministerial Code.”

We need to decide how to proceed. Members have spoken at length this morning about the ministerial code, and it has come up several times in deliberations during the past few weeks. What do members feel is the best way of taking the issue forward so that we have something for October?

Mr P Robinson: On the basis of our discussion earlier, we first need to clarify whether we are talking about the code of conduct in schedule 4 of the Northern Ireland Act 1998; the ministerial code drafted by the previous Executive; an amendment to the code of conduct; or a new ministerial code to be put in legislation with key elements of the existing draft ministerial code. The draft code ran to about 50 pages. Perhaps it would be too chunky to go into a schedule to the legislation.

The Chairman (Mr Wells): It is important that we clarify the issue. I assume that no member has the answer to those questions this afternoon.

Mr P Robinson: We generally agree that the ministerial code should be put on a statutory basis. Could we provide a paper, for the next meeting or the one after that, on what we see as the key elements that should be in a ministerial code or in the statutory element of a ministerial code? Presumably the Executive could produce, and the Assembly could agree, the full ministerial code when an Executive is up and running.

As regards legislation, and the elements to be legislated for, we have talked about support for the institutions of law. It could well be that we would have some unanimity on that point, and that that should be included in statute.

Dr Farren: It is sensible to ask parties for their views on what they regard as essential elements to be included in statute and what else is needed. I think that that proposal was made earlier this morning.

The Chairman (Mr Wells): Would the Committee prefer the parties to do that, rather than asking the Clerks to go through the various documents and trawl out the views? Is it simply that a fresh paper from each party is required?

Dr Farren: Obviously, parties are going to have their own views anyway. Could the secretariat do what you are suggesting?

Mr P Robinson: We could amend it, so it does not matter which way we choose to go.

Dr Farren: It would not preclude parties from preparing their own papers. If the secretariat would like to be helpful in trying to identify the common areas then that would be a useful contribution.

Mr P Robinson: Are we asking them to produce a paper with common issues, or the issues that have been raised by one or more parties?

Dr Farren: Could they do both?

The Committee Clerk: We can study Hansard to see what views have been expressed, and those that have not, and we will be able to see where there has been diversity among parties. We can highlight those

issues and circulate them to members if they so wish. That could be a useful starting point.

Mr P Robinson: One difficulty will be that we agreed in general terms that the ministerial code should be used to provide greater accountability. However, specific proposals will be needed when producing the code itself.

Mr McGimpsey: There is also the matter of the draft document's status — I am still not certain about that. Part of it is marked "agreed version". However, the rest is not marked.

The Committee Clerk: The Office of the First Minister and the Deputy First Minister said that that device is used to differentiate that part from earlier drafts.

Mr McGimpsey: Is this draft code just one of many that have been sent back and forth?

The Committee Clerk: The one that you are using is the final draft.

The Chairman (Mr Wells): Perhaps it would be better that the parties draw up their views on this important issue. Do we have a time span for the next meeting? Presumably, it will be next Monday.

Dr Farren: Would it be helpful if the parties submitted their papers to the secretariat before the next meeting, so that Committee staff could identify the common areas?

Mr P Robinson: Is it necessary to have this before the next meeting?

Dr Farren: No; perhaps the one in a fortnight's time.

The Chairman (Mr Wells): That date will be 4 September 2006. Is it possible to submit papers to the Clerks in time for the next meeting? That will give them a week to go through the papers. A brief list of options is all that is required.

Having considered the code of conduct, what shall we do about the Programme for Government?

Mr P Robinson: We have a long road to travel before we reach that stage.

The Chairman (Mr Wells): The Secretary of State is expecting us to conclude discussions and finalise the draft Programme of Government by the end of October.

Mr O'Dowd: Has the Committee formally agreed the work plan?

The Chairman (Mr Wells): It has been laid down as a Holy Writ from the Secretary of State. The Committee did not agree to any of it.

Mr O'Dowd: In the past, certain members always noted reference to it. I have no problem with it.

The Chairman (Mr Wells): We want to make members aware of those two issues.

Dr Farren: If there is a reasonable level of agreement on the report from the Subgroup on the Economic Challenges facing Northern Ireland, that would form a significant part of a provisional — if I can use the word “provisional” — Programme for Government. Any Programme for Government would have to be endorsed by the Government — those who are going to participate in it — and that would go beyond this Committee.

Mr P Robinson: With respect, not all of the parties here would be involved in drafting a Programme for Government.

Dr Farren: That is why I used the word “provisional”.

Mrs Long: That issue was raised when the timetable was put in front of us. Although the Alliance Party would be content to contribute ideas, it would most likely be in opposition —

Dr Farren: Do not count yourselves out.

Mr Ford: Everybody else seems to.

Dr Farren: We do not.

Mrs Long: My party would, perhaps, not be welcome in those discussions.

Mr P Robinson: Unless there is a voluntary coalition.

Mrs Long: Of course.

Mr Ford: The tenor of discussions in recent weeks would suggest that a voluntary coalition is unlikely to attract consensus.

Mrs Long: There is certainly no consensus on that matter.

Mr Ford: I want to give a serious response to Dr Farren’s point, which others may or may not choose to take any notice of. I have no doubt that the work of the Subgroup on the Economic Challenges facing Northern Ireland will be of some use to those who are working on a Programme for Government, but it does not cover that much ground. Its focus is more on private-sector growth than the responsibilities across the full range of Government Departments.

Dr Farren: I appreciate that.

Mr Ford: It would be interesting if somebody could produce the previous Programmes for Government, the most recent of which was being debated in the Assembly just before suspension. It would be useful to ascertain how much of those programmes has been carried out thus far. That might expose a few gaps and enable members to discuss possibilities for the next Programme for Government.

2.00 pm

Mr P Robinson: Mr Chairman, you seem to be labouring under the misapprehension that the Secretary of State’s edict contains the work plan for this Committee, but, of course, it does not. It is his timetable, which takes us through to November. It includes items that have nothing whatsoever to do with this Committee, one of which is probably the Programme for Government.

The Chairman (Mr Wells): The Committee could decide that it would —

Mr P Robinson: It could not.

The Chairman (Mr Wells): Well, it could, but perhaps it will not.

Mr P Robinson: It could not. It is for the Executive to determine the Programme for Government. This Committee will not be the Executive, so what possible benefit can be gained from its discussing the draft Programme for Government?

Mrs Long: The Programme for Government is included in the Committee’s terms of reference. During the Committee’s first few weeks, there was much discussion on the terms of reference and the chairmanship — there were also many other belaboured and fruitless debates. There was a long debate on whether it was appropriate for the Committee to discuss the Programme for Government, and I commented that I was not sure that it was, given that the Alliance Party was at the table and expected to be in opposition. As far as I can recall, the Preparation for Government Committee was not only to consider barriers to restoration, but also to prepare a programme of work. Thus, it was part of the Committee’s original terms of reference, in accordance with the Secretary of State’s direct correspondence to the Committee.

Mr P Robinson: The Secretary of State is fairly clear on this: it is the parties’ responsibility, not a Committee’s.

The Chairman (Mr Wells): If the consensus is that we do not deal with this matter, that is fine, but we must make a decision one way or the other. What are members’ views? Dr Farren, have you any comments?

Dr Farren: No.

The Chairman (Mr Wells): There seems to be consensus that we should not take the issue any further.

Mr Campbell: The Northern Ireland political process work plan specifically states that, in October, parties — rather than the Committee — are to conclude discussions and finalise a draft Programme for Government.

Mr McGimpsey: We must be realistic; any Programme of Government is a matter for an Executive, not a Committee.

The Chairman (Mr Wells): Right, that is fair enough. We will move on.

The issue of explosives was raised at the meeting of 16 August 2006. I must emphasise that we were discussing explosives that are used for legitimate purposes such as quarrying, road laying and so forth. There was a question as to whether that should be the responsibility of the Department of Health, Social Services and Public Safety or a new policing and justice Minister. We asked for some material on the issue, and I have received a letter dated 15 August 2006. Have members had a chance to read it?

Mr P Robinson: What kind of material?

Mr Campbell: Material for explosives.

Mr Paisley Jnr: Have we got the material?

The Chairman (Mr Wells): Any thoughts on the issue? Dare I ask if there are any experts on explosives in the room?

Mr P Robinson: Why is everybody looking in one direction? *[Laughter.]*

Mr O'Dowd: Sorry, Chairman, I am just checking my diary. I take it that the matter was raised at the PFG Committee dealing with law and order?

The Chairman (Mr Wells): Yes, the question was asked as to whether the legitimate use of explosives should fall under the remit of the Department of Health, Social Services and Public Safety or of a new policing and justice Minister, whenever he or she is appointed. We asked for a note on the matter.

Mr O'Dowd: Did the PFG Committee dealing with law and order ask this Committee, which deals with institutional issues, to deal with it?

The Chairman (Mr Wells): Yes, it did.

Mr O'Dowd: Passing the buck, I think.

Mr Paisley Jnr: We will advise our members on the PFG Committee dealing with law and order where that issue would be most effectively placed.

The Chairman (Mr Wells): Are we to pass the issue back to the PFG Committee dealing with law and order, which meets on Wednesday?

Mr Paisley Jnr: Some members here will be at that meeting.

Mr P Robinson: Further consideration should be given to it, and it could be raised on Wednesday.

The Chairman (Mr Wells): We have made a lot of progress today, have we not? I have to go, folks.

(The Chairman (Mr Molloy) in the Chair.)

The Chairman (Mr Molloy): Members are advised that we have finished our discussions on strand two issues. Do members wish to begin to discuss strand

three issues, or to leave that until the next meeting? Monday is a bank holiday, so it has been suggested that we have our next meeting on Tuesday 29 August, unless members want to come in on the bank holiday.

Mr McGimpsey: That suggestion would have little support.

The Chairman (Mr Molloy): Is there no consensus on that?

The Committee Clerk: We would have to arrange doorkeepers and open the Building. It would be very difficult.

The Chairman (Mr Molloy): Do members want to continue with other issues in relation to strand three?

Mr P Robinson: Is there anything in that that we have not discussed?

Dr Farren: The British-Irish Council?

Mr P Robinson: I was referring to strand three issues.

Mrs Long: In our discussion on the third part of strand two, we strayed into some strand three items such as the British-Irish Council and a possible secretariat. Much of this has already been discussed.

Mr Campbell: It is equally true that many strand one issues spilt over onto strand two.

Mr McGimpsey: Strand three issues are important. I suggest that we return to that discussion on Tuesday 29 August.

The Chairman (Mr Molloy): It may take only one meeting, but there are several different issues for consideration.

Dr Farren: We spoke earlier about familiarising ourselves with the work of the British-Irish Council. We should take that issue seriously between now and then.

Mr P Robinson: That material could be sent out to us before our next meeting.

Dr Farren: There is a great deal of information about the work of the British-Irish Council on its website. I am sure that you have visited it frequently.

Mr P Robinson: It is on my "Favourites" list.

Dr Farren: Good. *[Laughter.]*

Mr Campbell: He will not tell you what else is on his "Favourites" list.

Mr Ford: Is this private banter, or can anybody join in?

Dr Farren: You might be surprised about what goes on there.

The Chairman (Mr Molloy): Can information be circulated before the next meeting, so that members

are up to date and have something to read on the bank holiday?

Mr P Robinson: We said earlier that we should be provided with reports of meetings of the North/South Ministerial Council and the British-Irish Council.

The Chairman (Mr Molloy): The report of the Subgroup on the Economic Challenges facing Northern Ireland is to be presented for consideration at next week's meeting, so that will have to be factored into our work programme. We will also have to discuss motions for the plenary debates on 11 and 12 September, which could concern the work of the subgroup or other issues. The report will be available for members of the subgroup before those dates.

Mr P Robinson: May I ask whether officials are drafting reports in parallel to these meetings?

The Committee Clerk: There are separate Committee Clerks for each of the three meetings. We are starting to pull together the reports on the institutional issues, the law-and-order issues, and rights, safeguards, equality issues and victims.

Mr P Robinson: You will be working overtime.
[Laughter.]

The Chairman (Mr Molloy): It is difficult for the staff to facilitate these meetings and also to draw up reports. After today's meeting, the report will start to gel. Much work will be needed to gel everything together.

Mr O'Dowd: At this stage, the only group to confirm that it will present a report to this Committee is the Subgroup on the Economic Challenges facing Northern Ireland.

The Committee Clerk: The subgroup meets tomorrow and on Thursday to agree a report, which it will table before this Committee. If the Committee accepts the report, it will be ordered to be published. At next Tuesday's meeting, members will consider whether they have a motion on the report to submit to the Business Committee, which hopes to meet on 5 September.

We will discuss the code of conduct on 4 September and try to finalise a report on the institutions after that. The report on law-and-order issues will be discussed at the following meeting. The final report on rights, safeguards, equality issues and victims will be discussed at the meeting after that. A timetable is available.

The Chairman (Mr Molloy): We have parked many issues; the car park has been filling up, and it must now be emptied. We will have to revisit all those issues.

The Committee Clerk: The two Chairmen have discussed the format of the report. All Hansard reports

and any papers that the parties have submitted will be included, and the Committee staff will produce a summary. The report will begin with the proposals and issues on which the Committee has agreed, as well as the issues that parties have identified as deal-breakers — we could find another form of words for that, if members prefer — and those that have been parked for further discussion.

The Chairman (Mr Molloy): The Committee may also wish to consider having a closed meeting, with no Hansard report, to discuss particular issues in detail at some stage.

Mrs Long: Chairman, is that not the normal procedure when a draft report is being discussed, and may that be the appropriate time for a closed meeting?

The Chairman (Mr Molloy): Yes. If members feel that there would be benefits in having a meeting, or part of a meeting, without Hansard, that can be done at any stage. It only requires parties to agree, and it may give the Committee an opportunity to go into more detail on some of the issues that have been set aside.

Adjourned at 2.13 pm.

COMMITTEE ON THE PREPARATION FOR GOVERNMENT

Wednesday 23 August 2006

Members in attendance for all or part of proceedings:

The Chairman, Mr Francie Molloy
Mr Alex Attwood
Mr Fred Cobain
Mr Danny Kennedy
Mr Fra McCann
Mr Raymond McCartney
Mr Alban Maginness
Mr Sean Neeson
Mr Peter Weir
Mr Sammy Wilson

Witness:

Mr Tim Moore (Senior Research Officer,
Northern Ireland Assembly)

The Committee met at 10.05 am.

(The Chairman (Mr Molloy) in the Chair.)

The Chairman (Mr Molloy): I remind members to switch off their mobile phones, as their signal interferes with the Hansard recording system and means that sections of the meeting can be lost.

Will members state any apologies and, if necessary, name those members for whom they are deputising?

Mr Raymond McCartney: I am standing in for Martin McGuinness.

Mr McCann: I am standing in for Conor Murphy.

Mr A Maginness: I am not sure for whom I am deputising: it is probably Mark Durkan.

Mr Attwood: I am standing in for Seán Farren.

Mr Neeson: I am standing in for David Ford.

The Chairman (Mr Molloy): Are there any deputies from the Ulster Unionist Party?

Mr Kennedy: The poor are with you always.

The Chairman (Mr Molloy): You are a permanent fixture.

Mr Weir: Ian Paisley Jnr is due later.

The Chairman (Mr Molloy): Does any member, who has not attended the Committee before, have any interests to declare?

I shall take that as a no.

Are members content with the minutes of the meeting held on 16 August 2006?

Members indicated assent.

The Chairman (Mr Molloy): The next matter is our letter to the Secretary of State and his reply. They are fairly lengthy. Members may want, therefore, to take a few minutes to read them.

Do members have any comments?

Mr Neeson: The most important thing in respect of the Secretary of State's willingness to appear before the Committee is that, if he cannot fit in with the dates that we have provided, we should avail ourselves of whatever dates suit him. Hopefully, those dates will be sooner rather than later.

The Chairman (Mr Molloy): The proposed new date is 3 October 2006.

Mr Kennedy: It is nice of him to give us an early opportunity.

Mr Neeson: We should avail ourselves of that. I formally propose that we accept that date.

The Chairman (Mr Molloy): Are members agreed?

Mr Kennedy: We have been expected to work through the summer at the behest of the Secretary of State, which, in large part, we have done. There has been a wee bit of toing and froing, but there has been a consistent level of attendance from all parties, and we have tried to take our work seriously. We are now heading into September, which was supposed to be the big date in the Secretary of State's mind, when the report of the Preparation for Government Committee would be ready and Members of the Assembly would potentially have the opportunity to debate it in the Chamber.

We have important issues to discuss with the Secretary of State, but he is saying that he is too busy and that it will be October before he can appear before the Committee.

10.15 am

Perhaps I am being overly critical and cynical, but, if this work is as important as the Secretary of State outlined to us at the outset, why is he not prepared to attach equal importance to it and appear before the Committee? A meeting would not be an interrogation of the Secretary of State; he is entitled not to expect that. However, we are entitled to some consideration of the work with which we have been tasked. An important aspect of that is for the Secretary of State to clarify his position, and that of the Government, on a range of issues. If we do not meet the Secretary of State sooner than early October, it could cause problems in preparing a full and final report for consideration by the Assembly.

Mr Weir: I agree with Mr Kennedy. If push came to shove, we would probably have to be ready to report before then anyway. However, it is very poor form that we are being told that 3 October is the earliest date. The importance of this work has been stressed to us,

and many of us have given up a fair amount of time. If we were talking about a session with the Secretary of State that would last three or four hours, that would be a different kettle of fish. I assume that we are looking at a slot of about an hour to quiz the Secretary of State.

It also strikes me that, for the Secretary of State, Stormont should not prove to be too inconvenient a venue. We should write back to him, indicating that, in order for us to prepare a full report, we should ideally have a meeting as soon as possible. Faced with the choice of either meeting the Secretary of State at a very late stage or not meeting him at all, I would prefer to have the opportunity to quiz him, even if it were included as an addendum to our report. We should be pressing him. Delaying a meeting until 3 October is treating this Committee with contempt; if he is serious, it should be earlier.

The Committee's letter referred to, in particular, the political impact of his Glenties speech, which it was important to do. It is worthwhile to record that, if the Secretary of State is not available before our report must be produced, the report should indicate that we would have benefited from the chance to speak to him. However, we should not give up at this stage. The Secretary of State should realise that, if he does not make himself available, whatever report we produce will not be as advanced as we would have liked.

The Secretary of State is a great man for telling us that particular deadlines must be met. However, he is not facilitating anybody to meet deadlines, as he seems to be putting us very much on the long finger. I have a degree of incredulity that he cannot spare one hour between now and 3 October. We must tell him that, if he is not prepared to shift his position, while a report will be produced, the process will not be as advanced as we had hoped.

The Chairman (Mr Molloy): The proposal was that we would agree the report by 13 September.

Mr Attwood: I echo some earlier comments. I do not know whether it was pointed out to the Minister's private office that, thus far, and by agreement, the Secretary of State has been the only person whom the Committee has wanted to see.

The Secretary of State might be mindful that, in order to make the workings of the Committee tight and focused on outcomes, and, rather than have a long list of witnesses, members chose to invite only him. That reflects the serious intent around the table and the serious role that he has to play in assisting the Committee.

The Secretary of State must be mindful and respectful of the constraints that he placed on the Committee and on its ability to report back to the Assembly. He set those limits and constraints, and it would seem necessary, therefore, that he comply with his constraints on the time frame within which the

Committee has to report. Given those two matters, and the fact that there will be a gaping hole in the report if we do not get a greater sense from the Secretary of State about where he sees the policing issue being played out over the next four months, we should go back to the Secretary of State. Certainly, we should accommodate his diary, but we must ask him to accommodate the time frame that he set by agreeing to see the Committee before the middle of September.

The Chairman (Mr Molloy): We will do that and see whether there is another date, which means that members have accepted Sean's proposal that we meet with the Secretary of State.

Mr Neeson: Yesterday, you chaired the subgroup on the economic challenges facing Northern Ireland, and you know that its report will be finalised tomorrow for presentation to this Committee. The subgroup agreed that, as it will meet the Minister, Maria Eagle, on 5 September, it would provide an addendum to its report. As Peter Weir suggested, that may well be the way forward for this Committee also.

The Chairman (Mr Molloy): The proposal is that we ask the Secretary of State to make himself available during early or mid-September at the latest. Failing that, the Committee will take up the offer of 3 October.

Mr Kennedy: If we are going to play poker with him, we might as well not show our hand at this stage. Let us reserve our position on the October date until we see whether he can better that offer.

The Chairman (Mr Molloy): Are we agreed?

Members indicated assent.

The Chairman (Mr Molloy): The Committee Clerk will write to the Secretary of State to try to negotiate a different date.

As regards the rest of the Secretary of State's letter, in relation to Assistant Chief Constable Sheridan, there has been no direct response to our request, but it seems that the information is not available.

Mr Attwood: What was that, Mr Chairman?

The Chairman (Mr Molloy): I am talking about the request for information from Assistant Chief Constable Sheridan and the response in the Secretary of State's letter. The letter does not provide any details: it says that the matter is outside the role of the Assembly.

Mr Attwood: There are two matters that the Committee should pursue. First, in relation to national security accountability, the Secretary of State's letter states:

"Developmental work is in hand in this area."

How are national security issues being handled in general terms, and what type of information could the

Policing Board, the Minister and the Assembly expect to receive? The Committee should ask Clare Salters to advise when the NIO anticipates that the developmental work could be shared with the parties.

Secondly, under public order and the role of the army, the letter states:

“Consideration is currently being given to what powers the army may need post-normalisation.”

Two areas are then named: “public order” and “explosive ordinance disposal”. We should enquire whether those are the limit of the powers that the Army may need post-normalisation. Public order and explosive ordinance disposal powers are broadly consistent with the Patten Report.

However, we should enquire whether the Government believe that the Army may require other powers post-normalisation that go beyond those outlined by Patten. We should ask Clare Salters to provide an indicative list of all powers that the British Government anticipate that the Army will require post-normalisation in order to operate effectively. We may not get those answers between now and the end of the Committee’s duration. However, we should ask for that information to be provided as soon as possible.

Mr Kennedy: I suspect that “public order” and “explosive ordinance disposal” do not comprise an exhaustive list of the Army’s post-normalisation role. In the past, the Army has managed situations involving the emergency services such as during the strike by the Fire and Rescue Service, where the Army deployed “Green Goddesses”.

Mr Neeson: I would like a definition of “normalisation”; that has never been made clear. By the same token, there has never been a clear definition of “ceasefires”. What do “ceasefires”, whether they be loyalist or republican, mean? In order to make progress, it is important that we have clear definitions of those terms.

Mr Cobain: To reiterate what we said last week, we should not be bound by what the Patten Report does, or does not, say. That issue is gone. The SDLP can float in and out of the Patten Report whenever it suits. I hope that the Committee will not be held to the criteria that the Patten Report set for the future role of the Army, or for any other issue. As far as the UUP is concerned, the issue of the Patten Report is finished. It cannot be used in discussions as the criteria for the devolution of policing and justice.

Mr S Wilson: The SDLP continually harks back to the Patten Report, despite having already accepted that the Policing Board has torn up parts of that report. Recruitment of constables from outside Northern Ireland is not done on a fifty-fifty basis, which is contrary to the Patten Report. The SDLP was happy to

sign up to that on the Policing Board. In fact, I do not believe that the SDLP made any complaints because it realised that the report disastrously denuded the police force of skilled detectives and that, therefore, those constables were needed.

Likewise, the SDLP accepted that the recruitment of part-time reserve officers was not on a fifty-fifty basis. The board is discussing the recruitment of police community support officers, which was not recommended by Patten — again, the SDLP has no difficulty with that. The SDLP has been quite happy to dispense with chunks of the Patten Report when it has suited them.

The Northern Ireland Office is considering a post-Patten Report period. The Police Service has applied for money under the Patten Report, but has been told that things have moved on and that it must fund various projects from its own budget. The latest example of that is the police college.

That is right — if we keep ourselves tied to arrangements that are now nearly 10 years old. Things have moved on, and we must move on from Patten.

10.30 am

At every meeting, we return to the issue of national security. To me, it is a dead issue. National security is controlled by central Government in other parts of the UK; it will not, therefore, be devolved. As the Northern Ireland Office pointed out in its letter, arrangements to establish the protocols will be made between the police and the security services. National security will not be included in the remit for this Committee or the Assembly. Alex Attwood has some sort of infatuation with national security, and, therefore, every week, we come back to it. At some stage, we really must stop indulging him and move on.

The Chairman (Mr Molloy): I know that there are issues around policing to be discussed, but can we concentrate on the Secretary of State’s letter?

Mr Kennedy: From the SDLP’s remarks, it could be interpreted that it expected Northern Ireland, at some point, to be an army-free zone. That is not a sensible assertion, neither is it very desirable. It bears no relation to reality: not least because of the significant military tradition in Northern Ireland, and the fact that a garrison will remain and, therefore, would be available in the event of any emergency, whether it concerns international terrorism or issues of national security.

Mr A Maginness: I take issue with the rather personalised criticism that was made, and it should be put on record that the SDLP’s concerns about national security and the security services are important issues, which this party will continue to pursue vigorously on the Policing Board and elsewhere. To characterise them as the personal obsession of a member of the

Policing Board — or a member of the SDLP, namely Alex Attwood — is absolutely wrong. It is reflective of — *[Interruption.]*

Mr S Wilson: I could be much more offensive than that if you wanted.

Mr Kennedy: He is only warming up.

Mr S Wilson: Ask Fra McCann.

Mr A Maginness: I know well that Sammy Wilson can be extremely offensive. However, I am making a serious point: to characterise this as the personal obsession or hobby horse of an individual member of the SDLP is absolutely wrong. The SDLP is committed to pursuing those issues and will pursue them vigorously.

Mr Kennedy: Apologise, Mr Wilson.

Mr Raymond McCartney: The NIO's letter refers to the British Army's role in supporting policing and public order. The British Army's record in public order situations is not very good. Sinn Féin will oppose that strenuously and ensure that it is not one of the roads taken.

Mr Attwood: There could be consensus on this. I suggest that, in due course, the British Government might be asked to advise the parties, this Committee and the Assembly, of the developmental work on national security matters. My reason for suggesting that — contrary to what Sammy suggested — is that the letter from the British Government says:

“... those with responsibility for overseeing policing, including the Assembly in due course, will need to understand how national security issues are handled in general terms and what type of information they can expect to receive in relation to policing matters that bear on national security. Developmental work is in hand in this area.”

It is the British Government's intention that the parties around this table and the Assembly should receive and understand certain information and, at the moment, they are working to provide that information.

Perhaps Sammy should re-read the letter. The British Government are saying that the matter is not off-limits, the Assembly will have a role, and that they are developing an understanding of what that role might be. I suggest that there should be consensus, and that the developmental work that is in hand should, in due course, be communicated to the Committee and the Assembly.

I accept what the Patten Report said about the Army, whether I like it or not. I am surprised that Sinn Féin does not now accept that Patten provides the threshold in respect of the role of the Army in the North, having said previously that it did. However, that is for Sinn Féin to explain.

The SDLP accepts what Patten said and, therefore, accepts that the Army has a role. It is important to know every element of that role. Of course, the Army will have a role during strikes and similar emergencies. However, is that the height of the Army's power or, as I suspect, is there more?

The Chairman (Mr Molloy): Perhaps we can short-circuit the discussion by getting consensus on Alex's proposal to ask the Secretary of State to share with this Committee information on the developmental work on national security matters. I am sure that all members want to know that. Is there agreement?

Members indicated assent.

The Chairman (Mr Molloy): Alex's second proposal is that the Secretary of State's office be requested to provide an indicative list of all powers that the Army may require post-normalisation. Are members agreed?

Members indicated assent.

The Chairman (Mr Molloy): The other issue was the definition of normalisation and ceasefire. Whom do we ask for a definition of ceasefire?

Mr Cobain: Various Secretaries of State have reiterated their definition of ceasefire. They have said that they take ceasefires “in the round” — whatever that means.

Mr Weir: Basically, it means whatever suits them.

Mr S Wilson: It varies from one week to another.

Mr Neeson: Given ongoing paramilitary activities, it is important that we are clear in our own minds not only on our definition of a ceasefire but on the Government's definition. That also applies to normalisation. What is normalisation? For example, if the UDA and UVF declare a ceasefire, is that normalisation? Clear definitions are important to enable us to move forward.

The Chairman (Mr Molloy): We could discuss that with the Secretary of State, if he comes to the Committee.

Mr Neeson: I would like something before that.

The Chairman (Mr Molloy): Do members agree that we write to the Secretary of State about that?

Members indicated assent.

Mr Kennedy: It will be November before he comes back to us on that. *[Laughter.]*

The Chairman (Mr Molloy): As there are no further issues arising from the Secretary of State's letter, we will discuss firearms and explosives. Mr Tim Moore will give us more detail on that.

Mr T Moore: There is a research paper in members' packs entitled ‘Firearms Devolution Scotland’. The

NIO discussion document suggested that Northern Ireland might wish to follow the Scottish model of devolution in relation to firearms. The NIO characterised that model as one in which routine firearms regulation is a devolved matter but that the:

“business of regulating the use of prohibited weapons, such as automatic weapons ... remains reserved to Westminster.”

The Committee asked for further information on that.

The NIO characterisation is somewhat misleading and oversimplified. To explain my understanding of that, I draw members’ attention to paragraph 4 of my paper, which states that, under the Scotland Act 1998, firearms are a reserved matter. In effect, that means that it is the equivalent of an excepted matter in Northern Ireland.

However, paragraph 8 of my paper states that provisions in the Scotland Act 1998 have made it possible to devolve powers to Scottish Ministers in areas that are, in effect, reserved. An example of that applies to the Firearms Act 1968, which states that the Secretary of State can authorise:

“persons to possess prohibited weapons.”

It is important to add that the ability to change the list of prohibited weapons has not been devolved to Scottish Ministers. The Secretary of State’s power is to grant a certificate or to grant the authority to hold a prohibited weapon. That includes what may be termed “automatic weapons”, in that, with constant pressure on the trigger, they will release two or more bullets.

In Scotland, firearms matters are reserved, although certain functions have been devolved to Scottish Ministers. Today’s members’ pack includes a table that sets out the Secretary of State’s functions under Northern Ireland legislation. Presumably, if members were to choose to follow the Scottish model, those functions, rather than overarching control of the legislation, would be devolved.

By way of example, last year, a young child was killed by an air rifle in Scotland. Public concern was such that the Scottish Parliament debated the incident and considered whether they could legislate for future occurrences. They discovered that they could not. The designation of which types of weaponry are generally prohibited remains with Westminster. The ability to authorise someone to hold those weapons is devolved to Scottish Ministers. That is how the devolution settlement works for firearms in Scotland.

Mr Kennedy: I am reading the email from the Scottish Executive, and it is interesting to note that Ian Fleming now works there.

The Chairman (Mr Molloy): Is the Committee content to recommend that Northern Ireland goes

down the same route as Scotland, or do members wish to opt for a different procedure?

Mr Raymond McCartney: Sinn Féin will argue for the maximum transfer.

Mr Attwood: Members have only just received the paper. Given that it covers such a significant area and must be read alongside the Firearms Order 2004, the SDLP will have to reserve judgement. We need to see the differences between what Northern Ireland and Scotland have at the moment, and what further differences there might be between what Northern Ireland should have and Scotland might have. We might indicate agreement at the next meeting but we need to analyse the matter more thoroughly.

The Chairman (Mr Molloy): Are there any other views?

Mr Kennedy: The Ulster Unionist Party would be content to adopt the Scottish model.

The Chairman (Mr Molloy): Given that more information is required, we do not have consensus. We will put that issue in the car park with the others.

Mr S Wilson: What storey have we reached?
[Laughter.]

Mr Weir: We are queued outside, waiting for an issue to come out before we can put another one in.

The Chairman (Mr Molloy): This Preparation for Government Committee, which is dealing with law and order, passed the parades issue to the Preparation for Government Committee dealing with equality, rights and safeguards. Although that Committee discussed parades, it left the subject for further consideration and did not define it in detail.

Mr S Wilson: How unusual! [Laughter.]

The Chairman (Mr Molloy): Yes. Other than acknowledge the work of this Committee, it has not discussed the parades issue further. Do members wish to make any comments on those matters? Are you happy to leave parades with the Preparation for Government Committee dealing with equality, rights and safeguards?

Members indicated assent.

Mr Kennedy: Did this Preparation for Government Committee not resolve something similar?

Mr Attwood: That was about membership of the Parades Commission and appeals against Parades Commission determinations. There are two residual matters.

The Chairman (Mr Molloy): The appointment of members to the Parades Commission was passed to the Preparation for Government Committee dealing with equality, rights and safeguards for its consideration.

Mr Attwood: That is right, but we must still make a decision on appeals. The Secretary of State's letter indicates that the British Government think that appeals against Parades Commission determinations will be devolved to the Assembly and to the relevant Minister. That is noteworthy.

10.45 am

The Chairman (Mr Molloy): Does the Committee wish to deal with that today?

Mr Kennedy: That is another issue that we would like to examine more closely with the Secretary of State. That is clearly the Government's initial view on the matter.

The Chairman (Mr Molloy): The Clerks will gather some more information on that. The problem with parking issues is that it will take a few long meetings to clear them up later. The more we can deal with today, the better.

We will move on to discuss the explosives issue.

The Committee Clerk: There was a question whether explosives should fall within the responsibility of the Department of Health, Social Services and Public Safety or the proposed Minister for policing and justice. This format of the Preparation for Government Committee, dealing with law and order, referred the matter to the Preparation for Government Committee dealing with institutional issues, which decided to refer it back to this Preparation for Committee. As well as a car park, we need bats. *[Laughter.]*

Mr Weir: It is like a hand grenade with the pin taken out.

The Chairman (Mr Molloy): It is a good job that it is not cricket.

The First Minister and Deputy First Minister may have to decide on the matter when they determine which Departments should deal with which issues. Do members have any further comments?

Mr S Wilson: To refresh our memories, is the issue about which Department should deal with the legislation or monitoring or which Department should deal with transportation, storage, and so on?

The Chairman (Mr Molloy): It is about which Department should deal with the legislation.

Mr S Wilson: If the departmental responsibility would involve the transportation and storage of explosives, the Health and Safety Executive for Northern Ireland would probably be better placed to deal with it. If it is a wee minor issue like that, can we not make some decision on it, rather than kick the issue back and forth?

The Chairman (Mr Molloy): Transportation may currently be a particular problem, but, in a normal

situation, a company, under the supervision of the Health and Safety Executive, would undertake that. The issue concerns the management of explosives, dealing with legislation regarding permits, and so forth.

Mr Kennedy: It seems to be a public-safety issue more so than one of law and order.

Mr Neeson: As members know, explosives are manufactured in Carrick —

Mr Kennedy: Legally or illegally?

Mr S Wilson: Both, actually. *[Laughter.]*

Mr Neeson: The police always accompany the vehicles carrying explosives, so it could be a policing issue, although I also see the health-and-safety aspect.

The Chairman (Mr Molloy): What do we do?

Mr Cobain: This is a health-and-safety issue, not a policing issue. It may be a policing issue because of the particular circumstances in Northern Ireland, but throughout the rest of the UK it is a health-and-safety issue. A home must be found for it somewhere, and it would sit more comfortably with the Health and Safety Executive than with the police.

Mr Weir: I agree with Fred's point; it would not be a unique situation for an agency outside the criminal justice field to deal with a matter that has policing implications and that involves liaising with the police. This is probably a health-and-safety issue. I suspect that it is not the most controversial issue in the world.

Mr S Wilson: Let us be bold and make a decision.

Mr Weir: We could perhaps bank the issue.

The Chairman (Mr Molloy): We consider explosives to be a health-and-safety issue and recommend that it be dealt with by the Health and Safety Executive. Is that agreed?

Members indicated assent.

Mr Weir: Should we contact the 'Belfast Telegraph' and tell them to hold the front page? *[Laughter.]*

The Chairman (Mr Molloy): I am sure that they will have it.

We will move on to policing matters; some issues were dealt with, and there was the opportunity to come back to deal with some others. We did not resolve them all.

Mr Attwood: Policing or justice issues?

The Committee Clerk: Last week we had a list of three issues under the general heading of "Policing". Those were "Intelligence Services", "Policing issues" and "Police Ombudsman".

Mr Cobain: Score "Intelligence Services" off.

The Committee Clerk: "Intelligence Services" was completed. The "Police Ombudsman" discussion was completed, but the Committee agreed last week that it

might want to return to general policing issues to raise any further points.

The Chairman (Mr Molloy): I think that we may have had that debate this morning.

Mr Raymond McCartney: Although we have had good, broad discussions on the issue, it would be a good sign of the real progress that we are making on this Committee if we could firm up the timescale for transfer.

The Chairman (Mr Molloy): There was a proposal passed at one stage. Was it left that policing and justice would be transferred “as soon as possible”? Can someone remind me?

Mr Kennedy: The Alliance Party proposed that powers be devolved as soon as possible, but Sinn Féin objected to that.

The Chairman (Mr Molloy): Is there any further agreement regarding the earliest possible date, or any particular date?

Mr Kennedy: It is hard to improve on “as soon as possible”, I would have thought.

Mr Cobain: Mr Attwood is working on that now; he is trying to think that one out.

Mr Attwood: The SDLP’s view is quite simple. We believe that if the institutions of Government are restored, that will be on the basis that all parties have signed up to all the requirements for restoration and for the stability of the institutions thereafter. If that is the basis on which people are going into government — that there is a basis for sustainability and stability — devolution of justice and policing should happen without delay. If there is a basis for government, in our view, there is a basis for the transfer of policing and justice powers.

The British Government, as I understand it, will argue that there are requirements in respect of enabling secondary — not primary — legislation around some issues, and that it will take time to set that in motion before we get to the point of actual transfer. I want to have that conversation with the British Government to see whether that is just a delaying tactic or a genuine reason.

Subject to that proviso, the SDLP thinks that the devolution of policing and justice should happen without any further delay. We believe that if there is any delay, a shadow Ministry should be considered in the interim period, whether that be a month, two months or six months. In that short time frame prior to the devolution of policing and justice powers, there should be a shadow Ministry so that when power is formally devolved everybody, including the Minister or Ministers, hits the ground running. Furthermore, if in that short time there are any teething tensions between the

British Government and the NIO about what should be devolved, it will give an opportunity for such issues to be worked through.

We are arguing that if there is restoration, there should be devolution of policing and justice. If the British Government present some technical reason to delay that, the time frame should be as short as possible, during which time we should have a shadow Ministry so that people know what the business is about, especially as some of it will be controversial.

I would like to think that there would be some consensus, because if we can go into government because we are confident that people will live up to their responsibilities in government, given the fact that we all want to govern and that in order to govern there must be the power to govern, why not have policing and justice devolved immediately or in the shortest possible time frame? Or is it that some parties will have restoration only on their terms rather than on fair and equal terms?

Mr Weir: I do not want to rehash this argument, because we have gone into detail already. I do not know if Mr Attwood is being slightly mischievous in the way that he has made his proposal. The DUP has been clear. The devolution of policing and justice has always been dealt with separately from the devolution of other Departments. It has been put at a different level, which is why it was not devolved in 1998. The Executive, during its existence between 1999 and 2002, did not have policing and justice powers devolved to it. Greater community confidence is required for the devolution of policing and justice than for the creation of an Executive.

That fact has been acknowledged by the Government. It would be useful, and we would all be keen, to tease out the Government’s position on this issue. The Government have made their position clear in Westminster about the various locks that would have to be opened before policing and justice could be devolved. If there is a strong desire, or an acceptance, that policing and justice should be devolved at a particular time, the Government are not going to stand in the way. It is not simply a matter of the Executive being set up and clearing aside the technical issues; it is a question of trying to gain that public community confidence that does not exist at present.

We want Northern Ireland to be stable and peaceful enough for confidence to be built up to the extent that people are keen to see the devolution of policing and justice. That is our aim, which is why we signed up to the formula of “as soon as possible”.

Completely wrong signals are being sent out if we start to chat about shadow Ministries. Leaving aside the extent to which people would be employed without having roles and responsibilities, it is not simply a

question of getting the Assembly back and automatically starting a short countdown to the devolution of policing and justice. That will come with community confidence.

The DUP is prepared to back the formula of devolving policing and justice “as soon as possible”. We should not be tied into specific time frames or a process that automatically triggers devolution of those powers at some stage. A long open-ended process or shadow Ministries would be meaningless. Therefore, with respect to Mr Attwood, the DUP does not favour his suggestion.

Our position and, I suspect, the positions of the other parties, has not changed. We had a lengthy debate on this issue. Members can give their views, but it is not productive to revisit the issue.

Mr Neeson: This is a sensitive issue, and we have not even agreed on how the Minister would be elected or chosen. It is important that the institutions are working collectively and in good faith. A timetable of two years has been suggested. I agree with Mr Weir about policing and justice being devolved “as soon as possible”. The institutions must work and the public must have confidence in those institutions.

Mr Raymond McCartney: The issue of public confidence was discussed at an earlier meeting. The DUP argues that there must be public confidence before the institutions and the justice Ministry are set up. If an Assembly is up and running, there will already be primary legislation in Westminster that states that policing and justice will be devolved “as soon as is practicable” — which seems to be what the unionists are suggesting — but also within a time frame of 12 months. It would send out a positive signal to everybody if, when the institutions are restored, there is an indicative time frame for a justice Ministry to be set up.

11.00 am

Mr A Maginness: As time goes on, I am becoming more confused by the DUP position. The DUP seems to be saying that if people fulfil, and live up to, their responsibilities, all obstacles to the full devolution of policing and justice powers would disappear. The phrase “as soon as possible” seems to be an immediate consequence of that. If that is so, the DUP should have no reservations about a transfer of powers as quickly as possible.

The British Government have passed enabling legislation so that matters can be dealt with reasonably quickly. Some secondary legislation may be required; we can ask the Secretary of State about that issue and get a guarantee that it would be dealt with quickly. Custom-made secondary legislation would be needed to deal with all outstanding matters.

If the DUP wants the transfer of policing and justice to be delayed, that adds further conditions and is contrary to the spirit of what the DUP originally said, which was that if people fulfil their responsibilities, matters can be dealt with as soon as possible. I am really confused about the DUP position; it must be clarified.

In a shadow Ministry, a Department would be set up with a Minister, or Ministers, in place by whatever mechanism might be used to establish that; powers that can be transferred immediately are devolved to that Department so that the Minister, or Ministers, in charge can exercise them. There may be some delay in additional powers being transferred, but at that point the Minister, or Ministers, would be in place. In that sense, there is a shadow Department, but I would not get hung up on the word “shadow”.

Mr S Wilson: I am not sure where the confusion lies. Perhaps it lies within the SDLP, rather than between the SDLP and the DUP. All SDLP MPs voted for the Northern Ireland (Miscellaneous Provisions) Act 2006. An important part of that legislation states that the devolution of policing would not automatically follow the devolution of other powers to Northern Ireland, but would be dealt with separately. The First Minister and the Deputy First Minister would first have to table a motion in the Assembly that would have to be carried by a cross-community vote, at which point Westminster would hand over the powers.

That was all subsequent to devolution. If there is confusion, it must be within the SDLP, or perhaps Alban is out of line with his three parliamentary colleagues.

Those are the facts. The reason that this issue is different from other matters to be devolved is quite clear, and was well articulated during the debate on the Bill: it is different because of the importance of public confidence. Policing and justice can be devolved only when people are satisfied that there is a willingness to work within the rule of law.

The entire tenor of that debate was that devolution of policing and justice could take some time. We have made no secret that it could take some considerable time for confidence to be built and that it would depend on how parties behaved in the Assembly and on what was happening outside it. That was all well articulated and clearly explained, yet the SDLP voted for it. This is not some new condition, but something that has been argued out. That is why the legislation was framed in that way.

Mr Attwood: The consequence of the Northern Ireland (Miscellaneous Provisions) Act 2006 means that, on day one of the Assembly, the First Minister and Deputy First Minister can table a motion and that there can be a cross-community vote.

There is no confusion or inconsistency in the SDLP's position. Policing and justice can be devolved on day one or in week one or in month one. If sufficient confidence exists for a party to enter Government, sit in the Executive and participate in an Office of the First Minister and the Deputy First Minister — whether it is a joint office, as prescribed by the SDLP, but from which the DUP and Sinn Féin have now backed away — the power and ability to devolve policing and justice exist on day one.

We argue that the required level of confidence can exist from day one because, by going into Government, a party accepts that it has a level of confidence. The only remaining issue thereafter would probably be some residual secondary legislation that might take a little more time to deal with.

The DUP is prescribing a veto, which was outlined in the comprehensive agreement, on when devolution of policing and justice happens. Had we negotiated that agreement, we would not have conceded that veto; nonetheless, the DUP has that veto. On a whim, elements in the DUP may want to use it.

For that reason, rather than let the Assembly be subject to that weapon, people should get their heads around the idea that, if the power exists on day one, it should be used on day one. Doing so will bind people much more closely to the institutions and to accepting their responsibilities. It will also prevent parties playing fast and loose with democracy and the institutions, which was one of the problems with the first Assembly.

Mr Kennedy: Let me helpfully add to everyone's confusion about a couple of the party positions. The leader of the DUP informed us at one stage that all the issues had been effectively resolved. The comprehensive agreement says, in annex A:

"Agreement reached on modalities for devolution of Criminal Justice and Policing".

In paragraph 8 of the Governments' own preamble to the agreement, it says that:

"the British Government will initiate discussions with the parties on the modalities of devolution as soon as the IICD has confirmed the completion of IRA decommissioning, with the aim of agreement by the time the Executive is established. On that basis the British Government will commit to introducing into Parliament by the summer of 2005 the legislation necessary to permit devolution to take place. Such legislation will come into force as soon as possible, once sufficient confidence exists across the community".

Annex F, the Sinn Féin statement on policing, says that:

"As a result of our discussions we now have a commitment from the British Government and the DUP

to the transfer of powers on policing and justice to the Assembly as soon as possible".

Why Sinn Féin would now object to the phrase "as soon as possible" is beyond me.

I thought that would helpfully continue to confuse everyone. *[Laughter.]*

Mr Raymond McCartney: On the broader question, it is down to whether this Committee, when it makes its report, wants to put on record an indicative time frame. We should propose whatever we feel is the consensus view of the indicative time frame. Let us define "as soon as possible".

Mr S Wilson: A couple of meetings ago, I actually proposed what Mr Kennedy has read out from the comprehensive agreement. We want to see the devolution of policing and justice, but there is no point if the community has no confidence that those in charge will support the rule of law.

Mr A Maginness: May I make an intervention after Mr Wilson has finished?

Mr S Wilson: Yes, after I have finished.

We now have two or three pieces of evidence. First, we have the comprehensive agreement, in which the phrase "as soon as possible" provides the only indicative timetable. There is the legislation, referred to in that agreement, which again sees devolution of policing and justice as a separate step from the devolution of other functions to the Assembly. Furthermore, the Secretary of State, in the preamble to that agreement, as Mr Kennedy pointed out, accepted that the requirement for community confidence is a further step beyond what is required for devolution before we can have the devolution of policing and justice.

The Secretary of State is saying it. The legislation — supported by the SDLP MPs in Westminster — is saying it. Indeed, Sinn Féin almost appears to be accepting it. I used the phrase "as soon as possible" because one of the Sinn Féin representatives used it, echoing what was in the comprehensive agreement, so I felt that we would get consensus around that.

We are not going to set a date, because then that date becomes all-important and the conditions necessary to create community confidence fade into the background. Everybody works towards a date — two years, or six months, or whatever it happens to be — and we just sit back and wait for it to arrive, rather than work towards building that community confidence. That is why it is important not to set a deadline, but to simply say that we want it to happen and that there are certain things that have to take place before it can happen, and then to work towards ensuring that those things take place. That is the way of getting devolution as soon as possible — not by simply setting a time.

11.15 am

Mr A Maginness: The DUP's argument is that there must be sufficient confidence within the community to form an Executive and bring back the Assembly in its fullest form, and that there must be further confidence in the community in order to devolve policing and justice powers.

That is a contradictory position. If there is sufficient confidence within the community to form an Executive, which is exercising very substantial budgetary powers — £8 billion or more — then it is incredible to say that in relation to policing and justice, in which there are many safeguards, there needs to be further confidence.

Either you have community confidence or you have not. That confidence must cover all the functions of Government and cannot exclude one specific function of Government in Northern Ireland. If you use the phrase "as soon as possible" in its common parlance, it means that you do something immediately, provided —

Mr S Wilson: Provided that the conditions are met.

Mr A Maginness: No, provided that it is practical to do so in the sense that the legislation is in place, and it is simply a matter of practicalities. If not, the phrase "as soon as possible" is a bogus term being used by the DUP simply to put a good political gloss on its untenable political position.

Mr S Wilson: It is a phrase backed by the Secretary of State, legislation and Sinn Féin.

Mr A Maginness: Policing and justice powers should be devolved immediately on the formation of an Executive, or no more than six months later. That is the sort of approach we should be taking, rather than using a phrase that seems good but, when you parse and analyse the DUP's position, becomes meaningless.

Mr Raymond McCartney: "Public confidence" is like "British national security", which we discussed earlier — it cannot be legally defined. Who determines public confidence? We will end up with one party determining public confidence. If an indicative time frame is given — such as once the institutions are set up, as Mr Maginness suggested — then, even accepting that gauging public confidence is allowed to be in the gift of one party, at least we will have moved things on. If not, we will end up looking for a definition for "ball tampering", which nobody seems to be able to give this week either.

Mr Weir: I will not go too much into cricket analogies. To an extent, we are flogging a dead horse, because we have had this discussion already. The sensitivities around policing and justice are greater than around any other potential Government Department. That is why we are having a special Committee to deal with these matters. We are not having a special Committee to deal with the impediments to devolution

because of regional development problems or social development problems.

Since devolution occurred in 1999, it has been accepted that policing and justice should be treated as a separate issue. That is why it is not simply the case that a few technical issues need to be sorted out. If that were so, policing and justice would have been devolved within a couple of months of devolution, or indeed at any stage during the lifetime of the Assembly. In any post-conflict situation around the world, policing and justice have proven to be more contentious than any other issues.

The DUP's position has been consistent. It is not a question of one party's having a veto. In many ways, the locks are in place: the devolution of policing and justice must have the approval of the Assembly and the First Minister and the Deputy First Minister. The requirements go far beyond the will of the DUP. They are enshrined in legislation.

Danny's quote showed that the DUP's position has not changed. We want to reach a situation — hopefully, sooner rather than later — in which there is community confidence. We can play games with this issue as much as we like. However, it is unrealistic to think that community confidence would be there from day one. The DUP would like policing and justice to be devolved as soon as possible, but we must ensure that the necessary community confidence is there. Almost all the parties, including the SDLP, have accepted the Westminster legislation. Indeed, the SDLP has created a formula based on that legislation.

Ahead of devolution, members can suggest particular time frames or models to devolve policing and justice. However, beyond the acceptance that, when the conditions are right, the devolution of policing and justice must be achieved as soon as possible, it is a matter of community confidence. I doubt whether a proposal could be made that the DUP would support. I suspect that, without stealing their thunder, the Ulster Unionist Party would probably be in a similar position, as might be the Alliance Party. It is crucial that there is community confidence, and, therefore, it is a matter of "as soon as possible" rather a strict time frame.

The Chairman (Mr Molloy): We are going around the houses. Perhaps we need a couple of proposals to tie up the issue.

Mr Neeson: Everybody is talking about community confidence. The bedrock on which community confidence could be based would be the Executive's showing clearly that they are acting with collective responsibility. During devolution, despite the role of the DUP, nobody could say that Sinn Féin, the SDLP and the Ulster Unionists showed collective responsibility. It did not exist. The basis on which collective responsibility could be shown would be, for example,

on whether the Executive could take a coherent view of public disorder and could they accept the operational independence of the Chief Constable?

The Alliance Party has said that, in line with legislation, devolution should be in place for two years before policing and justice are devolved. That is a two-year target: it does not mean that policing and justice could not be devolved sooner.

Once again, I stress that unless collective responsibility is shown to exist, it will be difficult to address the sensitive issue of the devolution of policing and justice.

Mr Kennedy: The comprehensive agreement suggests that, in shadow form, the Assembly would consider modalities for the devolution of criminal justice and policing, and that, if agreement were reached, the British Government would lift suspension and, presumably, provide the opportunity for more discussion on when the devolution of those matters would occur. The comprehensive agreement is silent on when that would happen, other than using the phrase “as soon as possible”. It is silent on the timescale.

Mr A Maginness: I have suggested a proposal.

The Chairman (Mr Molloy): Do you want to put that proposal now and see whether we have consensus? I suspect that we will not, though.

Mr Weir: I would not race down to Eastwood’s bookmakers. *[Laughter.]*

Mr A Maginness: It is important that the proposal be made. Policing and justice should be devolved immediately following the formation of an Executive, and, if not, it should be devolved no later than six months from that formation.

The Chairman (Mr Molloy): Do we have consensus?

Mr Kennedy: There was a wide-ranging discussion on the same issue, either at the last meeting or the one before. Time goes so quickly in the Committee that one loses track. I believe that there was a proposal in the name of the leader of the Alliance Party, David Ford. My memory of it was that it did not gain consensus. It was vetoed because of Sinn Féin’s objections, although it was supported by the SDLP.

The Chairman (Mr Molloy): There were two proposals.

Mr Kennedy: It would be helpful to revisit that issue. Are we going to deal with different proposals on the same matter every week?

The Chairman (Mr Molloy): We are dealing with this issue because members requested that all matters with regard to policing be finalised. Policing and justice are the two main issues that are dealt with by the Committee. It is correct that the Committee returns to those issues when further developments have been made.

Mr Kennedy: There comes a time when it is appropriate to ask what part of “no” some people do not understand.

The Chairman (Mr Molloy): OK. We will consider the two proposals that were made.

The Committee Clerk: On 9 August 2006, Mrs Long proposed that a target date for devolution of policing and justice should be set at two years after restoration of the Assembly. There was no consensus on that. Mr Wilson proposed that policing and justice should be devolved as soon as possible. There was also no consensus on that.

Mr Kennedy: Do the minutes indicate who objected?

The Chairman (Mr Molloy): The minutes record that no consensus was reached.

Mr S Wilson: Danny is correct, although the record does not show that. All parties, except Sinn Féin, supported the proposal.

Mr Attwood: That is not the case.

Mr S Wilson: It was the case.

Mr Attwood: It was not the case.

Mr S Wilson: You were not here; I was.

Mr Attwood: I know that that was not the case.

Mr Kennedy: My daddy is bigger than your daddy.

The Chairman (Mr Molloy): Consensus may not have been reached due to the objections of more than one party. For the duration of this Committee, the minutes have not recorded which parties did not assent to a particular proposal.

Is there consensus on the current proposal?

Members indicated dissent.

Mr S Wilson: I propose that all parties support the transfer of police and justice powers as soon as confidence exists in the community.

The Chairman (Mr Molloy): Is there consensus on that proposal?

Members indicated dissent.

The Chairman (Mr Molloy): Alex made a proposal earlier. Has that been superseded by Alban’s proposal?

Mr A Maginness: Yes.

The Chairman (Mr Molloy): We cannot proceed any further on that proposal at present.

Item 3 on the agenda is “Discussion on Prosecutions”. Alban, the SDLP requested that this discussion be held back until you were present.

Mr A Maginness: Why? *[Laughter.]*

Mr S Wilson: Because none of the rest of them knew anything about the issue. They said that you knew marginally more. *[Laughter.]*

Mr Cobain: Alban raised several points on that issue when he was last present at the Committee.

The Chairman (Mr Molloy): Discussion will focus on the NIO letter, dated 15 August 2006, which is at tab 4 of members' papers.

Mr A Maginness: I had sought information on judicial appointments. The information in the NIO letter is self-explanatory. The functions of the independent Northern Ireland Judicial Appointments Commission have been transferred to the Lord Chancellor's Office. Once devolution takes place, those functions will fall within the remit of the Office of the First Minister and the Deputy First Minister.

However, at the last meeting, the table was presented in such a way that it was unclear whether those functions would be properly devolved. It is now certain that they will.

"It is intended that, when responsibility for justice matters is devolved, these responsibilities would transfer back from the Lord Chancellor to the First and Deputy First Ministers. This would require a transfer Order under section 86 of the Northern Ireland Act 1998."

That clarifies the situation.

11.30 am

The Chairman (Mr Molloy): We move on to community restorative justice (CRJ) and the residual justice issues that Alex wanted to be discussed. Traditionally, each party, in alphabetical order, gives a short presentation.

Mr Neeson: The Alliance Party recognises the contribution that CRJ can make as a complement to existing policing and criminal justice systems. Restorative justice has been used successfully in many jurisdictions, particularly the United States, Canada and New Zealand. It carries benefits for victim and offender alike. However, I must stress that it is suitable only for low-level, non-violent offences. Support for any restorative justice scheme must take into account the continued paramilitary grip on some communities, and the desire of some of those communities to bypass the PSNI and to maintain what are, in effect, local police forces.

The Alliance Party believes that the original draft guidelines were a move in the right direction, but that they must be substantially tightened in the following areas: all groups must work directly with the police and cannot be allowed to bypass them by working through intermediaries; training schemes must be approved upfront, rather than merely inspected after

the fact; guidelines must extend to cover CRJ projects that deal with non-criminal and antisocial behaviour; a mechanism is needed to vet individuals who work on the schemes to ensure that they are not currently involved in criminal activity or associated with paramilitary organisations; finally, any CRJ scheme that does not adhere to any formal guidelines should be rigorously investigated.

The Northern Ireland Office does not seem to have any intention of regulating the involvement of CRJ schemes in addressing non-criminal antisocial behaviour. That remains a major problem, and the boundaries between such behaviour and criminal activity are blurred. There may be a danger that groups may label some actions as non-criminal behaviour, in which case NIO guidelines would not apply. How organisations address non-criminal issues will impact on their overall credibility.

Co-operation with the police is absolutely essential; that problem seems to have been significantly tightened in the new draft proposals. However, it must be clearly spelt out that any CRJ scheme can be used only where it has the green light from the police or the Public Prosecution Service (PPS). If either body fails to give direction, no scheme should be allowed to proceed by default.

Once again, I stress the importance of staff who work in CRJ schemes receiving accredited training that has been approved in advance.

In relation to the independent complaints procedures, there should be scope for a third party to make an appeal, rather than limiting the right of appeal to either the victim or the offender.

Vetting is likely to be the most difficult issue with respect to paramilitaries. We do not believe that because someone has a paramilitary past they cannot have a future. Under the draft revised guidelines, only those convicted of an offence after 10 April 1998 will be specifically excluded. We want to ensure that intelligence can be utilised so that those who may not have been formally convicted of any offence since 1998, but who are suspected of being actively involved in paramilitarism, can be excluded.

Mr S Wilson: The value of CRJ schemes in Northern Ireland has yet to be proven. The DUP does not take quite the same view as the Alliance Party that such schemes automatically benefit the community. We have reservations about CRJ as a tool within the criminal justice system.

The current schemes, whether on the loyalist side or the republican side, have associations with people who were involved in paramilitary activity and who are still associated with groups that would be regarded as paramilitary. The DUP sees the schemes as providing a way to impose a different form of policing on the

communities in which they operate; hence the resistance to direct involvement with the police — especially on the republican side and perhaps not so much on the loyalist side.

I have reservations about how much of a contribution CRJ schemes can make to crime reduction. However, if schemes are to be authorised and eventually funded, the DUP wants to see the introduction of guidelines similar to those suggested by the Alliance Party. About 80% of the schemes' current workloads involve low-level, non-criminal, antisocial behaviour, which is totally outside the scope of the guidelines laid down by the Northern Ireland Office. That is a concern because it means that, by and large, those schemes will not have to abide by the guidelines.

However, the DUP wants four issues to be taken into account. First, the schemes should deal only with people who have been referred to them by the police or the PPS; they should not take on referrals or cases themselves. That, of course, involves direct interface with the police. Schemes must liaise directly with the police, not simply contact a third party or proxy, such as the Probation Board for Northern Ireland, as had been originally suggested. It is important that there is direct police involvement, otherwise schemes will be seen as an alternative to the current policing arrangements, which is why direct involvement was resisted.

Secondly, people who apply to work in the schemes should be subject to the same vetting procedures as those who apply to join, for example, the police or the police reserve. That would deal with Mr Neeson's concern that there should be access to police intelligence on individuals who may be currently involved in paramilitary activity, even though they may not have not been convicted of an offence since 1998. That is an important safeguard that would allow the public to have confidence that the schemes are not simply a front for paramilitary groups administering their own form of justice.

Thirdly, accredited training and accountability are important. Under the new proposals, a complaint can be dealt with initially by the scheme itself, which is not independent accountability at all. The DUP believes that, since most organisations and agencies in the criminal justice system are subject to independent scrutiny, the same should apply to community restorative justice schemes, given the issues that such groups would deal with. The only exception is the Police Ombudsman, and the DUP wants that situation to be remedied. The SDLP, if it wants to be consistent, will want that too.

Fourthly, it must first be proven that CRJ schemes have a role to play. If they have a role, it must be an integral part of the entire justice regime. CRJ schemes cannot set themselves up as an alternative to existing

arrangements, and they must be subject to the same strictures, restraints and accountability as other elements of the criminal justice system.

Mr Raymond McCartney: Sinn Féin supports the concept of community restorative justice. Since its inception in 1999, it has played a meaningful and useful role in improving the quality of life in the communities in which the schemes are based.

CRJ is not an alternative to policing; indeed, community restorative justice, by its own definition, does not see itself as such. Sinn Féin agrees that groups must display the highest possible standards. There should be strict guidelines on accountability and on how groups deal with people. Participants should have accredited training.

In the context of this Committee and the work of any future Ministry, Sinn Féin believes that community restorative justice will play a crucial role in ensuring, and improving, the quality of life in our communities. Most of the schemes' work goes unannounced, and funding has only recently become an issue for them. Many of the people involved work on a voluntary basis; a cross-section of the community represents the community. People must be careful that CRJ is not used as a tool to make political points.

Mr Attwood: The SDLP supports the concept of restorative justice and community restorative justice. Restorative justice is being mainstreamed into the formal justice system, especially where juveniles are concerned.

Raymond said that the "highest possible standards" are required in restorative justice. In that case, and given what the other parties have said, we may be able to reach consensus. We should be able to reach agreement on what "highest possible standards" means when it comes to community restorative justice.

There should be an independent complaints system, which is not what the British Government have proposed. An independent complaints system must be established by statute, and the procedure must include the ability to compel witnesses to attend, to seize documents and to investigate fully any allegations. That is not what the British Government have proposed in their model, which gives the role of administering complaints to another public body.

If the threshold is highest possible standards, the SDLP agrees with the DUP that those standards must apply to all the work of community restorative justice schemes. Given that 80% to 95% of the work undertaken by schemes is non-criminal — and we must discuss what that means — all that work, as well as any criminal matters referred to the schemes by the state, must be governed by regulation.

11.45 am

Having the highest possible standards will require, as the Alliance Party said, a body dedicated to managing the schemes to ensure that they comply with all necessary financial management and human rights standards. A different body will be required to inspect the schemes to ensure that they continue to meet the highest possible standards. I hope that we can agree on that issue. There are other examples of how the highest possible standards might be fulfilled, but I do not have the time to elaborate. Perhaps some work could be done in order for us to reach consensus.

The relationship with the police is central. The British Government's protocol does not address the matter properly. Although they now accept, under the protocol, that there will be no third-party reporting of crime to the police, they have introduced the vague term "direct communication with the police". "Direct communication" could mean many things. If it does not mean a full relationship with the police whereby they are informed and assisted in the investigation of crime, it is a reworking of the failed approach that was adopted in the McCartney case; a third party was used to bring evidence to the police, and no evidence of any use was brought through that third party. Unless "direct communication" means full co-operation with an inquiry into a crime, we could end up with a sham that would legislate against the proper conduct of restorative schemes.

Unless there is an end to exiling, we could end up with restorative schemes where some people in the community are not signing up to proper practice in relation to how people are treated, including vulnerable young people.

Policing arrangements must be accepted in order for community-based restorative justice schemes to prosper properly. Unless all parties advise people to join, and assist, the police, North and South, restorative schemes may operate in a way that does not accept the rule of law, lawful authority and proper policing. Until a proper environment is created, there are real risks that some restorative justice schemes may create more problems than they solve.

Mr Kennedy: Members of the Policing Board have worked hard on this important subject. They have given a useful response to the Government's draft guidelines that is worthy of sensible consideration. The UUP strongly believes that the police, as the civil power, must retain prime responsibility for law and order. There is no doubt about that.

The UUP sees some value in the schemes' work. All schemes must work in conjunction with, and with the direct involvement of, the PSNI. There must be proper vetting. We want to reserve our position regarding the date that has been suggested for the involvement of

people with pre-1998 paramilitary/criminal backgrounds. We have serious reservations about that.

We agree with the SDLP about the end of exiling. The police, as the civil power, must not be undermined or circumvented by the work of any community justice schemes.

Mr Neeson: I am interested in Mr Attwood's suggestion of an independent complaints system. Who would set that up, and what would its responsibilities be?

Mr Attwood: An independent complaints system would be set up by the British Government at Westminster, because it would have to be legislation-based. A complaints system based on statute would create certainty and avoid doubt.

The body would be dedicated to complaints and would have no other responsibilities. It would have the powers to compel witnesses, to search property and to seize documents. Unless the body had such powers, a complainant could allege that an alternative justice scheme did something in error, and the scheme could refuse to co-operate with the complaints body by saying that the body did not have the power to make it co-operate. The scheme could refuse to provide documents, saying that the complaints body did not have the power to seize those documents. The complaints system would fall into disrepute very quickly.

The British Government have suggested that people who have been convicted of serious criminal acts might be involved in restorative justice schemes. There is a community imperative that if people who are involved have had a criminal past but have moved on from that past, there must be a statute-based complaints system, with all necessary powers, to protect vulnerable people, especially young people. The probation model does not move us very far.

Mr Cobain: Mr Attwood is correct. We could reach consensus on the issue if all parties hold to what they have articulated this morning.

Restorative justice, as a concept, could be of tremendous assistance to the police in large working-class areas where antisocial behaviour restricts quality of life compared to middle-class areas. There is no doubt about that. In such areas, traditional policing simply does not work.

Mr Wilson said that CRJ has yet to be proven. I work with Greater Shankill Alternatives, which is a professional, open organisation that can verify that its scheme works; its records are open for anyone to examine. Members of the management committee come from a wide cross-section of the community. It is not a paramilitary-run organisation. I can speak only from the loyalist perspective; I cannot speak from the republican perspective. It is run by individuals who

believe that restorative justice can deal with antisocial behaviour and low-level crime in working-class areas.

Mr S Wilson: How can the success of community restorative justice schemes be measured?

Mr Cobain: It can be measured in several ways. The schemes work independently on one-to-one programmes and processes with young people who have been involved in antisocial behaviour. Some of those young people become trainers for other kids. That is documented. I take Alex Attwood's point, and there are safeguards all the way through the procedures. The Northern Ireland Alternatives organisations keep records: outputs are checked independently and, if needed, can be verified.

We need to work on restorative justice. It has potential for people in working-class areas who engage in antisocial behaviour. Alex referred to an independent complaints procedure, which is essential, because these are vulnerable youths who have entered schemes voluntarily. That is an important point: people are not forced onto these schemes. Those who want to attend Alternatives can do so freely. An independent complaints procedure is a good idea, and all the strict guidelines that Alex articulated must be in place because these schemes deal with vulnerable youths.

Community restorative justice schemes are an essential extension to the criminal justice system. They alone cannot deal with antisocial behaviour; it does not work like that. Every participant in a restorative justice scheme must be referred by the PPS or the police. Individuals who have committed low-level offences, but do not have those referrals, should not get places on the schemes.

Accredited training should be mandatory for individuals on community restorative justice schemes. If individuals want to participate in the schemes, they would agree to follow a set training procedure, so that they are trained to do a particular type of work.

Up to now, the concept of community restorative justice has been a bit of a hotchpotch. It has not been organised and funded properly, because political tensions take away from what could be an important contribution to society.

Mr McCann: For many years, the area that I live in has had serious problems with antisocial activity. There is an active CRJ group in the area. It is recognised widely, and we have debated the issue at Belfast City Council, that the community, possibly more than any other measure, has the answer to dealing with antisocial activity. The members of the CRJ group come from the local communities and, as a non-violent organisation, it is trying to deal with antisocial behaviour. Believe it or not, I have been told that, on occasion, the PSNI has been encouraged privately to go to the CRJ group, as it

is seen as the most effective way to deal with a complaint.

Many SDLP supporters in my constituency use CRJ regularly and are happy with the way in which their complaints are handled, which usually involves mediation between the person offended against and the offenders. Some areas have used CRJ to try to clear up antisocial activity, and their record is better than that of the PSNI.

12.00 noon

The majority of people in my constituency see the PSNI as being part of the problem. Many of those involved in antisocial activity are working as low-key agents for the PSNI and are therefore allowed a free hand.

There is a raft of issues to consider. A former SDLP councillor has had contact with CRJ, as have other groups that deal with, for example, neighbourhood watches. Although there may not be cross-party support, other parties have made use of CRJ.

Antisocial activity is a blight that has to be dealt with, and it can only be dealt with by the community itself. We should consider how we can support the community and its CRJ schemes, because they play an active role in trying to overcome the blight of antisocial activity.

Mr Weir: I want to pick up on Fred's point. Most of us are aware of CRJ groups, but no one has dealt with all 18 of them. However, we can draw a number of conclusions. Although we are not accusing any CRJ group of being run by paramilitaries, our experience is that it is difficult to find a scheme in which at least one person has not, at some stage, been involved with paramilitaries. That is why people are concerned about CRJ.

Some people involved with the schemes must have mixed motivations. Some may well be genuinely concerned about their community and tackling antisocial behaviour and crime in order to benefit their community, but others may want to help paramilitary groups to retain control in their areas. Everyone is not involved for the same reasons.

Although the jury is out as to why people are involved in CRJ schemes, an overall view must be taken. If we do not get this right, some groups may make a valuable contribution but many might make the situation worse by undermining the rule of law and by setting up CRJ as an alternative to the law.

The opportunity for restorative justice to make a valuable contribution hinges on the safeguards and protocols that are put in place. Alex made a reasonable suggestion that the way in which to progress is to take seven or eight different proposals — the Hansard report will detail them — on specific aspects, principally concerning the protocols, to see if there is consensus.

We could probably reach consensus on two or three proposals — for example, training. Although parties will have different views on the remaining proposals, it would still be useful to test them.

Alex's proposals tended to focus on areas where it was felt that there were deficiencies, for want of a better word, in the Secretary of State's or the Government's position. Therefore, it would be productive to bank something by way of consensus that would direct the Government. If there is disagreement on issues such as vetting or on the primacy of the police, the parties will have the opportunity to say where they stand. There may not be agreement, but at least there will be an opportunity for people to publicly express their opinions.

Mr A Maginness: Everybody accepts the value of restorative justice; it has been proved throughout the world. However, the real contentious issues concern community restorative justice.

There is a restorative justice system in the criminal justice system, through the very successful youth conference service, for which the Youth Justice Agency of Northern Ireland is responsible. That arose from the Criminal Justice Review and has been proved to work well. The system is not yet available throughout Northern Ireland, but that is work in progress, and the entire community will, at some stage, be able to access it.

It should be noted that the service has been independently evaluated. The high rate of victim participation is indicative of the fact that it is working well. There is a high rate of satisfaction among victims that the service has produced positive results for them. Equally, offenders have derived considerable satisfaction from the service because it has acted as a brake on further criminal and antisocial activity in the community.

The service has been very positive in trying to divert young people from criminal activity. The Probation Board for Northern Ireland (PBNI) also does good work on diversionary activities for young people. We must bear in mind that such work is also part of restorative justice. We are dealing with the discrete area of community restorative justice, which is contentious, but we should emphasise our support for restorative justice in the criminal justice system as it now evolves.

Going back to the main point, I endorse what Raymond has said. If we are to use community restorative justice, we should aspire to the highest possible standards. There should be a truly independent complaints system and proper, worthwhile and effective training for those involved in the schemes. There should be a proper vetting system for those running the schemes. It is crucial that the engagement between the schemes and the police is clearly seen to be good and positive.

Mr Attwood: I will fast-forward things and take up Peter's point. As there seems to be potential agreement on one aspect of the issue but not on the other, I have drafted two proposals.

The Chairman (Mr Molloy): Could I bring Raymond in on that point?

Mr Raymond McCartney: People generally feel that community restorative justice schemes are a good concept, although I accept that party political perspectives can influence opinions, as Peter mentioned. However, CRJ must be given space to allow it to work.

Fred mentioned referrals to CRJ schemes by the PPS. If someone wants a neighbourhood dispute to be resolved, the last thing that they want is to go to the PPS, which may take six months to act. We have all witnessed the work of the PPS in the Magistrates' Court and other places, and no one wants to wait six months for a resolution.

We must be careful, because in one breath we say that CRJ schemes are a good idea that should be supported, but in the next mention guidelines and procedures that will, by design, strangle them.

Recently, an 11-year-old girl in Derry who wrote on a wall ended up being fingerprinted and having a sample of her DNA taken. That situation would have been dealt with in a better way through community restorative justice.

We must be careful when using words and phrases such as "vetting" and "use of intelligence" to decide who can work in CRJ schemes, as they are designed to make it impossible for people to work unhindered. The same applies when talking about independent complaints procedures controlled by the British Government, as if, in the past, all independent complaints procedures were above and beyond reproach.

We must bear in mind that CRJ schemes have been running for over seven years in some areas. Despite all the nit-picking and scrutiny, it must be recognised that people have not come up with too many examples of where the schemes have got it wrong. I declare an interest, as my brother Noel, as Alex knows, heads one of the schemes in Derry. People may produce some examples of where schemes have gone wrong, but, in the main, they work well where I live.

Any degree of failure or breakdown would be constantly reported and magnified in the papers, and that is not happening. There must be recognition that the schemes work. We must give them space to work. There should be guidelines and training, and the highest possible standards should be set. However, standards should not prevent people involved in CRJ schemes doing their work.

Mr McCann: Following on from what Raymond said, Sinn Féin has no difficulty with the proper

registration and oversight of CRJ schemes. However, one thing that is probably missing from this discussion is any input from the groups themselves. Perhaps representatives from Community Restorative Justice Ireland and other CRJ schemes could appear before the Committee to discuss the issue and submit themselves to our questioning and scrutiny. That may enlighten members on the excellent and, as Raymond said, hard and committed work of people who are involved in community restorative justice.

Mr Weir: Without wanting to pre-empt anything that Alex may propose, we have identified seven issues that could perhaps be considered as proposals. Two or three proposals may achieve some degree of consensus; I suspect that the others will not.

The first proposal is that all community restorative justice schemes should be accountable and subject to an independent complaints commission. The second is that training should be accredited and provided outside the scheme itself; there should not be self-training. The third proposal is that the vetting of anyone who wants to be involved with CRJ schemes should be of the same standard as applies to those applying to join the police force.

Fourthly, all protocols are to be equally applicable to all aspects of work, including antisocial behaviour, to remove the dichotomy between criminal and antisocial behaviour. The same standards should apply to both.

Fifthly, there should be direct contact with the police on all issues being referred to them.

Sixthly, the police should have the prime role within any of the schemes.

Seventhly, referrals should come from the Courts or the legal system — which gives a wee bit of flexibility as to whether referrals come from the police, if they feel that they are not criminal matters, or from the PPS.

12.15 pm

Mr Kennedy: It might be helpful if we could get a note of all of the proposals and then, after lunch, we could go through them and see if we could resolve any of the issues. It would give us a period for reflection over lunch to see if progress could be made.

The Chairman (Mr Molloy): Alex, do you want to say anything at this stage?

Mr Attwood: Yes. Just to simplify things. There are three areas — and I think we could reach consensus on one of them. We might reach consensus on the other two.

We could get consensus on a proposal — taking what Peter has said — that agrees that there should be the highest standards governing CRJ schemes. That would include an independent complaints system, training and outside accreditation of the work, referrals from the Courts and the inspection mechanism. We

could get agreement on those because they are at the more functioning end of restorative justice schemes.

The second proposal, again, borrowing somewhat from Peter, would say that confidence in CRJ schemes requires acceptance of the rule of law and full co-operation with police and justice agencies. It would be a shortened form of what Peter said. I do not think we will get agreement, but the proposal needs to be tested.

The third proposal is on vetting — again, I do not think we will get agreement — nonetheless, a proposal might be framed.

However, by way of comment on what Peter has said on vetting, the SDLP has concerns about current vetting procedures. For example, we believe that the police occasionally rely on what they call intelligence traces and that those have become a mechanism whereby people do not get employment.

I know from hard evidence that so-called intelligence traces are spurious, inaccurate or mischievous. On one occasion, they amounted to somebody being seen in the company of somebody else in a bar. That is not an intelligence trace: that is tittle-tattle, and there is no basis for relying on it.

The above example shows that intelligence traces can impede somebody who is innocent in getting gainful employment in certain sensitive jobs.

I do not think we will agree on vetting. As Peter and Sammy know, the Policing Board kept its options open on the subject because there was not going to be consensus on it. The same will happen here — over and above the much more fundamental issue of who should, or should not, be involved in the schemes. In any case, legislation due to come onto the books next year will mean that people with certain backgrounds before or after 1998, whether in Northern Ireland or in Britain, will not be able to work in a relationship involving children, because the law is being toughened up significantly. Anybody in any part of the North, or in Britain, who may want to work with children and who has a criminal record will not be allowed under the law here or there to work with vulnerable people.

The Chairman (Mr Molloy): Do you have a particular proposal on vetting so that members can think about it over lunch?

Mr Attwood: I will come back to you with the wording, Mr Chairman. I have the wording for the other two proposals but not for this proposal yet. I need to work on that.

Mr Raymond McCartney: I also suggested the possibility that consideration be given to inviting CRJ groups along.

The Chairman (Mr Molloy): Does anyone have any other proposals?

Mr Kennedy: The UUP will consider all of the proposals, but it wants to add a further proposal that this Committee should condemn the practice of exiling and demand that it be stopped forthwith.

The Chairman (Mr Molloy): We now have four proposals.

Mr Raymond McCartney: On a point of information, Chairman. What is the link between community restorative justice and exiling? If exiling could be discussed in the context of residual justice issues, then I would agree to it. However, we must be careful that, on reading Hansard, it does not appear that members implied that some sort of relationship exists between community restorative justice and exiling.

Mr Kennedy: If members wish to consider the matter separately as a residual justice issue, I am content with that.

The Chairman (Mr Molloy): We shall separate the two issues.

We will adjourn for lunch and return at 12.45 pm.

The Committee was suspended at 12.21 pm

On resuming —

12.46 pm

The Chairman (Mr Molloy): We have four proposals. Sammy, do you want to open the discussion?

Mr S Wilson: A couple of composite proposals were to be put forward. Peter had about seven proposals, some of which can be encompassed in one proposal. We would be happy to support that.

Mr Attwood: I have drafted a proposal: “The Committee agrees that the full range of highest safeguards and standards should apply to community restorative justice schemes including: an independent statute-based complaints system; accreditation from, and training governed by, an independent dedicated agency; an independent oversight mechanism with all appropriate powers; referrals to the schemes by the justice system; and that a protocol should govern all the work of schemes.”

Mr McCann: I made a proposal regarding CRJ groups appearing before the Committee. Sinn Féin believes that they would provide valuable evidence that would otherwise be missing when the Committee makes decisions. We suggest that groups are asked to make written submissions. Sinn Féin feels that the Committee could not make decisions until there was evidence in the form of submissions from restorative justice groups.

The Chairman (Mr Molloy): Are you saying that the Committee could not reach a conclusion on the proposal today?

Mr McCann: Yes.

Mr Kennedy: Minister of State David Hanson has completed the consultation on the draft protocol for community-based restorative justice schemes. There was considerable input into the consultation exercise, and all that information is already available. I do not see how this Committee, with time being against us, would have the wherewithal to pursue that proposal.

Mr S Wilson: I am at a bit of a loss to understand the purpose of Fra McCann’s proposal. The phrase that Alex Attwood used about the “highest possible standards” was actually Sinn Féin’s phrase. The rest of the proposal, as I understand it, is to flesh that out. Indeed, the proposal deliberately avoids some areas, which, I suspect, may have been contentious. I accept that Sinn Féin have difficulty with parts of what the DUP, the UUP, the Alliance Party and, perhaps, even the SDLP have said.

The highest possible standards means that there should be a complaints procedure for people who are unhappy with the service they received from a CRJ scheme. The staff should be trained to the highest possible standard, working to guidelines that covered

all the schemes' work. I do not know why we need to bring groups here and take evidence from them.

Fra McCann said that he has considerable knowledge of the scheme in his constituency. I imagine that that would enable him to make a judgement on the contents of Alex Attwood's composite proposal, which includes several of Peter Weir's points. He should have no difficulty making a judgement without having to invite witnesses to give evidence.

Mr McCann: Having considerable knowledge of CRJ schemes and speaking on their behalf are two very different things. I have said that I am willing to drop my request that CRJ groups appear before the Committee, if submissions could be sent in instead. Sinn Féin cannot make up its mind, or take any decision, without that valuable input.

Danny Kennedy mentioned the draft protocol launched by David Hanson. Many CRJ groups are part of CRJ Ireland, and they have difficulties with the protocol, as does Sinn Féin. Therefore, the party will not be bounced into accepting any protocol without first hearing the voice of, or receiving written submissions from, CRJ Ireland or other CRJ groups.

Mr Attwood: I invite Fra to withdraw his proposal for the following reason. Unlike the Subgroup on the Economic Challenges Facing Northern Ireland, this Committee chose not to invite many witnesses and request submissions so that members' minds could be kept focused on the task at hand — dealing with barriers to the restoration of government. I had to swallow that decision, despite the fact that I was anxious to have MI5 representatives in the North and the Chief Constable appear before the Committee when it dealt with national security issues. I had to pull back because I recognised that in order to bore down into those issues and reach conclusions, the Committee had to work quickly and tightly.

If the Committee allowed a submission on CRJ issues, it would also have to be open to receiving submissions on other agenda items. Thus, the Committee's work would have to be reformulated in a way that would work against it.

Furthermore, community restorative justice has been one of the most high-profile issues of the past eight months and longer. My proposal is not suggesting that we sign up to the Hanson protocol; nobody is suggesting that. Everybody knows where the balls lies on this matter, and there is enough competence around the table — and certainly enough capacity in each party — to allow us to assess the situation and reach agreement.

Mr McCann: I am prepared to withdraw my proposal that the Committee should invite CRJ groups to give evidence in person, but I still believe that written submissions are necessary. The subgroup heard from

witnesses and received submissions, and that helped members to form opinions on different matters. The problem with this issue is that we are making a decision based on other people's opinions, not on the opinions of the groups involved.

The Chairman (Mr Molloy): One of the Committee's initial concerns was that if one party wanted to invite a witness to appear, another party might request the appearance of another witness to balance that presentation. That would involve many different groups being called as witnesses, and, given that some agencies would be slow to respond, the entire process would be delayed. For that reason, the Preparation for Government Committee adopted a different approach to the subgroup. How do we get round that? We wrote to the Secretary of State, and we received a response; we must now decide whether we want to write to some of the CRJ schemes.

Mr Kennedy: All political parties around the table are aware of the pluses and minuses of CRJ groups. We all have some knowledge and appreciation of how they are viewed and are aware of their strengths and failings. Political lines are being drawn on the issue.

It is a pity that Sinn Féin is using a basic holding tactic to stymie proper discussions. There is an opportunity to make progress on what ought to be a non-contentious issue.

Alex Attwood has produced a composite proposal that, in a true sense, makes an honest attempt to find common ground. Some aspects are missing that I, as an Ulster Unionist, would have liked to have seen included, but I am prepared to give it a fair wind to see if some level of agreement can be reached. By the use of a basic tactic, the issue is going to be kicked into touch and no progress will be possible.

Mr Neeson: Community restorative justice is not a new issue. Alex's proposal tries to include experience from other parts of the world where CRJ has proved to be valuable. I have difficulty in understanding why we cannot reach consensus. Although I raised issues during my presentation that were not included, Alex is trying to put forward the bare principles in order for CRJ to have the highest standards. The best thing to do is to find out whether there is consensus. If there is not, I will have great difficulty in understanding why.

The Chairman (Mr Molloy): Alex, will you read out the proposal? The Clerks were unable to write down the full details.

Mr Attwood: "The Committee agrees that the full range of highest safeguards and standards should apply to community restorative justice schemes including: an independent statute-based complaints system; accreditation from, and training governed by, an independent dedicated agency; an independent oversight mechanism with all appropriate powers;

referrals to the schemes by the justice system; and that a protocol should govern all the work of schemes.”

The Chairman (Mr Molloy): Are there any issues that members would like to waive or withdraw from the proposal?

1.00 pm

Mr Raymond McCartney: Many issues will need to be clarified, and the projects themselves could clarify them. Is Alex suggesting that no person has the right to go to community restorative justice to seek mediation without first going to the justice system?

Mr Attwood: No, that is not what I am saying.

Mr Raymond McCartney: Your last point was: “referrals to the schemes by the justice system”.

Mr Attwood: I assume, from your experience in Derry, that you know how restorative justice schemes work, unless something is happening in Derry that I am unaware of. This is how it will work: somebody in Derry, for example, goes to the restorative justice scheme. If the matter is criminal, it should be referred to the police, or the restorative justice scheme should say that it cannot go near that matter because it is none of its business. I assume that that is what is happening in Derry because we are told that that is happening.

Mr Raymond McCartney: You said “referrals”. That is a broad term. Did you mean all referrals?

Mr Attwood: No. The justice system would refer matters that it believes are criminal in nature but that are best dealt with by community restorative justice schemes. It means that schemes themselves do not have the power to deal with a criminal matter. That should not be a threat to anybody —

Mr Raymond McCartney: I never said it was a threat; I just wanted it to be clear. I thought you meant that all matters should be referred downwards, and that people should not go directly to community restorative justice.

Mr Attwood: No; as I outlined in my statement —

Mr Raymond McCartney: Someone said earlier that they wanted that to happen, and I wanted to make sure that you were not agreeing with that.

Mr Cobain: We must be careful about this. Individuals cannot say, “I want to participate in the community restorative justice system because I have done x, y or z.” without going through the police or the PPS. That is not where the Unionist Party is coming from.

In our view there has to be a structure: everything has to go through the police or the PPS. No one should be able to go to a community restorative justice scheme without going through the proper channels. That is why I said that community restorative justice should not be something that hangs somewhere outside the

criminal justice system. It should be an integral part of both the restorative justice system and the criminal justice system, and we have to get that into our heads.

Mr Attwood: Community restorative justice schemes deal with cases referred to them by the justice system, but referrals can be made in several ways. They can be made through the restorative justice scheme, an individual going directly to the police, or through some other mechanism. The point is that the authority to deal with the matter by the community restorative justice system is via referral of the matter from the justice system. Given that a criminal matter would be involved — however that is defined — that would be the right mechanism.

Mr Raymond McCartney: If I understand Fred correctly, were I to ask community restorative justice to intervene or mediate in a neighbourhood dispute tomorrow, his belief is that the matter should be passed on immediately to the justice system. Are you saying the same?

Mr Attwood: Any matter that can be defined as criminal under the legislation —

Mr Raymond McCartney: That is not the point.

Mr Attwood: Sorry, that is the point.

Mr Raymond McCartney: It is not the point. The point is that it may not concern a criminal offence.

Mr Attwood: The point is that, for example, if you have been assaulted in a dispute over a fence, and it is left up to you to define whether it is a criminal matter, we will end up with abuse of the system. For that reason any matter — any matter — that can be deemed to be criminal in nature has to be referred to the justice system before authority is given to a community restorative justice scheme to deal with it.

Mr McCann: Who defines what is criminal?

Mr Attwood: It is not going to be defined by community restorative justice schemes.

Mr McCann: You have answered the question.

The Chairman (Mr Molloy): We have probably reached a conclusion. Do we have consensus on the motion that Alex has moved?

Members indicated dissent.

Mr Attwood: The second proposal is that the Committee believes that acceptance of the rule of law and full co-operation with police and justice agencies are essential to the proper working of community restorative justice schemes and public confidence.

The Chairman (Mr Molloy): Do we have consensus?

Mr McCann: Could we have copies of these proposals? Alex is reading something out.

The Chairman (Mr Molloy): That is the way it has always been. Members give their statements verbally. We do not have the opportunity to circulate them at this stage.

Mr McCann: I appreciate that, but we are being asked to agree to something that Alex has just written down and has verbally given to this Committee. That makes it very difficult.

The Chairman (Mr Molloy): Would you repeat that, Alex?

Mr Attwood: I will — the Committee believes that the acceptance of the rule of law and full co-operation with police and justice agencies are essential to the proper working of community restorative justice schemes and public confidence.

The Chairman (Mr Molloy): Do we have consensus?

Members indicated dissent.

Mr S Wilson: The DUP would like to make a further proposal — vetting for anyone who works in community restorative justice schemes should be carried out by the police.

Mr McCann: Sammy is a specialist at these wee late ones.

The Chairman (Mr Molloy): Did everybody hear that clearly?

Mr Cobain: The area of employability and human rights is a minefield, and we have to be absolutely clear about it. I accept what Sammy is saying, but for people to agree to the proposal they would have to be sure that it could be carried out.

Mr S Wilson: If people apply to join the police —

Mr Cobain: Vetting for employment in the security services is taken as read, but if everybody going for a job had to be vetted it would be a different story.

Mr S Wilson: There are certain jobs in the Civil Service that the same vetting would apply to. This is simply a way of getting around the issue that Danny raised — that if somebody had been guilty of a criminal offence before 1998 and was still involved in criminal and paramilitary activity for which they had not been convicted, and there was intelligence that they were still involved, then we obviously do not want them to be part of the community restorative justice scheme. The only way to assess them would be to use police intelligence when vetting takes place.

The Chairman (Mr Molloy): We have a proposal. Do we have consensus?

Mr Attwood: No, because we do not believe the police want to have that job in the first place.

Members indicated dissent.

The Chairman (Mr Molloy): Fra's proposal was that the Committee should request written evidence from community restorative justice groups.

Members indicated dissent.

Mr Kennedy: We do not have the time. It would create a precedent for the Committee. All parties are aware of their own views and the workings of those particular groups and I am not sure that anything new could be provided.

Mr McCann: Earlier, Danny mentioned the recent Hanson document. It is possible that if the groups read their submissions to the Committee that might change minds and influence the likes of David Hanson to deal with the matter in a different way.

The Chairman (Mr Molloy): That would seem to be a debate for Belfast City Council. This Committee has a different role. There is no consensus on the issues. If there are no further proposals, we can move on.

Mr Kennedy: Chairman, I had one proposal at the end of the discussion.

The Chairman (Mr Molloy): Will that come under the next subject of residual justice issues?

Mr Kennedy: Yes.

Mr A Maginness: The SDLP is in favour of Danny's proposal on the practice of exiling.

Mr Kennedy: It was a straightforward proposal that the Committee condemns the practice of exiling and calls for it to be ceased forthwith.

The Chairman (Mr Molloy): Are there any other comments? Have we consensus?

Members indicated assent.

The Chairman (Mr Molloy): Do members want to raise any other justice issues at this stage?

Mr Attwood: I want to make two points on residual justice. Alban has a couple of points to raise too. I do not know if the Committee will agree on either, but consensus may be easier to achieve on one than on the other. It would be useful to tell the British Government whether there is an agreed view.

My first point is that there is confusion and, arguably, duplication of effort in the work of the district policing partnerships (DPPs) and community safety partnerships (CSPs). Members are aware that there can be tension between the two authorities and, at times, some confusion of roles. As the British Government are intent on re-organising local government in the North, this is the right moment to examine the tension between the two partnerships and consider ways of rationalising and streamlining them. It should be done in a way that makes more sense of their roles and, in particular, given the high profile of the policing issue, protects and enhances the authority of the DPPs.

My second point may be more controversial. In previous negotiations with the British Government, the SDLP, Sinn Féin, the Irish Government and others were concerned about the Public Prosecution Service (PPS) not giving enough reasons for the collapse of trials and for prosecutions not being brought or not being pursued. I raise the issue now for this reason: in light of recent cases, when limited information was given to the people in the North on prosecutions that collapsed, might the Committee suggest to the British Government that issues surrounding the provision of information be re-examined.

Sometimes the SDLP and others were voices in the wilderness when arguing with the British Government about providing information. However, I sense that because of the collapse of one recent trial, and the potential collapse of other trials involving the police, others may now share our concern. For example, Ian Paisley Snr met the Attorney General to express concern about what was happening in relation to one recent case and to discuss what further information should be placed in the public domain.

Perhaps the Committee would agree to a generic motion asking the British Government to review the issues around providing reasons for failures to prosecute or for collapses in prosecutions, in order to better inform the public. The SDLP has always thought that not correcting the failure to provide sufficient information would hamstring the justice system. Recent, and I suspect upcoming, events will demonstrate that this is a potential Achilles heel for confidence in the administration of justice.

1.15 pm

Mr Cobain: We are back to the issue of intelligence. Some of the cases that were not pursued had an intelligence background and we are back to what Sammy said — there are some issues that the Government, or our police service, are not going to divulge. We are just wasting our time. I am all for having as much transparency as possible, but it is just not possible where people are working for the security services, because people's lives are put at risk.

Mr S Wilson: I had not intended raising the second point, but the first point that Alex raised is an issue that the DUP also would be concerned about, regarding the efficiency of administration and the conflicts that can sometimes arise between DPPs and Community Safety Partnerships.

Policing is now regarded as more holistic; it is not just about looking at the policing aspect of a problem but also at what other agencies might do. For example, closing down a rat-run might have been a policing issue in the past, but now, another agency could deal with it.

The artificial distinction made between DPPs and Community Safety Partnerships — and I suspect the

reason was political — really does not work. If money is available for safety issues, which can improve policing, make policing easier or help the police achieve targets or objectives set locally by DPPs, then we really have to get to a situation where we amalgamate the two bodies. The DUP would be very supportive of any proposal to reconsider the DPPs and Community Safety Partnerships with a view to merging them.

I would like more time to think about the PPS and reasons that cases collapse. I do not know if we are going to get anywhere on the matter because even the Northern Ireland Affairs Committee in the House of Commons could not get an answer — the Attorney General simply refused point blank to give reasons. The Assembly is unlikely to get reasons either.

I share Alex's concerns on the point. It does lead to a loss of confidence in the whole justice system when a case collapses, or is not proceeded with, and no indication is given as to the reason. If it is due to national security then you are never going to hear anything other than that it is a "security issue", and that would be the end of it. I cannot see any reason that there could not be transparency in cases that do not impinge on national security. National security is only one of the reasons that cases collapse. If a case collapses because of police incompetence then people should know about it. If we are going to come back to this, I would prefer to have a chat with some of my party colleagues before voting on a particular proposal, because it might well be that we can reach consensus.

Mr Raymond McCartney: Sinn Féin has no trouble supporting the second proposal. However, the Committee wants to return to it. My party wants to explore the first proposal further. Perhaps Alex would explain why he believes that the two proposals should be amalgamated.

Mr Neeson: I want to give the first proposal further consideration. However, there are issues with regard to the rule of law that I want to explore.

Mr Attwood: I shall leave the proposals on the table pending the parties' consideration of them.

The Chairman (Mr Molloy): Shall we proceed to discussion on justice issues?

Mr A Maginness: I referred to the work that has been done on conferencing by the Youth Justice Agency. It would be worthwhile if the Committee were to note the work and progress that it has made in that regard. The Committee must support and commend that work because it is an important development. Indeed, so is the work that the PBNI has done with offenders and ex-offenders.

The Chairman (Mr Molloy): Do you want to make a proposal?

Mr A Maginness: I just want the Committee to note the work that has been done and the progress that has been made.

The Chairman (Mr Molloy): Is the Committee agreed?

Members indicated assent.

The Chairman (Mr Molloy): The Committee will return to the proposals on community safety and district policing partnerships.

Sean, did you want to raise an issue?

Mr Neeson: There is ambiguity about what is required from Ministers in the Pledge of Office as regards the rule of law. The pledge requires commitment to the rule of law. My party believes that the wording should be stronger; instead of asking Ministers simply to commit to the rule of law, the Pledge of Office should be amended to contain a commitment to “uphold” the rule of law. There is a big difference.

The Alliance Party is also concerned about what the Government mean when they talk about signing up to policing. My party believes that in order to sign up to policing, people must accept the Police Service of Northern Ireland as a regular, consistent organisation. Support for it should be based locally and centrally.

It is important that parties recognise the Police Service of Northern Ireland as the sole and exclusive legitimate policing agency in Northern Ireland. It is important that, when Ministers take office, they sign up to our proposal that they must uphold the rule of law in Northern Ireland. Parties who take their seats in Government should also be prepared to become members, not only of the Policing Board, but also of district policing partnerships, and take up their quotas therein.

The Alliance Party considers those to be important benchmarks that are necessary for a return to Government.

The Chairman (Mr Molloy): That item was under “Any other business”.

Mr S Wilson: Would Sean go beyond that definition? Upholding the rule of law, as he has described it, seems to mean simply supporting the institutions, district policing partnerships, the Policing Board, and so on. I believe that it must go much further than that. Public representatives must encourage people to join, give evidence to, and report crimes to, the police. They should be obliged to do more than just support institutions. They should, on a day-to-day basis, show that they recognise the police as a legitimate authority.

Mr Neeson: I do not disagree. Implicit in what I said is that if people are prepared to become members of the Policing Board and district policing partnerships, they are, by example, encouraging people to support the institutions.

The Chairman (Mr Molloy): The issue was discussed at the meeting on 14 August 2006. However, it did not gain consensus. Can a proposal be made today with regard to the issue?

Mr Neeson: The Alliance Party believes that those are the benchmarks for parties taking part in the Government.

Mr S Wilson: Rather than leave it hanging, could we have a formal proposal that the Committee believes that for parties to be included in Government it is essential that they support the institutions of the police and give public encouragement to citizens to support the police and accept their authority.

Mr Neeson: The essential thing is that the word “commitment” is very loose. That is why we use the phrase “commitment to upholding the rule of law.”

The Chairman (Mr Molloy): I have a funny feeling that the wording is not going to be the issue. I doubt if we are going to get consensus on this. We should just put it to the floor at an early stage rather than going round the houses.

Do we have consensus on that particular proposal?

Members indicated dissent.

Mr Kennedy: What a remarkable prophet you have become, Chairman. *[Laughter.]*

Mr Wilson: There was a momentary silence there. I thought, “We’ve got them.” *[Laughter.]*

The Chairman (Mr Molloy): I did not think it had moved that quickly.

OK. That brings us to the end of that particular issue. Do members want to continue with what is next week’s business with regard to criminality, decommissioning and paramilitarism?

Mr Kennedy: Can we do that next week? We can save ourselves for that.

The Chairman (Mr Molloy): Do members have any other business? No? Next week’s issues for discussion are criminality, decommissioning and paramilitarism.

Adjourned at 1.27 pm.

COMMITTEE ON THE PREPARATION FOR GOVERNMENT

Friday 25 August 2006

Members in attendance for all or part of proceedings:

The Chairman, Mr Jim Wells
Mr Alex Attwood
Mr David Ford
Mr Derek Hussey
Ms Patricia Lewsley
Mrs Naomi Long
Mr Nelson McCausland
Mr Alan McFarland
Mr Philip McGuigan
Mr Alban Maginness
Lord Morrow
Mr Dermot Nesbitt
Mr John O'Dowd
Mr Edwin Poots

The Committee met at 10.04 am.

(The Chairman (Mr Wells) in the Chair.)

The Chairman (Mr Wells): I ask members to switch off their mobile phones. Mobile phone interference has again blotted out vital parts of members' discussions at the previous meeting. We might get this right eventually.

We will go through the apologies and deputies, starting with the DUP.

Mr Poots: Mr McCausland and I are here on behalf of Lord Morrow and Dr McCrea.

The Chairman (Mr Wells): Will there be a third Member?

Mr Poots: No.

Mr Nesbitt: Chairman, I am quite clear about the position this morning. I am representing Mr McNarry. When Mr Hussey arrives, he will represent one of the other three UUP members, whose name I do not recall.

The Chairman (Mr Wells): Mr McFarland?

Mr Nesbitt: No.

The Chairman (Mr Wells): Mr McGimpsey?
[Laughter.]

Mr Nesbitt: Mr McFarland will be arriving later; I am very clear that neither Mr Hussey nor I are representing him. I shall be leaving just after 11 o'clock this morning, so it will be your pleasure that I shall not be here.

The Chairman (Mr Wells): On a serious note —

Mr Nesbitt: I am being serious.

The Chairman (Mr Wells): Is there a possibility that the UUP will not be represented at all?

Mr Nesbitt: I think that Mr Hussey is coming. I had expected him to be here now, because two UUP members are supposed to be here. I think that Mr McFarland is scheduled to arrive before I leave. However, I was given the clear instruction that neither Mr Hussey nor I are representing Mr McFarland.

The Chairman (Mr Wells): By a process of elimination, Mr Hussey must be Mr Kennedy.

Mr Nesbitt: That is it; Mr Hussey is Mr Kennedy.

Mr Ford: After that clear insight from the Ulster Unionist Party Assembly Group, I am delighted to confirm that Mrs Long and I are playing ourselves.

Ms Lewsley: I am here on behalf of Mr Durkan. Mr Maginness is here on behalf of Dr Farren, and Mr Attwood is here on behalf of Dr McDonnell.

Mr O'Dowd: Mr McGuigan and I are replacing Mr McGuinness and Mr Murphy, in whichever order.

The Chairman (Mr Wells): Will there be a third Member?

Mr O'Dowd: Not today.

The Chairman (Mr Wells): Are members content with the minutes of the meeting of 18 August 2006?

Members indicated assent.

The Chairman (Mr Wells): Mr Nesbitt requested that a copy of his paper, 'Equality (Labour Market Issues)', be placed on the Preparation for Government section of the Assembly website. That has been done, and the paper is now available for the public to read. That is entirely in order; the Subgroup on the Economic Challenges facing Northern Ireland yesterday agreed that various papers would be placed on the website. If other members wish to post papers on the website, they can do so.

Mr Nesbitt: Chairman, I did not anticipate that you would mention that, as it was agreed last week. All the same, I thank you for mentioning it.

I wish to record my disappointment on a couple of issues. The Committee has been discussing human rights and equality issues for the past two weeks. However, I am disappointed that there was no consensus to invite the Northern Ireland Human Rights Commission (NIHRC) and the Equality Commission for Northern Ireland (ECNI) to appear before the Committee to speak and answer questions.

I am very conscious that all the Committee's meetings have finished approximately an hour and a half earlier than scheduled. Therefore, we could easily have made time to hear from both commissions. I

strongly expressed my view that there is a difference between statutory bodies that deal with human rights and equality, such as the NIHRC and the ECNI, and non-statutory bodies, such as the Committee on the Administration of Justice (CAJ), the Northern Ireland Human Rights Consortium and Amnesty International.

I wish to record my disquiet about the fact that the Committee did not, in its wisdom, invite the two bodies to appear before it.

Ms Lewsley: Two weeks ago I proposed that we should not invite the NIHRC or the ECNI to appear before the Committee unless there was a need to do so. My understanding is that, to date, no one has made a proposal to invite them to give evidence or to answer questions.

Mr Nesbitt: At our first meeting on 4 August, when we were deciding on our *modus operandi* for these meetings, I expressed a preference to hear from those two bodies. I would be more than happy to hear from them. In fact, I mentioned the former SDLP member, Colin Harvey, who is professor of human rights law at Queen's University. I would be more than happy to hear his legal perspective on human rights.

I was not in any way being party political. However, I read the minutes, which said that there was a view not to have anyone from those bodies — as Ms Lewsley rightly says. Nevertheless, the Committee felt sometimes that it had much to do, and I still feel that we should have had them here. That is just a reservation, which I am asking to be noted.

Ms Lewsley: Is Mr Nesbitt proposing that the NIHRC and the EQNI appear before the Committee?

Mr Nesbitt: We are now in our third meeting, and there is one meeting left. The time has now passed; therefore I am just recording my position, as I initially did on 4 August. I was not indicating a preference for any group or party; I was just saying that counter to my wish, no consensus was achieved. That is the only point I want to make.

The Chairman (Mr Wells): Mr Nesbitt, you have clearly stated that for the record. If it arises in the plenary debate you can say that you articulated that concern. I am sure that members, from what I can hear, wish to maintain the stance they had.

Mr Nesbitt: We have moved away from human rights and equality. We are now on different dimensions. But those were the two central elements and I still think that they should have been here.

My second point is one of deep concern. Sinn Féin and the SDLP often engage in megaphone diplomacy with regard to my comments on equality. I note that Sinn Féin issued a statement in advance of our meeting last week saying that I was sectarian. I noted also that Sinn Féin said I have a “flat earth” approach to equality.

I am glad that there are a couple of lawyers opposite me in the SDLP.

Mr Ford: But they charge by the hour. *[Laughter.]*

Mr Nesbitt: They charge by the word, likely words as they have. *[Laughter.]*

I remember a couple of years ago or so a letter in ‘The Irish News’ with the heading “Have you read ‘How to Lie with Statistics’?” That was quite a strong heading. The first sentence in that letter — I can always remember it — was:

“I don’t know whether Dermot Nesbitt has read the best-selling book ‘How to Lie with Statistics’, but his recent publication that Catholics are not discriminated against is a sure rival.”

That was written by none other than John Dallat. Now of course, Declan O’Loan has challenged me on equality through the media.

I challenged Mr Dallat with several letters. Needless to say I got no answer. At the very least, when I put forward a 30-page document of my arguments on the internet web page, they can be read and understood by anyone. Last week I openly invited all of the parties to come and discuss it with me, but none did. I wished for genuine engagement, but if parties are not going to come and talk to me then they should refrain from such hostile megaphone diplomacy. To imply that I am a liar is not exactly the best method of political exchange.

The Chairman (Mr Wells): Mr O’Dowd, do you wish to come in on this?

Mr O’Dowd: I was not one of the people who called Mr Nesbitt a liar, and in relation to the “flat earth” approach —

Mr Nesbitt: I choose all my words carefully. As I say, two lawyers are present, so I had better choose them carefully.

Mr O’Dowd: I am trying to bring humour into the debate.

I spoke to you across the table last week about the Flat Earth Society. I also told you that my party would meet yours in a bilateral to discuss your document and that that meeting would take place in the near future.

10.15 am

Mr Nesbitt: Well, I look forward to receiving a communication from you, because as yet there has been none.

Mr O’Dowd: Our equality gurus are on holiday, but they will be with you.

Mr Nesbitt: Ah, they are on holiday. I am glad that Sinn Féin has got “guros” for equality.

The Chairman (Mr Wells): It is probably the Irish for “gurus”. *[Laughter.]*

Mr Nesbitt: Whatever that is. *[Laughter.]*

Chairman, I have made my point. I did not say anything about the DUP, because I presume that that party will empathise with my comments. However, I do not wish to go there.

Mr Attwood: It is unfortunate that Mr Dallat is not present, as he is the person who is most qualified to defend himself. However, I do not believe that anybody would suggest that Mr Nesbitt is a liar. It would be inappropriate for Mr Nesbitt or anybody else to interpret literally the headline of that letter. I believe that Mr Dallat was illustrating a view of what you had said, rather than actually alleging that you are a liar. The tone of both the headline and the letter clearly conveys that, and any other interpretation is misguided. Mr Dallat, like other SDLP members, has fundamental problems with your analysis of human rights. I do not know whether that is a “flat earth” approach. However, it is a very narrow interpretation of what we believe is required, given the broad human rights requirements in the North.

Mr Nesbitt: The SDLP has difficulties with my approach. I have stated my approach in print, in public, for all to see and for all to read. I have invited the SDLP to discuss it; it has neither acknowledged that nor considered it. That party has difficulties with me. The SDLP says that it wants to have dialogue. However, it does not seem to want to discuss or exchange views, which is a little unhelpful.

The Chairman (Mr Wells): Mr Nesbitt, because you feel that a member of the Committee has impugned your integrity, it is entirely in order that you clarify the issue and state your point of view. The matter has been well aired. We will leave it at that.

Two procedural issues have arisen. First, according to my calculations, two Lord Morrows are attending the Committee today. I have heard that people double-vote. However, double-attendance is surprising.

Mr Poots: I have drawn the short straw; I am Ian Paisley Jnr. *[Laughter.]*

The Chairman (Mr Wells): Mr Poots is Ian Paisley Jnr, and Lord Morrow is himself.

Secondly, I am aware that a member who is present at the Committee for the first time has not made a declaration of interest. Have you anything to declare, Mr McGuigan?

Mr McGuigan: No.

The Chairman (Mr Wells): It is important that we keep tabs on that. I did not notice. I believe, Mr Hussey, that you have been present before and have made your declaration.

Mr Hussey: I was here last week, but I did not make a declaration.

The Chairman (Mr Wells): For example, with regard to the parades issue, several members have declared that they are members of the Orange Order. If any similar issues come up, please declare relevant interests.

We shall proceed to today’s business. I am sure that members are aware of the usual arrangements; discussion will go on until 12.20 pm and there will be a break of 15 minutes for lunch. I encourage members to bring their food back to the table.

The main items of discussion today are the disappeared, dealing with the past and its legacy, truth and reconciliation, and victims. Members are acquainted with the normal procedure, which is that each party will make a short presentation on each subject. That is done in alphabetical order. Therefore, the Alliance Party will start. Afterwards, members may ask questions. During the presentations, please let either me or the Clerks know if you wish to ask a question.

Mrs Long: The Alliance Party will cover all four areas of discussion on the past and its legacy in its opening statement, rather than deal separately with each area.

The Chairman (Mr Wells): It would be helpful if each party made it clear whether they were doing this singly or as a group, and then we would know where we stand. Fire away.

Mrs Long: This is clearly a complicated and multi-faceted issue. It is also probably one of the most sensitive that we will be dealing with as a Committee, as it requires us to deal with a conflict around which there is no shared understanding. It is also incredibly personal to each individual who has been directly affected, and yet it has an impact on the wider public and on politics in Northern Ireland.

Some people may argue that focusing on the past is counterproductive and keeps wounds open, and that society should simply move on. Alliance disagrees strongly with that view. We believe that addressing the past and its legacy is fundamental to the process of reconciliation and to building a shared future. Failure to do this in a comprehensive and holistic manner is a barrier to political progress and future political stability.

Issues of how to handle the past have been allowed to become a source of division within society, and have created further divisions as a result. Alliance believes that only through the creation of a comprehensive approach can this tendency be countered.

It is the view of my party that efforts to deal with the past and its legacy have been handled on a very piecemeal basis to date. First of all, paramilitary prisoners were placed on a generous early release programme. That aspect of the agreement turned out to be the most controversial and the most painful one.

There was no requirement upon the organisations involved to engage in any wider process of revealing the details of their past actions. While the early release scheme approximated to a de facto amnesty for existing prisoners, the Police Service technically retained unsolved cases from the troubles as open case files. The special historical enquiries team has now been established for that purpose, but it faces an uphill struggle.

Related to this is the need to ensure that all past instances have been properly recorded and, indeed, investigated. This has been highlighted through a number of recent cases investigated by the Police Ombudsman. Amnesties were granted to paramilitaries in relation also to decommissioning, in that any evidence arising out of the handover of weapons could not be used in future prosecutions. Also, amnesties were created in relation to evidence given by paramilitaries in order to help the authorities locate the remains of the disappeared — those people kidnapped, murdered and buried in unmarked graves.

The British Government over-reached itself on the subject of the so-called “on the runs” (OTRs) as a key demand of republicans during the implementation phase. Initially, the British Government agreed to what was essentially an amnesty for the OTRs, as part of the July 2001 Weston Park proposals. That initiative was attacked for two principal reasons. The first was that there was no linkage sought between the fate of the OTRs and the exiles — people who had been either internally displaced within Northern Ireland or forced to leave under threat from paramilitaries. Some were suspected of being criminals; others had simply stood up to local paramilitary godfathers, but neither should have been subjected to this kind of intimidation. Several thousand exiles are still unable to return to their homes in safety.

The second problem was the absence of any judicial process for the returnees that would require them and their organisations to face up to their actions and to face their victims. This problem was, on the surface, apparently rectified within the proposals in the joint declaration of April 2003. It set out a quasi-judicial process whereby those seeking to benefit from the scheme would have had to be processed through a special tribunal. Those found guilty would have been placed on licence, like the early-release prisoners, but without serving any time in prison. However, a potentially fatal flaw was the absence of any requirement for the applicants to actually attend those hearings.

There have been some limited efforts to find the truth behind some selective incidents that occurred during the troubles, but those entirely relate to actions that were conducted by the forces of the state. The Bloody Sunday Inquiry, for example, was established in early 1998, pre-dating the agreement, to explore what was,

perhaps, the greatest abuse of state forces during the troubles. Amazingly, it will not report until 2007.

There are now other demands for separate inquiries into a number of instances where the forces of the British and Irish Governments were alleged to be acting in collusion with republican and loyalist paramilitaries. A list of six of these was agreed by the British and Irish Governments at Weston Park. Those inquiries have not yet commenced, due to controversies relating to the British Government trying to limit their powers.

We believe that it is right that the state should be held to the highest of standards. However, while these inquiries hold out the prospect of some degree of truth emerging for the families of some victims, they leave many with the feeling that their experience is less important and that they are in some way not valued by society in the same light. Many victims and their families are not benefiting from any kind of process. They have a diminishing prospect of formal prosecutions being taken, and there is no indication of any truth and reconciliation process being established in the near future.

Victims are diverse and have a range of needs. Much formal public policy has focused on financial assistance and the provision of services for victims. Progress has been made, although there is room for improvement, as evidenced by the ongoing work of the Interim Commissioner for Victims and Survivors. Much more can be done, and the much wider issue must be addressed. The Alliance Party wants to outline some suggestions. However, we realise that political parties should not be overly prescriptive when proposing measures that could encourage the perception that victims' issues have become a political football. I hope that no party would want that to be the case.

Our first suggestion relates to memorialisation. Some kind of permanent memorial should be created — and there is room for considerable creativity in that regard. It may not have to be a traditional, physical memorial; there are other ways of recognising the loss of life and the cost of thirty years of violence. Consideration should also be given to holding a day of remembrance or reflection.

The option of storytelling has been explored. That would allow victims, as they define themselves, to place their testimony, positive and negative, on record, leading to some kind of permanent archive.

A wider truth recovery process would be a useful tool in resolving some issues. Although it might be appropriate to draw on international experience, the process must first and foremost be tailored to the evolving needs of Northern Ireland. To simply transplant a mechanism from elsewhere would be neither acceptable nor productive.

There has been much discussion on many of those areas in the past, but, unfortunately, little progress. The Alliance Party would be happy to endorse proposals for the creation of a victims' forum, which would allow victims to tell their stories in their terms, and the creation of an archive. The party proposes that the Committee should support such a proposal.

The Alliance Party wants to particularly mention the disappeared and their families. We reiterate our belief that primary responsibility for addressing this matter lies with those responsible for their disappearance. At the very least, those involved have a legal and moral obligation to allow families to bury their dead and to come to peace with the situation.

The legacy of paramilitarism must also be addressed. The Alliance Party did not want this section to be labelled "The Past", because that ongoing legacy is one with which communities continue to live.

The issue of exiles must be addressed. The practice of exiling is still going on in Northern Ireland, and externally. It is not simply enough to call for it to be stopped; the threats against people who have been exiled must be lifted so that they can return to their homes in safety, if they wish to do so.

It is also important to note that paramilitary organisations still exert a stranglehold over certain communities. It is often associated with the prevalence of organised crime and it breeds such a culture of lawlessness that people do not appreciate the value of a society based on the rule of law. Instead, it appears to be the law of the jungle and survival of the fittest. This situation carries huge social and economic costs, and huge personal costs for people in those communities.

In far too many ways, the state and its agencies contribute to the situation by accepting that the local strongmen are the legitimate voices of communities and by allowing them to broker what does or does not happen in certain areas. It often seems easier to cut deals and to accommodate this intimidation rather than tackle it head on. What may seem to be a short-term gain simply exacerbates the problem.

Those issues must be dealt with comprehensively, and the Government must take a consistent line across the board in dealing with the legacy of the past, ongoing paramilitarism and intimidation within communities. I have kept our comments brief, but we certainly wish to explore these issues in more detail later today.

The Chairman (Mr Wells): As Mrs Long dealt with all four subjects together, I allowed her to go well over the allocated five minutes. She was entitled to 20 minutes in total, comprising four five-minute slots. Her contribution lasted about 10 minutes, so that is fine. It is perfectly acceptable for parties to do that, and they will be allocated extra time.

10.30 am

As some parties may run the four subjects into one presentation, I should remind members, just in case, that, under those headings, issues of sub judice could arise and, of course, the precedent and ruling are very clear. If the matter is before the courts in any fashion then members cannot be specific and cannot name individuals. I remind members, even though they have qualified privilege in this room, of the need to be careful. I will intervene if someone names individuals involved in cases that have been referred to the courts.

Mr Poots: In dealing with the past and its legacy, our presentation will deal with all four issues together. First, we shall talk about victims and deal with the definition of "victims".

Our vision document states that there is a fundamental distinction between those who have suffered at the hands of terrorist gangs, and those terrorists and former terrorists who contributed to the terror campaign and wrought untold suffering throughout the troubles.

The DUP simply demands a fair and sensible recognition of the victims of terror. Clouding the issue or applying a one-size-fits-all definition merely concedes to the principle of political expediency. It is unhelpful and fails to contribute to achieving reconciliation. To argue that everyone is a victim facilitates those who would minimise their own role in contributing to the terror and to the consequences of their actions. That is skewed thinking, and it establishes a false foundation for a new beginning.

The rights of those who have suffered at the hands of the terror machine, and who continue to suffer, should not be pushed to the background in the false hope of achieving reconciliation. The pain and suffering that are a daily experience for many victims will not go away. Where there is no justice or reasonable recognition, there can be no healing. Many victims simply want to get on with life and leave behind what has happened to them. However, many others need the support and counsel of those who have come through similar circumstances.

With regard to victims' groups, many individuals often do not have a strong enough voice to raise the profile of their own case, or are not able to articulate their needs. It is vitally important that the support groups that have developed be supported and encouraged. Victims' groups have developed through the work of people who give their time voluntarily, and have become an important way for victims to express their needs. Furthermore, they offer much-needed services such as counselling, training and support. The needs of victims and the priorities of those groups must be highlighted, and those needs must be recognised by Government and form the cornerstone of their strategies for victims.

All too often in the past it has simply been what Government has assumed is important to victims, and not what really matters. Again, victim support groups can be key to this, as they represent their members' wishes. It is vital that these groups receive the funding that is crucial to their survival. It is also imperative that future funds be guaranteed, so that the threat of funding removal does not hang over their heads when planning for their future.

At present it is impossible — unless through private fund-raising — for these groups to improve their facilities. Victims' groups, and particularly smaller groups, also require funding to advertise their services. It is still a problem that many of those who most require help either do not know that it is available, or are reluctant to come forward. Funding that allows those groups to reach out to more people will increase their usefulness among the people who need the services most.

Compensation was not an issue when many of the killings took place in Northern Ireland, and many who have suffered have not received adequate recompense. Levels of compensation offered to those whose relatives were murdered were often minimal. In one particular case, a mother and daughter received £11,000 for watching their husband and father being gunned down. I compare that to the level of compensation received by a leading member of Sinn Féin/IRA when he was struck by an RUC truncheon and received compensation of £9,000. In a case relating to the family of one of the Loughgall terrorists, £40,000 was awarded in compensation.

Funding from Government must be directed so that it benefits directly those who are the victims of terrorism and is not spread across the "victims sector", as it is currently defined by Government. Funding that is supposed to help victims should not be siphoned off to help rehabilitate terrorists. Organisations claiming to be victims' organisations have been established and have, as members, many people who have engaged in the terrorist campaign. Those organisations are a complete contrivance, and cannot be accepted as bona fide victims' groups.

It is vital that those who are responsible for the fate of the disappeared come forward to help locate the bodies.

The Rev Dr Ian Paisley stated recently:

"I hope that these proposed measures will result in the remains of the 'Disappeared' being located, but the fact of the matter is that accurate information about the whereabouts of the bodies from those directly responsible for these horrific murders is the most likely way to bring about closure for the families."

The republican movement, as encapsulated by the IRA as the paramilitary wing and Sinn Féin as the political wing:

"must come forward with answers. They caused pain for the families in the first place by killing their loved ones. They have denied them a proper burial and have added insult to injury by sullyng the memories of their victims with scurrilous accusations. It is up to them to do what they have failed to do in the past and tell the truth about where their victims bodies lie. These people know where these bodies are. Why can't they hand them back and give their victims families some peace?"

With regard to unsolved crimes, it is important that all victims of terrorism are not forgotten. There are more than 2,000 unsolved murders in Northern Ireland; many victims still feel the pain because no one has been brought to justice for the murder of their loved ones. More resources should be given to the Historical Enquiries Team to help it to investigate many of those crimes.

There have been some suggestions that a truth commission would be a step forward for Northern Ireland. Some people think that it would bring closure to what has happened. In somewhere as small as Northern Ireland, that proposal is unlikely to be successful. Although the state would have to be fully accountable and would be required to co-operate fully and disclose all its information to such a commission, the terrorist groups would have full control over whether to participate and at what level. It is our view that a truth commission would not only be unworkable in Northern Ireland but would serve to hold accountable only those who served in the Crown forces, while terrorists could hide behind a cloak of anonymity.

We are glad that the proposed legislation for those on the runs did not proceed and that the Government backed off. We will continue to oppose the introduction of any legislation that would allow so-called on-the-run terrorists to walk freely the streets of Northern Ireland.

The Chairman (Mr Wells): It would be helpful if Mrs Long and Mr Poots could give copies of their presentations to Hansard, simply to ensure that they are correctly reported. Perhaps they could see the Hansard staff at lunch time. The same goes for all the other parties.

Lord Morrow: Will we all get copies of those presentations?

The Chairman (Mr Wells): What do members feel about that suggestion?

Mr Poots: They will be in Hansard, anyway.

Lord Morrow: Are we not discussing them today?

The Chairman (Mr Wells): Each party's submission is handed around the table.

Mr Poots: I am happy for our presentation to be circulated.

Mrs Long: We have not prepared a formal submission. I simply have notes from which I was speaking, but they are not comprehensive.

The Chairman (Mr Wells): Your contribution seemed to be remarkably articulate to be taken from notes.

Mrs Long: Thank you for your flattery; nevertheless, they were only notes.

Lord Morrow: Was there not a clear understanding that each party was to present a paper to the Committee?

Mrs Long: No.

Lord Morrow: That was my understanding.

The Chairman (Mr Wells): Parties have certainly volunteered that material in the past.

Lord Morrow: No, I do not think that that is right. In the past, parties were instructed or asked to prepare papers and bring them to the Committee.

Mrs Long: This issue has been discussed on several occasions, and the option for members to submit papers was left open. However, no one was required to submit a paper.

The Chairman (Mr Wells): It was voluntary, but is the DUP willing to make its paper available?

Lord Morrow: That was the understanding at the commencement of these Committee meetings. Indeed, Mr Deputy Speaker, you were in the Chair.

The Chairman (Mr Wells): I remember that point. The DUP volunteered to make its paper available.

Mr Nesbitt: Let me try to end this minor internecine conflict in the DUP —

Lord Morrow: I do not think that it is minor.

Mr Nesbitt: At a previous meeting, the noble Lord read from a document that was reported in Hansard. Perhaps I am wrong, but did he make that available?

Lord Morrow: Yes, I did.

Mr Nesbitt: If he made that document available, the request seems laudable and easy to follow. I cannot understand what the discussion is about.

Lord Morrow: No disrespect to Mr Nesbitt, but he misses the point, and not for the first time. When the Committee first met, parties were asked to submit a paper to the Committee. It may be that others do not need to do that — Mrs Long has not submitted a paper, which is fair enough. However, that was the understanding from day one.

Mrs Long: It was certainly not our understanding that members had to submit papers. This issue has been discussed at almost every meeting of the Committee. Some members have offered to submit papers, and others have said that we should not submit papers. Last week, the DUP said that we should submit papers; the Ulster Unionist Party said that we should not. It was always open to us to submit papers, but we were not compelled to do so. We are happy to make a written submission to cover the points that I have raised, but we could not do it today.

Mr Nesbitt: I am agreeing with Mrs Long more often than not, which is worrying. She said that there is a difference between presenting a paper and submitting one, and that that distinction was being made. Presenting a paper does not necessarily mean that a written document is submitted. It can be an oral presentation. Mrs Long presented a paper; she did not submit a written document. Her party may or may not wish to do that. The DUP read, presented and submitted a paper for the benefit of Hansard.

Let us proceed, Mr Chairman. You have asked the DUP to submit its paper —

Ms Lewsley: I propose that if anyone wants to submit papers today, they have the opportunity to do so. If a member wants to submit a paper at a later stage, they also have the opportunity.

Mr Nesbitt: There is something important about submitting a paper at a later stage. Let us get this clear. I submitted a paper last week; I tabled the paper and it was published on the Assembly website. If a paper is submitted outside the curtilage of this Committee without it having been presented first, that would be a slightly different situation. Mr Chairman, are you giving carte blanche to members to submit whatever they like?

The Chairman (Mr Wells): The problem is that at some meetings we agreed that papers would be submitted, presented and distributed. This morning, we did not do that. I simply asked members to present a paper, and they have done that.

Ms Lewsley: Many papers that parties submit will be much more detailed than our presentations. We have a detailed paper that we can submit, but our presentation will be much shorter. Like Mrs Long, I will read from notes. I do not have a prepared document. I can give what I have to Hansard, and I hope that they can make use of it.

The Chairman (Mr Wells): We will not reach agreement on this issue, and —

Mr Nesbitt: It is important that a submitted paper be placed on the table at some stage; in other words, it should not be submitted outside the ambit of this Committee.

Ms Lewsley: With the greatest respect to Mr Nesbitt, I mean that if the Alliance Party wanted to submit a paper, they could do it next week, because they are not prepared for it today. That is all I said. I did not say that the paper should be submitted somewhere in the ether between now and next week.

The Chairman (Mr Wells): Supplying Hansard staff with documentation is a totally different issue. That will assist Hansard to report accurately what has been said at the meeting. The documentation could be notes or a fully typed submission. Do not feel that the two are linked.

Let us move on.

Mr McGuigan: For clarification, I will be speaking partly from a prepared paper and partly from handwritten notes.

The Chairman (Mr Wells): Will you cover all four subjects together or each issue separately?

Mr McGuigan: I will deal with all four subjects together.

Like Mr Nesbitt, I am going to agree with Mrs Long: these are sensitive issues that should not be used as political footballs. Sinn Féin remains committed to the agreement's requirement that it is essential to acknowledge and address the suffering of victims and survivors of violence as necessary elements of reconciliation.

It is our view that the suffering of the victims and survivors has not been adequately acknowledged or addressed, and that international best practice is required to support the development of special community-based initiatives, including trauma and counselling services, with adequate resourcing and funding from both Governments to enable victims' groups to pursue their remits. That should be done in consultation with victims' groups. Too often in the past, Governments have imposed resources on victims' groups without consulting them.

10.45 am

Sinn Féin also demands equality of treatment for all victims and survivors and an end to the practices that discriminate against victims of state violence and collusion. That discrimination was evident in the politically expedient way in which the DUP's nominee was appointed as Interim Commissioner for Victims and Survivors. It is also evident in political parties' attempts to create a hierarchy of victims of conflict by demeaning some victims, as we heard in the DUP's presentation.

On the issue of truth and reconciliation and dealing with the past, Sinn Féin believes that there should be an end to political posturing, particularly by the British Government, as regards truth recovery. All relevant

parties must engage in a genuine, focused debate on the timing and purpose of a comprehensive truth process to deal with the legacy of the past, underpinned by the following principles and values: that all processes should be victim centred; that victims and survivors have the right to acknowledgement and the right to contribute to a changing society; that full co-operation and disclosure is required; and that the British state should acknowledge its role as a primary protagonist in the conflict and clarify its actions throughout.

There should be no hierarchy of victims, and any panel or commission should be international and independent. There should be a desire to learn from the lessons of the past so that mistakes are not repeated. The process should not be restricted to combatant groups but should include the media, the judiciary, state institutions, civic society, and so forth.

In the past, Sinn Féin has asked for full co-operation and disclosure with regard to the disappeared, and its party president has recently reiterated that call. It is in the public domain that more information, including information from primary sources, has been given to the body responsible for the matter. That body should be left to get on with its work in trying to bring about a resolution to the issue.

Ms Lewsley: I will deal with the issues of victims, the disappeared and the past. My colleagues will also make short presentations.

The SDLP believes that, on a moral basis, we must leave the past behind. There is a danger to our society if we do not face up to the past. Moreover, it is deeply unfair to victims to deny them the truth, if that is what they seek. It is important that the language used be more sensitive to the needs of victims and survivors.

More can, and must, be done to address the needs of victims and survivors of conflict. As we try to rebuild our society, they struggle to rebuild their lives.

The very least that they should expect from us is the acknowledgement of their terrible loss and a commitment to ensuring that they do not carry the burden of remembering on their own.

The SDLP wants a greater platform for victims so that their needs can be articulated and their stories heard and acknowledged. It wants to ensure that any process for dealing with the past is victim centred, which is why the party supports the role of the Interim Commissioner for Victims and Survivors, although the manner in which that commissioner was appointed was unfortunate. The party also supports the establishment of a victims' and survivors' forum.

The SDLP believes that there should be no hierarchy of victims, and that victims of the state, or of republican or loyalist terror, should have the same rights. A devolved administration should make victims' needs a

priority in the Programme for Government and address how services for victims can be improved and better compensation payments given to those who have received little or nothing.

The issue of funding was mentioned this morning. The entire sector is in great need of more focused funding. Funding should be more flexible, as some victims are now elderly and their needs may have changed. No flexibility exists in current funding arrangements to address issues that affect elderly victims, such as mental-health problems and dementia. A strong monitoring role is needed to oversee how money is spent and to assess its impact. That should be reviewed regularly to ensure that the funding targets those most in need.

Victims have told me that the restoration of the Assembly is important, as it would give victims the opportunity to talk more freely about the issues that concern them. Any future government should ensure that victims' needs are centred rather than policy driven, so that those needs are taken into consideration.

Services must be monitored and matched to need. The Interim Commissioner for Victims and Survivors could carry out that monitoring role. The interim commissioner should be a one-stop shop at which any victim can get direction on any matter. Services must be equitable across the board and across all age ranges.

I commend the interim commissioner on her latest report, 'A Forum for Victims and Survivors: Consultation Responses', which is a summary of the feedback from the consultation seminars on the role and purpose of a victims' and survivors' forum. That document represents the voice of victims and survivors, not that of the interim commissioner.

The British Government recently responded to a series of recommendations that the Independent Commission for the Location of Victims' Remains (ICLVR) made on the disappeared. Although that announcement is welcomed, it is long overdue. A forensic-science expert submitted a review last year, and the families of the disappeared had to wait a long time for the Governments' response. The SDLP had already expressed its concerns about that delay and is pleased to see commitments bring made at last. The challenge now is to translate those commitments into actions. Many families have been waiting for more than 30 years for the bodies of their loved ones, so bureaucracy must not make them wait any longer.

There must be a renewed will to find the bodies. Some people mistakenly believe that everything that can be done has been done, but that is simply not true. For example, French police dug for Seamus Ruddy's body for only six hours, which is clearly not sufficient to relieve the Ruddy family's lifetime of suffering. Much more must be done, and families must be kept

informed every step of the way. The commitment to appoint a family liaison officer for the families of the disappeared is therefore crucial and welcome.

However, no amount of good work by the Governments will make up for the lack of co-operation shown by those in the IRA and the INLA who were involved in those terrible crimes in the first place. Members of the Provisional IRA and the INLA stole those people's lives and then stole their bodies. If they have any conscience at all, they must do everything that they can to ensure that they do not rob the families of any chance of a Christian burial.

We support the Alliance Party's proposal to establish a victims' forum in order to increase the voice for victims and survivors. The SDLP has two proposals, the first of which is that victims should be prioritised in the Programme for Government. The second proposal is that the Committee should agree the principle that a liaison officer for the families of the disappeared be appointed immediately.

Mr A Maginness: I will focus on the issues of truth and remembrance. The SDLP believes that it is imperative to vindicate victims' rights to truth and remembrance. Victims keenly feel and bear the pain and suffering of loss, but, at present, that loss and suffering is neither publicly nor officially acknowledged, as it should be. The very least that society can do is to recognise that burden and to ensure that victims' suffering is not in vain.

The SDLP believes that the full, independent, "Cory-compliant" public inquiries that were promised at Weston Park should be held. We welcome the opening of the inquiry into the death of Rosemary Nelson but urge that there be progress on all the other inquiries that Judge Cory recommended.

However, my party is implacably opposed to the Inquiries Act 2005, which threatens to endanger the effectiveness and the independence of public inquiries into cases of alleged collusion between state forces and paramilitary groups. That legislation is on the statute books, but it should not be used. Fully independent inquiries should be held.

The SDLP believes that the British Government will not have credibility on victims and survivors issues while the Prime Minister continues to renege on his clear commitment to the Finucane family about the inquiry into the murder of Pat Finucane. The Inquiries Act 2005 runs contrary to the provision of a full and independent inquiry into his murder.

The SDLP also advocates an officially designated day of remembrance across Northern Ireland and Ireland. It would act as a lasting reminder of the distance that our society has travelled in the past three decades, and of the distance that still has to be travelled.

The SDLP believes that, at present, there is no established body to deal directly with the process of truth recovery. The victims' and survivors' forum should consider the establishment of an independent international truth body to lead a truth process and to work on a North/South basis.

Such a truth body could perform a variety of functions, and we suggest the following: the compilation of a register of victims, to which any individual may submit their name for inclusion; and a truth-and-remembrance archive, which could be established and overseen by the truth body.

The archive would have state-of-the-art technology and would allow victims, survivors and their families to record their personal accounts, including, if they wish to do so, details of whom, or what organisation, they believe to be responsible for the death of their loved ones. It would be for them to determine whether they wanted the archive to be made public. The archive would have a twofold effect, giving an individual's description of what happened to them and a collective acknowledgement of the sufferings of victims and survivors.

The public part of the archive could be publicised, for example through an interactive video archive that could be displayed in town halls and other public buildings, listing the names of victims and giving an account of their truth on particular anniversaries. That would be a reasonably straightforward way to acknowledge the individual and collective suffering of victims.

The SDLP also welcomes the cold-case review and is pleased that it includes paramilitary and state killings. We believe that the Historical Enquiries Team should be given adequate resources to complete what is a difficult, onerous and voluminous task. We also believe that the Police Ombudsman should be given proper resources to deal with that aspect of truth recovery.

Victims must be put first, and truth recovery must be victims centred. To date, society has done too little for victims, and many feel that they carry a lonely burden. The SDLP offers proposals for a comprehensive strategy that puts the rights and needs of victims at the centre. Its proposals will allow society to acknowledge, and account for, the past in order to recognise the enduring pain and share the burden of remembrance.

These are not exhaustive proposals, but we put them into the public domain for further discussion and adaptation.

11.00 am

Mr Hussey: I shall make the Ulster Unionist Party's presentation. I have my notes, and, unlike Naomi, I will not use them but will read what I have prepared from them. I will present the text for Hansard's use, although there will be deviations as I go through the

presentation. It is not a paper as such; it is a written version of what I intend to present to the Committee today.

This issue is a central precursor to moving forward. Our society has suffered enormously in the past three and a half decades from terrorism and the sectarianism and division associated with the conflict.

The community has had its basic foundations weakened and strained by indiscriminate murder and destruction to such an extent that we are left with a situation in which, some 37 years after the start of the so-called "troubles", we must decide when criminality is at a normal level. We do not yet live in a normal society; indeed, achieving such a society is one of the fundamental reasons for the establishment of the Committee on the Preparation for Government. However, a normal society may not emerge in our lifetime if we do not adequately deal with the past.

Comments in this paper are predicated on three issues. First, the Ulster Unionist Party does not equate victims with perpetrators. Secondly, we believe that every victim's situation is personal and specific and that the process must reflect that; victims must not be subject to a loose and generic system. Thirdly, we agree that there is no hierarchy of victimhood; it has a spectrum.

How one defines a policy on victims is dependent on certain agreed principles. We are focused primarily on the establishment of agreed principles in order to provide the necessary framework for victims' issues to be dealt with sensitively and fairly.

Sir Kenneth Bloomfield was appointed by the late Mo Mowlam, then Secretary of State for Northern Ireland, to examine the issue of remembrance. His report is entitled 'We Will Remember Them', a phrase taken from the fourth stanza of the poem 'For the Fallen'. Remembrance of those killed in war, or as a result of terrorist activity, is, sadly, something that we in Northern Ireland are well used to. It is not uncommon to hear references made on Remembrance Sunday to those servicemen and innocents who were murdered during the troubles. We support efforts to remember the sacrifice made in the troubles. Protestant, Catholic and Dissenter — all fell at the hands of terrorists, and we do not wish to see them forgotten.

In remembrance, however, we are aware of the efforts of perpetrators of violence to sanitise their respective murder campaigns. The efforts of terrorists to legitimise themselves create the problem that we have been unable to get around — how to remember and to reconcile.

We have conflicting views of the troubles: why they started, how both sides conducted the experience and who won or lost. The Ulster Unionist Party accepts that this is an enormously complex issue. We

acknowledge that we do not have, and are highly unlikely ever to have, a single narrative of the troubles. That is why it may be unlikely that we will ever come up with a unanimous and mutually acceptable definition of who is, or is not, a victim.

Nevertheless, we believe that only those who have suffered at the hands of terrorists — and not the terrorists themselves — are the true victims of the troubles. In our view, perpetrators of violence are plainly not victims.

It is only right that account is taken of responsibility and criminal culpability in determining society's collective approach. Those people who operated outside the framework of civic society, who acted beyond law and order and acceptable civilised values, and who sought to remove from others the most fundamental of all rights — the right to life — cannot be classed as victims and survivors. Many people will ask whether to do so would be insensitive and gravely insulting to those who are blameless and innocent.

Paramilitaries kill other paramilitaries in internecine feuds. The figures might show that more republican militants were murdered by republican militants than by any other group. The Ulster Unionist Party is keen to stay inside the realms of responsible politics. Those include the condemnation of all illegal activity, all paramilitary crime and a completely different treatment of all illegal combatants of the troubles from that shown to genuine victims. Those who seek to justify and edify the victim maker add little to the process.

The nationalist and republican community appears to expect two standards in a truth and reconciliation process: full disclosure and accountability from the forces of law and order and, from terrorist organisations, codes of honour that allow for secrecy.

I do not expect more of the forces of the Crown than I do of criminals; however, to attempt a wholesale truth recovery process beyond the normal procedure for investigating alleged wrongdoing by police officers and soldiers would clearly be a one-sided farce. That situation will remain, unless and until the republican movement decides to be reasonable about its past crimes.

The Ulster Unionist Party is clear that the South African truth and reconciliation model is not transferable, in whole or in part, to meet the needs of Northern Ireland. However, we believe that the permanent establishment of a victims' commissioner is the way forward.

The state has a burden of responsibility to uphold law and order. When that, inevitably, fails, it has a further duty of care to the victims of crime. It must be made clear that that responsibility does not diminish if the crime is committed in pursuance of insurrection, insurgency or separatism. The Ulster Unionist Party believes that, in our situation, the state's burden is best carried by a commissioner for victims and survivors.

In broad terms, we welcome the draft Victims and Survivors (Northern Ireland) Order 2006, which is currently out for consultation. Nonetheless, the Ulster Unionist Party cannot agree to the definition of "victim" as offered in article 3 of the Order.

A victims' forum is suggested in the Order, and that is a positive step. Such a forum, adequately constituted, is the state's best method of moving our society away from its past. It would assist a victims' commissioner to co-ordinate financial, political and psychological help for victims of the troubles, and in the dispersal of information.

Many projects, such as the Healing Through Remembering story-telling project, provide an excellent means of helping victims and survivors to heal old wounds and achieve a sense of closure. A victims' forum could, and should, be the central focal point for such projects and make them accessible to those who wish to avail of them. That is important. There is, however, a concern that a victims' forum could become a quasi-judicial kangaroo court.

We can provide no other explanation for including a provision in the Order for absolute privilege for reports by the commissioner. This is most unusual, highly unnecessary and in all possibility dangerous.

We are opposed to any attempt to include victims and perpetrators within the same forum. It is grossly inappropriate.

The UUP has always advocated a value-added approach to the use of public funds. Any use of taxpayers' money must add to society. Perpetrators of violence must be dealt with in a manner conducive to normalising our society, but we must be very clear that this task is separate from helping victims to move on. The victims' forum must be for that purpose.

There must be clear balance in the commissioner's actions towards separate groups of victims. Victims' groups require funding, and it should be co-ordinated by the commissioner subject to what the funds will be achieving. Groups such as 'SAVER/NAVER' in Mid-Ulster/County Armagh and 'West Tyrone Voice' in my own area provide excellent care and respite for their members. For groups such as these, funding needs to be firmed up and instituted in the long term to allow them to deal with the needs of their client base for the foreseeable future. However, there are individuals who are not part of a victims' group. For example, many civilians are dealing with their own particular trauma, and it may be that they have not realised that they would have recourse to financial compensation and support.

At the beginning of the troubles, expertise and mechanisms in that area did not exist. Therefore, those individuals must be high on the commissioner's agenda. They can very often be left behind. To a large extent it is to those individuals that the commissioner

must make himself or herself most accessible. As a result, we firmly believe that the intention that the commissioner will open one office in central Belfast is not sufficient to deal with Northern Ireland as a whole.

There are also victims who wish to be left alone to deal with the past in their own way. No one should infringe on their right to do so.

The needs of ex-servicemen and their families are the responsibility of the Ministry of Defence and the Policing Board. The commissioner must, however, champion the cause of servicemen in cases when the respective authorities fail in their duty of care.

The issue of a permanent memorial to victims must be left to the victims who suffered as a result of terrorist action. The Ulster Unionist Party does not seek to claim that it has all the answers, nor does it seek to hijack what is an important issue for political gain. A memorial must be dedicated to those who have suffered or died in our troubles.

In conclusion, constructive debate is vital to support the whole project. This process must be based on principles of fairness, equity and understanding. The apologists of violence may seek to sanitise the horrors that were perpetrated on people here. That must not be allowed to influence policy-making. The process must have moral authority to be fully effective.

Those who wish to move the debate forward constructively should not refrain from offering their views. We all know that this is a complex area, and I accept that some may disagree with my views. At this stage, if we are open-minded and constructive in our approach and truly wish to see Northern Ireland move forward, progress can be made.

The Chairman (Mr Wells): Mr Nesbitt, you indicated earlier that you had to leave at 11 o'clock. If you wish to get in early in the discussion, that is fine.

Mr Nesbitt: I was just about to go, but I have one comment.

Sinn Féin, in its introduction, talked about international best practice. I am always conscious that Sinn Féin refers to international best practice and international norms, yet when I asked Michael Ferguson, on an aspect of human rights, if he would subscribe to international norms, his answer — in simple English — was yes and no. It is cherry picking, and that is my only comment.

The Chairman (Mr Wells): I thank the five parties. Some groups have obviously taken a lot of time and care with their presentations, and that is appreciated. I allowed some parties a degree of latitude because they had rolled up their views under the four headings into one presentation. I am conscious that some parties did not take full use of their time so I will allow groups to come back in if they wish to add points.

As far as I can see there are three proposals: first, for a victims' forum, which I understand has the support of the Alliance Party, the SDLP and the UUPAG; secondly, there is a proposal from Patricia Lewsley that the issue of victims is identified as a priority in the Programme for Government; thirdly, Patricia proposed the appointment of a family liaison officer for victims.

11.15 am

Those are the only proposals that came out of that discussion.

Mr Hussey: The appointment of a family liaison officer was intended to be for the families of the "disappeared".

Ms Lewsley: Yes.

The Chairman (Mr Wells): The "disappeared" rather than victims.

I just want to ask Alban whether his contribution with regard to Cory-compliant inquiries was a follow-up proposal, a suggestion or an aspiration?

Mr Maginness: It is certainly a proposal from the SDLP. If it finds support around the table, we would welcome that.

The Chairman (Mr Wells): So we have four proposals then. No one has as yet indicated that he or she wishes to speak on any of those proposals or any of the evidence that has been heard.

Mr McGuigan: May I have clarification on the fourth proposal?

The Chairman (Mr Wells): I will seek guidance from members. Do we want to work our way through these? One or two of them might be fairly straightforward, and then we will come to the Cory-compliance issue.

Mr Attwood: May I ask a relevant question arising from the submissions?

The Ulster Unionists said that, for various reasons, they did not feel that a truth and reconciliation commission model is necessary for the like of the North. The DUP said that the North is too small on the one hand and that, on the other, it would be members of state organisations that would be made to participate and not members of paramilitary organisations.

Those are real concerns, but when Sinn Féin talked about the same issue in its submission, Mr McGuigan said that:

"one of the principles that should inform the work of such a commission was full co-operation and disclosure".

Given the DUP's view that paramilitary groups would not live up to the requirement for full co-operation and disclosure to a truth process, is it the

view of Sinn Féin now that any member of a paramilitary organisation would be required to co-operate fully and disclose to a truth process that which was within its gift? If that is the case, to some degree that narrows the difference around the table on a very important matter. It certainly creates a tension between what might now be the case and what certainly was the case when Martin McGuinness appeared at the Bloody Sunday tribunal, where he chose not to co-operate fully or disclose what he knew.

If there has been some shift of policy — and that is implied by Sinn Féin's acceptance of the principle of full co-operation and disclosure — that would be very helpful.

The Chairman (Mr Wells): Do Sinn Féin want to answer that?

Mr McGuigan: Mr Attwood quoted me correctly, but in the preface to some of the principles and values that I outlined, I said that we were calling for a genuine focused debate among all the relevant parties on how we could take the issue forward. We need that debate so that we can all work out together how a truth process can be taken forward.

Members will be aware that Sinn Féin produced a document on this matter several years ago, which is available on our website. In that document, we stated that for a truth process to work, all combatant groups and relevant organisations needed to take part.

Mr Attwood: Just to clarify, does that mean that all combatant groups — including illegal groups — and their members could co-operate fully and disclose to the process what they know? Is that the principle? That would be quite helpful to unionist concerns about a truth commission.

Mr McGuigan: It is difficult to talk now about something that may well happen in the future. The principles are those I have outlined, namely that there should be a focused debate among all groups, and that for a truth process to work, all groups who were involved in the conflict need to play their part.

Mr Attwood: Given that you advocate full disclosure and full co-operation in any truth process, does that extend to the role played by illegal groups? This is important because the main reason for the unionist parties' understandable concern about, and opposition to, a truth and reconciliation process — whatever form that might take — is that there would not be full co-operation and disclosure from paramilitary groups. If Sinn Féin has shifted ground on that, it opens up new possibilities as far as we are concerned.

Mr McGuigan: I do not think that my comments today represent a shift in ground. As I have already said, we produced a document a number of years ago that contained these very principles.

Mrs Long: I just want to clarify an issue to do with the victims' forum. The shape that the victims' forum would take has been changing. It was initially envisaged as an opportunity for people to put their stories on record and create an historical archive. Now the term is used to relate more to an advocacy body with a support role, which we believe is also vital.

The Alliance Party's proposal still stands, but we need some clarity about people's understanding of the role of the victims' forum. Such an advocacy and support role does not currently exist, but it is needed, and a forum would be a useful way of providing it. However, a forum is also needed to enable people to put their stories on record.

Alliance wants to highlight its views on the storytelling and archive aspect. The party sees that as distinct from a truth and recovery process, in that putting experiences on record will not tell the truth of how those experiences came about. There is a difference between people putting experiences on record for an archive and getting the truth about what happened in the circumstances. There is a distinction between the two, so I would just like some clarity about the victims' forum.

There is one other matter that we would like to formulate into a proposal if it were possible to get consensus on it: namely the idea of a day of remembrance and reflection. A number of parties have mentioned it and been supportive of it, and my party feels it is worth exploring further. I am not thinking about what that day would look like in detail; rather I am thinking about the principle that there ought to be a point where such reflection can take place.

The Chairman (Mr Wells): Edwin is next, but I think that Patricia wants to clarify that proposal.

Ms Lewsley: In her opening remarks Naomi talked about the format of the proposed victims' forum. I am worried that members around this table, rather than the victims themselves, might decide what it should look like. The victims' commissioner has told me that after the first piece of work that I mentioned, another piece of work is to be undertaken, and that is to look at different models. It is important that whatever model is chosen be led by victims and is for their benefit.

Mrs Long: I completely agree with what Patricia has said. I was just highlighting the fact that people may have different perceptions of what that may be, but we agree in principle with it being led by victims.

Mr Poots: Alex should not get too excited about Sinn Féin's having made a significant shift this morning.

There is the usual convoluted "Yes" from Sinn Féin, but there are more caveats in that than Henry VIII had wives. In essence, Sinn Féin is suggesting not full disclosure but a series of proposals that ensure that

such disclosure will not occur. Mr McGuigan blew his cover significantly this morning when he stated that further evidence had been supplied on the “disappeared”. When the big searches were carried out, we were told that all the evidence had been supplied. However, why was the further evidence held back? Clearly, Sinn Féin held back evidence at that point, and that information is now being supplied.

The same thing happened with decommissioning: we were told that all the weaponry had been handed in, yet weapons have been found since. The information that Sinn Féin has given in the past has certainly fallen short, and Mr McGuigan confirmed that this morning by saying that further information has since been provided.

I would like to tease out the subject of the victims’ forum a little further. If we do not have a definition of “victim”, it will be difficult to establish a victims’ forum. Unless there is agreement on that definition, such a forum will probably be a non-runner. Some people perpetuate the nonsense of saying: “I was brought up in a certain area and ended up in a paramilitary organisation. I shot somebody in the back, so I am just as much a victim as the person who was shot.” That is a load of nonsense. It comes from the same school of thought as someone who says: “If someone has two cars and I have none, I can steal one of his because I am a victim, so the person who had the car stolen is no more a victim than the person who committed the crime.” The terrorist cannot be classified as a victim, and it would be a recipe for disaster to establish a forum in which people who claim to be victims but who are actually terrorists participate equally with victims. Unless we agree the definition of “victim”, proceeding with a victims’ forum will be very difficult.

Mr McGuigan: Having listened to the presentations from both unionist parties, I am even more concerned about how we make progress with a victims’ forum. Sinn Féin supports, in principle, the establishment of a victims’ forum, but none of the political expediency that I mentioned earlier that was employed in the appointment of the victims’ commissioner should be permitted. That is no slight against the individual who was appointed; rather, I am speaking against the process of that appointment.

There can be no hierarchy of victims. The DUP and the UUP may have their own interpretations of history, but the only way in which we can move this forward is by accepting that the grief and victimhood of all the people who suffered as a result of this conflict can be considered equally.

Mr McFarland: I apologise to the Committee for missing the first part of the meeting.

Parties have been struggling with this very complex issue for years. That complexity has meant that we

have tended to leave it to one side. As we have said in previous Committee meetings, perhaps some headway should be made on the matter so that society here can be settled.

The first question that we need to ask ourselves is: what are we trying to achieve? Different parties and groups are trying to achieve different things. The 1998 agreement was supposed to have been a watershed: we drew a line in the past and moved on. If we carried the past with us, society would be disturbed. Society in Northern Ireland has a choice: we can spend the next 50 years picking at our sores one by one — that is how long it will take — and nothing will ever heal if we keep dragging up the past, picking at it and keep this boiling.

We have a number of areas that we need to deal with. First, we have to look after the victims. My colleague Derek Hussey mentioned the problem of agreeing on the definition of “victim”. Different parties disagree on that, and it is hard to know whether that is a soluble problem.

Our focus must be victim centred. As anyone who has strayed into this area will know, victims come in all shapes and sizes. Some want to move on and have done so. Some families do not want an inquiry into the loss of their loved one, because they do not want to be reminded of it. They have dealt with it and put it in the past; their loved one is buried, and they have moved on, some for over 20 years. They do not want the case to be reopened.

11.30 am

Other victims do want to know what happened. The Historical Enquiries Team (HET) was set up in January 2006 by the PSNI, and it has had interesting discussions with many families who are not interested in taking people to court and seeing them hanged. The HET may be able to solve the outstanding problem for them of what happened to their father, their son, or their wife. There are also people who want to have anybody who had anything to do with the killing of their loved one hung, drawn and quartered.

A delegation from Northern Ireland went to Guatemala to examine its truth and reconciliation process. They discovered that there are various stages to the process. To begin with, people just want to know what happened to their loved one. When they discover that, they then want to see the perpetrator appear in court and have the public see what he or she has done. Then the circumstances of the crime are dragged up and they are reminded of what happened. Then they want revenge; they want the perpetrators punished.

The Ulster Unionists have several problems with this. Judicially, the Belfast Agreement drew a line under the past. Rightly or wrongly — and there were serious debates about it at the time — prisoners were

freed as part of the process. That meant that while a person might spend a while in jail awaiting the court case, anyone who committed a crime before April 1998 would almost certainly be released under that legislation. Therefore — and unfortunately in many cases — nobody would spend any time behind bars or be hanged for terrorist crimes committed before 1998. That is an issue for those who are looking for retribution and revenge.

Some of these issues cannot be solved in this context. However, people want to record for posterity details of what happened to them, how they were hurt and how they lost loved ones, and there must be some system in place for doing that.

The danger of having inquiries on truth and reconciliation is that they may not arrive at full disclosure. It is clear from the Saville inquiry that the Provisional IRA has no intention of disclosing anything to anybody. In light of that, I suggest that we will have difficulty in persuading the Army or the police to give a full account of what they did.

We will get no visibility on this — but if we did, could we cope with it? What would happen if someone discovered that the person who nominated her husband to be shot lives two doors down from her? There have been instances where family members have fallen out; cousins have fallen out because the word of one has led to someone's death. How will society cope with the disclosure of this information?

We could pick at the past for the next 50 years. We should deal with the victims sensitively, listen to their stories and help them as far as we can to deal with what happened.

We have a big problem at present. Those who have been involved with health issues will know about the mental stability of those who were actively involved in the fighting. The Army and the police are encountering increasing numbers of people who have severe psychological problems. A senior member of the Provisional IRA told me that his group is witnessing similar problems and that those who were directly involved in killings are now suffering. I do not doubt that the loyalist paramilitaries are experiencing the same. We have a residue of people who are mentally and psychologically damaged. These problems tend not to affect people when they are young and fireproof; the problems come with age, and, as such, they constitute an enormous problem.

There will be ramifications all round if we keep digging up the past and do not allow human beings to deal normally with what happened. In the first world war, 1 million people were killed and 1 million families were damaged. In the second world war, hundreds of thousands of people were involved in combat that was as bad as, if not worse than, that which we have

experienced here. People dealt with it. Society has traditionally dealt with conflict by moving on as best it can. Today, we have counsellors and others to help with post-traumatic stress disorder in a way in which did not exist previously. This is a dodgy area, so we must handle it sensitively.

Mr Ford: Mr McFarland has made some interesting points. It is easier for society to move on when society has all been on the same side, as was the case after 1945. Our society is riven with differences over the history of the past 30-odd years. It is not easy for society to move on in those circumstances.

Mr McFarland highlighted the different attitudes that victims take. There may be significant limits to what is possible. To give victims an opportunity to put their story on record, and perhaps to hold a day of remembrance, may be as far as we can move.

I want to tease out the issue of the hierarchy of victims, or “spectrum”, as Mr Hussey said. Mr Poots has made it clear that he considers only those who were on the innocent side to be victims. The definition in the draft Victims and Survivors (Northern Ireland) Order 2006 is that anyone who has been affected by the troubles is potentially a victim. Our unionist colleagues have not confronted the fact that there is a range of experiences.

I can accept that people who see themselves as completely law-abiding find it difficult to regard terrorists — from whatever organisation they come, and on whatever side of the divide — as totally innocent victims. What about the mothers of those terrorists who were killed in action? We must accept that there is a range of experiences. In the legal definition in article 3(1)(c) of the draft Order, close relatives of terrorists are clearly seen as victims. By any logical definition, they are victims. Whether one approves of what their relations were up to does not alter the personal feelings that they are going through.

Unless we as a society start to confront the fact that there is a huge range of different experiences, we shall not be able to move this process forward. By different experiences, I mean the relationship that people had with the person who was killed, the involvement of the person who was killed, the feelings that have been experienced, the length of time that has passed and individuals' personal healing process. All manner of people were psychologically or physically affected by the troubles. We may have to leave it to others to provide the definitions, but, nevertheless, we must tease out our collective thoughts a little.

The Chairman (Mr Wells): This is a very thought-provoking discussion.

Ms Lewsley: If we decided to open up the definition of “victims”, we could be here for a fortnight. I do not want to stifle the debate, but there is a definition in the

legislation. There is the opportunity for ongoing consultation on that definition, and it could be changed.

I want some clarification on Edwin's proposal. I may have misunderstood him. Is he saying that he cannot support the proposal for a victims' forum because of the current definition of "victims"?

Mr Poots: You are not confused.

Ms Lewsley: Therefore there is no consensus on the principle of a victims' forum?

Mr Poots: No.

Ms Lewsley: That is sad for the victims, because they are calling for this forum.

Mr McCausland: The exchange between Mr McGuigan and Mr Attwood was illuminating, to say the least. Mr McGuigan's fancy footwork over the issue of full co-operation and disclosure, and the shift in the ground over a couple of minutes, was remarkable. We had a statement, then it was retracted; it might have been standing or falling over. It was incredible. That has to be compared to Martin McGuinness refusing to reveal information about his time as a senior IRA figure in Londonderry, and the leader of the same party still denying that he was ever a member of the IRA.

Mr O'Dowd: I want a ruling on this issue. A number of references have been made to the Saville Inquiry and interpretations given about Martin McGuinness's role at the inquiry. It is not up to this Committee to decide whether Martin McGuinness gave full disclosure to the Saville Inquiry.

Lord Morrow: We are allowed to have an opinion.

The Chairman (Mr Wells): There is no sub judice issue, since the inquiry is closed.

Mr O'Dowd: The inquiry has not ruled.

The Chairman (Mr Wells): Mr McGuinness is not being accused of any criminal offence. These are fair comments. You have put your objections on record, but there is nothing unusual here; compared to some of the comments that have been made in this Committee in the past two and a half months, this is relatively mild. I have no problem with what has been said.

Mr O'Dowd: Can I ask the Clerks to clarify that point for the next meeting?

The Chairman (Mr Wells): We will refer it to the Clerk of the Assembly for his views, but I do not see anything untoward in what has been said.

Mr McFarland: On a point of information, I understood that Martin McGuinness had said to the inquiry that he was not able to —

Mr O'Dowd: I have no difficulty with any of the statements that Martin McGuinness made to the

Saville Inquiry. What I am saying is that it is not up to this Committee to decide whether he co-operated fully with the inquiry.

Mr McFarland: My understanding is that Martin McGuinness, when questioned, said that he was not at liberty to say —

Mr O'Dowd: As I said, I have no difficulty with any statements that Martin made, or with your quoting them, but it is not up to this Committee to decide whether he co-operated fully.

The Chairman (Mr Wells): It is not up to the Committee to make that decision, but individual members can give their views. I will not stop anyone from making such a statement or from contradicting it.

Mr McCausland: Mr O'Dowd's sensitivity knows no bounds. If Sinn Féin will not even face up to the truth about Martin McGuinness's refusal to disclose information, there is not much chance of it or the IRA co-operating with a truth commission. If there is an attempt to paper over the past on a simple fact such as that, what hope can there be for a truth commission? It is disappointing, but not altogether surprising, that the contribution from Sinn Féin this morning has reaffirmed the fact that a truth commission will not work in Northern Ireland.

I also want to pick up on Sinn Féin's use of the term "hierarchy of victims". That is an attempt to dissolve real distinctions and real definitions. Ms Lewsley described it as leaving the past behind "on a moral basis". That is getting to the heart of the matter. For me and for the vast majority of the unionist community, there are moral issues about what is right and what is wrong. The way in which the Protestant community views these issues means that they are clear in their own minds about distinctions between perpetrator and victim. The introduction of the term "hierarchy of victims" is an attempt to paper over that issue.

11.45 am

Mr McFarland's made a point about people discovering that a man down the street, or in the next street, was the person who targeted, or even shot, their relative. In many communities, people are already in that situation. They see people walking the streets whom they know — and the security forces know but cannot prove — to have committed a crime against their family.

I cannot for the life of me believe that there is any correlation between a man walking into a fish shop on the Shankill Road who is killed by his own bomb and the men, women and children who were blown up by that terrorist bomb. There is no correlation, and it would be an insult and an offence against decency and humanity to attempt to draw one. Sinn Féin's party president was willing to carry the coffin of that bomber.

Mr O'Dowd: Who carried George Seawright's coffin?

Mr Hussey: We have already said that we concur with Mr McCausland's point on the definition of "victims". Mr Poots has said that the issue must be addressed. Everything else is predicated on that definition.

I expected that the issue of victims' confidence would have been raised in relation to full co-operation and disclosure in a truth and reconciliation commission. My community would have no confidence in the republican movement's input to such a commission.

I agree with Ms Lewsley that victims are looking for a forum and the issue, yet again, is how the participants are defined. Many of the groups that I deal with will not sit down with those whom they consider perpetrators. Victims and perpetrators must be dealt with separately. Someone else may have suggestions about how to deal with perpetrators, but I feel strongly that we cannot mix the two.

The issue today is victims, and I am taking that forward according to my definition of "victims". Some groups are being refused funding because they will not go on courses with ex-prisoners' groups or others who, from their point of view, represent the perpetrators. Some groups experience funding difficulties because they adhere to their principles and morals. Those principles and morals must be respected; from the UUP's point of view, they must be paramount.

The Chairman (Mr Wells): After Lord Morrow, Mr Maginness, Mr Attwood, Mr McGuigan and Mr O'Dowd have spoken, all members will have had their say on this issue, and we will have given it a fair degree of latitude. After Mr O'Dowd has spoken, I will go to the proposal. Unless I am missing something, we will not get agreement on a definition of "victims".

Lord Morrow: Mr McCausland has adequately covered some of the points that I intended to raise. Until there is a clear definition of "victims", there will be no consensus on the issue. It is central and paramount.

As Mr McFarland and Mr McCausland said, many of the victims know the perpetrators. That is what makes it even more evil and is why there was such resentment in the unionist community when Mr McFarland's party signed up to the release of terrorists who came out of jail singing "Tiocfaidh ár lá" — "Our day has come". There was no sign of any remorse from those coming out of jail, but rather a triumphalism that was sickening to the core. That set the whole process back many years.

The SDLP berates my party and tells it to move on — I wish that the SDLP would practise what it preaches. I have listened to members of the SDLP on television and in various forums, and invariably they talk of the 50 years of misrule. They cannot get over it,

yet they expect unionists to get over 35 years of trashing in a year or two.

Mr Hussey said that the UUP would have absolutely no confidence in anything that Sinn Féin said. I am glad that he said that; it shows a significant shift in his party's thinking. The DUP also has no confidence in anything that Sinn Féin says, which is why the DUP will not go into government with Sinn Féin. We might have confidence in what Sinn Féin does, but we have absolutely no confidence in anything that it says. Mr Hussey's party had enough confidence in what Sinn Féin said to go into government with it three times, although it was warned against doing that. He had to put his hand in the fire to find out that it was going to burn him.

The reason that my party says "no" to a victims' forum is that there is no clear definition of what a "victim" is. If someone watches a terrible incident on television and is traumatised by it, is he or she a victim? Those who went out to murder in Loughgall, and ended up dead themselves — are they victims? People who go out to plant bombs but are killed by their own bombs — are they victims? Unionists do not see such people as victims but as people with murderous intent in their hearts who ended up dead themselves because they were out to kill innocent people.

Mr A Maginness: It is disappointing that the Committee cannot even find consensus for a definition of "victims". It harms the interests of victims when we start to argue over definitions. It is important that we get on with the work of addressing the interests of victims and survivors rather than nitpicking over definitions and creating political obstacles.

My remarks are aimed primarily at the DUP, but it is equally disappointing that Sinn Féin has resiled from a position of full disclosure to one that is obscure and lends no credibility to its stance of trying to push ahead with a proper truth-recovery process.

It is difficult for people to have confidence in the Sinn Féin position. Sinn Féin made a very bold statement of principle that there should be full disclosure but, when questioned about it, immediately resiled from that position. It is politically damaging for that to have happened this morning. It does nothing to assist the process of truth recovery.

In June 2006, the Interim Commissioner for Victims and Survivors published a summary of feedback from consultation seminars on the role and purpose of a victims' and survivors' forum. It concerns truth recovery, and I want to reflect on its findings. This is not the definitive view of the interim commissioner but the findings of the consultation process. The issue of truth recovery was raised in five of the 14 seminars. In the section "Truth Recovery", it states:

“Initiatives for dealing with the past were generally accepted as being necessary, but there was no consensus on how or when that should be done. Also, it was felt that there is a tension between remembering at an individual level and moving on at a societal level.

A mechanism to provide a safe opportunity for truth recovery, story-telling and reconciliation to promote real change aimed at preventing future conflict is needed. Other issues closely related to this topic were conflict transformation and reconciliation. The main focus here was in relation to the differing stages of readiness to address these issues across different areas.

It was noted that this would require acceptance and understanding and to be nurtured at small levels, in the initial stages. It was felt that in this way trust and confidence can be built gradually and that trust is a necessary pre-requisite for truth recovery. It was also reported that some such work is already going on, and in order for it to work it needs to be kept out of the limelight.

What a forum could do:

Make people aware of which options are available such as Truth Recovery, Story Telling and Reconciliation. However, participation will be voluntary and there should be no pressure on individuals.

It was also proposed that a forum could research Truth Recovery models to ascertain the best model for the Northern Ireland situation.”

That is predicated on there being a victims’ and survivors’ forum, and the views of those who were consulted are reflected in what I have read out. It seems to emphasise the fact that there is a broad acceptance of the need for a truth-recovery process, of whatever shape or form. I will leave a copy of the summary so that Hansard can refer to it.

A process of truth recovery is necessary for us to be able to leave the past behind on a moral basis.

Mr Attwood: It is important to echo what Mr Maginness has said, as a reply to Mr McFarland’s earlier thoughtful remarks. To some degree he differed from that approach.

Some years ago, I spoke to people from Srebrenica about their need for truth recovery, given that thousands of people were massacred there. They made an interesting observation that, although it was important that they knew the truth of what had happened, the older generation in Srebrenica wanted to know the truth of what had happened during the Second World War.

12.00 noon

Tito’s strategy after the war was to suppress the experience of the war, so the citizens of the then Yugoslavia did not speak about what they had done to

one another and to those who had sided with the Germans against the indigenous people. The older generation in Srebrenica wanted to recover the truth of the Second World War. Mr McFarland, understandably, said that we could be chasing this issue for the next 50 years, but if it is not dealt with, it will come back to us in the next 50 years, just as in Srebrenica the Second World War still casts a shadow, despite the terrible experiences that they have had since then.

That is also emphasised by experiences of the First World War. Sebastian Haffner, in his diary of the war, ‘Defying Hitler: A Memoir’, said that, although there was something pathological about the German people that led them to be attracted to Hitler, the experiences of the First World War — the experience of defeat and of how the conquering parties handled the German people — made them vulnerable to Hitler. He argued that, although one can explain the actions of Hitler and how he should have been defied, it must also be understood that if people do not work through their experiences, the seeds of conflict can return. That is why we must all put our heads together and create a truth-recovery process, even though it will be imperfect. It will be deeply imperfect, but it must be done.

If we do not deal with truth recovery, the power will be given to others. Last autumn we learned that if the power is given to the leadership of the republican movement and elements in the British Government, they will concoct a set of proposals in order to bury the truth about anybody who committed any scheduled offence, whether they were in an illegal organisation, the Army or the police. That is what the on-the-run/state killings proposals would have done; it would have been a mechanism for the self-serving needs of the leadership of the republican movement and elements within the British Government to take the spotlight away from what they had done.

We have a choice: we can try to work through an imperfect model of truth recovery or we can live with the consequences of reheated proposals, which is what will happen. The British Government and the republican leadership will reheat their proposals for the on-the-run/state killings legislation. Minister of State David Hanson has told us that the proposals are coming back, although he says that he does not know when — and I believe him. Such issues are not dealt with at his level; they are dealt with at Downing Street level. However, the proposals are coming back; they will hit us very soon and be much the same as before. The legislation will probably be split so that the IRA will get its piece, and elements in the British Government will get their piece. When that happens, our power to work out an imperfect model will go, and their power to create the worst model will become reality.

I want to echo what Alan McFarland said about the Historical Enquiries Team. There are issues about the

funding, accountability and independence of the Historical Enquiries Team, but it is the best mechanism that has so far been established for dealing with the past. It reflects comments made by Mr McCausland and others. I can bring people to the Historical Enquiries Team in west Belfast because they want an inquiry or an account of what happened, even though they know that Adair's 'C' Company killed their loved ones.

They know who did it. They know the people in 'C' company who killed them, and they know that they live up the street, or that they are now living in England — but they just want some more information and explanation.

Going into the past means that you might discover who did what, but most of the time people know who did what, just as these families in west Belfast know. The HET creates a mechanism for getting a handle on all of that.

My own view is that the work of the HET can be presented in such a way that it is not just an individual accounting for what happened in the past — and perhaps some prosecutions — but also a record of what happened in the past; a public expression, an archive, some written documentation or perhaps a DVD. The HET has the potential to become much bigger than it is now.

The Chairman (Mr Wells): Mr McGuigan and Mr O'Dowd are the last two speakers. The only way that anyone else will be able to get in now is by way of a point of information, because we have had 14 contributions on this issue.

Mr McGuigan: I am conscious that there are two separate but important aspects to all that we are discussing today. There is the sensitive matter of victims, and how we resolve those issues. The way to do it is, as David Ford says, to abide by the definition in the 1998 Act. It is important that that definition is upheld, and not diluted in any way by this body. Nor should any political party or anyone else dilute it or continue to perpetrate a hierarchy.

Victims are victims as defined in the Act. We may not like that; the unionist parties may not like it; but that is the way that it is, and that is the way that the issue should be dealt with as regards resources, finance and support for victims' organisations, and contributions to victims' forums. I repeat that Sinn Féin supports the idea of a victims' forum in principle. We did not support the "on-the-runs" (OTR) legislation, but for those who sometimes have a selective memory, we support a victims' forum.

Moving on to the issue of truth recovery, reconciliation and dealing with the past, some of the points that have been made —

Mr Maginness: May I intervene on a point of information? Mr McGuigan says that Sinn Féin did not

support the OTR legislation. I clearly remember — because I was there in London that very day — that Conor Murphy MP welcomed the legislation and did so publicly to the media. Later on, admittedly, the party resiled from that position, but for the life of me I cannot understand how Mr McGuigan can say that it did not support it. The party welcomed it in Westminster itself.

Mr McGuigan: Conor Murphy is not here to answer that. Sinn Féin did not support the OTR legislation and that is a matter of public record. It does not need to be rehashed at this juncture.

Mr McFarland: Let us be absolutely clear about this. Sinn Féin negotiated the OTR legislation with the Government at Weston Park. It supported it all the way through —

Mr O'Dowd: With respect, Mr McFarland, the OTR legislation was not negotiated at Weston Park. There was no legislation on the table at Weston Park. It was the principle that the issue of OTRs had to be dealt with that was discussed at Weston Park.

Mr McFarland: The OTR legislation was a Sinn Féin win, as far as the party was concerned, and it told everybody so — until the Government decided that they could not let the IRA off the hook and busily put policemen and soldiers in the dock. In their wisdom they decided to include policemen and soldiers in the OTR amnesty, at which point Sinn Féin backed off.

Those are the facts of the matter. There is no point in Sinn Féin saying now that it never supported the OTR legislation. The party negotiated; the legislation was its baby; and the party went against it only when the security forces were put into the mix.

Mrs Long: May I ask for a point of information on that issue?

The Chairman (Mr Wells): Mr McGuigan has to agree to it, not Mr McFarland.

Mr McGuigan: I would like to continue my presentation uninterrupted, if allowed to.

The Chairman (Mr Wells): There will be no more points of information allowed on Mr McGuigan's presentation. I am sorry, Naomi, but I have honestly given everybody a fair crack of the whip.

Mr McFarland: Correct me if I am wrong, Mr Chairman, but we agreed at the beginning of the Committee's work that all of this would take as long as it would take.

Mr Chairman, you led the charge by saying that nobody would be gagged and that anyone who wished to speak could do so. Thus, if Naomi wishes to raise a point of order —

The Chairman (Mr Wells): No one can say that Naomi has been gagged at this Committee. Check the number of words that she has spoken — she must hold

the record. Therefore, I do not think that I, or the other Chairman, can be accused of gagging her. Mr McFarland, it is a close-run competition between yourself, Mr Nesbitt and Mrs Long.

Mrs Long: That is a reflection of my good attendance as opposed to my verbosity. *[Laughter.]*

The Chairman (Mr Wells): Well said.

I will let Mr McGuigan finish his comments uninterrupted. It is up to Mr O'Dowd to decide whether he takes a point of information from Mrs Long or anybody else.

Mr McGuigan: To clarify my point on the on-the-runs issue; the British Government handled it in the same way as they handled the issue of truth recovery — by deflecting, lying and covering up. It is an important issue, and the two previous members who spoke outlined the reasons why it is so important.

I listened with interest to Nelson McCausland's comments about morality in the unionist community. I also listened to unionist representatives suggest in their presentations that republicans or the IRA were the only combatants in this conflict, negating the fact that over 1,500 innocent nationalists were killed by state and unionist forces throughout this conflict and that the first eight or nine people killed in this conflict were killed by the RUC —

Mr Poots: On a point of order, Mr Chairman. If the member wants to make statements, can they be somewhere close to being factually correct? His statement that 1,500 nationalists have been killed by state security forces has absolutely no basis in truth; it is a complete lie.

The Chairman (Mr Wells): That is not a point of order; it is a point of information, but you have made it. Mr McGuigan, please continue.

Mr McGuigan: — by state and unionist death squads; there is very little difference between the two in the eyes of our community and in the eyes of people who have published reports — such as the Stevens Report — that prove that there was collusion at the highest levels.

We must also discuss conflict resolution. Alban and Alex have clearly pointed out that conflict resolution involves an examination of the past for the causes, nature and extent of the conflict; if we do not do that, years down the line we will find ourselves in similar Committees discussing the same issues. The issue must be dealt with.

When is the right time to discuss this issue? If the unionist parties are as confident as they say are about what happened, they should have no problem sitting down with the rest of us and discussing the way forward. I do not expect this Committee to come up with answers

today, but I do expect political representation to come together to discuss ways of resolving this matter so that we can have national reconciliation on this island, put the past behind us and move to a new future. However, that will involve leadership from everybody.

The Historical Enquiries Team is not an answer to this problem. As has been the case in the past, it is simply state forces investigating state forces. That is not satisfactory. Independent investigation is needed, and we must learn from international experiences.

The Chairman (Mr Wells): Mr O'Dowd will speak next, after which I will put the proposal. Then we will have lunch, which might encourage people to stick to the timetable.

Mr O'Dowd: Every time unionist politicians talk about victims, they talk about victims of republican violence. The remarks that I have heard today have served only to confirm that. When republicans talk about victims, we talk about all victims, including victims of republican, state and other violence.

Mr Hussey: Chairman, on a point of order —

Mr O'Dowd: I am not taking any points of order or information, thank you very much.

The Chairman (Mr Wells): I have to take points of order.

Mr Hussey: That is a false statement.

The Chairman (Mr Wells): That is not a point of order, it is a point of information.

Mr O'Dowd: That is not a point of order.

Mr Hussey: Deputy Speaker, on this side we refer to terrorist crimes —

Mr O'Dowd: Mr Hussey, let me give you an example. A 13-year-old child goes to the shop to buy a carton of milk for her mother and is shot in the back of the head with a plastic bullet. Is she not a victim? Of course, she is. My relatives were killed by an individual who is now being portrayed as an innocent victim by a south Armagh group. That person went on to bomb Dublin and Monaghan and was later killed by the IRA. Is he a victim? Yes, he is. Are his family victims? Yes, they are. No one here can decide that one person is an innocent victim and another is not, and that one should be remembered and the other not. Everyone who died as a result of this conflict is a victim.

Lord Morrow: Only those who died?

Mr O'Dowd: Will you let me finish? Those who were combatants in the campaign are also victims of the circumstances that this society created.

Lord Morrow: That includes the whole population.

Mr O'Dowd: If they were involved as combatants, then yes they are. That includes the RUC, UDR and

British soldiers. That includes Loyalist death squads. It is not for anyone at this table to decide who is an innocent victim. As to how we move on, Nelson referred to the Shankill bombing. If the DUP showed half the moral and political courage that Alan McBride, who lost his family in the Shankill bombing, has shown, this society would be much better.

The Chairman (Mr Wells): We have had a full and frank exchange of views on this. There is now a slight difficulty. Much of the debate will flavour our views on all the proposals. Do you wish to pursue your proposal of a victims' forum, Ms Lewsley?

12.15 pm

Ms Lewsley: That was actually an Alliance proposal.

The Chairman (Mr Wells): Sorry. I am in trouble now, am I not? *[Laughter]*.

Mrs Long: I am a very forgiving person.

The Chairman (Mr Wells): The proposal was supported by Patricia as well. Do you wish to pursue it?

Mrs Long: Yes. The proposal stands, though I do not expect that we will have consensus on it.

The Chairman (Mr Wells): Do we have consensus on that?

Lord Morrow: No.

The Chairman (Mr Wells): No. There are several groups for it, but at least one against.

Mr Hussey: To clarify, the difficulty is the definition. Forum, yes.

The Chairman (Mr Wells): Do you want it recorded that you are opposed to it as well?

Lord Morrow: We are opposed because there is no clear definition of a victim.

The Chairman (Mr Wells): Is that what you are saying, Derek?

Mrs Long: In my proposal there is no definition of a victim.

Lord Morrow: That is the problem.

Mrs Long: I am not defining a victim. The issue is whether or not victims should have a forum. If we later define what victims are, that does not preclude us from having a forum, so the thing is not mutually exclusive.

Ms Lewsley: I want to reiterate what Mrs Long has said. This is just about agreeing in principle that there should be a forum. The definition of a victim, and the structure of that forum, are completely different matters.

Mr Poots: That is putting the cart before the horse.

The Chairman (Mr Wells): That is right. I take it that even with that clarification we are not going to get

consensus on that. We must move on to Patricia's next proposal that victims be identified in the Programme for Government and made a priority. Do we have consensus on that? Perhaps more importantly, is there anything that has not been covered in the debate and needs to be raised after lunch? Do members want me to postpone a decision? I have the impression that we have looked at this from all angles.

Mr McFarland: What is the out-working of that? Are we talking about special funds that OFMDFM have? Originally victims were the responsibility of that Department. We created special funds for different issues within that Department. Logically, although it will go on for some time, if the issue is addressed and those who feel they are victims dealt with properly, many of them may stop being victims, in terms of needing money and resources.

We are talking about having a specific line in the Programme for Government, a specific budget. The question is: to do what and for how long? Before it is possible to agree that there should be provision, the downstream implications of that need to be teased out for any future Executive. Where will the money for it come from? How much should it be? Is it open ended?

The Chairman (Mr Wells): You have confirmed that there is a need for discussion on this. I think we will leave it to after lunch. This issue has not been sufficiently addressed in the previous discussion. So we will move to that in fifteen minutes.

Meeting suspended at 12.19 pm

On resuming —

12.43 pm

The Chairman (Mr Wells): The issue of victims being a priority in the Programme for Government requires more discussion.

I will outline some procedural matters. First, the Building will close today at 4.30 pm for the bank holiday, but arrangements can be made for us to get out of the Building if the meeting goes on beyond 4.30 pm. Secondly, the main members of the Subgroup on the Economic Challenges Facing Northern Ireland, and the full representatives on the Preparation for Government Committee, will receive their reports at approximately 4.00 pm today; copies will be delivered here.

Lord Morrow: How do you spell the “full”?

The Chairman (Mr Wells): I mean the main members: Lord Morrow, Alan and David, among others.

The report is some 1,000 pages long and is a bulky document. Members are advised to get their copy to read over the weekend.

I interrupted Patricia. I will take the names of those who wish to contribute to the debate on this issue.

12.45 pm

Ms Lewsley: I want to point out that the proposal was made in order to give recognition to victims.

Lord Morrow: Chairman, you are anxious about whether the Committee is quorate. The Committee is quorate unless it is brought to your attention that it is not.

Mr McFarland: We agreed that the Committee is quorate as long as one member from each party is present when the meeting starts.

The Chairman (Mr Wells): That is a requirement rather than a quorum.

Ms Lewsley: I can wait until Alan brings his cup of coffee to the table. I just wanted to respond to the matter that he initially raised.

Mr McFarland: For the first time in 30 years, the previous Assembly had to put its money where its mouth was and deliver on whatever had been extolled or complained about. Although it had the propensity to have good ideas that made sense on one level, they were not always deliverable. If we are to suggest ideas that we believe will benefit society or individuals, we must think about how they will be delivered, how much they will cost, and what purpose they will have.

Together with the Preparation for Government Committee dealing with institutional issues, we should give thought as to how such ideas will work. For example, I believe that the SDLP proposed that there should be an equality Department. The Office of the First Minister and Deputy First Minister (OFMDFM)

in the previous Assembly had responsibility for equality. Presumably, if there were a separate Department to deal with equality matters, the issue of victims would come under its remit. Without impinging on the Monday team’s discussions on institutions, I am not sure whether that proposal would mean that OFMDFM’s responsibilities would be expanded or that responsibilities would be taken from OFMDFM and given to a new Department. We must, therefore, consider how everything would operate.

Victims must be looked after, so money must be put aside for that. However, should it be given to victims’ groups, as is currently the case? There are several groups from each tradition. Some are closely related to the security forces and some are closely related to paramilitaries. We must consider whether that system of funding victims’ groups is to continue or whether the money will be lumped into the centre and attached to a victims’ forum, which could then dole out the money to the various groups. I am curious to know how that would work in practice. I want to tease that out from Patricia.

Suppose that the Executive are up and running in November. What effect would the proposal have? How much would it cost to implement? Some of the costs that relate to victims are health costs, because people have been physically and mentally hurt by bomb blasts. Would money be taken from the Department of Health, Social Services and Public Safety and put into the suggested pool of money for victims? Would victims’ groups come forward to record their stories, as they do at present?

The Chairman (Mr Wells): I will let Patricia answer that, and then David, who has been waiting patiently, can speak.

Ms Lewsley: I am a bit confused now, never mind you, Alan. If victims are to be a priority in the Programme for Government, the Government must first recognise them and, secondly, commit to dealing with the issue. Once victims are at the heart of government, it is for the Government to decide who is responsible for them. You are right: if the matter goes to the centre of government, the other Departments will, we hope, ensure that they fulfil their obligations to victims. Certain subjects were mentioned in the Programme for Government, and I was involved with two in particular — Diabetes UK and neonatal screening for the deaf. If something is mentioned in the Programme for Government, an opportunity for accountability is created. That means that if no progress has been made a year down the line, we can ask why, given that it was in the Programme for Government. The issue is bigger for victims: the Government must take the issue more seriously by putting it at the heart of its day-to-day operations and making all Departments accountable. That is preferable.

Mr McFarland: Mr Chairman, does this issue fall under the overall heading of “Equality”? Traditionally, the issue of victims has lurked there somewhere, but it was suggested that the First Minister and Deputy First Minister should oversee it. My point is that somebody should oversee it; who will do that?

Ms Lewsley: I understand that, but the Committee of the Centre, which will now be a Statutory Committee, dealt with victims. We do not need to decide where the issue should go and who should be responsible. All that that I am asking is that we get consensus on the principle that it should be a priority that is included in the Programme for Government.

Mr McFarland: The logic is that if we feel strongly about it, we recommend that it becomes a priority. As such it will attract money, and if it does that —

Ms Lewsley: With the greatest respect, Alan, money is already allocated to deal with victims. That does not mean that more cannot be spent, but we are not setting up a new entity for which we expect a new budget. People who work with victims and survivors say that there is a need to consider how the money that they receive is best spent. It is not simply about getting more money but about whether the existing money is being spent in the best way. However, it is often about ensuring that a service that is being delivered by, for example, health or education agencies includes victims. In some cases, extra money might not be a factor.

Mr McFarland: We are back to our original problem. At the moment, if people class themselves as victims, whether they are active or former paramilitaries or innocent victims who were blown up when walking along the street, they can get money from the Government. If we are never going to agree what a victim is, we will not get parties to agree how to continue funding. The Northern Ireland Assembly has been suspended since October 2002, and currently the Government fund many victims’ groups, and this issue has become a big problem. If all goes well with the DUP and Sinn Féin, we will end up back in a government through which we will have to reclaim ownership of the victims issue, put it somewhere and dole out the money.

If we cannot agree on what a victim is and whether a republican organisation that deals with victims is as valid as the South Armagh Victims Encouraging Recognition/North Armagh Victims Encouraging Recognition (SAVER/NAVER) or any other group, this will become a big problem. It is not a problem at the moment because the fact that we are not responsible for the victims issue means that we can talk about it. However, if we became responsible, it will become a major issue if the starting point of defining who is and who is not a victim and, therefore, who does or does not attract money is not solved.

Ms Lewsley: With the greatest respect, the issue of victims was at the core of the Committee of the Centre. Why should the focus change simply because the Government aspire to make it a priority? Victims and issues about definition and funding, and so forth, already existed.

Mr McFarland: The Government did not treat the issue of victims as seriously as they do now. There is an interim commissioner, and a great deal of funding has come on-stream. Over the past four years, many groups have been formed that did not exist when the Committee of the Centre examined the matter. In the previous Assembly, there were complaints about the attention paid to this issue by the Office of the First Minister and Deputy First Minister.

Life has moved on and become much more complicated; we are starting to seriously examine how we deal with the past; in practical terms, victims are being taken much more seriously than they were four or five years ago. In emotional terms, they have always been taken seriously, but practical things are now being done for them. We have come quite a long way in the past four years.

If a government is set up that takes ownership of this issue from the Government, which have doled out money all over the place — sometimes to organisations that we and others might disagree about — we may disagree about how this issue is to be dealt with by Government.

Ms Lewsley: I understand that, but everything can be ironed out if the issue of victims is made a priority for the Government. Sooner rather than later, it will be put on the long finger for another four or five years. Alan has touched on the matter, and before the first proposal on the victims’ forum was taken, you, Mr Chairman, said that everything depended on the definition of a victim. Until we get that definition right, nothing will be agreed. We will not reach consensus with the DUP and others.

The Chairman (Mr Wells): I am glad that we first thrashed out the issue of defining a victim, because it would have been rather silly to have done it the other way round. This morning’s debate will affect the decisions we make on all the other proposals. Mr Ford has been waiting rather a long time to get in. He will be followed by Mr McGuigan and Lord Morrow.

Mr Ford: It is my understanding that the contents of the draft Victims and Survivors (Northern Ireland) Order 2006 were in an OFMDFM paper when the Ulster Unionist Party held the office of First Minister, so the party’s views on the possible change in definition may be interesting.

Alan’s approach to the victims issue is in danger of leading this Committee on rights, safeguards, equality issues and victims into discussions on institutional

matters. Patricia and Naomi's proposal concerned a principle; there has not been a coherent or comprehensive approach to the needs of victims.

The approaches have been piecemeal, and if we are to treat the needs of victims seriously, they should be a priority in the Programme for Government. That becomes an issue for the victims' commissioner, the Executive and various bodies; however, counting beans is not an issue for this Committee. We are in danger if we start to go into nitty-gritty details. We can say that, as a matter of principle, we have not dealt with the needs of victims comprehensively up until now and that we should make them a priority in the Programme for Government, otherwise we get sucked into a discussion on Departments' counting beans and the funding of the National Health Service, which is not the function of this Committee.

The Chairman (Mr Wells): Perhaps Mr McGuigan and Lord Morrow will be able to put their parties' views in their contributions on this important issue.

Mr McGuigan: I do not want to prolong the discussion or delve into details. I want to agree broadly with what has been said. In my discussions with victims' groups, I have heard complaints about the stability of funding; there should be more stability. Much of the funding comes from the centre, but funding also comes from other bodies and, over time, that runs out. Victims' groups do good work on highlighting the issue, campaigning and helping victims. They need stability of funding so that they can continue to do that, and if we accept the broad principle that victims should have increased priority, all the other issues can be taken care of.

Lord Morrow: I cannot understand why we are having this discussion. I agree with David Ford: we either agree that we want the issue of victims to be a priority for the Government, or we do not. Who deals with it after that is not for this Committee to decide; it is for somebody else to decide. I suggest that we move on and either agree that it is a priority for Government, or it is not. That is our function.

The Chairman (Mr Wells): Do I detect consensus on this issue? Is there general agreement that, regardless of the mechanics, we believe that the issue of victims is a priority? Is that agreed?

Members indicated assent.

1.00 pm

The Chairman (Mr Wells): That is good news.

The next proposal concerns the disappeared. I will not preclude members from coming back on a different proposal on victims, because we took all four items together. The proposal regarding the disappeared was that there should be a family liaison officer.

Ms Lewsley: The report from the Independent Commission for the Location of Victims' Remains (ICLVR) recommends the establishment of a family liaison officer. In recent media coverage, the British Government said that they would do that.

We agree in principle that that should happen sooner rather than later, because the commission's report was published over a year ago. However, the British Government can make all kinds of commitments and express aspirations but never follow them through.

The Chairman (Mr Wells): Do members understand what is involved and what a family liaison officer would do? It is fairly self-explanatory. Do members have any views on that suggestion?

Mr Ford: I agree entirely with Patricia.

Lord Morrow: To what report did Patricia refer?

Ms Lewsley: The report was prepared by the ICLVR. I do not know the exact title. It was published over a year ago, and it recommended the establishment of a family liaison officer. This is one of the issues. Families receive no communication from anyone and are left not knowing what has been happening for six months or a year.

Lord Morrow: Is this post in addition to the victims' commissioner? Would the post holder work with the victims' commissioner?

Ms Lewsley: Very much so, yes.

Lord Morrow: Where would that person be located?

Ms Lewsley: That would be up to whoever employs the person. The proposal specifically concerns the disappeared.

The Chairman (Mr Wells): Should this happen immediately or after devolution?

Ms Lewsley: It should happen immediately.

Mr McGuigan: I am looking for a point of information. Mr Chairman, you said that the family liaison officer post was self-explanatory. Will the officer liaise between the commissioner and the families?

Ms Lewsley: The person would liaise between the families and anyone else working on the issue of the disappeared, such as the Historical Enquiries Team. He or she might even liaise between the families and the Government.

Mr McFarland: One of the problems with the disappeared is that most are thought to be buried in the Republic of Ireland. Given that they are buried outside the United Kingdom, who will fund all this? Will somebody in Northern Ireland deal with the families, or is it a cross-border venture that will deal with people in the Republic? Does a mechanism not already exist

to deal with this? I thought that we had systems to deal with the disappeared.

Ms Lewsley: There are systems, but they are failing because of a lack of communication. This person would specifically deal directly with the families and raise their issues of concern.

When Gareth O'Connor went missing for all those months, his wife could not deal with her mortgage because she did not have a death certificate. Small issues such as that are big problems for families. There was no clear line of communication, and she had to go round the houses to find out whom she should talk to. The family liaison officer would be a single point of contact who would deal with the issues and liaise with others involved.

Mr McFarland: This is not what might be termed a "fast" issue. There has been a report. Over recent months — Philip might confirm this — the republican movement has given further information, but the pace is slow.

Digging for bodies will not start until as much information as possible is available. Previously, diggers were brought in, but people were so busy poking stuff out of the ground that key clues were missed. Buried bodies can disintegrate, depending on the soil type, and layers have to be skimmed; if you watch 'Time Team', you will know what I am talking about.

The plan is to hold off until they are sure of the site, then do a proper forensic examination, bring in the dogs they used before and use other new techniques that have been developed. I am not sure that a liaison officer will be needed for the actual mechanics; it will happen when it happens. However, there is an issue about how the humanitarian side of it is to be dealt with. Normally, the relatives get in touch with their MP, MLA or councillor, who liaises with the police or social services.

Ms Lewsley: Sometimes; and sometimes there is a lack of communication.

Mr McFarland: Yes, but that is the inefficiency of the present system. A new system may be needed specifically for this. There may have been problems in some cases. However, if a family liaison officer is needed, the post must be funded. Would the liaison officer be busy all the time, or would it be a part-time job? The practicalities must be looked at. I am not saying that it should not happen, but things need to be tightened up.

Ms Lewsley: May I just say two things? It has already been recommended in the report, and the British Government have made a commitment. All I am asking is that they do it sooner rather than later.

The Chairman (Mr Wells): We are watching a dialogue here. Naomi Long, David Ford and Nelson McCausland have been waiting patiently.

Mrs Long: With reference to Alan McFarland's comments, I do not see that this is a jurisdictional issue. The families require this liaison function — the Government agreed to provide it, but have not done so. This is not a jurisdictional issue; it is about somebody liaising with the families. Alan may not be convinced that a liaison function is necessary, but the families and the commissioner who led the investigation are convinced that it is necessary.

This is about politicians wanting to place their stamp on what is and what is not required for the families going through this. Politicians should accept the views of the families who say that something is needed, and when it has been properly assessed and weighted. Why must the people around this table be convinced of its necessity when that work has already been done?

The issues that Alan raised about the mechanics of recovering the bodies of the disappeared bear no relation to Patricia's proposal, which is about a liaison function so that families are kept informed. Ongoing investigations are often dealt with by small teams whose resources are fully engaged in trying to make progress. Liaison with the families involved can be difficult. This proposal would help prevent suffering families from having to trek around the system to find answers. Instead, they would place their questions with a responsible person, who would take them forward on their behalf. It is about alleviating the suffering of the families. This is not a matter of the practicalities, which will be dealt with in the proper way; it is about saying to people whose lives are already in chaos, and who have already suffered, and continue to suffer with the uncertainty of the situation, that they have an individual, to whom they can put a face, as their point of contact. It is not a jurisdictional or a mechanistic issue. It is about giving families what they feel they need in what are horrific circumstances. The families argued their point with the commissioner, and the commissioner accepted their argument.

Mr Ford: I do not need to add to what Patricia and Naomi have said.

Mr McCausland: It is not the role of this Committee to draw up a job description.

Ms Long: No.

Mr McCausland: That is for other people. It is about the broad principle.

Ms Lewsley: Naomi and others have said the same. This is the broad principle of supporting the families of the "disappeared" and asking for a liaison officer to be put in place sooner rather than later.

The Chairman (Mr Wells): The Committee has given the matter a reasonable airing. Alan, are you satisfied that your questions have been answered?

Mr McFarland: Yes.

Members indicated assent.

The Chairman (Mr Wells): The next issue is more complicated. It is raised by Mr Maginness. It is that full, independent, “Cory-compliant” – that is a new phrase for me – inquiries should take place as promised at Weston Park. Perhaps you could set the scene, Mr Maginness, since it has been a couple of hours since this was mentioned.

Mr Maginness: Most members are aware that a number of inquiries were proposed by the Honourable Justice Peter Cory into cases including Wright, Nelson, Hamill and Finucane. Judge Cory proposed that certain allegations, particularly of collusion, needed to be properly aired and investigated by full, independent inquiries.

The British Government agreed, at Weston Park, to establish an investigation into whether these inquiries should take place. Subsequently, Judge Cory reported and recommended that there should be inquiries into these matters. The British Government accepted that in principle. However, the British Government then changed the basis upon which inquiries would take place. They introduced the Inquiries Act 2005, which, as the SDLP see it, has circumscribed the independence of chairs of inquiries. We believe that that damages the process of investigation; damages the independence of the inquiry; limits the scope of the inquiry; and hinders the recovery of truth in relation to these matters.

My party is opposed to the new Inquiries Act 2005. We believe it to be injurious not just to these inquiries, but also to inquiries in general. People do not realise how damaging this could be in the future —

The Chairman (Mr Wells): It might be difficult to pick up your voice on the microphone. I do not want to miss any of this.

Mr Maginness: Sorry. The Act could be damaging for all inquiries, not just those that we are talking about here today. We use the terms full, independent and Cory-compliant public inquiries. When Judge Cory became acquainted with the particulars of the new legislation, he was critical of it and said:

“I cannot contemplate any self-respecting Canadian judge accepting an appointment to an inquiry constituted under the new proposed Act”.

He did not believe that an inquiry held under the 2005 Act could get at the truth. The SDLP says let us proceed with the inquiries, but let us have them fully “Cory-compliant” and separate from the new Inquiries Act.

Mr Ford: Let us be clear. Collusion is not just an issue of concern for nationalists. Two of the Cory inquiries concern alleged collusion between gardaí and republican paramilitaries. For the Alliance Party, collusion is an issue of the rule of law, ensuring the highest standards of integrity for everyone in this society.

That said, my party has concerns about the impact of these six particular inquiries with regard to the HET in general. There seems to be some sort of selective justice. Many other victims have the same needs, feelings, and concerns as the victims in those six cases. Nonetheless, the Governments promised at Weston Park that those six cases would be subject to full inquiries.

Based on that promise, those inquiries should take place subject to the law that existed at that time. The law should not have been changed to obstruct the potential working of the inquiries. However, it is also a singular lesson to the Governments about the dangers of selectivity and their failure to take account of the needs of many hundreds of other families of victims. To single out those six cases was not a good thing to do.

1.15 pm

The Chairman (Mr Wells): I will take each party’s view on the proposal.

Mr McFarland: The Government introduced that legislation because they believe that they have a duty of care to ensure that individuals are not killed as a result of information that may be given. Perish the thought, but if one of the inquiries proved beyond all shadow of a doubt that Martin McGuinness, former chief of staff of the IRA, had been a British agent for 20 or 30 years, could that threaten his life? He has denied that he was an agent in discussions in Committee, and I am sure that it is not the case that he was. There have, however, been recent cases in which Mr Donaldson and others have been done away with after it was discovered that they had been agents.

Therefore the Government have a duty of care, and, through the legislation, they say that they must have the right to decide whether information that is to be used in an inquiry might lead to someone getting killed. Members of the Committee will be aware that, under section 29 of the Police (Northern Ireland) Act 2003, the Chief Constable has the same duty of care not to release into the public domain information that might result in someone being killed. That is my understanding of the legislation, and the legislation seems sensible. Others may disagree, but are they prepared to take the risk that people may lose their life as a result of information that is released to an inquiry?

Lord Morrow: There has been much discussion around this table about the hierarchy of victims. It seems that we are moving into territory in which there

are two types of victims. Alban Maginness talked in some detail about the inquiries, and he said that any inquiry must be “Cory-compliant”. What significance does that hold? Does that mean that an inquiry that has been designated by Cory is different from any other inquiry that might be established? Does it have different criteria or a greater likelihood of a sound outcome? Why must it be “Cory-compliant”? Did Cory include in his report new criteria that had not formed part of any previous inquiry? I suspect that “Cory-compliant” will be the buzzword that we will hear for a while in inquiry-related interviews on television, and so forth.

Mr A Maginness: I will respond to the interesting point that Lord Morrow has raised. He is correct when he says that the six inquiries are specific. It was agreed at Weston Park — in principle anyway — that they would be conducted under the old legislation, which is the Tribunals of Inquiry (Evidence) Act 1921, and that any new legislation should not apply to them. The SDLP believes that that makes those inquiries “Cory-compliant”, because they conform to the traditional standards of independence that apply to a proper public inquiry.

Mr O’Dowd: We would support the proposal as put forward. Those inquiries came about after lengthy discussions. Indeed, including the Stevens inquiry, there were three in total into the Pat Finucane case that were never published. They caused great concern about the level of collusion between the British state and loyalist death squads.

Indeed, if the reason for this legislation is not, as Alan has suggested, the protection of informants, it is Sinn Féin’s view that it has been introduced to protect people right up to Cabinet level. Papers have been disclosed and statements have been made by senior members of the Force Research Unit (FRU) that would suggest that the policy of taking out opponents of the state, whether they be armed opponents or opponents who would work in the legislatures, was sanctioned at Cabinet level.

The reason for these inquiries is very important. It goes to the heart of the British Government’s role in the conflict over the past 30 years. Certainly there are many families who have never had a proper inquiry into the deaths of their loved ones, and we have already discussed victims this morning. Some families want to be left alone with their memories and others want to seek the truth.

Several of the inquiries, as outlined by Cory, go to the heart of the conflict on this island. They were agreed between the two Governments, and should be carried out in the fashion independently set out by Judge Cory. There should be no changes to the legislation under which those hearings are to be established.

The Rosemary Nelson inquiry, for instance, is being held under the Police (Northern Ireland) Act 1998 rather than the Inquiries Act 2005. That can also infringe on how witnesses are called or dealt with. Cory did not envisage that for any of these inquiries. If an inquiry is “Cory-compliant” it will have the support of Sinn Féin.

Mr Attwood: I have two or three comments to make. First, I would suggest to John O’Dowd that there is an inconsistency in the position adopted by Sinn Féin this morning and the position it has taken this afternoon. This afternoon, Sinn Féin is arguing that inquiries have to be “Cory-compliant”. That requires full co-operation and disclosure right up to Cabinet level. Nobody is off-limits and everything must be revealed. That is what “Cory-compliant” means.

Yet this morning Sinn Féin would not sign up to looking into the past generally in a situation in which nobody was off limits and everything had to be revealed. Sinn Féin have been inconsistent between this morning and this afternoon and they might want to reflect on that.

Secondly, in answer to a point raised by Alan McFarland, there will be matters in these inquiries, even if they are “Cory-compliant”, that would be of such a nature that special provision would have to be made. That is going to be the nature of delving into the past. Nobody disputes that. There might be a dispute around how far to go in making special provisions. That was fought out in particular around the Bloody Sunday inquiry, in which the SDLP felt that the courts leant far too much in favour of the state.

The problem with the new legislation is not that some things might have to be handled in a specific way; it is the fact that the power to decide those matters does not fall to the tribunal, but to the Minister. We have a so-called independent review of serious allegations, and critical judgements about the conduct of that tribunal will be made, not by the tribunal members, or the courts, or an independent body of law — but by a Minister.

In other words, a so-called independent tribunal’s critical moments are going to be decided by a political person. A tribunal looking into the past has to be independent, and cannot be subject to political interference, never mind political calls; but that is what the new legislation puts in place.

It was done for two reasons; first, because there are elements of the British system that do not want the truth of Finucane to come out. How high it goes is a matter of debate, but it goes far and high. The British political system thinks that there cannot be a situation in which people who have had political roles in the past have also been complicit in the activities of the Force Research Unit.

The second, and more fundamental, issue for the British people is that the new tribunals legislation was an attempt to prevent a repeat of what happened after the Iraq war. There was an inquiry, and whatever about the inquiries into the death of that gentleman who committed suicide —

Mr Poots: Dr Kelly.

Mr Attwood: Dr Kelly — that while that was a very flawed tribunal, stuff came out that was embarrassing to the British Government. The Government used the Finucane situation to force through legislation that stops proper independent inquiries into matters that concern the British people, never mind matters that concern the people of Ireland. That was its purpose.

Therefore Alban is right: we should be signing up to Cory-compliant inquiries because the British Government have used Finucane in such a way to subvert independent inquiry into many matters.

Mr McFarland: Does Alex accept that perhaps part of the fear comes from the experience with the Bloody Sunday inquiry? Details, such as the names and addresses of those who had been on the side of the security forces, that were released to the tribunal ended up being given to the media and the defence teams. People had been assured that they would not be put under threat by such an event, but information was released to everybody. Therefore the experience with our one big inquiry is that an inquiry cannot be trusted to keep sensitive information secret. It is perhaps not surprising that the Government have taken that step to have some control over information that may be released in circumstances in which people's lives are under threat.

Mr Attwood: The power to do that should be left to the courts. If there is a concern about a particular person or matter, an independent arbiter — such as a judge — should decide what happens with information. However, there is no independence in allowing a Government Minister to say yea or nay to information about a person's details becoming known. That is not due process; it offends against independence and impartiality. Mr McFarland is right; people should be concerned when information gets leaked, but giving control to politicians who will either leak or suppress it is not the answer.

Mr McCausland: For me, selectivity, which David Ford mentioned, is the fundamental issue. We are discussing a number of inquiries, whatever about their accountability and whether they were agreed at Weston Park or wherever else, but we must ask to where this whole thing leads. I noticed the other day in the daily newspapers that there is a cause seeking justice or truth about Captain Kelly, and that there will now be an inquiry into the activities and role of Captain Kelly and the Dublin Government around the time that the

Provisional IRA was formed. It is fine to perhaps look at the activities of a garda here and a garda somewhere else, but if there are issues that go right to the top, as Alex Attwood believes is the case with the British Government, are there also not issues that go right to the top in the Government party in the Irish Republic?

Mr McGuigan: I apologise for continually having to put Alex straight, but it is an important issue that needs to be put straight continually. This morning, I, on behalf of Sinn Féin, put forward a proposal that highlights our principles about full co-operation and disclosure. As I said earlier, a Sinn Féin document of a number of years ago stated that all combatants should play their part. Alex needs to be aware that Sinn Féin has a very progressive position on truth recovery. For example, there was an NI Affairs Committee on this issue, and as far as I am aware — I can be corrected if I am wrong — Sinn Féin was the only party from the North who made a submission. Indeed, the SDLP had a representative on that Committee, which sat on eight or nine occasions, and — again I can be corrected — that representative failed to turn up on those occasions.

1.30 pm

That issue must be clarified once and for all. There is no difference in our opinion either this morning or this afternoon. Sinn Féin is very clear on this: it is there and it is in public.

The Cory-compliant issue is one that the British Government have used, as they have used others throughout the history of this struggle, to run away from the truth. Collusion is a serious issue. It goes to the heart of the British Government. It is a policy that followed on from the likes of "shoot to kill" and other policies designed to tackle the nationalist and republican peoples' demands throughout the conflict.

The Inquiries Act 2005 is another tactic used by the British Government when it looked like the truth was coming out. It is along the lines of lost files and tampering with evidence, as shown at the Bloody Sunday Tribunal to have been perpetrated by the British Government.

Mr Hussey: Are we looking at the cases as highlighted by Judge Cory? Or are we looking at the principle of how cases are dealt with? The issue of agents within organisations being given a free hand is not an issue for the republican community alone. It is an issue within the Protestant community. There are areas where that question is in people's minds: were our friends or relatives allowed to die to protect an agent? It is not a one-sided thing.

Mr O'Dowd: I acknowledge that fact; especially over the last few years where a significant number of the Protestant community have been killed by suspected state agents.

The Chairman (Mr Wells): Everyone seems to have had a say on this. In the absence of any new contribution, I will seek consensus on this proposal. What is the view of Members?

Members indicated dissent.

The Chairman (Mr Wells): At least two groups have said that they are not happy with that, so that proposal falls. The next proposal is Mrs Long's, that there ought to be a day of remembrance and reflection. I am conscious that it has been about two hours since you spoke to this, and that I have been accused of gagging you already, so therefore I will let you speak on this issue.

Mr Ford: For two hours? *[Laughter]*.

Mrs Long: Which is something of a record. In the original submissions a number of parties made reference to the need for a day of reflection or remembrance. There seemed to be some kind of consensus around the principle. It is perhaps something on which we might achieve consensus. An opportunity for people to reflect is one way of trying to address concerns that the issue of victims – both those who survived and those who did not – has, somehow in the political process, been lost. It does not tie people down to definitions, and it does not put people in difficult positions as to the shape or form of the day. It simply agrees the principle that it is appropriate that a day should be set aside for remembrance. That is the context of my proposal.

The Chairman (Mr Wells): It is important that we go around the groups on this. Mr McFarland has indicated that he wishes to speak. Dr Birnie will follow.

Mr McFarland: Remembrance Sunday has evolved, and now embraces not only world wars, but all conflicts. That day of reflection seems adequate. I always worry about — someone's telephone is ringing.

A Member: Your speech is lost.

Mr McFarland: All right. I worry when I hear talk of days of reflection and reconciliation et cetera. It takes me back to Hillsborough, and the plan suggested in about 2000, when the Government was seriously proposing a day of reconciliation at which a British army soldier and a volunteer from the IRA would stand at Hillsborough, reversing arms and everyone would say mea culpa, and that they were sorry.

That was a serious proposal. The moment that I hear the words "day of reflection" or "day of reconciliation", I run for my headache tablets. No one is against hoping and praying, and remembering what has gone on in Northern Ireland during the past 30 years. However, we must be careful. It ties in with the issue of who else should be recognised. There is still deep hurt in the nationalist community about loyalist murders; and there is deep hurt in the unionist community about republican murders. I have no doubt that republicans

are still concerned about killings by the security forces. It is too early to expect everyone to stand together.

Mr Poots: I do not have a problem with the notion or ideals behind the proposal. There will, however, be a problem with its outcome. How would it be possible to prevent the day being hijacked for political purposes? That has happened in the past. Ultimately, what appears to be a good idea would probably unravel and cause further hurt and contention.

There has been discussion on how to define a "victim". Republicans believe that Thomas Begley is as much a victim as the people whom he murdered. I have no doubt that they would want that to be reflected on such a day, which would cause huge consternation to those families who lost loved ones in the Shankill Road bombing and other such incidents.

The idea behind the proposal is good. However, its outworking could prove to be disastrous.

Mr McCausland: I accept that there is idealism behind the proposal, which I would expect from the person who made it.

Mrs Long: Thank you.

Mr McCausland: However, it assumes that a level of integrity exists across our society. I do not believe that it does.

I want to return to a point that was raised by Edwin about Thomas Begley. Two of the relatives of the victims of the Shankill Road bomb were taken to meet Peter Hain by a delegation of which I was a member. Discussion was about Sean Kelly. The relatives looked Peter Hain in the eye and asked him, clearly and specifically, what made someone a victim. He could not look them in the eye. They asked him whether Thomas Begley was a victim. He replied, "No". He was also asked whether the IRA men who were killed at Loughgall were victims. Again, he replied, "No".

I have no doubt that if that line were followed, it might be possible to have a day of remembrance. Regrettably, however, I am afraid that it would be hijacked. For example, Sean Kelly could be there to remember Thomas Begley. Relatives of those who were killed in the Shankill Road bomb, and its survivors, would have to stand side by side with him. They would not want that.

Mr McGuigan: In principle, Sinn Féin has no objection to a remembrance day. My party believes that it could be a good way to move forward. However, it is not a stand-alone issue. There are other issues that must be addressed alongside it.

The idea for it probably came from a report from the Healing Through Remembering project, produced by a group with a broad range of different opinions. The group has produced many reports, in which that

suggestion, among others, has been made. However, we believe that it is part of a bigger process that includes truth recovery and other victim-centred initiatives.

I agree with Edwin that it should not be hijacked by politicians. I am afraid that, since the idea was suggested, that has begun.

Ms Lewsley: I want to return to the reasons that Naomi made the proposal.

The proposal is about agreeing the general principle of holding a day of remembrance for people in Northern Ireland. The detail and the timescale can be worked out later. Such a day may never be held because of arguments over such preconditions as the definition of “victims”. However, do we believe in the principle that there should be a day of remembrance?

Mr Hussey: I, like other members, do not have the slightest difficulty with the idea of a day of remembrance. The devil will be in the detail. As Alan said, we already have Remembrance Sunday, although I know that some people have difficulty with that.

It is not unusual for republicans and loyalists to be remembered side by side. For example, on 1 July, the 16th (Irish) Division, a republican-based division, is remembered side by side with the 36th (Ulster) Division. Again, the time factor comes into the equation.

I am also mindful that in Sinn Féin-controlled council areas, there was an attempt to plant trees of remembrance as part of a cross-community day of coming together and remembrance. As Sinn Féin will be well aware, that failed in many areas because the Protestant/loyalist/unionist community did not want to be associated with it. As someone said, it was perhaps hijacked, not just by political parties, but by churches and others. Thus, some viewed it as a political exercise, and it did not work. It certainly did not work in my district council area, and I understand that it did not work in Omagh and other council areas. The devil is in the detail.

Mr McGuigan: On a point of information, Mr Chairman. Sinn Féin held those remembrance ceremonies in an attempt to show political leadership; had that leadership been facilitated by the unionist community and others, those ceremonies might have been more successful. However, they were a success in the areas in which they were held.

Mr A Maginness: I hate to be a pedant, but the 16th (Irish) Division was certainly not republican in any sense of the word. It may have been nationalist in aspiration, but it certainly was not republican.

The DUP’s argument — and, to some extent, the Ulster Unionist Party’s argument — is, as I understand it, that it is too early to talk about a day of remembrance because there is too much hurt in the community. It

argues that we must first come to terms with that hurt and develop sufficient political maturity to deal with it. Our community has not reached that stage; that is self-evidently true.

However, to argue that is to assume that a day of remembrance is an end in itself. It is not. I understand Naomi’s point; it is a means to an end. In other words, a day of remembrance should be held so that people — imperfectly, with their different viewpoints — can come together to remember the obscene horror of what we have unnecessarily gone through over 35 years. Such a day of reflection would be one of the many mechanisms that could be employed to help people to come to terms with the suffering, division and conflict.

By holding a series of different events over the coming years, we could work through the issue and, eventually, achieve a form of political reconciliation. However, if we were all reconciled and had the necessary political maturity to deal with this matter, there would be absolutely no need for a day of remembrance. It is simply a vehicle to help us towards reconciliation; if we were reconciled, we would not need it. Naomi’s arguments are important because she believes that we should use this day to try to achieve reconciliation. At least, that is my understanding.

1.45 pm

The Chairman (Mr Wells): Naomi, I detect that the Committee is not going to get consensus on this issue. Do you want to sum up?

Mrs Long: We have had a debate about proposals that I never made. The idea of people from the Army and the IRA exchanging weapons was not my proposal. It was not my suggestion that that would be an appropriate form of remembrance, and I can categorically say that I would not suggest that.

We have been told that it is early days; I was not prescriptive about timescale. We have been told that the devil would be in the detail and the practicalities; I accept that. However, I was not prescriptive about the form that that day would take. In their presentations this morning, a number of other parties, including the unionist parties at some point, made reference to remembrance and a day of remembrance. I find it difficult to marry that reference with the resistance to a proposal that accepts it in principle.

I was not prescriptive about how it would proceed. I accept the fact that people reflect on Remembrance Day. However, Remembrance Day tends to be focused on those who died in the Second World War, and the First World War tends to be commemorated on 1 July. Holocaust Memorial Day sets aside a specific time and place when people can think about that aspect of war. However, in the Northern Ireland context, where there has been serious loss of life and a serious impact on the community, the aspiration to set aside a special

time for our community to reflect on what it has been through would be a way for people to start to address some of the questions that the Committee has touched on today but failed to address. That is what I suggest, and that is why I made the proposal.

I did not think that the proposal would be easy or simple. However, in the earlier proposals and statements from other parties, there seemed to be a kernel of consensus that setting aside time for reflection as a community would be worthwhile and beneficial in principle, albeit difficult to formulate in practice, which I accept. However, that is not something that I would want the Committee to be prescriptive about.

Mr McFarland: If the Committee ever gets past first base, and the Rev Ian Paisley and Martin McGuinness stand outside the front gates of Stormont as First Minister and Deputy First Minister, it will be because the DUP has accepted Sinn Féin. The entire climate of our society will change whenever that happens. As that change settles in and is manifest in the parties that are seen and televised debating in the Chamber and working in the Committees, we may get to a stage where people are comfortable with a joint wreath-laying ceremony at the Cenotaph in Belfast with the Rev Paisley and Mr McGuinness participating.

Lord Morrow: Pigs will fly.

Mr McFarland: That is how it would be if we were looking for people to stand side by side and have a common remembrance. It is hard for me to envisage how we would get to the stage where people would be comfortable remembering the past in that way. It is an aspiration and a good idea, but the time is not yet right.

Mrs Long: If Alan McFarland is content that the aspiration is a good idea, I see no reason that his party should veto the proposals, because it is simply an aspirational principle. References to situations that require individuals, specified or unspecified, to exchange weapons or jointly lay wreaths was never part of what I envisaged. I repeat that because it seems to have fallen on deaf ears.

This is not about political settlement. Whether or not there is an Assembly in November, there are always victims. Whether or not we can get our act together around this table and make Government work for the people of Northern Ireland, there are always victims. All I seek is agreement that, for one afternoon, we can put the needs of those people first. Regardless of whether the political situation is resolved, the issues of the past and its legacy remain here to be dealt with. Aside from the political aspect, we, as a community, will be able to make progress only if we start to address those issues. The principle, therefore, is not that individuals should have to share in their remembrance with anyone else, nor that the remembrance

should take a particular format, civic or otherwise. None of that was part of my proposal. It was simply that a day should be set aside for that remembrance.

The Chairman (Mr Wells): Mr Poots has a point of information. It will be the last one.

Mr Poots: The second proposal is open-ended and vague. In essence, there is nothing wrong with the proposals. There is nothing bad about them either, but their outcomes are uncontrollable. That puts the DUP in an awkward position in that it is sympathetic to what is being proposed but it is so open-ended that there would be no control over the outcome. Therefore, the DUP cannot lend its support to such proposals.

The Chairman (Mr Wells): May I formally put it to the meeting? Do we have consensus?

Members indicated dissent.

The Chairman (Mr Wells): Before members rush away, we must deal with some issues. There is another proposal but members will understand why I have not put it to the meeting. The proposal is that the victims' and survivors' forum should consider setting up a truth body. As we cannot agree about a forum being set up, I did not think that there was much to be gained by having a long debate on a truth body. That is why the proposal is not being put.

It is nearly 2.00 pm. Before I go any further, I want to say that I found the quality of today's presentations and discussions to be of a very high level. I want to thank all of those who took the time to prepare.

Lord Morrow: Is that your judgement?

The Chairman (Mr Wells): That is my judgement. If anyone wants to challenge the Chairman's ruling, they can do so. However, it is quite clear that people took the time to sit down in advance of this meeting and prepare their contributions.

Lord Morrow: Are you measuring today's performance against other days?

The Chairman (Mr Wells): Yes, pretty much so.

Mr Hussey: May we all add the commendation to our CVs?

The Chairman (Mr Wells): That attention to detail is appreciated, especially from the Chair. It is now 2.00 pm; we are not scheduled to finish until 4.00 pm and the doors will be locked at 4.30 pm. We have the option of proceeding to a discussion of "Culture and confidence building measures".

Lord Morrow: We are not prepared for that discussion.

Ms Lewsley: May I make a proposal? As it is bank holiday weekend, it would be nice to finish early.

Mr O'Dowd: Mr Chairman, you indicated earlier that the report from the Subgroup on the Economic

Challenges Facing Northern Ireland would be available at 4.00 pm. Is there any chance of getting that earlier?

The Chairman (Mr Wells): It is being printed, and I hope that it is on its way to us, if members are able to wait. Only full members of the subgroup and full members of the Preparation for Government Committee will receive a copy.

The Committee Clerk: The Preparation for Government Committee that deals with institutional issues will discuss the report next Tuesday. Copies will be posted out, but if members want to wait a wee while, they can have their copies.

Mr O'Dowd: Mr Chairman, are we going to be so restrictive that members here cannot take a copy of the report back to their parties?

The Chairman (Mr Wells): Several members were present yesterday, and it was agreed to print 60 copies. Therefore, we are not in a position to give every member a copy until the report has been agreed by the Preparation for Government Committee, at which time a copy will be made available to all 108 MLAs.

Mrs Long: Mr Chairman, you suggested that the report would be dealt with at next Tuesday's meeting. Reference has already been made, albeit light-heartedly, to the bank holiday weekend. In fairness, if parties are in receipt of the report at 4.00 pm and want to take it to their party staff for further discussion or to give it more consideration, the opportunity to do that is limited when we will not be in a position to do that until Tuesday morning. If the report is posted out, it will not arrive until Tuesday morning. There is a logistical issue about being able to discuss papers in depth on Tuesday morning. However, there may be a point later in the day when members will be in a position to do so.

The Chairman (Mr Wells): The report will not be posted out; it will be couriered to members. The advantage of getting the report today is that members can start to read it tonight.

Mr McFarland: Each party nominated a member of the Preparation for Government Committee to the subgroup. Each of us has spent two days a week for the past few weeks with that nominee, running the party's business on the subgroup. Presumably, that nominee will attend next Tuesday's meeting; Mr McNarry will attend that meeting. It would be surprising if subgroup members had not been keeping their parties informed. If party members on the Preparation for Government Committee had disagreed with what their people on the subgroup —

Mrs Long: I suspect that Alan and I speak a different language because of his interpretation of what I said. I simply stated that it may be difficult for members to have a thorough review of the report in

advance of Tuesday's meeting, not that they do not know the substance of it.

The Chairman (Mr Wells): I chaired yesterday's subgroup meeting that signed off the report. There was unanimity, and there is no great constitutional issue. There is a wish list for the economy of Northern Ireland, and you will not find any great surprises in it.

Mr McFarland: Presumably, it just needs a nod next Tuesday?

The Chairman (Mr Wells): It would be difficult not to, given the fact that most members of the Preparation for Government Committee have sat on the subgroup at some stage, so there is some overlap. Members should not expect any great surprises. It is a huge document — it is 1,000 pages long — and is being printed in four volumes.

Mrs Long: Members will need the weekend to read it.

The Chairman (Mr Wells): It is a bit of light reading for the bank holiday weekend.

Mr McFarland: All those who have been following Hansard for the past three weeks will have nothing to read.

The Chairman (Mr Wells): Those people could write the report themselves.

Mrs Long: They could bind it and put it on the shelf.

Lord Morrow: I am glad that we have Monday off.

The Chairman (Mr Wells): Is there any other business that members wish to raise as a result of today's meeting? No? The next meeting of the Preparation for Government Committee will be on Tuesday 29 August at 10.00 am, at which the major item will be the report of the Subgroup on the Economic Challenges Facing Northern Ireland. The next meeting of the Preparation for Government Committee that deals with rights, safeguards, equality issues and victims will be on Friday 1 September; it will be an all-day meeting, with lunch provided, in Room 144.

Mr Ford: In the context of the confidence-building discussions, it would be useful if those who raised points that are on the agenda for next week took two or three minutes now to brief the rest of us on what they see as the highlights so that we can prepare.

The Chairman (Mr Wells): Given Lord Morrow's comments earlier, do members wish to submit papers in advance for that meeting, so that others can study and comment on them, rather than take the issues as they arise on the day?

Mr Poots: All papers would have to be submitted by Wednesday.

Mr McFarland: We have had an unwritten agreement, and we are doing well. The purpose of a

Committee is to discuss issues. If parties want to read papers, they can prepare and submit them. All members are busy, and some of us sit on three Preparation for Government Committees. Everyone would have to prepare papers on every topic. At present, each party makes a presentation, and we have a thorough discussion that might take six hours. We have all sat here for hours and hours discussing issues. However, it takes a long time to prepare submissions and to read other parties' submissions. It negates the need for a meeting. If there are submissions, there is no need for a meeting because members will have read the views of all the parties.

The Chairman (Mr Wells): At next Friday's meeting, members can speak to a paper and they can decide whether to hand it out. Are members content?

Members indicated dissent.

Mr Ford: Some of us who were seeking clarification are still lacking it.

Mr O'Dowd: You are applying logic to the argument.

Mrs Long: All that is required is a framework for the discussion. This issue was raised when we were pulling together the agenda. It was not clear what substantive issues came under "Confidence building". Confidence building could range from institutional issues to policing to community-based issues, which is why we need some guidance about the scope of the heading.

2.00 pm

Mr McFarland: Initially, under "Culture", the DUP and my party raised the issue of unionist confidence and the fact that, for a number of reasons, there is a lack of confidence in the unionist community. The sub-entries then evolved to include ethnic minorities, after someone made the point that we should be discussing the influx of people into Northern Ireland from eastern Europe, our indigenous Chinese population and the rise in hate crime. It was then said that if we were to cover unionist culture and ethnic-minority culture, we had better include nationalist culture as well.

Therefore we have two sub-headings. First, we have "Confidence building", which was originally about the parading issue and the perception that nationalist areas have received a whole pile of money, which has created a vibrant, confident community, while unionists have not had money spent on them, which has resulted in a lack of confidence in that community.

Secondly, the three cultures were to be discussed. Whether those will take an entire day to discuss, it is difficult to tell at present, but that is roughly how we arrived at having three sub-entries to debate.

The Chairman (Mr Wells): Folks therefore know what to expect.

Members who take a copy of the subgroup's report are not to keep it to themselves if they are expected to hand it over to someone else.

Lord Morrow: Are we to give it to our neighbour?

The Chairman (Mr Wells): No, members are to take the report on the basis that they are to pass it on quickly to the person for whom it is intended.

Ms Lewsley: It should take them a weekend to work that out.

Lord Morrow: Nelson says to put it on eBay.

Adjourned at 2.02 pm.

COMMITTEE ON THE PREPARATION FOR GOVERNMENT

Tuesday 29 August 2006

Members in attendance for all or part of proceedings:

The Chairman, Mr Francie Molloy

Mr P J Bradley

Dr Seán Farren

Mr David Ford

Ms Michelle Gildernew

Mr Danny Kennedy

Rev Dr William McCrea

Mr Alan McFarland

Mr Michael McGimpsey

Mr David McNarry

Mr Alex Maskey

Mr Conor Murphy

Mr Ian Paisley Jnr

Mr Peter Robinson

The Committee met in private from 10.07 am to 11.56 am.

The Committee met in open session from 11.57 am.

(The Chairman (Mr Molloy) in the Chair.)

The Chairman (Mr Molloy): Are members content with the draft minutes of the meeting of 21 August?

Members indicated assent.

The Chairman (Mr Molloy): We agreed at the meeting of 21 August to refer the issue of whether firearms and explosives licensing is a justice matter or a public-safety matter to the Committee on the Preparation for Government (PFG) dealing with law and order issues. It has decided that it is a matter of public safety. Are members content with that?

Members indicated assent.

The Chairman (Mr Molloy): Mr McGimpsey requested information about the role of the Northern Ireland Audit Office (NIAO) in relation to the North/South implementation bodies. Are members content with the information that has been provided?

Members indicated assent.

The Chairman (Mr Molloy): We now move on to strand three issues. We will go around the parties in the usual way. The Alliance Party will go first.

Mr Ford: Sorry, you are moving slightly too fast for me. May I have permission to draw breath first?

When we were discussing the wider issues of strand two last week, I mentioned that there is a need to

recognise the role of the British-Irish Council (BIC) at a higher level than at present. We have already covered the issue of a permanent secretariat for the BIC, but that was not noted.

The current workings of the British-Irish Inter-Parliamentary Body (BIIPB) have some value, specifically the fact that members of this Assembly are represented on the body, although, unfortunately, not all parties choose to attend. My party does not see anything particular that needs to be added to strand three, other than that work that could be done has not yet been done. However, that will be a matter for the institutions to get on with when devolution is restored.

Mr P Robinson: As might be expected, there is not one bullet point under strand three that we have not touched on when dealing with all the other issues. In general, the DUP's view is that there should be an overarching British-Irish isles council. All the relationships, whether they be North/South or east-west — either between the Northern Ireland Assembly and Westminster or between the Government of the Irish Republic and Her Majesty's Government — are set within a British-Irish context. Therefore, the overarching body should be a British Isles council, and all the separate relationships can easily take place therein.

12.00 noon

That being the case, the British-Irish Intergovernmental Conference (BIIC), which is, I think, really the successor to the one that came out of the Anglo-Irish Agreement, could comfortably sit within a British Isles council.

My party has said in policy documents that the BIIPB is something that we will look at in the context of an overall settlement, although we would prefer that, instead of its present format, it were more akin to parliamentary bodies for which there is an open invitation to attend, rather than an invitation for the select and appointed few.

The DUP has been unhappy about the disproportionate number of meetings that have taken place on a North/South axis as opposed to an east-west axis. There must be greater emphasis on the east-west institutions. As unionists, not unnaturally we want to have a close relationship with the rest of the UK, and we believe that that can be done through empowering the east-west relationship. We feel that one way in which to do that is to have a secretariat that will drive the east-west relationship in the same way in which a secretariat is driving the North/South relationship. We need to have that balance.

I repeat — not as a threat but as a matter of fact — that the DUP's enthusiasm for the North/South structures will be commensurate with other parties' enthusiasm for east-west structures. People cannot say to us that they want to have structures in place that

recognise their identity, only to ignore the identity of others. The structures must be in tandem, so the east-west relationship must go up the pecking order from where it has previously been.

I do not think that I need to say anything more at this stage, but if anything comes up in the discussions, I will.

The Chairman (Mr Molloy): I remind members to switch off their mobile phones in case they interfere with the Hansard recording.

Mr Murphy: Sinn Féin views the strand three issues in a similar way to the others, in that they are a catch-all. We are quite content to discuss any of the issues with parties, and there are none that we consider to be an obstacle to the return of the institutions. If there are issues around the effective functioning of the BIC, for instance, an incoming Executive can deal with them in conjunction with the other members of the BIC.

The proposal for a council of the Isles is one that we are quite happy to discuss. I must say, however, that there is no meat on the bones of that proposal, and no real reference has been made to the BIC's role in a council of the Isles. The BIC already involves Scotland, Wales, the Channel Islands, the Isle of Man and the Dáil, as well as the Assembly.

We operated the east-west agenda in good faith while the Executive were functioning; we have no difficulty with doing so. There are proposals to enhance the BIC's secretariat. There seems to be a suggestion that it should match the North/South Ministerial Council's (NSMC) secretariat. It should match the NSMC's secretariat if the level of activity merits it. We will have to see what propositions there are for east-west activities.

We have always operated the east-west agenda in good faith, and we do not have an issue with continuing to do so in an Executive. We are happy to consider suggestions on any of those issues, but we have not seen substantive proposals on them.

Dr Farren: We have covered so much of this already that I feel that I am repeating myself in order to stress several points. It is obvious that a broad approach must be taken to strand three, and it is essential that issues therein be developed. The range of institutions that exist to develop them is appropriate. The requirement to have the BIIC arises out of the need for the two sovereign Governments to consider their particular and exclusive responsibilities in the manner that their sovereignty demands. Therefore I cannot imagine why the BIIC should not persist.

The BIIPB has functioned effectively. That performance would, however, be enhanced if all parties that are entitled to seats on it would take their

places and play a constructive role. The body has done a great deal to strengthen parliamentary relationships. It has involved people in intense discussions on a range of pertinent issues. Members value the opportunity to strengthen personal relationships and understandings, and they can achieve that through the BIIPB's agenda.

The DUP has made a case for an all-encompassing council of the Isles. However, I do not believe that that case stands up. Relationships within Ireland are of a particular quality and, indeed, immediacy that require the administration of the free-standing North/South Ministerial Council. Certainly, at present, I do not see a strong argument for the all-encompassing approach that Peter has just articulated.

Colleagues will be aware that the BIC has continued its activities despite the suspension of the Assembly. Suspension has not prevented the council from meeting to address a wide range of issues. In the event of devolution, the case can be made to strengthen, through a secretariat, the support systems that the BIC requires. I have no difficulty with that. The kinds of issues that the council deals with need much consideration. Most people would agree that those issues have been wide-ranging and pertinent.

A key concern is to ensure that the council's recommendations are taken into account by those in the Executive who have direct responsibility for their implementation. The council has considerable potential to address issues that are common across these islands and to do a great deal to strengthen relationships between representatives of the various institutions.

Mr McFarland: The BIIC is a mechanism that operates between the two Governments. Were the Assembly up and running, Ministers would attend the conference whenever it was pertinent to do so. However, its latest report is slightly worrying. As my party has said outside this Committee, the conference has agreed an additional raft of "North/Southerly". There is a danger that, if left unadvised, the two Governments could crash ahead on issues on which the Northern Ireland parties should be consulted. However, in the end, if the conference is working properly, that is a matter between the two Governments.

The BIIPB has never really got up and running. The current body has set numbers of representatives from Westminster and Dublin. The logic behind it is fairly sensible in that people from each Parliament discuss mutual interests. We have refused to participate in it — in fact, the Committee for Regional Development was unable to meet with it during the first Assembly. As the body had its genesis in the Anglo-Irish Agreement, we felt unable to join it.

It would take very little to modify the existing BIIPB's practices and membership to transform it into

a body in which parliamentarians from Scotland, Wales, the Assembly, the Dáil and Westminster could have a proper, sensible relationship. That seems to be quite a sensible idea. That is set out in the comprehensive agreement, so presumably the DUP and Sinn Féin have agreed that framework.

A council of the Isles is an interesting idea. We would probably need a bit more detail as to how it would work, because it would demand a level of activity that is additional to that that was set out in the Belfast Agreement.

The BIC was the poor relation. The “North/Southerly” cracked on, but the east-west mechanism did not get anywhere because it did not have a secretariat. We have maintained for some years — again it is interesting to see that Sinn Féin and the DUP agreed with this in the comprehensive agreement — that a proper secretariat should be set up for the BIC.

Mr P Robinson: A council of the British Isles — or a council of the Isles, I suppose, depending on which side of the room one is sitting — would not be an additional structure. It would be the overarching body within which all the structures would operate, and it would provide some context to the overall relationships. It would not be a substitute for the North/South relationship. Seán was concerned that he did not see what the British-Irish Council’s role would be. He said that the North/South relationship has a particular importance and immediacy. As a nationalist, he would say that; as a unionist, I would say that the relationship with the rest of the UK has a greater importance and immediacy. I recognise all those relationships, but they are all contained within that overall axis of the British Isles. That includes the Channel Islands and the Isle of Man.

Each of the component parts can meet as necessary within that overall context and have its own operations, but the overall context unites all the identifies to which we have referred. None is excluded from that overall British Isles context.

Accountability is required in the east-west structures. That common thread, which has run through our discussions on devolution issues and the North/South structures, is also important for the east-west relationship. I hope that, if we consider it in a Northern Ireland Assembly context, it will remain addressed for all the other structures, but I am pointing out that that context does not currently exist.

The Chairman (Mr Molloy): Do members have any other comments or proposals to make?

12.15 pm

Mr P Robinson: I propose that further consideration be given to an overarching British Isles council.

Mr P J Bradley: Or Celtic Isles.

The Chairman (Mr Molloy): Could we have consensus on a name?

Dr Farren: If I proposed calling it comhairle na n-Oileán, would that be acceptable?

Mr P Robinson: Is that the Ulster Scots for it?

Mr Murphy: We are happy to consider any proposal. A vague notion of one has been floated. That the DUP is engaged in, or has fixed on, the creation of another body to oversee activities is somewhat at odds with the drive for efficiency. There is no clear proposal on how the proposed new body would operate, or on how the other bodies would relate to its membership or make-up. Sinn Féin is happy to look at proposals for an overarching council, whatever its name. That might be another day’s debate. The operation, make-up and relationship between the proposed new body and the existing institutional arrangements under the Good Friday Agreement might be a more substantial argument than the name that would be given to it.

Mr Ford: There are issues in strand three that have never been addressed in detail. However, as his party is floating the idea most strongly, if Peter Robinson is proposing that an overarching council be given further consideration, he should follow up that proposal with some more ideas. I sense that a document may be thrust upon us. The proposal should be given further consideration, but if the DUP has further proposals, could those proposals not be more specific? If the DUP is not willing to put forward further proposals now, it should do so soon in order that they can be considered.

Mr P Robinson: That is work for our researchers.

The Chairman (Mr Molloy): Do we have consensus on the proposal?

Mr Murphy: What was it again?

Mr P Robinson: That further consideration be given to the overarching British Isles council.

Mr Ford: The bullet point on the agenda says, “Council of the Isles”, which would avoid some of the difficulties that might arise.

Dr Farren: It is all in the phraseology.

Mr Ford: You put it in Irish.

Mr P Robinson: The bullet point says, “New Council of the Isles”.

The Chairman (Mr Molloy): Do members agree?

Dr Farren: The proposal, if accepted, would involve many other institutions. Should the Committee not advise them of the proposal and ask for their views? They would also need to know what our ideas are. The Committee should flesh out what it has been discussing.

Mr P Robinson: I suppose that we could argue that the Isle of Man and the Channel Islands should be consulted.

Dr Farren: All the institutions should be asked.

The Chairman (Mr Molloy): I attended a meeting at which some of the other islands did not see the relevance of their being involved, so there is debate about the participation of the different islands.

Mr Maskey: I am not clear what we are being asked to support. As Conor Murphy said, we are always happy to discuss any serious proposal, but there is no proposal in front of us.

The Chairman (Mr Molloy): Peter Robinson made a proposal.

Mr Maskey: Which is?

Mr P Robinson: That further consideration be given to a new council of the Isles.

Mr Maskey: That is very vague.

The Chairman (Mr Molloy): Is there consensus?

Dr Farren: Who will make the proposal?

Mr P Robinson: We had consensus, but we have talked ourselves out of it.

Dr Farren: Yes, we will talk ourselves out of it if we are not careful.

The Chairman (Mr Molloy): The proposal is that further consideration be given to a new council of the Isles.

Mr Murphy: I suppose that the proposal could be that further consideration be given to any proposition that a new council of the Islands be established. As it stands, the proposal gives the impression that there is some agreement that a new council of the Islands would be a good thing. Although we are happy to consider any proposal, we are not necessarily sold on that idea. Seán Farren expressed a similar view, so there is much to be discussed. However, we are happy to consider any proposals concerning a new council of the Islands.

The Chairman (Mr Molloy): Are we happy enough to add that wording to the proposal?

Mr P Robinson: I am not going to get tied up in that. I do not think that that wording does any violence to anybody else's position. It just provides an overall context. We simply put a proposal forward, and others can do so as well.

The Chairman (Mr Molloy): Is there consensus on the proposal as amended?

Members indicated assent.

The Chairman (Mr Molloy): Do members have any other business on strand three matters?

The PFG Committee dealing with institutional issues will meet again on Monday 4 September. Each party will present a paper on a draft ministerial code. Will any party that has not already submitted a paper please do so by Friday.

The Committee Clerk: The parties were to produce a paper on what they consider to be the essential elements for the ministerial code, so that the Committee staff could try to draw together any consensus among the parties.

Mr Murphy: Correct me if I am wrong, but were we not to try to access the existing draft that had been put to the Executive?

The Committee Clerk: Yes, we issued that last week.

Mr Murphy: Sorry; I have been away.

Mr McFarland: Are we being asked to comment on the draft that we had last week? That draft seemed to be quite sensible? There is enormous encouragement for people to produce endless party papers.

The Chairman (Mr Molloy): It is not absolutely necessary to produce a paper.

Mr McFarland: How about we comment on and discuss the matter rather than prepare a report?

Mr P Robinson: This is not a new proposal. It was agreed at last Monday's meeting.

Mr McFarland: That parties would produce papers on it?

Mr P Robinson: Yes.

Dr Farren: If parties wished to do so.

Mr McFarland: That is fine.

The Chairman (Mr Molloy): A draft is already in circulation.

The Subgroup on the Economic Challenges facing Northern Ireland's report will also be discussed next Monday. Will members submit any amendments to the Committee Clerk as soon as possible so that they can be circulated before Friday?

Mr McFarland: Did you say amendments to the subgroup's report?

The Chairman (Mr Molloy): Members can submit proposed recommendations or observations on the subgroup's report, which we discussed this morning.

Mr McFarland: Chairman, the subgroup unanimously agreed its report. The amendments that we looked at were confusions in that whoever drafted it did not use normal drafting English. Some of the sentences are not full sentences, and others that purport to be recommendations are not. The Committee staff can run through those and chat to each other, provided that they bring back the report for the Committee to

examine. To encourage people to propose amendments is dangerous because the subgroup produced the report; it is a different matter to say that the PFG Committee can amend it.

The Chairman (Mr Molloy): As was pointed out this morning, the report has now become this Committee's report. The subgroup produced the report for this Committee, so this Committee can amend it. However, I am not encouraging members to make amendments.

Mr McFarland: Yes, but that would be to gainsay the wisdom of our colleagues who sat on that subgroup for weeks. It is for those colleagues to amend it. It would be dangerous for the Committee to open up the debate on the body of the report. If we are messing with English and changing around recommendations, that is absolutely fine. However, to do otherwise would require amendments to be made. In that case, the report would surely have to back to the subgroup, would it not?

The Chairman (Mr Molloy): No, because it is now this Committee's report.

Mr McFarland: OK.

Mr P Robinson: I agree with Alan; I would like the subgroup's unanimously agreed report to go forward.

Mr McFarland: With the English amended.

The Chairman (Mr Molloy): Let us not reopen that debate. We can deal with it on Monday.

Adjourned at 12.25 pm.

COMMITTEE ON THE PREPARATION FOR GOVERNMENT

Wednesday 30 August 2006

Members in attendance for all or part of proceedings:

The Chairman, Mr Francie Molloy
Mr Alex Attwood
Mr Fred Cobain
Mr David Ford
Mrs Dolores Kelly
Mr Danny Kennedy
Mr Raymond McCartney
Mr Alan McFarland
Mr Alban Maginness
Mr Alex Maskey
Mr Ian Paisley Jnr
Mr Peter Weir
Mr Sammy Wilson

Witness:

Mr Tim Moore (Senior Research Officer,
Northern Ireland Assembly)

The Committee met at 10.07 am.

(The Chairman (Mr Molloy) in the Chair.)

The Chairman (Mr Molloy): Please switch off your mobile phones. Do any new members of the Committee have interests to declare on law-and-order issues? Are any members of the Policing Board present?

Mrs D Kelly: Alex Attwood is a member of the Policing Board.

Mr Kennedy: I am still on the Policing Board.

Mr McFarland: Mr Cobain is also a Policing Board member. He will be here shortly to replace Mr McNarry.

Mr Ford: I am still on Antrim District Policing Partnership (DPP) — or, at least, I was last night.

The Chairman (Mr Molloy): Are any members deputising for others?

Mr Raymond McCartney: I am standing in for Martin McGuinness.

Mrs D Kelly: Alban Maginness will join us shortly — he is replacing Mark Durkan. Alex Attwood is replacing Alasdair McDonnell.

Mr Ford: Naomi Long is not feeling well this morning, but she may join us later.

The Committee Clerk: Ian Paisley Jnr is himself. Sammy Wilson is replacing William McCrea, and Peter Weir is replacing Maurice Morrow.

Mr Weir: Shall we swap at half-time?

Mr S Wilson: You sing better.

The Chairman (Mr Molloy): The first item on the agenda is the minutes of the meeting of 23 August 2006. Are members agreed that those accurately reflect the events of that meeting?

Members indicated assent.

The Chairman (Mr Molloy): The next item on the agenda is matters arising. Members may wish to take a minute or two to read a letter written on behalf of the Committee to the Secretary of State. The NIO reply to that letter has been circulated, and members may also wish to read it.

Mr Paisley Jnr: Is the reply the letter that I am holding up?

The Chairman (Mr Molloy): Yes. Are there any comments at this stage?

Mr Paisley Jnr: Is that only half the reply? He has answered only half the letter.

Mr Kennedy: He did not exactly go overboard, did he?

Mr Paisley Jnr: When is he coming?

The Chairman (Mr Molloy): He is on holiday.

There is not an awful lot that we can say about it.

Mr Paisley Jnr: Should we reply, asking him to refer to the questions that he has not actually answered in the letter?

Mr Ford: May I ask Ian Paisley Jnr to explain which questions have not been answered? It seems to me that pretty well nothing that was asked has been answered.

Mr Paisley Jnr: You can be pedantic about it if you want.

Mr Attwood: There are two matters to consider. The NIO confirms, in the second paragraph of that letter, that it is not in a position to share the developmental work:

“on accountability for policing matters that bear on national security.”

The paragraph concludes by saying that when that work is completed:

“it will of course be shared with the policing oversight bodies.”

I trust that the British Government are not changing the rules; in a previous letter, Clare Salters indicated that there was consideration of what should or should not be shared with the Assembly and Assembly Committees or a Minister. By changing the language and referring to the policing oversight bodies, I trust that they are not saying that they will not share information with the Assembly or the relevant Committee or Minister. It is ambiguous, but I am putting down a marker in case the British Government, in this letter,

are pulling back from the position that they held in that letter from Clare Salters.

Secondly, they have reiterated their position on the post-normalisation powers that are necessary for the armed forces. They say that they cannot give an indicative list but that those powers will include matters such as public order and explosives ordnance. We should pursue that; are they saying that they are concerned only with matters of public order and explosives ordnance, or will other areas be included? Surely they can tell us what those other areas might be.

I propose that we ask them to share with us the additional matters that they are considering. If those include matters other than public order and explosives ordnance, they should at least be in a position to share that with us, even if they cannot produce an exhaustive indicative list.

I say all that in the context of repeating for those who did not have ears to listen to what I said at last week's meeting: the SDLP believes there should be no role for the British Army in the North. That is in the Hansard record for last week's meeting, and I am repeating it now because one or two people around this table did not hear it.

Mr Paisley Jnr: We are not putting that in the letter, are we?

Mr Attwood: No.

Mr Paisley Jnr: Is that your personal view, or your party's view?

Mr Attwood: It is my party's view.

The Chairman (Mr Molloy): OK. The proposal is that we write back looking for clarification on those points.

10.15 am

Mr S Wilson: I am at a loss to understand why Mr Attwood is still perturbed. The letter makes it clear. The powers are not all outlined, but they will relate to only two things: the role of the armed forces in public order and explosive ordnance disposal situations. The exact detail of that public order role may yet have to be specified and will be detailed at a later date. I do not read from that letter that there will be additional roles.

I do not know why Mr Attwood is getting so exercised. I do not mind that the Army, which is the Army of the country, has been given the job of backing up the civil authorities in Northern Ireland. I have no hang-up about that. If Mr Attwood has a problem with it, he or his party should address it. My concern is that a letter such as that which he asks for implies that the whole Committee is concerned about that. My party is not concerned.

Mr A Maginness: The letter states that:

"powers will relate specifically to the ongoing armed forces role such as in public order and explosive ordnance disposal situations."

That is not an exhaustive list. The letter implies that other powers might be considered, and we are concerned about those. It would be much more definitive if the letter said that the powers would relate only to the two things mentioned. However, because it is not definitive, there may be other things. We want to query that.

Mr McFarland: I bored the Committee to death two weeks ago about the UK system of military aid. Military Aid to the Civil Power (MACP) and Military Aid to the Civil Community (MACC) are the provisions for such aid, and their application throughout the United Kingdom is available for researchers to study. Those provisions are the normal standard. However, the context in which they are applied is a peaceful society in which the Army is used to back up the police in certain instances. We have an ongoing public order problem here. The chances are that the troops who are normally in garrisons here are now in Afghanistan and Iraq, and there is no point in turning their families out to deal with a riot. We are considering what would apply in a normalised society here, the rules for which are laid out in England, Scotland and Wales. A bit of research should dig them up. I presume that we are talking about being the same as the rest of the UK.

The Committee Clerk: There is a proposal to write to the Secretary of State, saying that even if he has not compiled an exhaustive list of powers, he could give us a list of what is being considered at present.

Mr Paisley Jnr: It was proposed earlier that we write to the Secretary of State to ask him to answer those questions that he did not answer. The first, and obviously the most important question, was raised in the letter of 23 August and asked him to be definitive about when he is coming and whether he would meet our September timetable. That was the issue that most exercised the Committee. Members can put to the Secretary of State — if he comes — the other issues that have been identified. From what I can see those include four matters: national security; his speech at Glenties on 16 July; the powers of the Army; and the Regulation of Investigatory Powers Act 2000 (RIPA).

The Chairman (Mr Molloy): We have two proposals, both seeking information. Alex Attwood asked for clarification on the sharing of information with the policing oversight bodies and whether that information would also be available to the Assembly.

Do members agree with those proposals?

Members indicated assent.

The Chairman (Mr Molloy): The next item on the agenda is the consideration of firearms and explosives. The Scottish experience with this matter has been

considered, and a letter is being circulated to members. Tim Moore will take the Committee through the paper and the options that are available.

Mr T Moore: The original NIO discussion document on policing and justice suggested that the Assembly might want to follow the Scottish model for the devolution of firearms. That was characterised in the discussion document as one in which there was no devolution of prohibited weapons. The general control of other weapons would be a devolved matter. The NIO letter now confirms that that is not so.

In Scotland, firearms policy and legislation is a reserved matter, just as it is an excepted matter here. However, certain functions of the Secretary of State have been devolved, and one of those includes the ability to grant a certificate to hold a prohibited weapon. That is the position in Scotland, which has now been clarified by the NIO paper.

The Scottish model is set out at 14.4 of Annex A of the NIO letter. Policy and legislation on firearms remain reserved; however, some of the Secretary of State's Executive functions could be devolved.

Paragraph 14.5 comes up with an alternative model. The control of what might be called routine firearms could be devolved to the local Assembly. However, Westminster would retain control of prohibited weapons. A Minister for Justice in Northern Ireland would not be in a position to grant the authority to hold a prohibited weapon.

A third option would be to accept part of the Scottish model, which would say that a Minister for Justice would be able to grant authority to hold prohibited weapons and there would be devolution of policy and legislation for what might be called routine firearms.

Those are the three broad options that emerge from the paper. I am happy to try to answer any questions that members may have.

Mr Paisley Jnr: I see that the licensing of firearms rests with the Chief Constable and authorisation rests with Ministers. Have there been instances of a divergence of opinion between authorisation and licensing, and if so, who has the final say?

Mr T Moore: I am researcher and not a legal adviser, but my understanding is that once the Secretary of State grants his authority to hold a prohibited weapon, the Chief Constable cannot go against that.

Mr Attwood: You said that there are three options, and you hinted that there could be four or more. A fourth option would be what Clare Salters suggests, or hints at, in the second last paragraph of her letter. Everything could be devolved, but for the time being the Secretary of State's role in respect of prohibited weapons would continue.

The fifth option would be that everything is devolved and the Secretary of State retains no power whatsoever in relation to any weapon.

Those are the fourth and fifth options, and the SDLP favours the fifth. However, if the consensus of the Committee were to take Clare Salters's hint that everything would be devolved, but that, for the time being, the Secretary of State would have a residual role in respect of prohibited weapons, that would be the SDLP's favoured outcome.

Mr McFarland: Is Mr Attwood talking about option two, which would hold back prohibited weapons back for the moment?

Mr Attwood: The SDLP agrees in principle that everything would be devolved, except that, for the time being, the Secretary of State's current role in relation to prohibited weapons would continue.

Mr McFarland: Does that refer to option two, with the last element of the function being devolved eventually?

Mr Attwood: Is that option two? That alternative goes further than option two.

Mr T Moore: The fifth option would be that everything is devolved; nothing is reserved to Westminster. The fourth option, which I think we are talking about at the moment, is that everything would be devolved but that there would be a time lapse before that would happen.

Mr McFarland: As I understand it, Alex Attwood is proposing option two, which is that the Secretary of State would hold on to prohibited weapons authorisation, except that it would be modified and the Secretary of State would hold on to prohibited weapons only for the moment. Is it option two, with the last sentence reading "for the moment"?

Mr T Moore: The slight difference is that there is a list of prohibited weapons and the Secretary of State can authorise or not whether people can own those weapons. The option that the member suggests is that taking things in and out of that list would also be devolved; that would be the full devolution of firearms. It could be looked at in another way: the list could be determined by Westminster, but the local Minister would determine who could hold the item on the list. That is the distinction between options three and four.

Mr McFarland: One of my worries is that hysteria over particular events in England and Scotland has led to the development of a set of illogical firearms regulations. It would be unfortunate if somebody in England ran amok with a shotgun and killed children, and Westminster decided that shotguns were such dangerous weapons that no one should have one. Farmers from both communities here use a substantial number

of shotguns. It would be sensible to have some degree of control over what was on a prohibited list.

Mr Raymond McCartney: We will argue that everything should be transferred and dealt with locally.

The Chairman (Mr Molloy): Is that option five, which Mr Attwood was talking about?

Mr Raymond McCartney: I think it was option four.

Mr Attwood: That was option five. However, for the sake of consent and in light of what Mr McFarland said, we can take that as option four. The old Northern Ireland Parliament had powers over everything, so, if you like, we are going back to the future. If we were to get back to that point, I think that the unionist parties would warmly embrace it.

Mr Paisley Jnr: Alex, that nearly sounds convincing. You nearly had us there.

The Chairman (Mr Molloy): As was pointed out, option 3 with the words “with the exception of prohibited weapons” removed would cover the same issue. Mr Attwood’s point was that it would give power away.

Mr Attwood: That was a very helpful intervention.

Mr Paisley Jnr: May I make a suggestion? All five options have implications. Could we take them away and come back to the next meeting with a considered view on which option we prefer?

Mr Weir: It might also be helpful if the proposals for options four and five were circulated. Rather than trying to explain them, it is always useful to have them in black and white.

Mr Chairman (Mr Molloy): OK. Mr Attwood might like to put that together. Are there any other proposals?

The next agenda item deals with the residual justice issues. Several proposals were discussed last week but were not actually put.

Mr Attwood: We should just leave them lying on the table. My actual proposal is somewhat different, so I propose to give a more accurate wording to the Committee Clerk so that she can circulate it.

10.30 am

The Chairman (Mr Molloy): We are just trying to clear the car park for the benefit of producing the report.

The main issue is the rule of law. How does the Committee want to consider those issues? Should we take them all together or overlapping each other, or should we treat them as three separate matters?

Mr S Wilson: There is a degree of overlap anyway. One will impinge on the other, so it might be best to take them all in the round.

The Chairman (Mr Molloy): Are members content?

Members indicated assent.

Mr Ford: I may be taking these items in a different order from how they are listed on the agenda, but if they are overlapping they can overlap.

The Alliance Party is largely satisfied that IRA decommissioning was completed under the supervision of the Independent International Commission on Decommissioning (IICD). We remain extremely concerned about the lack of significant and meaningful progress on UVF or UDA decommissioning. We are particularly concerned about the UVF’s recent statement that it will retain its weapons until the outcome of the November deadline is known. That is a very sinister threat.

We have a number of concerns about paramilitarism in general. Initially, the ceasefires, as allowed by the two Governments, were defined in extremely limited terms. Effectively, they applied only to attacks on the state, economic targets and the so-called “other side”. It appeared that certain paramilitary groups were able to continue their activities as long as they directed them only against those perceived to be from their own section of the community. Consequently, a large number of drug-dealers, suspected drug-dealers and informers were assaulted and murdered, as well as those who were assaulted as part of internal feuds.

The concept of an imperfect peace moving forward was perhaps a bit of constructive ambiguity at the time of the Good Friday Agreement and was accepted as such by a number of people. However, that clearly cannot continue to be the case. Since that time, the IRA has been involved in weapon smuggling in Florida, with the Revolutionary Armed Forces of Colombia (FARC), in the Stormontgate spy ring, with the Northern Bank robbery and in the cover-up of the murder of Robert McCartney. Meanwhile, loyalists have been involved in a great deal of ongoing activity.

The failure of the authorities to address adequately that continued paramilitary activity and involvement in organised crime has contributed to a perception in the community that there is a moral vacuum at the heart of the implementation of the agreement. The activities in which organisations have been engaged have been downplayed for reasons of political expediency. There is a clear need to address that for once and for all if devolution is to be restored on a stable basis.

However, the Governments have made some positive responses to that ongoing problem. Paragraph 13 of the ‘Joint Declaration by the British and Irish Governments’ of April 2003 contained a rather broader and clearer definition of paramilitary activity, including not just military attack and sectarian incidents, but targeting, intelligence-gathering, so-called punishment attacks, riots and the threat of exiling.

The establishment of the IMC has been a significant step forward in monitoring paramilitary activity and has given considerable confidence to the community in a way that has allowed for the possibility of political progress being made now.

We recognise that the statement that the IRA issued last year, in response to significant pressure and calls for a commitment to democracy and non-violence, was a step forward from its initial statement, which used fairly ambiguous and conditional language and which, in a sense, reserved its right to determine what was a threat to the peace process.

However, it is not acceptable for the IRA to argue that it is not a threat to the state or to the other side while continuing to engage in a range of activities — which it perceives to be community policing — against those engaged in low-level crime within its community. Of course, such activity is not acceptable from loyalists either.

I wish to extend the discussion on some of the points that Sean Neeson raised last week. Some issues must be considered in the overall package.

I have already highlighted that the Governments have failed to define fully what is meant by a ceasefire. Most recently, the UVF has issued threats in the wake of the murders that it committed recently, and there are clearly major doubts about its ceasefire. The NIO has not given us a definition of a ceasefire — certainly not in its most recent letter. If the NIO cannot give us an answer, we may need to ask our own staff for information on legislation and policy areas in which the definition of a ceasefire has a practical effect on delivering the potential for devolution.

The Committee has addressed, to some extent, the issue of exiles. We have certainly reached the point at which all five parties have agreed that the practice of exiling should stop, but we must get to the point at which the practice of exiling is seen to have been stopped so effectively that those who have felt the need to leave Northern Ireland, or a part of it, feel free to return home in safety. That does not yet seem to be the case.

The general issue of criminality seems to require engagement by all parties at two levels: one is the issue of the practical recognition of the institutions of the state and their legitimacy to enforce the rule of law; the other is participation in those institutions. Any organisation that demonstrates that it has moved away from criminality must show its support for, and be involved in, the advancement of the work not just of the Police Service but of the Assets Recovery Agency, the Organised Crime Task Force (OCTF) and the Serious Organised Crime Agency (SOCA).

It is simply not sufficient for the leadership of paramilitary organisations, whatever its alleged motivation, to wash its hands of a problem. There is a

need to build a lawful society. That will require some organisations to recognise that, in conjunction with lawful authorities, they must deal with so-called individual acts of criminality that their members have committed.

Such organisations must sign up to policing in its fullest sense, support the institutions of the state and support practically the legitimate operations of the rule of law in its wider context in a way in which, at times, members of paramilitary groups have been prepared to do to some extent, albeit not consistently and meaningfully.

Mr Paisley Jnr: I want to introduce several proposals, respond to some issues that have already been raised and comment on some that have not.

Decommissioning was supposed to mean not only that weapons of war were put away and destroyed, but that that was done in such a way that it built the confidence of the community that had suffered at the hands of those who had used those weapons, namely the unionist community. Decommissioning has failed miserably to build unionist confidence. Much more must be done to convince unionists that the weapons have been put away, destroyed and, indeed, will not be put to further use.

The DUP has consistently held the view that a detailed inventory of all the materiel that has been decommissioned should be published in order to enhance public confidence in the process. The eyewitnesses who allegedly saw acts of decommissioning have been struck dumb and are unable to tell us what they witnessed. It is, therefore, essential for the unionist community to see something that convinces it that those weapons have been destroyed and that builds its confidence. The only logical way in which to do that is to publish a detailed inventory. We propose that a detailed inventory of all materiel that has been decommissioned be published urgently to enhance public confidence in the process.

Unionist confidence in decommissioning has not been helped by the Independent Monitoring Commission's (IMC) confusing statements, which have, at times, indicated that some weapons have been destroyed, only for the IMC to claim all of a sudden that more weapons have emerged. The picture is now clouded because there is no definitive position on what has and has not been destroyed. The only way in which a definitive position can be reached is through our proposal that an inventory be published urgently that details what weapons have been decommissioned.

I shall now talk about criminality and policing. It is clear that there is a direct association between certain political organisations and paramilitary groups, namely Sinn Féin and the IRA. As long as that association remains and as far as Unionists are concerned, members

of Sinn Féin are not fit to be in the Government of Northern Ireland. My party wants to be convinced that Sinn Féin is not only moving away from that association, but that it has moved away from it.

10.45 am

We are not yet convinced that Sinn Féin has crossed even the mental Rubicon, the point of no return; that it wants to remove itself and disassociate from criminal gain. We know that criminal gain in Northern Ireland for the Provisional IRA represents a £180 million criminal empire. Its members want to keep their hands on that sort of resource; they do not want to give it up. Unionists have to be convinced that nationalism and republicanism have decided to move away from criminality. The only way in which they can do that is by giving up that criminal empire.

How can they demonstrate that it has been given up? My party has said that there are various measures. With respect to policing, they will lead their community and tell them that they must support the police. They will demonstrate support for the police not only verbally and by joining policing organisations, but practically by handing criminals over and calling on the community to do so in areas where they have elected representatives. They will hand them over not to intermediate organisations but to the police. They will call on the police to come into those areas and investigate cases. They will demonstrate their support for the police in practical ways, as seen by every other section of the community.

In that regard, I have a second proposal: that association with or support for those involved in criminal activity is incompatible with the holding of ministerial office. This Committee should make its views on that known.

We also believe that those criminal organisations should be named and shamed. Political correctness has crept into the matter of criminality. Because it is politically embarrassing for certain organisations to be identified with crime, they are not named and shamed. We should have a deliberate policy of naming and shaming. When a case of cigarettes is stolen by the Provisionals, or when a businessman faces extortion from loyalist paramilitaries, or when a crime that can clearly be identified as having been directed by a paramilitary organisation associated with a political organisation, whether it is Sinn Féin or the UVF or the UDA, those organisations must be named and shamed.

Annually the Northern Ireland Organised Crime Taskforce Report is published. In this year's report there was a very small reference to paramilitary organisations. One of the duties of the Organised Crime Taskforce, as well as to fight crime, is to

highlight those activities, so naming and shaming those organisations, especially those involved in drug

dealing, should take place. Our third proposal is, therefore, that those involved in drug dealing and organised crime should be named and shamed. I refer specifically to organisations that derive benefit from that. It is unbelievable that political organisations in this part of the United Kingdom can, with such a brass neck, gain from criminal activity and little is said about it.

One of the ways that people suggest we fight crime is by having a community policing service. Police officers should, of course, serve the entire community. But the best way to achieve policing is by delivering results for the entire community. One of the best ways to do that is to be seen as the bulwark against crime, as fighting crime and as reducing crime. The way to build confidence in the entire community is to allow the police to fight crime without fear or favour.

The biggest contribution that we can make to community policing is to ensure that the police have political stability from all quarters in their battle against crime: that is the largest, single contribution we can make to community policing in a practical way.

We have had some comments on community restorative justice, and that can be a diversion from the real issue. The IMC report shows that community restorative justice organisations are directly linked to paramilitary groups, and it states that they act as muscle in certain communities for paramilitary organisations. We should be looking at the restorative justice models we have in front of us and at the proposals that the Government have introduced. We do not want to find ourselves substituting real policing for fake policing, which is really a substitute for paramilitary organisations.

The Committee should deal with those issues, and it should endorse the Police Service as the only legitimate police organisation in Northern Ireland. If the Committee cannot say that it is endorsing the Police Service as the only legitimate police service in Northern Ireland, it is failing the entire community.

My final proposal is that the Committee should take the issue of support for the Police Service forward. Members say that they are here to prepare for Government, and if they are serious about that, they should demonstrate support for the police by introducing the ministerial Pledge of Office for all matters. We must support the rule of law in Northern Ireland and urge everyone to do the same. A Minister of the Crown here must support the rule of law and urge others to do so. Arrangements should be devised to provide that a breach of the Pledge of Office be directly actionable in the courts and punishable by disqualification from office. In the light of the history of Northern Ireland, there should be a burden on Ministers to demonstrate their support for the rule of law by actively supporting the legitimate Police Service of the state and ensuring

that criminals are actively sought out by their own community and punished. That is a way in which the Committee could demonstrate that it is building real and genuine confidence.

I am sure that there are other issues that the Committee will come to later in the debate, and my colleagues will say something about them.

Mr Raymond McCartney: I will take the three issues together and deal with them as one. In Sinn Féin's view, one of the main planks of the peace process over the past few years has been to take the gun out of Irish politics. This was duly recognised during the negotiations that led up to the Good Friday Agreement. Sinn Féin believed that it was achievable then and argues that it remains achievable. All parties were urged to use their influence to bring that about, and to a degree some parties have, and some parties have not. However, Sinn Féin believes that it has played a major role in achieving that. When set within its historical context, everybody must acknowledge the initiatives taken by the IRA, which culminated last year in its July 2005 statement that formally ended its armed campaign. Then in October 2005 the decommissioning of arms was carried out in a complete and verifiable way under terms agreed with the IRA and the IICD. If all other armed groups were in as advanced a position as the IRA, we would be in a much better position.

Sinn Féin believes that bringing in the armed groups remains an achievable end. It goes without saying that the IRA has pointed the way forward with its July statement, how it dealt with the arms issue and how it has conducted itself since. All of the other armed groups — indeed, all the other parties — should focus on some of the groups that are out there and do not seem to come under the same scrutiny. Many of the things that they do are almost ignored by certain parties with their fixation on IRA weapons that have now been dealt with in a complete and verifiable way.

Sinn Féin is opposed to all forms of criminality. By its very definition, it attacks the quality of life of the people we represent. We will continue our efforts to ensure that criminality is tackled in a meaningful and efficient way.

We must have policing and judicial institutions that are open, transparent and democratically accountable. Until that is achieved, the lack of trust and confidence in the current policing and judicial arrangements among many people in the nationalist and republican community will continue.

Mr Attwood: I will primarily deal with criminality and touch on other matters. We have several motions to table, and it may be that with a little reworking, two motions mentioned by Ian Paisley Jnr could earn the support of the SDLP. However, there are two motions

that conflict with what Ian Paisley Jnr has said, and I will return to them at the end.

Dealing with criminality has also to do with policing. When the Good Friday Agreement was being designed, it was widely acknowledged that policing was going to be one of the most — if not the most — difficult matters to resolve. Its importance was highlighted by Frank Wright, a Queen's University lecturer, who said that national conflicts, once they are fully developed, revolve around law, order and justice. Therefore, to resolve the national conflict in Ireland those matters had to be dealt with. That is why five sectors of the Good Friday Agreement are concerned with law, order and justice — the release of prisoners, the criminal justice review, the Patten Commission and the setting up of the Equality Commission and the Human Rights Commission. The agreement was an effort to deal with law, order and justice, but of all those, policing was going to be the most difficult.

Any objective reading of what has happened around policing in the past five years confirms that it has been the area of single greatest advance arising from the Good Friday Agreement. The record demonstrates that, even if some still choose not to acknowledge it. In five years, according to the Oversight Commissioner, over 84% of Patten has now been substantially or fully implemented. Catholic membership of the PSNI stands at over 20%; five years ago it was 8%. Intelligence standards now comply with best international practice — not the words of the SDLP, but of the Oversight Commissioner himself. The political parties and independent people have demonstrated that they can share responsibility for an acute area of public policy in the North.

I could go on, but that is not the point. No one, including the SDLP, is in any doubt that challenges remain. The issue is no longer whether Patten is or is not being implemented, because it clearly and overwhelmingly is being implemented. The question is not whether parties should by now have signed up to Patten and the policing arrangements; they should have. The choice now should not be between being up for all of the agreement and its institutions or just part of them — an à la carte approach that has characterised more than one party at this table over the past five years.

The responsibility now is for all parties to sign up to Patten and policing fully. That has several levels. It is in conflict with the Secretary of State's Glenties speech. Those levels include recommending all to join police services North and South. It means advising all to assist police services North and South in the pursuit of crime, including organised crime. It means accepting the lawful authority of the police and other agencies of the state, both North and South. It means abiding by the rule of law, and it means supporting people who

participate in the policing structures, whatever those might be.

We have certainly reached the point at which all five parties have agreed that the practice of exiling should stop, but we must get to the point at which the practice of exiling is seen to have been stopped so effectively that those who have felt the need to leave Northern Ireland, or a part of it, feel free to return home in safety. That does not yet seem to be the case.

The general issue of criminality seems to require engagement by all parties at two levels: one is the practical recognition of the institutions of the state and their legitimacy to enforce the rule of law; the other is participation in those institutions. Any organisation that demonstrates that it has moved away from criminality must show its support for, and be involved in, the advancement of the work not just of the Police Service but of the Assets Recovery Agency, the Organised Crime Task Force (OCTF) and the Serious Organised Crime Agency (SOCA) as well.

It is simply not sufficient for the leadership of paramilitary organisations, whatever its alleged motivation, to wash its hands of a problem. There is a need to build a lawful society. That will require some organisations to recognise that, in conjunction with lawful authorities, they must deal with so-called individual acts of criminality that their members have committed.

Such organisations must sign up to policing in its fullest sense, support the institutions of the state and support practically the legitimate operations of the rule of law in its wider context in a way in which, at times, members of paramilitary groups have been prepared to do to some extent, albeit not consistently and meaningfully.

11.00 am

These are the important questions that should be answered positively. To do so would assist the stability of a restored Assembly and Executive, but, more critically, to do so is a requirement of national democracy. There is a risk that the approach of the British Government, articulated by the Secretary of State, of accepting less than full answers and full commitments on these issues results in outcomes short of what is necessary and justified. The SDLP wants to make it absolutely clear that any outcome short of positive answers to those questions is not the right outcome, and in the party's view will be destabilising both politically and in policing terms.

The SDLP looks forward to discussion on all of this to ensure that the danger of legitimising a political position without full participation in the policing structures and full acceptance of lawful authority and the rule of law does not arise. This approach is the one

that binds people and parties into the rule of law and the end of criminality.

Any other approach creates ambiguity about the rule of law and the end of criminality and doubt among some that people or parties are less than fully committed to the rule of law. Any other approach could create the sense that there is implied cover for those individuals, gangs or organisations who are still involved in crime, including organised crime, on the island of Ireland. That is why those questions are the right questions that should be asked of every party and every person in the North; of everyone around this table; and by the Secretary of State, despite what he uttered in Glenties.

I want to deal with the other matters on the agenda. The first is that of the IMC. I think that most people acknowledge, despite some naysaying, that what the IRA did in terms of its weaponry and its commitments to live up to the standards of Irish democracy last summer was significant. Yes, questions can be asked about one or other detail, and as we have heard here this morning, they are being asked. However, that should not take away from the significance of what the IRA did last summer. The SDLP believes that it was a confidence-building measure.

What is required of the Committee is not to re-examine the entrails of what happened last summer; rather it is to require all the other illegal groups to live up to the standards of the IMC whereby arms are put beyond use in a verifiable way. That should be the message that comes out from the Committee. The SDLP will therefore make a proposal to endorse the work of the IMC and call upon all other paramilitary groups to co-operate fully and put their arms beyond use in a verifiable way as soon and as quickly as possible.

In relation to the second proposal from Ian Paisley Jnr to the effect that association with criminal gangs is incompatible with membership of an Executive, the SDLP will propose that the ministerial code should be amended to require endorsement of policing arrangements by all Ministers. I will give the wording of that shortly.

As for drug-dealing and organised crime, which was also raised by the DUP, the SDLP is supportive of that proposal subject to some adjustment. We want the Committee to agree that people and organisations who are involved in drug-dealing and organised crime, subject to the due process of the law — because we cannot anticipate the decision of the courts — should be identified publicly. We do not agree with naming and shaming, but we do agree with an approach whereby the appropriate authorities, the police, the IMC, the Organised Crime Task Force, or the assets recovery agencies North and South, should identify individuals convicted of organised crime or organisations or gangs still involved in organised crime. That should

be a matter of public record in the interest of public confidence.

The SDLP would also be supportive of a proposal, suitably re-worded, to call upon all people to assist the police in their enquiries; to encourage people to join the police services North and South; and to encourage people to participate in the policing structures.

Mr McFarland: The Committee has already had two substantial meetings on criminality, decommissioning and paramilitarism, and the details of those are in Hansard. I want, however, to revisit a few areas.

First, the IMC's most recent report stated that the IRA is involved in ongoing criminal activity and organised crime. An interesting series of events followed its publication. Encouragingly, Gerry Adams and Martin McGuinness both appeared on national television to say that the authorities should deal with criminality. Police on both sides of the border, together with the Assets Recovery Agency (ARA) and the Criminal Assets Bureau (CAB), carried out a substantial raid in south Armagh that resulted in people going on the run and the discovery of computers, money and various bits and pieces. Interestingly, the OCTF reported that, afterwards, there had been a drop in republican organised crime. Perhaps there is a correlation between those two events.

The Secretary of State and the Minister for Justice, Equality and Law Reform in the Republic, Michael McDowell, then seemed to get carried away. They said that the republican leadership was fully committed to ending criminality and that, by and large, all organised crime had ceased. The IMC's eleventh report, which, I believe, is due for publication next week, is on normalisation. I understand that it will also contain a threat assessment. We shall see whether the views of the Secretary of State and the Minister for Justice, Equality and Law Reform are reflected in the report.

It has been reported that loyalist organised crime is continuing. Loyalists maintain that they exist simply in reaction to the IRA. However, if the IRA is in the process of standing down and going away, and if it has decommissioned its weapons, why do loyalist groups exist? Many have seemingly morphed into organised-crime gangs. The leadership of the UDA and the UVF must call on their members to abandon organised crime. Those who refuse to do so must be dealt with by the ARA and the courts.

The DUP and Sinn Féin will potentially set up a Government, while loyalism will remain unreconstructed, as it has been for the past 30 years. That problem must be solved.

The IICD stated that the Provisional IRA had decommissioned its weapons. Significantly, William McCrea and Ian Paisley Jnr accepted that in this Committee. That is on record in Hansard. However,

the 'Eighth Report of the Independent Monitoring Commission' in February 2006 stated that some weapons had been retained. One might understand that hides could have been forgotten about: people may have died and weapons could remain buried somewhere. One might also understand that some people may have held on to weapons as trophies. The IMC report, however, referred to weapons that had been retained. That has caused confusion because the republican leadership assured people that no weapons had been retained.

An article in 'The Sunday Tribune' on 23 July stated that the south Derry brigade of the Provisional IRA had broken away from the IRA leadership and had taken its weapons with it. That suggests that people had disobeyed direct orders from the Provisional IRA leadership and had held weapons back. It will be interesting to see whether the IMC reports that those weapons are no longer in the hands of the Provisional IRA, that instead the south Derry brigade possesses them, and, as the article implied, that they are intended for use in dissident activity.

If loyalists are to catch the tide and to re-engage fully with the IICD, they must move their weapons off the stage and decommission them. If they exist to combat the IRA, and the IRA is gone, there is no reason for loyalists to hold weapons either.

I raised the question of paramilitarism before, and I did not get a proper answer from Sinn Féin. We need to know where the IRA is going. Logically, if it has handed in its weapons and decommissioned, it is no longer an army. Armies need weapons to fight. If it does not intend to offer us violence, or does not intend to fight any longer, what possible reason does it have for existing in its military form? When the wars in which armies have fought are over, most of those armies go home to their farms or wherever, form old comrades' associations and tell war stories in a pub every last Tuesday in the month. That is the way, traditionally, in which armies have dealt with such issues. Logically, we should see the IRA forming into an old comrades' association. This is what happened in republican history in the South. Those who fought in the civil war formed old comrades' associations. If the IRA is genuine and is moving away from paramilitarism and no longer offering violence, we would expect to see it form into that sort of organisation.

However we have confusions. Colleagues have mentioned confusion over the exiles, policing and community restorative justice. We know that senior members of the republican movement have morphed themselves into a quasi-police service and are encouraging others to do the same. Mr McGrady has told the Northern Ireland Policing Board that in Downpatrick such groups wander around the estates wearing little armbands as though they were policemen. We have substantial evidence from west Belfast that

they are interfering in the community restorative justice system, threatening people and so on. That is no way to operate. We ought to be moving away from the past 30 years, in which case one would expect people to stop that sort of activity and to support the police.

As to the paramilitarism of loyalism, if it exists to challenge the IRA, and the IRA is no longer there, we would expect to see loyalist groups move rapidly off the stage and form old comrades' organisations.

The Chairman (Mr Molloy): We have had a round-up of the parties' views. Is there any other comment?

Mrs D Kelly: I seek clarity from the Alliance Party. Mr Ford's opening remarks today differed from those made by Mrs Long at earlier meetings. When we first agreed to put the rule of law on the agenda, we wanted a more than visible respect for the rule of law; it was to be attitudinal. It was not to be the à la carte approach that we have seen in the past from unionist parties, particularly on the policing of parades. The Alliance Party was also keen to emphasise that. Is that still its intent?

Mr Ford: If I have not re-emphasised everything that my colleagues have emphasised over the preceding weeks, I apologise. If you wish for a three-hour opening statement from the Alliance Party every time, I am sure that we could re-emphasise everything. I disagree with nothing that Mrs Kelly has said. If I have not said it with quite the same strength as Mrs Long, it may be because my voice is not lasting too well this morning.

Mr Maskey: We could certainly get consensus on the need not to have a three-hour opening statement.

Mr Ford: That is constructive.

The Chairman (Mr Molloy): We have a number of proposals.

Mr Paisley Jnr: Let us consider them one at a time. My first proposal was that a detailed inventory of all decommissioned weapons be published. Alex Attwood indicated that he has a proposal on that. If he wants to run it in conjunction with mine, that is fine; they are not incompatible. I am looking for an inventory; he is looking for decommissioning to be completed by all organisations in fulfilment of their engagements.

The Chairman (Mr Molloy): Unfortunately, Mr Attwood is out of the room at the moment.

Mrs D Kelly: It is partly a matter of the definition of "verifiable". We have accepted the word of the independent observers in the past. However, Alex will return shortly.

Mr A Maginness: We can work on wordings, anyway.

11.15 am

The Chairman (Mr Molloy): The Clerk did not catch your fourth proposal, Ian.

The Committee Clerk: Did you have a proposal about the rule of law, Ian? I noted your proposal that those organisations that are involved in drug dealing and organised crime should be named and shamed.

Mr Paisley Jnr: It was more or less a statement that arrangements should be devised to prevent a breach of the ministerial code and that any breach be directly actionable in the courts and followed by disqualification from office. I also said that having associations with, and showing support for, those who are involved in criminal activity is incompatible with holding office.

The Committee Clerk: That is two more proposals, then.

Mr Paisley Jnr: Also, I proposed that those who are involved in drug dealing and organised crime should be named and shamed in a list that is published after their conviction.

Mr S Wilson: We have heard this morning from all the members who are sitting around this table. Everyone is happy enough for the gun to be removed from politics and to get rid of criminality, but the real issue, which is how we achieve that, is being ignored.

Sinn Féin members seem to be masters in that respect. Last week, for example, it was agreed that community restorative justice schemes were to be operated to the highest possible standards. Yet when a proposal was put that there should be accountability, training, monitoring and that those who are involved in the schemes should have clean records and so forth, it was rejected.

Today, we heard that criminality "attacks the quality of life" of communities and therefore should be completely done away with. How can you claim that your aim is to do away with criminality if you will not support anyone who is dealing with that criminality? Sinn Féin will not ask people to join the police or to give assistance or information. When the police raid the houses of those who are engaged in criminality, Sinn Féin defends them and says that they are supporters of the peace process and innocent farmers trying to make a living from their day's work but that the big, bad police are attacking them.

How on earth can you deal with criminality and say that it is an attack on people's quality of life if you are not prepared to support anybody to whom the state has assigned the authority to deal with criminals? I could mention the court system, as well as the police, in that context. How can there be an improvement in quality of life in the neighbourhoods in which criminal gangs operate if the police are not being supported? What is the answer?

Mr Raymond McCartney: Sinn Féin's position is that there is a lack of trust and confidence in the current

policing arrangements. Until new arrangements come into place, we will not support the police.

The Committee has already condemned the policy of exiling, and everyone can use this opportunity to grandstand — but what is the definition of an exile? Is an exile someone who is told to leave their house and not return to it? In Belfast a couple of weeks ago there was a spectacle when a number of UDA members were told to leave their houses and go to England. The PSNI lined the streets to make that happen. The police actually stopped the people who were being exiled, searched them and told them to go on their merry way. In a proper society, they would have been told to go back into their homes and the police would not have allowed anybody to exile them.

Mr Paisley Jnr: Sammy Wilson posed a number of questions that have not been answered. If the gun is out of politics, there is no shame in the great Óglaigh na hÉireann handing over an inventory of what was destroyed and having it published. I can understand why people are ashamed of their actions, but if the publication of an inventory allows for confidence to be built within the unionist community, why is there not an urgent requirement for Sinn Féin to do it?

We were told today that decommissioning was spectacular. If it was so spectacular, an inventory should be published that will silence the critics and show people what was destroyed. I do not believe that it was that spectacular. There have been gaps, and those gaps are more likely to be chasms. The best way to prove that that is not the case is by supporting the proposal that there should be an urgent publication of a detailed inventory of the weapons that were supposed to have been destroyed.

We hear the rhetoric that republicans cannot support the police because they are not open and transparent. This is not a matter for us: the onus is on republicans to demonstrate where the police and the justice system are not open and transparent. The fact is that the Police Service and the justice process here are the most transparent services in western Europe. Ombudsmen and all sorts of international organisations are examining them through microscopes.

Sinn Féin should say how the Police Service is not open and transparent. It is open and transparent, and just saying that it is not is not an argument for non-support. The issue here is that, once again, Sinn Féin has proved that it has not crossed the mental line, the Rubicon, the point of no return, because it does not have any desire to support law and order. It is up to Sinn Féin to demonstrate how it will support the only legitimate law and order mechanisms that presently exist.

Mr McFarland: I understand that Sinn Féin and the republican movement have been conducting a detailed

analysis of policing and where they will go with it. There was talk of their holding an Ard-Fheis shortly to have a detailed discussion on the subject. In November 2004 the DUP and Sinn Féin had a detailed plan as to who was going to do what and when, although I know that people have since said that they did not sign up to anything. By the following February they were going to have discussions of modalities, which we have heard round this table, and the policing issue was going to progress.

For that to have potentially happened — and I know that it did not happen and was torpedoed for whatever reason — there would have been some thought within republicanism as to how it was going to deal with policing, otherwise it would not have got to the stage of a comprehensive agreement. If Sinn Féin has re-launched a discussion on policing, it would be useful to know what stage that has reached.

The DUP has said that it will not go into Government with Sinn Féin until the policing issue is decided and signed up to. That is clearly a blockage to Government. This Committee is designed to identify and, perhaps, deal with blockages. Until we get to the stage where Sinn Féin accepts policing and encourages young republicans to join, we will not get anywhere, no matter how long we spend in this room or how many talks there are in the autumn.

I wonder whether Sinn Féin can give us some indication of how far it has gone down the road of consultation. We have the most examined police service in the world. Hugh Orde spends all his time complaining to the Policing Board about the multitude of agencies that he has to answer to. It is not as though this Police Service is not monitored or examined every day of the week. What is it going to take now? Sinn Féin is not going to get what it keeps demanding, which is that every member of the PSNI who was in the RUC should be drummed out. Given the amount of safeguards that exist, what now prevents Sinn Féin from signing up to policing?

Mr Maskey: I will respond, but I will take a slightly different focus. I remind members that this meeting is not about Sinn Féin; it is about the rule of law. Several issues, many of which have been covered, can be discussed under that heading, and I do not intend to repeat what Raymond McCartney said this morning, or what I and other colleagues have said in recent weeks or years.

Let us widen the debate. There have been reports that the UVF has been threatening people in the past week. The deputy leader of Mr McFarland's party is here, and his and Mr McFarland's party has absorbed a member of the PUP into its party grouping, for, as he says, reasons of political advantage. Sometimes the party says that that was done to influence paramilitary

decommissioning. Perhaps, in his lofty commentary on and questioning of my party, Mr McFarland will address how far he has got with tackling UVF paramilitarism, which has hit our streets again in the past weeks and days.

When we hear Ian Paisley Jnr talking about drug dealers, the rule of law and support for the police, we have only to look at Ballymena, which for many years has been the Paisley bailiwick. It seems a contradiction that the most rabid pro-policing and pro-law-and-order commentary, which goes back for decades, comes from the drugs capital of the North of Ireland. The amount of hard drugs that has long been available on its streets means that it can compete with other parts of the country as a whole in that respect.

Those are questions — paramilitarism, criminality, the use of arms and the failure and refusal to decommission — over which the unionist parties can have at least some influence. All of the focus is on my party's activities. However, we can argue that our influence has been positive and will continue to be so. Why not apply some of your lofty sentiments towards some of your own spheres of influence? You have not done that in any credible fashion here. Let us widen the discussion to see what the unionist parties are doing, as opposed to simply questioning my party.

Mr McFarland: I was simply looking for factual guidance for the community — I was simply saying, “Where have we got to with this?” I am happy enough to get into a discussion about loyalism. We do not have an armed wing. We have decided, rightly or wrongly, to make some effort to encourage loyalism to go down the road of decommissioning and move off the stage. That is a laudable thing to try to do. Sinn Féin is a different organisation.

Mr Maskey: Will you give us an indication of how far you are getting with that? Last week your party had to call on the UVF to withdraw —

Mr McFarland: We will see fairly shortly how far we have got.

The point that I am making is that Sinn Féin is unlike any other political party here. I know that it has gone on for years about how it is unconnected to the IRA.

However, it is a fact that Sinn Féin and the IRA are directly connected and, for many years, the leaders of each were the same people. The influence that the Sinn Féin leadership has on the republican movement is substantial.

11.30 am

My question did not concern that; it was about how far the debate has gone in the republican movement with regard to supporting the police. The DUP has said that without that firm commitment it will not play at all; therefore, if that commitment is close, we have

some reason for going on with this. If we are far from that point, the Committee needs to know that it is wasting its time. If, on the other hand, we are close — and there has been plenty of discussion — the DUP might be encouraged to make more effort in the Committee to get things working.

The direction in which loyalism is going is key and must be dealt with. However, we do not have an armed wing; we simply encourage people to follow a road that seems to make sense, if we are to have Government here and get away from all this.

I am worried that, instead of trying to answer the question or, in good faith, making a few pleasant noises about it, the person who asked the question is immediately attacked. All I asked was, “Where have you got to with this?”

Mr Paisley Jnr: I shall come back on a couple of things. It is easy to make slurs against a place by saying that it is a drugs capital. However, it is only a slur: there is no evidence. A recent Queen's University report into drug abuse shows that the use of heroin is greatest in two areas of Northern Ireland, neither of which is Ballymena. I will not name the places, but one member who spoke should know it quite well. Ballymena does not have the highest incidence of the use of heroin by injection. That is a finding of the most up-to-date report.

However, that is not the issue. The issue is that drugs are a plague on this society, yet we hear no condemnation from the republican community of those who peddle drugs, because it is their people who peddle them. That is a fact.

Recently, the police arrested five drug dealers in Ballymena.

Mr Raymond McCartney: That was this year.

Mr Paisley Jnr: The ordinary unionist community, who put up the evidence and allowed cameras to be installed in places where those people could be filmed and subsequently captured, supported those arrests.

What we hear from Sinn Féin is not a considered help in the fight against drugs, but words designed to hinder that fight. One must ask why, and the answer is glaringly obvious: Sinn Féin benefits from drug money. Yet its members come here, piously wanting to be in the Government of Northern Ireland. That is hypocrisy gone mad.

Again, questions were asked of Sinn Féin. It has been alleged that the Police Service of Northern Ireland and the justice system are neither open nor transparent. When asked to explain how policing and justice could be more open and transparent, there were no answers, only slurs against some towns in Northern Ireland, mainly Ballymena.

Is Sinn Féin's problem that there are too many Protestants in the police? Is it a problem that it is a UK police service? Is the problem that it hates law and order and wants to control certain parts of Northern Ireland, because, as I said earlier, it makes £180 million from crime here? The Northern Ireland Affairs Committee recently received evidence of payments that builders were making to IRA/Sinn Féin. One of them has had to pay a six-figure sum this year, and that has gone into the coffers of IRA and, ultimately, to Sinn Féin. Does Sinn Féin need that money to run its supply centres, develop its criminal empire and build its political empire?

Sinn Féin does not want to answer these charges, because Sinn Féin is as guilty as hell. It is scared to answer them and turn the situation around, because it benefits from all that crime. Until it moves away from criminality, until it crosses the point of no return, there is not a pup's chance of its ever getting within breathing distance of Government in Northern Ireland. The sooner it faces that reality and makes the necessary hard choices, the better.

Mr Raymond McCartney: That is rhetoric and more rhetoric. People are here for a sensible discussion, but what we heard in the past few minutes was far from that. People know Sinn Féin's position; we have been discussing it for many years. This Committee has talked about it recently, and, if I may say so, very constructively: transfer, timescale and agreement models. It has been a frank and open discussion, free from the kind of rhetoric that we have heard this morning.

We could make allegations about this or that, but where is the evidence? Where are the facts? They are not there. People hide behind IMC reports, intelligence, 'The Sunday Tribune' and so forth. We can all produce newspapers; we can all talk about Ulster resistance, Billy Wright and the Rev William McCrea. We can go round the houses all day long, but we will get no closer to resolving the big issues.

Mr McFarland asked about the stage that republicans have got to with policing. There was an open and frank discussion about that in the republican community. Sinn Féin laid its terms before the people, and those are endorsed, with increasing strength, at every election. If people want to deal with policing it is there for discussion: it concerns transfer, timescale and agreement models.

As Alex Maskey said, we can all grandstand, play to Hansard and run out of here to give sound bites, but we are getting no closer to a solution. It is disingenuous of Mr McFarland to come here this morning and pretend that we have not addressed some of those issues in the past few weeks. Perhaps he is trying to outdo Mr Paisley Jnr. That is fair enough.

Mr Attwood: I will revisit one or two issues before I comment on the more recent exchanges.

The SDLP will not support the DUP's proposal for the publication of an inventory on what the IRA did or did not decommission last year. Whether we like it or not, there is an accepted basis for working with the IMC. The IRA and the IMC reached understandings. Whatever doubts may linger, that is the situation.

However, the DUP is proposing a moveable feast. If it gets an inventory, it will be dissected; if it gets the photographs, they will not be enough; if there were 10 witnesses — some of its choosing — that might still not be enough. The danger of the DUP's proposal is that, for political reasons, it tries to change the parameters within which the IMC works. That damages the IMC's integrity in the overall political process. The SDLP will certainly not go down that road. The DUP should support a proposal that calls on all groupings that continue to hold weapons, republican and loyalist, to put those weapons verifiably beyond use and to work with the IMC to build confidence in that process.

Mr Paisley Jnr: Mr Attwood, I have no problem with that part of the proposal. However, the IICD has a mechanism for publication, and the early and urgent publication of an interim report would be of mighty assistance in helping to build confidence. That would assist not only unionists but everyone who is concerned about this. Clearly, we are all concerned about it.

We have been told that the decommissioning was spectacular. Therefore, a published inventory of such a spectacular act would silence critics. Surely we can come to some sort of agreement so that the proposal can incorporate Mr Attwood's remarks and also ask for the urgent publication of an inventory that can inspire confidence? Does the member not see merit in that?

Mr Attwood: I was not asked to give way, Mr Chairman. Had I been, I would have given way. If you are to chair the Committee appropriately, I believe that it is your duty to ask a member whether he wants to give way.

The Chairman (Mr Molloy): I try to create dialogue and discussion.

Mr Weir: Will the member give way?

Mr Attwood: Mr Paisley Jnr's point brings me to my last comment. The DUP does not trust the IRA on what it may or may not have decommissioned last year. It needs more reassurance. Sinn Féin must recognise that that is paralleled by unionist doubts about republican intentions: when a way forward is established, Sinn Féin and the republican movement keep changing the rules in a way that fuels mistrust. Just as the IRA, the republican movement, Sinn Féin and even the SDLP and the wider nationalist community mistrust the DUP because it keeps moving the goalposts

on decommissioning, similarly, unionists and elements of nationalism mistrust the republican movement because it keeps moving the goalposts on policing. Sinn Féin and the DUP should see that that parallel fuels the mistrust of the other community.

That is what happened with regard to policing. If Sinn Féin had kept to its previous, publicly stated position on policing, people might believe its assertions that it will sign up to policing. Several years ago, the then chairperson of Sinn Féin stated publicly that if the British Government passed a second Act on police reforms, his party would not be found wanting when it came to policing. That is on public record. Yet when the second Act was passed and given Royal Assent at Easter 2003, Sinn Féin was found wanting when it came to policing. That creates doubts, especially in the unionist community, about Sinn Féin's true intentions on policing.

When the time came to sign up to policing — which is what Sinn Féin said it would do — it did not do so, and the game moved on. There is, therefore, a parallel. On the one hand, Sinn Féin says that it will commit itself, then it changes the rules. That fuels mistrust. On the other hand, the DUP changes the rules with regard to the work of the IMC. That also creates mistrust.

Raymond McCartney made a rather odd comment earlier. He said that until there is trust, Sinn Féin would not endorse the policing arrangements. That was odd because Sinn Féin — indeed, Martin McGuinness — has said that if we wait for the day when there is trust, we will have to wait a long time before there is restoration of the political institutions.

Mr S Wilson: Will the member give way?

Mr Attwood: Yes.

Mr S Wilson: Will the member accept the fact that it is impossible to build that trust when every Sinn Féin spokesperson tells people not to trust the police? It has become cyclic: on the one hand, Sinn Féin says that it cannot endorse the police until there is trust; on the other hand, Sinn Féin does its best to ensure that there is no trust.

Mr Attwood: Sinn Féin's template for participation in the political structures is that trust is not required because trust is intangible and difficult to define and achieve. The basis for participation in the political structures is that parties have lived up to the various requirements of the Good Friday Agreement and the undertakings of democracy.

That should also be the basis for participation in the policing structures. It is not a matter of whether one trusts the police. There is a template of accountability, and Patten-compliant policing has been achieved. That was the tipping point for people to support the policing structures, and it was reached long ago.

The real reason that Sinn Féin has not signed up to policing has nothing to do with the implementation of the Patten Report recommendations on police accountability; it is to do with that party having a negotiated advantage and political leverage and being able to keep the Governments guessing about its intentions. It is time for Sinn Féin to get off that roundabout and to take heed of Gerry Adams's comments in a recent 'Irish Times' article that, whether or not there is devolution of justice and policing, the policing issue has to be dealt with.

At a previous Committee meeting, Sinn Féin said that it could wait for 12 months for the devolution of policing and justice. The SDLP does not endorse that. However, if justice and policing powers are not to be devolved soon, and if we must wait for them for 12 months — or longer — after restoration, Sinn Féin must deal with the policing issue now, as Gerry Adams asserted might happen in that 'Irish Times' article. It is better to do that than give the DUP the opportunity to score points and damage the agreement and the prospect of restoration.

11.45 am

Mr McFarland: As I said at the beginning, trust is a product of engagement. Trust does not exist at the outset of discussions; it is the end product of people dealing with one another.

I want to return to one of Raymond McCartney's points. As I understand it, he said that Sinn Féin has three requirements in relation to the devolution of policing and justice: a timescale; the models to be agreed; and an agreement to transfer. Should those requirements be met, that would do the business.

Mr Raymond McCartney: No, that is not the complete list of requirements. I am not going to give the party's complete negotiation position right now, but those requirements are only part of it. Those are the issues that we discussed at this Committee. That is what I said.

Mr McFarland: I was trying to tease out the issues because this discussion is about barriers to getting the Government up and running. We have discussed the fact that the DUP, as I understand it, requires Sinn Féin to sign up to policing —

Mr Maskey: Are you speaking for the DUP now?

Mr McFarland: No. I said: "As I understand it".

Mr Maskey: You keep referring to what the DUP is asking for rather than what you are asking for.

Mr McFarland: If the DUP and Sinn Féin do not agree to anything, in the end, there will be nothing. As we discovered from the comprehensive agreement, until the two largest parties of each block, the DUP and Sinn Féin, say "Yes", government here cannot work. If

we reach the stage of coalitions or whatever, that is an entirely different matter. However, that it is not what the Belfast Agreement allows for. It allows for a forcible coalition between the DUP and Sinn Féin, and either party has a veto.

My understanding is that the DUP has said publicly that it requires Sinn Féin to sign up to policing. I was trying to tease out from Sinn Féin's remarks if there is a basis on which it would sign up to policing and how far it has gone in its discussions. This Committee is designed to tease out those barriers.

Mr McCartney, you said that there are three barriers to Sinn Féin signing up to policing, and you are on record as saying that they are: timescale; modalities; and agreement to transfer. I get the impression that there are now other barriers, which you are unwilling to share with the Committee. Is that right?

Mr Raymond McCartney: Gerry Kelly has already raised those issues at this Committee.

Mr McFarland: Absolutely, yes.

Mr Raymond McCartney: Mr McFarland, you were being a bit disingenuous in your presentation and, at times, a bit patronising. In one of your earlier submissions, you said that the IRA no longer existed because an army that has no guns is no longer an army. I am paraphrasing your remarks.

Mr McFarland: As an army.

Mr Raymond McCartney: Yes. However, in your next presentation you said that Sinn Féin has an armed wing. One remark contradicts the other. Thus, you were being disingenuous and patronising. In your terms, an armed wing cannot exist if an army does not exist. I want to stress that that is in your terms, because, as far as I am concerned, Sinn Féin does not have an armed wing. As you will be well aware, "Policing issues" was item 2 on the agenda of a previous meeting.

Gerry Kelly raised those issues and brought them to the Committee. I was pointing out some of the barriers in the broadest terms possible. I think that you are aware of that, and to pretend that you are not is being disingenuous.

Mr McFarland: I am trying to have dialogue to identify whether Sinn Féin is close to taking the decision to support policing. It told an earlier meeting of the Committee that it was not yet able to take that decision. Why is Sinn Féin still unable to decide?

Mr McCartney has told the Committee that he has still difficulties with the timescale, and he wants to know when it will be devolved and what the model will be. We discussed all that earlier on. He also wants a commitment that the DUP, or whoever, will agree to that transfer. Logically, if we could agree to those issues — modalities and timescales — we would have

solved the problem, and Sinn Féin would then be able to sign up to policing.

However, Mr McCartney has just said that there are other negotiating points. The Committee has been set up specifically to identify blockages. We do not want to interfere with Sinn Féin's negotiating position, but if other negotiating issues are blocking agreement to policing, it would be helpful if Mr McCartney were to share them with the Committee. Then the Committee might be able to add them to the existing list and, perhaps, solve them.

Mr S Wilson: I gather from Sinn Féin this morning that first among the issues is a lack of trust. As I pointed out to Alex Attwood, that is rather circular. The lack of trust is partly due to the discouragement that Sinn Féin gives to people within the nationalist community to co-operate with the police, to join the police or to involve themselves in policing structures. It would not even encourage people to go to the police with information about one of the most appalling rapes that ever happened in Northern Ireland.

Secondly, there is the issue of transparency. What further transparency is required? The Oversight Commissioner examines how the police have met the changes outlined by the Government, and his report is published every six months and is available to the public, including Sinn Féin. The Criminal Justice Inspectorate's reports, the Ombudsman's reports and Her Majesty's Inspectorate of Constabularies' reports are all available to the public. I do not know what other transparency or information is required, other than for the police to divulge information that no police service would ever divulge to anybody. We are told that transparency is a block, but we have not been told what issues are not available to Sinn Féin or others.

Thirdly, there is the transfer of policing. Sinn Féin wishes to see that happen on the basis that the party would have some ministerial responsibility for the Police Service. It envisages that the transfer will occur at a time when the Minister, and the party to which he belongs, will tell people not to trust, join or assist the police and will condemn the police for taking on criminals, raiding their homes and searching them. It is all pie in the sky. No one will agree to the transfer of policing in that context. No one could agree to its transfer. It would totally undermine those in the Police Service if policing powers were transferred in those conditions.

Sinn Féin is good at pointing the finger at everyone else. It says it is the Government's fault that it has not moved on this because they have not done certain things, and that it is the other parties' fault because they will not agree to the transfer of policing.

Transfer of policing cannot take place while Sinn Féin adheres to its current attitude to police, policing

and law and order and, as other members have pointed out, while it maintains some of its associations. The party shows no sign of change. This morning Sinn Féin used rhetoric to the effect that criminality affects quality of life and that it wants the best quality of life for people in its areas. But there has been no indication of how that is going to be achieved in the absence of supporting the police, unless Sinn Féin has some other plan involving separate policing arrangements that it alone can sign up to. No one here is going to accept that.

Mr Kennedy: My party shares enthusiasm for an inventory of decommissioned weapons to be published as soon as possible. That has been our consistent line. Does the DUP consider the publication of an inventory sufficient to deal with the issue of decommissioning, or does the party have other matters of concern?

Mr Paisley Jnr: The inventory is about trying to build unionist confidence. A considerable amount of intelligence material about what the IRA possesses has been published and is available. It would be a logical step to compare any published inventory with information in Jane's International Defence Review and other sources, and align it with claims that decommissioning is complete. We would measure it on that basis.

If we are told that it was spectacular, it will silence us. What greater incentive is there to our opponents than to silence the DUP on this? We want people to prove that it is concluded. If the inventory were to show significant gaps, that plastic explosives or certain types of weapons were not accounted for, anyone, whether in the DUP or in any other party, would be right to examine that and hold people to account.

We would be happy to have the rug pulled from under our feet on this. We want to see these weapons done away with. It is in the interests of the people in our community who have had the guns pointed at them and have seen loved ones buried and some of Ulster's finest men and women murdered and butchered by those weapons. It is in our interests to be silenced on this issue, because decommissioning will be complete.

How long is a piece of string? We stand to be convinced. We will only be convinced when we have material that proves that the act of decommissioning was complete and genuine. I hope that publication of an inventory will be of assistance.

Mr Kennedy: Once an inventory is published and compared, that will be enough for the DUP to make a judgement on decommissioning. Is that what the DUP is saying? Or would the DUP prefer another, more public, demonstration of decommissioning if it were possible?

Mr Paisley Jnr: That is to introduce a hypothetical situation. If publication of an inventory revealed that only one third or half of IRA weapons were destroyed, everyone would say that there is more to do. That

might open up prospects for an act of decommissioning that satisfied people. I am reluctant to discuss that hypothetical situation.

12.00 noon

Mr Weir: It would allow us to make a judgement. Whether that judgement was positive or negative would depend on what was in the inventory.

The Chairman (Mr Molloy): We have a number of proposals; the first one was from Mr Paisley.

Mr Paisley Jnr: The first proposal was that a detailed inventory of decommissioned materiel be published urgently in order to enhance public confidence.

The Chairman (Mr Molloy): Do we have consensus on that?

Members indicated dissent.

The Chairman (Mr Molloy): That proposal falls. Mr Attwood had a proposal.

Mr Attwood: I propose that the Committee endorses the work of the IMC and calls on paramilitary organisations to co-operate fully and without delay in putting illegal weapons verifiably beyond use.

Several Members: IICD.

Mr Attwood: Yes, sorry. My proposal is subject to that useful amendment. I propose that the Committee endorses the work of the IICD and calls on paramilitary organisations to co-operate fully and without delay in putting illegal weapons verifiably beyond use.

The Chairman (Mr Molloy): Do we have consensus?

Mr Maskey: Does that include all the armed organisations that are out there, some of which may not be defined as paramilitary, or even illegal, like Ulster Resistance, for example?

Mr Weir: Or the UN. *[Laughter.]*

Mr McFarland: It refers to illegal weapons.

Mr Attwood: "Paramilitary organisations" is an inclusive term.

Mr S Wilson: Will Mr Attwood accept an addition to his proposal, stating that the details of what has happened should be published at the end of the process?

Mr Attwood: No. At this stage in the process, that is the height of people's obligations.

Mr McFarland: The IICD has publicly stated that, at the end of this process, it will produce an inventory of all the weapons. The reason it is not publishing it now is that it still has the loyalist weapons to take in.

Mr Ford: That is my understanding.

The Chairman (Mr Molloy): We have the proposal from Mr Attwood.

Mr Weir: I would like to know whether Mr Attwood is going to accept Mr Wilson's amendment.

Mr Attwood: I must be honest: I was not aware that the IICD had said that. I will amend my proposal to add a clause calling for the IICD to conclude its work as it has indicated that it will. I do not want to sign up Mr Wilson's words.

The Chairman (Mr Molloy): Do we have consensus?

Mr Raymond McCartney: What is the proposal again?

Mr Attwood: That the Committee endorses the work of the IICD and calls on paramilitary organisations to co-operate fully and without delay in putting illegal weapons verifiably beyond use and calls on the IICD to conclude its work as it has indicated.

Mr Raymond McCartney: Without the preamble, I suggest that the proposal read: the Committee calls on the IICD to continue with its work and to conclude it promptly.

Mr Weir: An important part of the proposal is the call for all paramilitary organisations to get rid of their weaponry. We would consent to that.

Mr Raymond McCartney: That is what the IICD was set up to do: to take arms out of the equation.

The Chairman (Mr Molloy): We have a proposal. Do we have consensus?

Members indicated dissent.

Mr Weir: There is a surprise.

Mr Raymond McCartney: We have another hour and a half to kill here. *[Interruption.]*

The Chairman (Mr Molloy): I ask members to keep in order, and I ask the same of party researchers, who are not part of the meeting.

Mr Paisley Jnr: We are going to make a proposal.

Mr McFarland: Will you repeat that, Mr Chairman?

The Chairman (Mr Molloy): Party researchers are not part of the meeting, so communication between the table and the researchers should be through the Clerks.

Mr Paisley Jnr: We propose that association with, or support for, those involved in criminal activity is incompatible with the holding of ministerial office.

Mr Ford: I ask the DUP to explore that further. It is a negative proposal. Surely the issue should be whether those in ministerial office are fully committed to upholding the rule of law, which is a somewhat stronger statement than the negative of not supporting —

Mr Paisley Jnr: We have a proposal on the ministerial code as well. That is our third.

The Chairman (Mr Molloy): Do we have consensus on that proposal?

Mr Attwood: My party suggests that that proposal lies on the table. It refers to issues that the PFG Committee dealing with institutional matters deals with, and we need to talk with Dr Farren about it. We have already tried twice to contact him. Can that proposal remain on the table, and we will return to it and the other proposals?

The Chairman (Mr Molloy): There is also the ministerial code and all the different issues that are associated with that.

Mr McFarland: That is an issue for the Monday team to deal with.

The Chairman (Mr Molloy): What is the next proposal?

Mr Paisley Jnr: Mr Attwood said that we might be able to get consensus on the proposal that those who are involved in drug dealing and organised crime should be published upon conviction.

Mr Attwood: The proposal I have is that that the Committee recommends that appropriate agencies, including policing, assets and crime organisations should, subject to due process, publish details of individuals, gangs or organisations involved in crime.

The Chairman (Mr Molloy): Is that not done in a court case?

Mr McFarland: If you go to court, such details are all public anyway. The Assets Recovery Agency publicises the names of people whom it prosecutes. When the agency goes to the High Court to take out an injunction against those people, it is obliged to identify them publicly. Anyone who is involved with the Assets Recovery Agency or with the courts is publicly identified. What is the logic behind those proposals?

Mr Paisley Jnr: As I have said already, pages 28 to 29 of the latest Organised Crime Task Force report deals with those who are involved in those criminal activities, specifically the paramilitary groups. The discussion amounts to a couple of paragraphs, yet throughout the report we have details of over £300 million worth of crime. It is inadequate to reduce the details of who is responsible for that to a couple of paragraphs of a report. It is for that purpose that the DUP puts this up front.

Mr McFarland: In its threat assessment of organised crime, the IMC identifies the paramilitary organisations that are involved, but how do you legally identify people as a result of intelligence? That is entirely different from identifying people who have appeared before a court. We are into the stage of —

Mr Paisley Jnr: That is why we are identifying organisations.

Mr McFarland: They are identified anyway. The IMC identifies which organisations are involved in

organised crime in some detail. Its report of March last year included a detailed examination of the paramilitary organisations that were involved in organised crime and what they were doing. Perhaps the report that is due out next week will have the same threat assessment. What is it that we are not doing that could be done legally? You cannot identify individuals who have not been before a court.

Mr Maskey: My party is unsure what it is being asked to endorse, but there have been far too many examples of political policing — to put it mildly — in the past while. Therefore the IMC can say whatever the hell it likes tomorrow or next week. We do not accept its legitimacy or validity. Therefore the question is: is it within the law? Yes, it is, because it was legislated for. We do not accept that.

That does not mean to say that we do not want people to be named and shamed. At the end of the day the bottom line is that if people are convicted of crime, invariably they are named and shamed. I do not know what this proposal is getting at. From what we have heard so far we would not support it. It wants to endorse political policing retrospectively.

The Chairman (Mr Molloy): Mr Attwood, do you have a proposal?

Mr Attwood: Alan McFarland may be right. This proposal is nothing new; what we would want to happen is already happening.

Mr Paisley Jnr: What is new is that this Committee is putting its imprimatur on the fact that these matters must be published — that it is in the public interest — and that greater effort should be made to make the public aware of organisations and individuals who are involved in drug dealing and organised crime. Some of the publications that take responsibility for this do not publish accurate material or details of the material. However, if the Ulster Unionists and Sinn Féin have a problem with that —

Mr McFarland: We are trying to be sensible, and that is a silly comment.

The Chairman (Mr Molloy): Maybe it is one that the Committee needs to tackle later.

Mr McFarland: If Ian Paisley wants, the Committee could endorse the fullest available information being made available. I do not have a problem with that. It is happening already, by and large, and if there is anything else that is not happening that the Committee can do, I have absolutely no problem with that.

The Chairman (Mr Molloy): Mr Attwood, will you put the proposal and see if there is consensus?

Mr Attwood: The proposal is that the Committee recommends that the appropriate agencies should, subject to due process, publish as fully as possible

details of individual gangs and organisations involved in crime.

The Chairman (Mr Molloy): Do members agree?

Members indicated dissent.

Mr McFarland: Who said “no”?

Mr Kennedy: Sinn Féin said “no”; we said “yes”.

The Chairman (Mr Molloy): There is no record of who says “yes” or “no”.

I am sure the papers will have it covered.

What is the next proposal?

Mr Paisley Jnr: The next proposal deals with the Pledge of Office to support the rule of law in Northern Ireland and urge others to do so.

Mr McFarland: Mr Chairman, logically, that would revert to Monday’s Committee meeting.

The Chairman (Mr Molloy): I was thinking that.

Mr Paisley Jnr: It is important that this Committee expresses its view on it. I sit on the other Committee, and it is obsessed with what this Committee thinks.

Mr S Wilson: I appreciate that that probably lies within the remit of the other Committee. However, this Committee was specifically set up to look at issues of policing, the rule of law et cetera, and it is not therefore inappropriate for it to make some suggestions as to how it believes the support for policing and the rule of law begin, and if they are underpinned by the Pledge of Office, this Committee should convey that to the other Committee. It may conclude that it is part of the package that it puts forward. However, since this Committee is dealing with policing, law and order et cetera, it is a useful motion for giving some guidance to the other Committee.

Mr Ford: I think Sammy Wilson has a point. The difficulty is that the specific formalities of the Pledge of Office are part of the other Committee’s work. However, the principle of incorporating a pledge to uphold the rule of law, which was Alliance’s term and not quite the same one that Ian Paisley used, within the pledge seems entirely within the remit of this Committee. Could the Committee agree today in principle, and leave the mechanics to Monday’s Committee meeting?

Mr S Wilson: Could it then read along the lines that we believe that when constructing a Pledge of Office consideration could be given to —

The Chairman (Mr Molloy): Each party in Monday’s Committee meeting will have variations of the Pledge of Office or how it is dealt with. Do we have consensus?

12.15 pm

Mr Raymond McCartney: To have it referred back?

Mr Attwood: The SDLP needs to have a conversation before it can allow it to go back in that form.

Mr Paisley Jnr: The Committee will leave it on the agenda.

Mr Attwood: Yes, leave it on the table.

Mr S Wilson: Mr Attwood, if the proposal were changed now to read: “We believe that there ought to be consideration in the Pledge of Office to a commitment to the rule of law”, the Committee is not saying what the Pledge of Office should say.

Mr Attwood: I know where I stand, but I need to check with others. We are not saying no, we are just leaving it lying for a week.

The Chairman (Mr Molloy): What is the next proposal?

Mr Paisley Jnr: It follows on from the previous proposal, and I assume that the answer will be the same. The proposal is that arrangements be devised to provide that breach of the Pledge of Office be directly actionable in the courts and punishable by disqualification from office. That would fall into how people react to the first part of that.

Mr Ford: That really is an issue for the Monday Committee.

Mr Paisley Jnr: The issue is how we act if there is a breach of the Pledge.

Mr Ford: I accept that, but it is straying on to Monday territory rather than sticking with today’s.

Mr Paisley Jnr: It would be useful if parties could let us have some views on this.

The Chairman (Mr Molloy): Any other proposals?

Mr Attwood: I have one that I know will be immediately embraced.

The Chairman (Mr Molloy): It is nearly lunchtime.

Mr Attwood: I know. I propose that the Committee calls on all parties to recommend that people join the police, assist the police with enquiries, including those into organised crime, encourage people to participate in the policing structures and co-operate with other agencies that address crime and organised crime.

The Chairman (Mr Molloy): Do we have consensus? I do not think that there is any need for debate.

Members indicated dissent.

Mr Ford: I made this point earlier, but I did not formally propose it. Given that Rachel Miller’s letter makes no response to our request for definitions of “normalisation” and “ceasefire”, I formally propose that we request our research staff to provide information on the areas of legislation and policy on which the

definition of a ceasefire may have practical effects or deliver entitlements.

The Chairman (Mr Molloy): Do we have consensus?

Members indicated assent.

Mr Ford: I hope that we can agree that, if the NIO will not provide that information, we can ask our staff, who clearly have nothing much else to do this week. Hansard will record that I was smiling as I said that.

The Chairman (Mr Molloy): Are there any other issues on that?

We will adjourn for a few minutes and come back to deal with the matters that have been left unresolved, of which there is a full page.

Mr McFarland: What are they, as a matter of interest?

The Chairman (Mr Molloy): The page is being circulated now so that members can look at it while having their lunch.

The Committee Clerk: We are trying to empty the car park.

The Chairman (Mr Molloy): The car park is overloaded and the clampers are in.

Mr Maskey: What will we be referring to next week — the two residual matters?

The Chairman (Mr Molloy): We talked about leaving them on the table because they were not completed.

We will break for 15 or 20 minutes. When members come back we will move through these issues swiftly.

Mr Paisley Jnr: Is lunch on?

The Committee Clerk: Lunch probably has not arrived.

Mr Paisley Jnr: Why not spend 15 minutes dealing with some of this and then take lunch?

The Chairman (Mr Molloy): Lunch has not arrived, so we can continue until lunch is here.

OK, lunch is here. We will adjourn until 12.45 pm. If members come back swiftly we can have this all sorted out by 1.00 pm.

The Committee was suspended at 12.19 pm.

On resuming —

12.46 pm

The Chairman (Mr Molloy): We must try to clear up the matters that have been left unresolved, because the Committee Clerks are trying to compile a report. If we can resolve all the issues, so much the better, but let us try to make decisions on some of them, one way or the other.

We shall begin with “Ministerial arrangements for a single policing and justice department”. We had talked along the lines of having a single Department, but the ministerial arrangements had not been finalised. I do not know whether we can go any further now.

Mr S Wilson: We do not want to go any further on the question of a single Department, but what the PFG Committee dealing with institutional matters does may influence us.

Mr Kennedy: Ministerial arrangements are likely to form part of the political negotiations in the autumn.

The Chairman (Mr Molloy): Can we agree, at least, that this Committee has taken the matter as far as it can?

Mr Maskey: Further discussion is needed, wherever that takes place, but it must continue, because we have made a little bit of progress. There will be no proposal on the matter today, however.

Mr S Wilson: We do not want to go any further, because the PFG Committee dealing with institutional issues’ discussion about the ministerial code will influence our view on the matter. We want to know what the arrangements would be for the Minister or Ministers of such a Department. For that reason, we would rather leave further discussion until we see what comes out of that discussion.

Mr McFarland: The devolution of policing and justice would also impinge on the number of Departments. If, for example, policing and justice were not devolved until after the next Assembly election, we would have, upon restoration, the same number of Departments as we currently have. If we were to reduce the number of Departments that we have at present and create a policing and justice Department in order to have 10 or fewer Departments, that would raise a host of departmental issues.

The issue probably lends itself to being part of the full negotiations, as it affects the number of ministerial posts and the parties’ views of where all this is going. It may form part of an overall deal rather than be resolved in Committee.

Mr Attwood: We agree. Useful progress has been made, and if all parties were to sit down, in whatever format, to decide on a final model, more useful progress could be made.

The Chairman (Mr Molloy): Does anyone want to record a proposal to take this to the next stage? The Committee can sign off on it if it has taken the issue as far as it can or recommend that it goes to further negotiations.

Mr S Wilson: I agree with Mr Attwood. We made some progress on it, but I am not so sure that further progress could be made here. Perhaps we should simply say that the Committee welcomes the progress made in discussions and that it is now moving it on to the other PFG group for further discussions between the parties.

Mr McFarland: It would be unfortunate if this were to come to horse-trading between the two largest parties. It would be very useful to provide that, when it is discussed, it will be in all-party format.

Mr S Wilson: That format is probably one of the reasons for the progress we have made. I agree that that might be a better way to do it rather than let it lie dead for a while. It should move to the other group. That would facilitate all-party discussion on it, rather than allow it to become an issue for two parties.

The Chairman (Mr Molloy): The PFG Committee dealing with institutional matters is exploring the ministerial code of conduct on Monday. Perhaps we should come back to this one.

Mr McFarland: One difficulty is that this group, in whatever format it works, has not been able to deal with some substantial issues, namely those relating to whether we should have fewer MLAs or whether to amalgamate Departments for efficiency and to free up a potential Department of policing and justice. We also need an assessment of the effect of a reduced number of Departments, and potentially of MLAs, on various parties and their numbers in here. The model that parties choose to support will have an impact on their party strengths. Those issues must be dealt with in the highest possible forum. I suspect that it will end up with party leaders.

It would be useful if the party leaders were in a five-party forum, rather than making 11.00 pm deals in the corridors. These issues are so important to how the Assembly functions in the future, and to the effectiveness and efficiency of Government functions, that they must be treated as substantial. Even if they were brought back to this group, I doubt that the PFG forum could sign off final decisions on them.

Mr Attwood: Given that we do not know where this would best be dealt with, and noting all-party progress on this, I propose that the Committee looks forward to all-party consideration to resolve the matter. If we put it in generic terms, whether it goes to the main Committee or to some other forum — *[Interruption.]*

Mr Kennedy: An acceptable form of words might be: “The Committee welcomes the progress made to date and accepts that the issue requires renewed consideration involving all of the political parties.”

The Chairman (Mr Molloy): Do we have consensus?

Mr Attwood: The word “together” should be added to Mr Kennedy’s proposal to put over the notion that it should be done collectively.

Mr Kennedy: OK.

The Chairman (Mr Molloy): Do we have consensus on that? Mr Kennedy, please read the amended proposal.

Mr Kennedy: “The Committee welcomes the progress made to date and accepts that it requires renewed consideration involving all of the political parties collectively.”

The Chairman (Mr Molloy): Are members content?

Members indicated assent.

The Chairman (Mr Molloy): We shall proceed to the timing of the devolution of policing and justice.

Mr McFarland: It strikes me that that matter falls into the same category because the timing issue is one of Sinn Féin’s key considerations, and the issues of the devolution of policing and justice and the acceptance of the police are key considerations for the DUP. It strikes me that that will be part of detailed discussion at a later stage.

Mr S Wilson: There should, at least, be a positive note from the Committee on the issue. The DUP has said that it wants policing and justice to be devolved. Those matters can, however, be devolved effectively only when the community has confidence that they can be managed properly by the Assembly. The term “confidence” is used in the comprehensive agreement and was used by a Sinn Féin member in an earlier discussion. Rather than leave the issue without a resolution, will the Committee agree that policing and justice should be devolved as soon as possible given that there will be public confidence? That would at least show that the Committee takes a positive view and that progress is being made towards the devolution of policing and justice.

The Chairman (Mr Molloy): Do we have consensus?

Mr Raymond McCartney: During a previous discussion, we did not have consensus on the devolution of policing and justice when there is public confidence. We articulated the reason for that.

The Chairman (Mr Molloy): Do we, therefore, not have consensus?

Mr Attwood: Last week, we proposed that devolution of policing and justice could happen a day, a week or a month after the restoration of the Assembly because a

sufficient level of confidence would exist at that time, given that restoration had occurred.

I share the view that the Committee must have a positive outlook. The proposal should state that the parties agree that devolution of policing and justice should happen as soon as possible, but that the Committee is unable to define that at present. That is fair to all views. It does not tie parties to any position. It simply means that, as a Committee, we want policing and justice to be devolved as soon as possible, but that we are not in a position to define that yet.

The Chairman (Mr Molloy): Do we have consensus?

Mr Raymond McCartney: Sinn Féin wants to return to that matter.

The Chairman (Mr Molloy): The proposal will remain on the table. Rather than rule it out, the Committee can return to it with possible variations.

Mr Kennedy: Keep it in the car park.

The Chairman (Mr Molloy): Alex Attwood made a proposal on the responsibility for national security, which has not been finalised.

Mr Attwood: I believe that we were waiting for information to be made available.

The Chairman (Mr Molloy): It has not been made available.

Mr Attwood: It is not yet available.

The Chairman (Mr Molloy): Shall the matter remain on the table?

Mr Cobain: Mr Chairman, we have discussed that issue four or five times. There is no possibility of the Chief Constable being responsible for national security. Further discussion is an absolute waste of time.

The Chairman (Mr Molloy): We have no consensus on the issue. Shall we, therefore, not take it any further?

Members indicated assent.

The Chairman (Mr Molloy): The Army’s powers with regard to public order matters to be devolved, and the NIO letter dated 15 August 2006, have been circulated.

The Committee Clerk: We have received various responses from the Chief Constable during the past couple of weeks.

The Chairman (Mr Molloy): There is the issue of parades, the Parades Commission, appointments to it and so on.

Mr Attwood: Some of these issues do not sit comfortably together. Army support for the police is a different issue from whether the power of the Chief Constable to challenge a Parades Commission determination should be devolved.

1.00 pm

The Committee Clerk: Table 1 attached to the letter of 15 August from the Secretary of State's office is the template through which we have been working. Of the issues under the heading "Public Order" in that table, these are the outstanding matters that have not yet been finalised by the Committee.

The Chairman (Mr Molloy): Have we any proposals?

Mr S Wilson: The position was fairly clear. On the unionist side there were some reservations, but what was proposed for devolution was more or less acceptable. On the nationalist side there was a blanket consideration that everything should be devolved. If that is still the case, we could work through these individually but still come to the same collective position: one side wants the minimum to be devolved, or what was devolved in the past, while the other wants everything devolved, including some of the matters listed here. We could have the same discussion again. The position was fairly clear, and it should be left as it was.

The Chairman (Mr Molloy): If we cannot take it any further, there is no point in parking it; it will just go back to the same position. Will we leave it unresolved?

Members indicated assent.

The Chairman (Mr Molloy): On police accountability, Mr McFarland raised the question of a possible conflict of interests between MLAs and members of the Northern Ireland Policing Board.

Mr McFarland: Where is the sense in having 10 Assembly Members on the Policing Board, 11 Assembly Members on a Committee here and a Minister? There are 108 MLAs. It was difficult enough in the first Assembly to ensure that Committees were quorate. If you reduce the number of MLAs to 90 or 72, or whatever, and some are off at the Policing Board, you end up with serious problems of staffing Assembly Committees.

The other issue is whether, if there is a Minister in charge of policing and an Assembly Committee looking at policing and justice, it is necessary for MLAs to sit on the Policing Board. Political guidance for the Policing Board is needed. That was the great success of it all; it received political input. Parties could provide the political input to the board, instead of MLAs, on the same d'Hondt basis. There would be political input, but not using up valuable MLAs, who could spend Mondays and Tuesdays in Plenary, Wednesdays and Thursdays in Committee and Fridays in their constituencies. Which days of the week are they going to be able to spend on the Policing Board? As colleagues know, originally it was intended to be three days a month, but those who are on the Policing Board will tell you that in some months it can be

nearly a full-time job, attending to subcommittees and everything else that goes on.

Mr S Wilson: I was a member of the Policing Board when the Assembly was functioning — as was Alan, at one stage. Therefore, I can understand Alan's reservations about the time commitment. However, parties must work around that. One option is to ensure that MLAs who sit on the Policing Board are not overburdened with commitments to Assembly Committees.

It would be a retrograde step to say that public representation on the Policing Board should be at a level below that of MLA.

Mr Kennedy: Councillors will love reading that. *[Laughter.]*

Mr S Wilson: Of course, some members of the Policing Board are also councillors.

I do not anticipate the degree of overlap that Alan described between the work of an Assembly Committee and the work of the Policing Board. A single ministry would deal with justice and policing matters, so a substantial part of the work in which members would be involved would not overlap with the Policing Board's work.

Furthermore, no Assembly Committee would have the same role as that of the Policing Board. Were the roles the same, members would simply not be able to serve on both because the Committee would be meeting so regularly. The Committee should be concerned with the Minister's role with regard to policing; the Policing Board should focus on the Chief Constable's role and hold him accountable for effective and efficient policing. There would be no overlap as those are two completely different roles.

Alan is right to highlight the time difficulty. However, parties should manage that problem rather than our making changes to the members appointed.

Mr Attwood: I very much welcome the DUP's clear-headed approach to this. Not to adopt the model recommended by Patten of MLAs sitting on the Policing Board would create tension, if not conflict, among the Assembly structures, the Policing Board and other accountability structures. People would try to broaden their area of operation into areas that, by law — and in accordance with the Patten Report — fall to the Policing Board. The practical way to ensure that that tension does not arise is to ensure that MLAs sit on the Policing Board. That may be logistically demanding given MLAs' other duties, but, as Sammy said, the situation can be managed.

The importance of policing issues has been elevated over many years, therefore it is very important that the highest level of political representation sits on the Policing Board, and that that representation is practical

and inclusive. That allows for hands-on responsibility and a shared approach, which is the best approach to adopt if policing is to be sustainable and mature. Policing is best dealt with as a shared undertaking. As Alan said, that approach has worked very well over the last four or five years.

The SDLP is firmly of the view that political representation on the Policing Board should be at MLA level. I hope that Alan might reflect on that so that we can reach a consensus.

The Chairman (Mr Molloy): We could consider separating the two so that members of the Assembly scrutiny Committee could not also be members of the Policing Board.

Mr Attwood: Of course they could not be.

Mr Ford: I agree with the last couple of points. There would be a difference between the scrutiny Committee's function and that of the Policing Board. It is a matter of logistics and numbers, but no more than that. If there is to be political representation on the Policing Board, that representation must come from MLAs, because local councillors' role is to sit on district policing partnerships (DPPs), whatever structures those assume in future.

I am not sure whether Alan was suggesting that party nominating officers could nominate unelected party representatives to the Policing Board. Enough party hacks have already been appointed to the Policing Board and DPPs as non-political representatives. Political representatives on the Policing Board should have a political mandate. It should simply be a matter of their managing the difference between their scrutiny role and their membership of the Policing Board.

Mr Maskey: I wish somebody would remove the Alliance Party from 100 quangos.

Mr Ford: That is history, Alex, not current fact.

Mr Kennedy: Alex has said what I was thinking.

Mr Ford: If the Ulster Unionists cannot recognise whom the additional nominees to the new Policing Board were, it is probably too late for me to point them out to them.

Mr McFarland: I was simply trying to be helpful by identifying potential problems in order that we might deal with them before they hit us. We are happy enough to go with the flow.

The Chairman (Mr Molloy): Is there not a specific proposal then?

Mrs D Kelly: There is.

Mr Attwood: The SDLP proposes that political representation on the Policing Board continues to come from MLAs in order to create certainty.

The Chairman (Mr Molloy): Have we agreement?

Mr S Wilson: I wish to make an additional point.

Mr Kennedy: Do I see a coat being tugged?

Mr S Wilson: There must be a discussion to determine the exact demarcation line between the Policing Board and the scrutiny Committee.

Mr A Maginness: Chairman, that would be a matter for Standing Orders.

Mr S Wilson: That may be the case, but we should still highlight it in order to avoid any potential conflict of interest.

Mr A Maginness: I think that everybody agrees that MLAs who serve on the Policing Board could not be members of the scrutiny Committee, because they would be scrutinising a body of which they were members.

The Chairman (Mr Molloy): Perhaps this Committee needs to recommend that.

Mr McFarland: It is a key issue that must be examined before policing is devolved. How is that interface to take place? If we get it wrong, it could be disastrous.

Mr A Maginness: There is a danger that we might over-complicate the issue. I propose that Standing Orders, or the Assembly itself, should address the matter of membership of the scrutiny Committee, and so forth. It can be dealt with at a later date. Let us leave it at that.

Mr S Wilson: The scrutiny Committee's relationship with the Policing Board should also be addressed.

Mr A Maginness: Yes.

The Chairman (Mr Molloy): Do we have consensus?

Members indicated assent.

The Chairman (Mr Molloy): "Matters to be Devolved — Firearms and Explosives" was dealt with this morning, so we shall move on.

Mr McFarland: Chairman, I have one query. In the first edition Hansard of 23 August, I notice that you said that responsibility for firearms — explosives were being discussed, but in Hansard it says "firearms" — will be devolved to the Health and Safety Executive for Northern Ireland (HSENI). I assume that that is an error, because the discussion was about explosives being devolved to HSENI. Was that a typo or a mistake by the member who said it? My understanding was that responsibility for firearms would not be devolved to HSENI.

Mrs D Kelly: The confusion may have arisen from the fact that we covered fireworks during our discussion on explosives. That might explain it.

Mr McFarland: It may, but it definitely says "firearms" in Hansard.

The Chairman (Mr Molloy): We will correct that for the final edition Hansard. We were talking about explosives.

We shall now move on to “Policing (The Police Ombudsman)”.

Mr Paisley Jnr: Could we bring back to the Committee some definition of where the right to appoint rests? If the Ombudsman is an officer of Parliament, will that matter remain with Parliament, or will the appointment of the Police Ombudsman be devolved to the Assembly?

1.15 pm

The Committee Clerk: That is item 11 in table 1 of the letter of 15 August from the Secretary of State, under “The Police and policing accountability framework”.

The Chairman (Mr Molloy): Have we any opinions?

Mr Paisley Jnr: If appointment remains with Westminster, there is no role for the Assembly, and the Police (Northern Ireland) Act 2000 would be implemented. A retired judge, or someone of that standing, should be appointed to that office. If that is what Westminster is going to do, then that is the way it is going to do it. If it is going to be devolved to Northern Ireland, as Mr S Wilson proposed, appointment would be by way of cross-community vote, to ensure that the person was accepted across the community. It makes it a very different proposal, depending whether we want to devolve appointment to that office.

Mr Attwood: The SDLP has previously outlined that it is opposed to a vote in the Assembly to determine this appointment or various other public appointments. The consequence of such a vote would be a de facto veto. For especially sensitive appointments, that is a power too far. There is a high likelihood of that power being abused and, consequently, damage being done to the integrity of policing, if not that of other public appointments.

The power of appointment should be devolved; it should not be a reserved matter, but rather it should be transferred subject to community safeguards. There are various models of community safeguards around this matter and others, such as the renewal of fifty-fifty temporary recruitment provisions or appeals by the Chief Constable to determinations made by the Parades Commission. My party believes that sensitive matters, such as public appointments, should be devolved but with appropriate community safeguards. The SDLP therefore proposes devolution, subject to appropriate community safeguards.

Mr Paisley Jnr: We need to know what “appropriate community safeguards” actually means. For example, it could mean that you change the office to have three

Ombudspersons — the Planning Service has three heads. We could end up complicating the matter more than it is worth. If Parliament does its job and appoints under the terms of the established legislation, then we thole it and get on with it.

Mr Attwood: This is the problem. Under the Nolan principles, there are new standards and processes that must be followed when making public appointments, and that would govern the appointment of the Police Ombudsman, the chairperson of the Human Rights Commission, or whatever the position. Very often, more than one individual is recommended or is eligible for appointment. If the power of appointment were given to the Assembly, that would turn the whole Nolan procedure on its head. It would be a lottery and a veto. The result would be that people would not apply for those posts because they would end up getting battered about on the Floor of the Assembly and be subject to the veto of one or other party or community.

The only rational and workable approach is devolution subject to community safeguards. I do not want to get into the whole argument about what the community safeguards are, because there are a range of models. Some people say that it should be left to the Office of the First Minister and the Deputy First Minister, and, given that we envisaged that as being a shared institution, then there might be a shared approach to the appointment of high-profile public appointees.

Other people say that a different model is needed, for example, when it comes to an appeal against a Parades Commission determination, which could happen in the heart of the summer when people might not be around and quick decisions have to be made. Consequently, there would need to be an accelerated process with community safeguards for dealing with the issue of an appeal against a Parades Commission determination.

Different models will probably be required when it comes to fulfilling the standard of community safeguards and the various differing sensitive powers. That is why I was proposing a generic motion of devolution subject to community safeguards. At a subsequent date we will have to work out what model of community safeguard will be required for each of those sensitive decisions. It will not be a case of one size fits all.

Mr Raymond McCartney: Sinn Féin agrees with the devolution, and also with the broader discussion on community safeguards.

Mr Paisley Jnr: The Committee could leave itself a hostage to fortune on this by agreeing to devolve it, but not agreeing the detail of the community safeguards. The DUP will stick with the position whereby it stays with Westminster as a reserved matter.

The Chairman (Mr Molloy): The Committee does not have consensus.

Those are the outstanding issues as far as the Committee is concerned. However, some issues will come back for consideration. The first draft of the Committee's report should be available next week. Some of the issues that were sidestepped today can be raised at that meeting and be part of the report.

Mr McFarland: How is this to be set out? We have taken decisions on some issues, and agreed some issues that will be implemented some time in the future because they are unknown — for example, support for policing or whatever — and there are issues that are difficult to decide and have been parked for the talks process. How will the issues be set out?

The Chairman (Mr Molloy): The Clerk can answer that, as he will be the one drawing up the report.

The Committee Clerk: We will look at the four main headings set out in the programme of work, make a list of all of the issues that were discussed and come to a conclusion as to what matters were agreed or not agreed. Decisions will not be taken at an official level as to whether a matter was or was not an impediment to devolution. That is the general thrust of it.

Mr McFarland: Several issues cut across the Monday, Wednesday and Friday teams. For example, the Wednesday and Friday teams have discussed the issue of parades; the Monday and Wednesday teams have discussed institutional issues. We tend to work in silos, so there might be some merit in examining those overlapping issues before any reports are written. Different teams may take different decisions on the same subject. How do we ensure that the Preparation for Government Committee does not drop any catches?

The Chairman (Mr Molloy): That should not happen because members on the Monday, Wednesday and Friday teams —

Mr McFarland: “Should not” are two lovely words, Chairman.

The Chairman (Mr Molloy): We will try to iron out any problems. Once we have the draft reports, we can identify any overlapping issues.

Mr McFarland: Is there a proviso that the Committee can revisit certain subjects? The Wednesday team may take a decision that is fundamentally at odds with a decision taken by the Monday team, so certain issues may have to be revisited.

The Chairman (Mr Molloy): Once we have the draft reports, we can isolate any issues that require further discussion. Some issues may remain unresolved, and the reports will reflect that.

Mr S Wilson: Will that be the sole business next week, Chairman?

The Chairman (Mr Molloy): Some issues are still in the car park, and those will also require further examination.

Adjourned at 1.27 pm.

COMMITTEE ON THE PREPARATION FOR GOVERNMENT

Friday 1 September 2006

Members in attendance for all or part of proceedings:

The Chairman, Mr Jim Wells
Mr Alex Attwood
Dr Esmond Birnie
Mr Michael Ferguson
Ms Patricia Lewsley
Mrs Naomi Long
Mr Kieran McCarthy
Mr Nelson McCausland
Mr Alan McFarland
Mr Michael McGimpsey
Mr Philip McGuigan
Mr Alban Maginness
Lord Morrow
Mr Dermot Nesbitt
Mr Edwin Poots

The Committee met at 10.03 am.

(The Chairman (Mr Wells) in the Chair.)

The Chairman (Mr Wells): Welcome to the twenty-seventh meeting of the Committee. All parties are represented, so I will announce the arrangements. As usual, there will be a break at 12.20 pm. Lunch will be brought in and we will break for 15 minutes. I encourage members to bring their lunch back to the table as we continue the meeting. Feeling a wee bit like a voice in the wilderness, I ask everyone to switch off their mobile phones — I am confident that somebody will fail to do it.

We will go through the various delegations.

Mr Poots: This morning, Mr McCausland will have to be Ian Paisley Jnr. I am not doing that two weeks in a row; I will be Dr McCrea.

The Chairman (Mr Wells): Is there a third DUP representative?

Mr Poots: Lord Morrow will be here in due course.

Mr McFarland: Mr Nesbitt is Mr Kennedy for today, Mr McGimpsey is Mr McNarry, and I am myself.

The Chairman (Mr Wells): Mrs Long?

Mrs Long: Mr McCarthy will be here for Mr Ford.

Ms Lewsley: I am here for Mr Durkan; Mr Attwood is here on behalf of Dr Farren; and Mr Maginness will be here at about 11.00 am for Dr McDonnell.

Mr Ferguson: Mr McGuigan and I are representing Mr Murphy and Ms Gildernew. We have not worked out who is who.

The Chairman (Mr Wells): Will there be a third representative?

Mr Ferguson: No, not today.

The Chairman (Mr Wells): I remind members that the quorum is seven. Please do the maths before you leave the table.

Does anyone have any comments on the minutes of the meeting of 25 August? I spotted one mistake, and I am sure you all did as well: “Corey” should be spelt “Cory”. The spelling in the minutes was taken from a website that spelt it wrong.

Ms Lewsley: I note in the minutes that the proposer is identified if the proposal does not find consensus, but when a proposal is agreed, there is no mention of either the proposer or the seconder.

The Chairman (Mr Wells): It is a pity that we are raising this issue at the twenty-seventh meeting of the Committee.

Ms Lewsley: I had not noticed it before.

The Chairman (Mr Wells): It is an interesting point. That is the way it has always been done. What do members think about that system? I do not think that we can go back now and amend 27 sets of minutes. Hansard will record who suggested the proposal, which is not always the proposer, but at least you get a hint as to who brought it up.

Ms Lewsley: I just wondered why there is a difference.

The Chairman (Mr Wells): We could change it from now on. What do members think? Can we have our first consensus of the morning?

Mr Poots: It has obviously been proposed.

The Chairman (Mr Wells): It has been proposed by Ms Lewsley.

Mr McFarland: Chairman, can you just refresh us?

Ms Lewsley: In the minutes, where there has been agreement on a proposal, the proposer is not mentioned. However, if a proposal falls, the person who proposed it is mentioned. On the last page of the minutes, Alban and Naomi are mentioned because they made proposals on which there was no consensus, but for previous proposals on which there was agreement, the proposer is not mentioned.

Mr McFarland: In previous minutes the proposer was mentioned, regardless of whether the proposal stood or fell. Were these the only two proposals on the day? Did we have others that were proposed and agreed? In previous minutes, a pattern was followed.

Mr Poots: When I proposed that all paramilitaries disband, the minutes did not say who the proposer was.

Ms Lewsley: That was agreed.

The Chairman (Mr Wells): The minutes simply say, “It was agreed”. In the interests of consistency, from now on we can agree that the names of the proposers of agreed proposals be recorded in future minutes.

Members indicated assent.

The Chairman (Mr Wells): Let us hope that we trigger that consensus on many occasions. Is everyone happy with the minutes?

Members indicated assent.

The Chairman (Mr Wells): We move on to the discussion on culture and confidence-building measures. The protocol is that we ask each party to speak for up to five minutes. There may be some overlap here to combine the issues. There is a sufficient distinction between confidence building and culture to allow them to be discussed as separate items. There is some overlap but not enough to take them as a single item. I hope that members have come prepared on that basis. As usual, we start with the Alliance Party, followed by the DUP, and so forth.

Mrs Long: As we said last week, the Alliance Party is unclear as to why confidence building and culture are being raised under the subject of preparation for Government. We do not see where community confidence fits in, other than with the political structures. However, we have given it some consideration and, in this specific context, the major confidence issues in the community are: first, the threat of violence and intimidation; and secondly, the willingness of politicians to work together under the structures that have been outlined and agreed to make politics in Northern Ireland successful. We want to focus our presentation on those two issues.

The ending of all paramilitary activity is the most significant contribution that could be made to raising public confidence. Last week’s discussions and consensus indicated that that would be agreed as an important step forward. The community must be confident that there will be no threats, violence or intimidation. Individuals, as well as communities, must have that confidence. That is a key measure that the Committee needs to be clear about in order to move this process forward.

After our discussions last week, the DUP representatives on the Committee stated that they would not go into Government with “them” — Sinn Féin. That statement raised significant concerns in the Alliance Party about the seriousness of this entire process and the seriousness of the DUP. I understand that the term used on previous occasions was that “the conditions were not right”, but last week, I believe, the DUP

categorically stated that it will not go into Government with Sinn Féin. If the community is to have confidence that the Committee’s work is of any value, if it is to believe that we are trying to move forward, and if elected representatives are to support communities by trying to make progress at the micro-level, it is important that people are prepared to commit to the process of building confidence openly and honestly.

To make progress on those two issues in preparation for Government would be the most significant contribution to building community confidence.

Mr McCausland: First, the DUP sees confidence building and cultural issues as scoping exercises. The function of the Committee is to scope and map out what needs to be done on those matters. Secondly, the DUP also believes that many of those issues are central to the long-term future of Northern Ireland because they have a key role to play in building community cohesion. Thirdly, those issues are complex, and it would not be possible to deal with them in detail over two sessions in one day; all that we can do is scope them out.

While accepting those points and reiterating what has already been said about the vagueness of the term “confidence building”, nevertheless, for several reasons, confidence-building measures must be included in any political settlement. Unionists believe that the confidence that has been worn down by the operation of the Belfast Agreement needs to be rebuilt. There is also a need to ensure that the unionist community feels that it is treated as equally and equitably by Government and the political process as nationalist communities have been. If we are to see two stable communities dealing with each other as equals, co-existing and working together, the process of confidence building is necessary.

Many of the issues that relate to confidence in the unionist community have been dealt with during other sittings of the Committee. Issues that are connected to criminality, paramilitarism, and so on, have already been dealt with, and I do not wish to go over those again today.

However, we can discuss mechanisms that are needed to provide equality in areas in which the nationalist community has seen better treatment. We can also discuss areas that can help in the process of ensuring equal treatment. For example, some isolated unionist communities along the border have suffered greatly not only throughout the troubles but, in some cases, they have been subjected to ethnic cleansing. Those communities now require support to rebuild and develop their infrastructure. We believe that special consideration and funding streams should be brought forward into those areas in the same way that they were

brought into nationalist areas in the past. Those unionist communities face particular problems at this time.

10.15 am

Work is needed in the education sector to eliminate the chill factor for students from a unionist background so that they feel comfortable and confident at Northern Ireland's universities.

British passports should be available to those born in the Republic of Ireland after 1941. Currently, they are available only to those who apply for British citizenship, whereas Irish passports are available automatically, at no extra cost, to those in Northern Ireland who view themselves as Irish.

The voluntary sector will have a significant role in community planning and other issues in the future. There is a need for a major Government review of that sector. The figures, which I shall table, show a huge imbalance in the workforces in all the main voluntary sector organisations in Northern Ireland — for example, the Northern Ireland Council for Voluntary Action (NICVA), the Community Foundation for Northern Ireland, the Educational Guidance Service for Adults (EGSA), the Rural Community Network and Co-operation Ireland. The remits of those organisations cover all of Northern Ireland, and they should reflect the wider community that they serve. That is not the case.

What have those organisations done about that? Has the issue been identified? I do not believe that it is a case of discrimination in their employment practices. Perhaps it is simply a measure of the fact that there is a greater infrastructure in the community sector in nationalist areas, and this is a simple and effective — if crude — way of demonstrating clearly and irrefutably that imbalance. That matter must be addressed, and the DUP has submitted papers on the issue to the Government. I am happy to table that paper today.

Young people deserve special support. In several areas of Northern Ireland, there is a weakness in the resources allocated to unionist communities for youth provision. I can table figures to demonstrate that and to show that there is a need. It is not simply a matter of resources; it concerns the extent, nature and quality of work, as well as training for youth workers. Quite often, in the unionist community, that training is not viewed in the same way as it is in the nationalist community. There are two sectors of youth work, one statutory and the other voluntary, and the differences between them result in a lower level of provision in unionist areas.

The issue of parading has, to some extent, been dealt with already. It goes to the very heart of the unionist community, where the Orange Order is a core element, whether people welcome it or not. Unionist rights in that regard are particularly important.

Those are some of the areas that the DUP wants to examine today. My five minutes are up, so I will draw to a close.

The Chairman (Mr Wells): Thank you, Mr McCausland. I am glad to say that the five-minute issue has never been a problem in this Committee. You suggested that you had papers to distribute. Are members content that that be organised this morning?

I see no opposition to that. We encourage parties to make their documents available. Perhaps staff could distribute the documents, and members will have a chance to ask questions later.

Mr Ferguson: Go raibh maith agat, a Chathaoirleach. Thank you, Mr Chairman. Ar dtús, ba mhaith liom cúpla focal a rá i mo theanga féin.

The Chairman (Mr Wells): I am sorry, Mr Ferguson, we have a problem. We have no facility for translation.

Mr Ferguson: Ná bac leis. I will do that anyway.

The Chairman (Mr Wells): I am sorry to be difficult. Is the Committee happy enough that Mr Ferguson translates what he is saying into English?

Mr McGimpsey: We all speak English. Irish, for Mr Ferguson — as for most people — is a second language. We are here to do business, and I should have thought that in the interests of efficiency, he should be able to speak to us in English.

Mr Nesbitt: I support that, Chairman. The European Charter for Regional or Minority Languages refers to the question of “need”; there is no need to speak Irish here this morning, since we all speak English.

Mr McCausland: Language is about communication, and in this case communication is much more suited to English.

Mr McCarthy: As long as it is a short introductory piece rather than a long gospel, we can thole it.

The Chairman (Mr Wells): Mr Ferguson, is this to be an introductory paragraph in Irish or an entire presentation in Irish followed by an entire translation?

Mr Ferguson: It is an introductory paragraph, but it is introductory comments off the top of my head. I could do the whole presentation in Irish and then in English if I chose. However, the objection to the Irish language goes to the core of the issue.

Chairman, you said that the five-minute maximum has never been an issue in the Committee. I do not intend to go over the five minutes in either English or Irish.

Mrs Long: The quickest way forward will be to proceed.

The Chairman (Mr Wells): In plenary sittings, the Speaker would normally rule that it be a short intro-

ductory paragraph, subsequently translated. Hansard can deal with that, but the Committee does not have simultaneous translation facilities for members.

Mr Ferguson: Go raibh maith agat, a Chathaoirleach. Thank you, Mr Chairman. Mar a bhí mé ag rá, ba mhaith liom a bheith ábalta labhairt i mo theanga féin, mar sílim go bhfuil sin riachtanach ó thaobh cultúir agus teanga de. Le linn na mblianta, fuair daoine bás, bualadh iad agus cuireadh i bpríosún iad ar son na teanga, agus dar le Sinn Féin go bhfuil sé riachtanach go bhfuil an ceart ag daoine Gaeilge a labhairt agus go bhfuil sin riachtanach do theanga agus do chultúr an oileáin seo agus do rialtas sa tír seo. Tá áthas an domhain orm labhairt i nGaeilge anois agus labhairt i mBéarla ar ball.

I have merely made a couple of opening remarks in Irish. Irish is a living language across this island. It is not a minority language; it is the living language of the people of the island. Throughout the years, people have been killed, imprisoned and attacked because of the language. If we want to recognise identity and culture, it is important that the status of the Irish language be recognised as being central to our identity. We do not want to impose it on anyone, but we would like an acknowledgement of its importance.

As for the broader issues, Sinn Féin believes that there has been useful discussion and debate —

Mr McFarland: Chairman, the tradition in the Assembly has been that there is a right to speak in Irish, but that immediately afterwards, the member should repeat the same speech in English so that we can all understand. Can Mr Ferguson confirm that that is what is now happening?

Mr Ferguson: Yes. I said that I would do that.

Mr McFarland: Thank you. I was just confirming that you had translated verbatim from Irish into English.

Mr Ferguson: You are welcome, Alan.

Sinn Féin believes that there has been useful discussion and debate among the parties in these meetings on rights, equality and safeguards within the terms of the Good Friday Agreement. In addressing the sections on confidence building and culture, the discussions over the past few weeks should emphasise to all of us the need for a fresh start. Political grandstanding continues to damage the pace of progress that could be achieved and to which people of every community are entitled if their rights are to be upheld. The single most compelling contribution to confidence building challenges us all: to ensure that the political institutions are restored without any further delay. That is the surest guarantee we have of being able to tackle the many issues that affect daily life regardless of our community or religious affiliation.

There is a need to adhere to the principles of full respect for, and equality of, civil, political, social and cultural rights. There must be freedom from discrimination and parity of esteem for all citizens. We come from a past in which Irish Catholics were not second-class citizens, but non-citizens. That status meant that any public display of culture — a Gaelic Athletic Association top, a religious medal, even an Irish name — risked a violent response. In our new, rights-based society, cultural diversity must be respected and difference celebrated. The challenge for us all will be to ensure that traditionally marginalised groups, such as Travellers, and new citizens, whether refugees or immigrants, are included in that endeavour.

Irish is a living language across the island, and speakers must have the same rights as those available to speakers of Welsh and Scots Gaelic. To underpin these cultural rights, we require an Irish language Act, with language rights incorporated into a bill of rights and overseen by an Irish language commissioner.

Sinn Féin wants the British Government to ratify the additional clauses of the European Charter for Regional or Minority Languages that are related to the promotion of language in public life, as well as a requirement for British Government Departments to communicate through the medium of Irish when requested, including the availability of Government publications in Irish. The British Government could implement such basic rights and entitlements now, because they are rights and entitlements, as is an end to discrimination. That needs to be done within the terms of the Good Friday Agreement.

A Chathaoirleach, tá mé críochnaithe anois. Sin a bhfuil agamsa le rá ag an nóiméad seo.

Those are my opening remarks in relation to both matters.

Mr McCausland: On a point of order, Mr Chairman. I thought that we were dealing confidence building first, followed by culture. Our discussion on cultural matters is still to come.

Mr Ferguson: I am happy to listen. In my opening remarks, I said that I would cover the generalities of both topics.

The Chairman (Mr Wells): We have previously conducted business in this way. Do you want to come back on the cultural issue?

Mr Ferguson: No, I am happy enough. I am sure that you will let me pick up on the discussion if I need to.

The Chairman (Mr Wells): We did agree to discuss the two issues separately, but there is will be some drifting in and out of the territory.

Ms Lewsley, will your contribution be in Irish or English?

Ms Lewsley: My contribution will be in English, and I forgive you, Mr Chairman, for not going around the table in alphabetical order.

Mr McFarland: Sinn Féin has always come before the SDLP.

Ms Lewsley: Alphabetically, “SDLP” comes before “SF”.

Mr McFarland: But “Sinn” comes before “Social”.

Mr Poots: In the phone book, initialisms usually come first.

A Member: It may be different in Irish. *[Laughter.]*

Mr McFarland: Or the Ulster Democratic Unionist Party. *[Laughter.]*

Ms Lewsley: I want to ask the parties how they define “confidence building”. Eight years on from the Good Friday Agreement, we are not where we should be. In the past, we have seen how some parties have been involved in side deals and sweeteners, which undermines confidence. We have seen how one party has been given a side deal or a sweetener, and subsequently, another party has had to be given one. A precedent was set, and now the whole process of side deals has got out of control.

At the time of the comprehensive agreement, on 9 December 2004, Peter Robinson announced that the agreement was supplemented by over 100 letters and understandings from the British Government. These were never published, and when the SDLP asked for details of the 100 letters and understandings under the Freedom of Information Act 2000, the British Government said they could not give us any information on them because it would damage relations with the Irish Government. Despite all that, on 24 December 2004, Gerry Adams welcomed the comprehensive agreement and said that it was a remarkable achievement. Like many other parties, we want to know what the 100 deals and secret understandings were, and whether Sinn Féin knows what they were, considering that it welcomed the document.

With regard to the wider political process and confidence building among parties, it must be asked how parties can go into negotiation with other parties that have cut side deals for themselves with the British Government somewhere else.

The best way to build confidence is to get the institutions up and working. People at community level are fed up because we are not doing all the work that we were elected to do. That in itself creates a lack of confidence with the public about the political process.

I agree about the need to build community confidence. Naomi spoke about the need for communities to be free from paramilitary violence and intimidation. I agree with Nelson that there are gaps in support and

funding for communities across Northern Ireland, which is why we have discussed equality on the objective basis of need. We want to ensure that those who need help, whether in education or at a community level, receive it equitably.

I propose that there be full restoration of the Assembly and the institutions; that Sinn Féin sign up to policing and the rule of law; and that the DUP work the institutions and the agreement without delay.

10.30 am

The Chairman (Mr Wells): That is a strong proposal, to put it mildly, in the middle of a discussion on confidence building. Is that a formal proposal?

Ms Lewsley: Yes.

The Chairman (Mr Wells): There might be some comment on that.

Mr McGimpsey: From the unionist perspective, the building of confidence in the political process is a key issue. There have been three attempts at devolution, and each attempt has failed because republicans refused to do what it was clearly understood that they would do in accordance with the terms and principles of the Belfast Agreement. Unionists must be confident that the local political process will deal with the issues.

Unionists have the safety net of direct rule by British Ministers, which, from a unionist point of view, is not the worst-case scenario, a case of a bird in the hand being worth two in the bush. Will unionists take another chance, given that direct rule — with some notable exceptions — is reasonably benign? Will they risk further upheaval and uncertainty, given that they do not know what will emerge from the process, or will they stick with what they have now? If devolution is restored and the Assembly and Executive are reinstated, unionists will need to be convinced that the institutions have legs and will last for a reasonable, if not indefinite, time.

In working-class unionist areas — commonly described as loyalist areas — poverty is a major issue. The Belfast Agreement has not done much for those areas. In some parts of inner-city Belfast, and in areas outside the city, loyalist, unionist working-class areas have had no appreciable gains from the process, apart from the fact that the killings have ended. Those areas see the economic benefits flowing to other parts of Northern Ireland and little flowing their way. That is a key issue.

The perception in those areas is that the people living there experience institutionalised discrimination. If we have to, we can cite examples where people believe that they have been deliberately short-changed. Poverty in those unionist working-class areas, some of it extreme, must be addressed as part of any confidence-building measures.

Naomi spoke about the threat of violence and intimidation, which brings me to the issue of policing. At the time of the comprehensive agreement, Sinn Féin, the DUP and the two Governments agreed that certain steps would be taken on policing. We now need to know where all the parties stand on this issue. For example, the agreement referred to Sinn Féin membership of the new Policing Board, the establishment of a shadow Assembly Committee to consider the modalities for the devolution of policing and justice — and, within a month, to reach agreement on those modalities — and consequent legislation being enacted at Westminster.

I know that this has been dealt with in other areas, but the refusal of republicans to fully support the police and policing is another matter that appears to affect the judgement of the unionist community. That community feels that if Sinn Féin is not prepared to support the police, we are not much further on than we were three or four years ago when devolution fell. The unionist community also feels that once again, we are basing a process on Sinn Féin's good intentions. There is no consensus within the unionist community to base anything on the good intentions of Sinn Féin: something more substantial is required.

The Chairman (Mr Wells): A series of proposals have been tentatively made. Mr McCausland made some that fall entirely within the confidence-building discussion, and Mr Ferguson made proposals that are more to do with culture. Ms Lewsley made the mother of all proposals, which does not fit neatly into either confidence building or culture, but which I am told is in order. Some members may wish to comment on that one, so we will leave it to the end.

Mr McCausland, I would like to tease out some of your suggestions. You mentioned the small minority communities in the border areas and your perception of the imbalance in the employment patterns in certain organisations. Are those proposals, or are they your views on the issues?

Mr McCausland: The DUP proposes that a fund be created for the isolated unionist communities along the border that have suffered as a result of ethnic cleansing over the years. The DUP also proposes that British passports be available for those who were born in the Republic of Ireland after 1941. A further proposal is that work be done with the universities to eliminate the chill factor that exists for young people from a unionist background. That is something for the relevant Department and the universities themselves to deal with.

I confess that I skipped the last page of my presentation, so I will make one other minor point: there should be a non-lottery fund for those who refuse lottery money on moral grounds. It discriminates against what may be termed “the evangelical

Protestant community”, which refuses to take lottery money. That is a particular problem in rural areas.

The disparities in the voluntary sector and in youth-service provision were things the DUP was merely highlighting.

The Chairman (Mr Wells): Naomi Long wishes to speak. If members wish to make any other proposals on confidence building, I ask them to do so at this stage. We will debate them and put them to the meeting, and then move on to cultural issues.

Mr Nesbitt: I know that you have previously taken composite discussion rather than strict segregation. I have some comments to make on what Michael Ferguson said, but you said that that falls under culture more than confidence.

The Chairman (Mr Wells): I was referring to his proposals, rather than his contribution.

Mr Nesbitt: So long as moving on does not preclude me from commenting.

The Chairman (Mr Wells): We will come back for a full series of presentations on the cultural issue.

Mr Nesbitt: I want to comment on remarks that other people have made — we have followed that procedure before.

The Chairman (Mr Wells): That is entirely in order. Do you wish to say something after Naomi Long has spoken?

Mr Nesbitt: I do not mind.

Mrs Long: I want clarification on some points. I have a specific point to make on Nelson McCausland's proposal of a fund for isolated unionist communities along the border. The Committee agreed by consensus last week that funding should be addressed on the basis of need alone. If the Committee agreed Mr McCausland's proposal, it would be contrary to what was agreed previously; we would be considering funding on the basis that those were isolated unionist communities.

The individuals concerned may get funding on the basis of need, and I would not quibble about that. However, why would the Committee suggest a proposal that specifies the political aspirations of individuals when it has already agreed that it should target resourcing on the basis of need alone? I have other comments to make on the presentation, but my question is specifically on that proposal.

The Chairman (Mr Wells): It would be helpful if Mr McCausland would comment at this stage.

Mr McCausland: The border fund would be for the border communities that have suffered as a result of ethnic cleansing, and it so happens that all of those are unionist communities.

The Chairman (Mr Wells): Mr Nesbitt, do you wish to comment?

Mr Nesbitt: Michael Ferguson's point reflects the mantra that Sinn Féin repeats at each and every turn. Sinn Féin is the only party in Northern Ireland that keeps on about rights, equality, policing and justice for the people of the "North of Ireland", as it euphemistically calls it. Michael Ferguson said that it looks for equality of civil, social, cultural and political rights and that those rights are to be upheld.

At the outset of this series of meetings I pointed out that in these discussions about preparation for Government and confidence building, governance and governing refer to an understanding and an observance of human rights. Those are the underlying bases of liberal democracies. I have asked Michael Ferguson before whether he accepts the international standards of human rights. Hansard will show that he said, "Yes, but not to be prescribed by it", which really means "yes and no". In other words, he gave a non-answer.

All I am saying to Sinn Féin is that I do not wish to deny any person equality of civil, social, cultural and political rights. However, it must be clearly understood that those rights are to be delivered in the context of Northern Ireland's being legally a region of the United Kingdom, which is the country in which we sit at this moment. I do not ram that down anyone's throat. Its full title is the United Kingdom of Great Britain and Northern Ireland, and it is commonly called the UK or Britain or what have you.

Giving just one example, Sinn Féin and Gerry Adams often refer to the basic right of Northern people who have been elected to represent their electorate in the Dáil. No aspect of international law justifies such a right. It is not a basic right of people who are resident in Northern Ireland; it is not even an accepted norm. If we want to be confident about our future, we need to understand what rights we are talking about.

Sinn Féin says that, as unionists, we have to get our head round our stance. I retort that Sinn Féin has to get its head round the rights and standards that are expected in a normal, liberal democracy in twenty-first century Europe. Sinn Féin does not constantly peddle those rights, but it peddles others. Peddling those other rights undermines everyone's confidence. It undermines the confidence not only of unionism, but of republicanism — republicans feel that they should have something to which unionists feel they are not entitled. Whenever demands are being made that are in excess of what is the normal standard, the feeling that a community has when it is trying to be at ease with itself is undermined.

I conclude on that comment, but I repeat that, as a unionist, I support equality of civil, social, cultural and political rights, the very words which Michael Ferguson

used. However, we must understand those rights and, when we understand them, we must observe them.

Mr McGuigan: It is important that any future Government should prioritise the issue of poverty on the objective basis of need. The DUP, and to a lesser extent the UUP, propose that poverty should be tackled through special treatment. They argue for a two-tier sectarian approach to social and economic deprivation. That should not be the way in which any future government in the North tackles poverty.

10.45 am

Mr Ferguson: I want to comment on Nelson's contribution. Unionists — and especially the DUP — peddle the flawed notion that community structures mean that there is no deprivation or poverty. The issue was debated on Lisburn City Council, and the DUP complained vociferously about the use of the Robson indices. DUP councillors argued that areas identified by the Robson indices as suffering worst from deprivation and poverty were nationalist areas.

New evaluations were conducted, and the Noble index was introduced, which reinforced the findings of the Robson index. The DUP then started to talk about the ideological construct of "weak community infrastructure" — if nationalists had a community infrastructure, it somehow suggested that nationalists were affluent. That is nonsense. I have had a quick look through the two documents here, and it is clear that there are huge disparities. The document deals with 180 jobs and a specific area of employment; it does not cover the wider area of the Six Counties. Statistics from the Department for Social Development and the Northern Ireland Statistics and Research Agency clearly show that 80% of all neighbourhood renewal areas — that is, the most deprived areas — are nationalist areas; there is no getting away from that.

This debate, and the way in which this problem has been presented by my unionist colleagues, sectarianises poverty. Naomi's point about border areas and attempts to put selective political tags on deprivation is fair enough. Sinn Féin continues to maintain that the best way to address poverty and deprivation is on the objective basis of need; the issue should not be sectarianised, as is being done here.

If Nelson, Dermot and others really want to address differentials and objective need, they must support the proposal to restore the institutions without delay. Under direct rule, there are holes in the education system, the health system, and so on. The fault lies with the DUP. That party has a chance to address objective need; it refuses to do so and gives one excuse after another.

For that reason alone, Patricia's proposal for the immediate restoration of the institutions is useful. Although her political grandstanding may impress the

press, it will not impress me. I am happy enough to support that part of the proposal. Sinn Féin has always been happy enough to support tackling poverty on the objective basis of need.

This morning, I spoke about the importance of rights for minority languages and extra clauses being inserted into the European Charter for Regional or Minority Languages, and about all that being implemented by the British Government. Rights should not threaten anybody. The issue of universities being cold houses has been raised, and we need to elaborate on that. The Irish language has been challenged in universities here. Why is the Irish language such a threat? Why was the Irish language a major issue when this debate opened this morning?

With regard to developing rights and best practice here and across this island, we should do it. We should not be held back because Europe has not done it. Concerning the right to speak in the Oireachtas, the Good Friday Agreement is an all-Ireland, international, binding agreement. I am an Irish citizen. I see no reason why I, or Mr Nesbitt for that matter, should not be able to address issues in the Oireachtas or anywhere else. It is my right as an Irish citizen. It is the right of people on this island, of whatever political perspective, to do so.

As to dealing with global issues, such as waste management or energy, we should maximise the value of an all-Ireland economy and work together on an all-Ireland basis in whatever forum is available to us, whether here or in the Oireachtas. The sooner we do that, the better.

The Chairman (Mr Wells): One of the joys of chairing this Committee is that there are never any pregnant pauses. *[Laughter]*.

This debate has provoked a lot of interest.

Mr McCausland: If he is concerned about poverty, Mr McGuigan might want to encourage the IRA to hand back the Northern Bank money. So much money was involved that a lot of poverty could be eradicated. However, that is not anticipated.

My main point concerns a serious and central issue. As soon as unionists dare to raise an issue about inequality, differentials, discrimination or disadvantage that affects their community, Sinn Féin gets up on its high horse and suddenly it is a sectarian issue. The figures that I quoted this morning are taken from reports of the Equality Commission. Is the Equality Commission a sectarian body? Some people might say so.

These are standard figures. The facts are there. The Robson report, 'Relative Deprivation in Northern Ireland', was flawed, because Robson did not deal with all the aspects of disadvantage. That is why Robson was eventually ditched, and why the Noble report, 'Measures

of Deprivation in Northern Ireland', is now Noble with amendments. Not all of the issues carried the same weight in calculating the Noble index of multiple deprivation. There were many aspects of disadvantage that should have been included and were not. One of the key issues for the unionist community is educational disadvantage.

Important issues have to be brought forward. In particular, let us nail this lie from Sinn Féin — and it is a lie — that it is a sectarian matter as soon as a unionist mentions something about disadvantage. My community and I have the same right to equality as anyone else. If it is good enough for someone else it is good enough for the community that I represent; I will not allow it to be discriminated against simply because members of Sinn Féin get on their high horse about it.

I also wanted to pick up on the university issue. There is a need to elaborate on that. It is clear from the universities' own figures — not some sectarian figures dreamed up by someone for propaganda reasons — that there is an issue regarding the ethos of those universities. Last year the students' union at Queen's University disobeyed guidance given to it. It breached the equality policy of its own university and, in that case, it is an affiliated part of the university.

There are all sorts of issues that I would be more than happy to elaborate on. As regards spending on youth work, my own district electoral area of Oldpark in Belfast spent £267,000 on full-time and part-time youth workers; that £267,000 went in its entirety to youth clubs in nationalist areas, despite the fact that one third of the children in that area are from the Protestant community. That sort of disadvantage is unacceptable, and to highlight that is not sectarian. The sectarianism is in the fact that it happened in the first place.

I am more than happy to debate those key issues. Why is the Irish language seen as a threat? Perhaps we will return to that under the heading of "Culture", but not now.

Mrs Long: From the presentations and follow-up comments, there are many issues that we need to examine in greater detail.

First, Michael Ferguson stated that the Irish language caused a furore when it was raised as an issue, and that it was perceived as a threat. That is not fair. The problem is caused by the politicisation of the Irish language, not the language itself. For example, there is a lack of historical recognition of the Presbyterian Church's role in keeping the Irish language alive when it would otherwise have died out. The Irish language has been politicised and made into an exclusive cultural captive. That does not reflect the language's history. That is what irritates people, not the language itself.

Another issue has run through some of our discussions. Nelson asked whether we want two stable communities, peacefully coexisting side by side. Well, I do not want that, and I make that quite clear. I want a single, properly integrated, community living together, but not because of some benign apartheid. That is what Nelson was basically suggesting: two segregated communities.

Much of our discussion flows from the fact that people cannot see beyond those divisions. Unless we tackle those divisions, and the assumption that our problems will be solved simply by having two separate but equal communities, we will never get to the core of Northern Ireland's difficulties.

Michael Ferguson accused Nelson and his colleagues of being sectarian because they spoke of unionist deprivation. Nelson said that Sinn Féin reacts badly when unionists raise the issue of deprivation. What makes the discussion sectarian is Sinn Féin's focus almost entirely on deprivation in nationalist areas, and the DUP's focus almost entirely on deprivation in unionist areas. It is not sectarian to care about deprivation and to want to tackle it, not according to the political affiliation of the individuals affected, but according to need. Unfortunately, we are not having that conversation, because deprivation in different communities — which is real, tangible and measurable — is being used as a weapon in a political argument. Using deprivation in a political argument neither advances the cause of people suffering deprivation nor, indeed, is particularly edifying for the parties engaged in the argument.

I do not believe that anyone can challenge the accuracy of the equality figures that Nelson circulated. Last week, during our discussion on equality figures and recommendations, when members were accusing other members of discrimination, I said that simply showing a disparity in percentages in the workforce and the background population does not prove that discrimination exists; it only proves that there is a disparity.

That has been taken further to suggest that some form of discrimination exists. That is a dangerous path to tread, particularly when the figures relate to workforces of approximately 30 people and, in all cases, fewer than 100. In those situations, a single individual joining or leaving an organisation can significantly change the workforce balance by between 1% and 5%, depending on the size of the workforce. To assume that that is evidence of discrimination is wrong.

We must examine whether those trends are there for a reason and, as I said last week, tackle the issues. Nelson has rightly highlighted difficulties in the broad unionist community with regard to funding. However, it is difficult to get those groups to apply for funding. It

has been our experience that the funding is not discriminatory, but applications have not been forthcoming. Last week I argued that, in all issues of equality, we should tackle the reasons and not make assumptions.

11.00 am

That lack of confidence is a problem. A discussion of these issues in relation to people being fundamentally discriminated against and disadvantaged will not help to build their confidence. We ought to encourage people to believe that if they apply for positions in any of those organisations, they are as likely as the next person to be appointed.

We must engender real confidence in communities, and work with them, so that people feel equipped and able. That must be done on the basis of need, not on some notion of sectional division.

In the university sector, there has been a tug of war. From my own time at university, I remember just how repulsive university politics were. It would be unfair to imply that universities are creating a chill factor structurally. Student-union politics, and the machinations in the union, are repugnant to many students. Having witnessed some of the nonsense that went on in student politics in my days at university, it shocks me that I ever got involved in politics.

However, to suggest that that means that people cannot attend a course and participate in university life adds to the chill factor. Leaders of the unionist community send out messages that Protestant students are not welcome in Northern Irish universities. That is very dangerous. We must highlight and tackle the problems, but to suggest that the chill factor is more widespread than it is, and to plant that seed in the minds of people who would otherwise not perceive it in that way, can add to the problem rather than address it.

We must be very careful. This issue is not exclusive to the unionist community; today we are talking about what unionist people perceive to be the problem, but I have heard similar language, attitudes and arguments from those who represent the nationalist community.

Nelson spoke about nationalist youth clubs in his area. The only solution is to have youth clubs that everyone can attend. We need to move forward on the agenda of a shared future rather than simply dividing the pot so that everyone gets less and is constantly looking across the divide, disregarding need because "we" do not want "them" to get more. If we continue down that old path, we will continue to have an unsettled society. If, on the other hand, we move forward and explore the sharing of facilities and provision on the basis of need, those issues will not exist. Fundamentally —

Mr Poots: May I make an intervention?

Mrs Long: I am finishing.

Fundamentally, we have to address that issue.

Mr Poots: I want to ask a question.

The Chairman (Mr Wells): Is it a point of information, Mr Poots?

Mrs Long: I have finished.

The Chairman (Mr Wells): There are quite a few products of Queen's Students' Union here this morning. I am going to move on to one of them: Mr Attwood. Does that bring back happy memories, Alex? Unfortunately, it was 30 years ago.

Mr Attwood: Let us not go there, Chairman.

Mr Poots: Let us not run down Queen's any more.

Mr Attwood: I want to bring some sense of cohesion to the debate. There are good reasons to sustain border communities and establish a balance in those that are no longer as balanced as they were. I have a proposal that the DUP and Sinn Féin may be able to sign up to: that consideration should be given to aiming resources at border communities and enhancing cross-border initiatives in those areas.

There are many cross-border initiatives in various parts of the North. That is not proposed to reassure the DUP for political reasons per se, but to recognise that there is a local unit of economic, social and agricultural activity in those areas, in which communities on both sides of the border work together for mutual development.

That happens in many councils, including those in Newry and Dundalk, and in various other places such as Fermanagh. There might be consensus for a proposal that would demonstrate that border communities are a valuable part of life on the island of Ireland, and that it is useful to sustain rural life on the border.

The South of Ireland is beginning to recognise the dangers of the flight from the west of Ireland and the consequences that the denuding of the population in the west is having on the overall development of communities in that part of the world. There are good reasons to sustain the communities in border areas. They have economic, social, educational and cultural needs, and they also add to the life of people in the North. There is evidence to back up the assertion that, in some parts of the North, people from one community or the other were particularly targeted, and they left their land and their area.

A proposal on the consideration of resources to target and sustain border communities would be welcome for many reasons, including some of those highlighted by the DUP. The enhancement of cross-border initiatives in areas where they already exist — and where they could exist — would be a way to recognise that there were sectarian intentions behind the paramilitary violence that went on 30 to 40 years ago. That was presented as another effort to force Britain

out of Ireland, but there was a sectarian dimension that was particularly acute in those areas. The proposal should be much broader and based on other criteria, rather than that outlined by the DUP, although there is a degree of validity in what it proposes.

Students from certain backgrounds were not going to universities in the North long before any sense of a chill factor. If there was a time when the chill factor began, it was around the time when the Chairman and I were at Queen's University.

The Chairman (Mr Wells): Was that before the Boer War?

Mr Attwood: You and I might have contributed to that chill factor — if there was one.

In the 1970s, students from a particular background were leaving the North. There were linkages with universities in Britain, and students wanted to go there. Those students' parents felt that this was not a good place for third-level education because of the politics and community tensions at the time. Also, some parents became able to afford to send their children to Britain. That pattern was already happening — it was inevitable.

I do not think that student politics should be criticised in the way that Naomi did. For example, in the early 1980s, I would have been worried about the nature of students if they had not expressed a view on the issue of the hunger strikes.

Mrs Long: I want to clarify that I was not at university in the early 1980s; I was at school. *[Laughter.]*

Mr Attwood: Naomi defined student-union politics in a rather abrasive way. I am trying to explain that if she were a student in the 1980s and did not express her views, or if Jim Wells did not have a view on the issue of the hunger strikes, or if I did not have a view, we were failing in our leadership function in the student movement at Queen's University at that time. It can be argued that student politics were fragmented and became divisive, but people should not be beaten up for taking a stand based on principles and values when people were calling out for a stand to be taken.

Student politics became uneven and unbalanced thereafter, but that situation has been corrected in the last few years. Those who manage the universities in the North have taken initiatives to encourage students to stay, so the SDLP will not support the proposal on the chill factor. Students can get better quality education here. Universities have also taken initiatives to build up shared learning institutions, in much the same way that we should be trying to build up shared political institutions and shared arrangements in every other aspect of life in the North. The proposal on the chill factor would demean the initiatives that universities have taken to build inclusive and broad-based student populations.

I understand what the DUP's proposal is aimed at achieving. However, trust and confidence — which is what we are talking about — would be built if the DUP would say here and now that it will live with the consequences of all the equality figures that reflect all aspects of life in the North. We live with the consequences of any of the figures that reflect Protestant disadvantage or unmet need. If we are to move this debate on, it would be helpful if the DUP were to declare that it accepts and will live with the consequences of any of the equality figures when it comes to any aspect of public policy or life in the North. In that way, we will probably make some advance.

Sinn Féin does not have clean hands in this matter. I remember talking about unmet Protestant need with a prominent community worker in nationalist west Belfast. That person said that, although it was accepted that unmet Protestant need existed, unmet Catholic need had to be addressed first. It does not. Unmet Catholic or Protestant need must be addressed proportionally and on a priority basis. However, that does not mean that one community should have its needs addressed before the next community has theirs addressed.

However, to provide some reassurance that this matter is not simply about staking out some narrow ground around a handful of organisations, it would be helpful if the DUP would accept that whether unmet need is Protestant or Catholic, rural or urban, it will live with the consequences of that as far as public policy in the North is concerned.

The Chairman (Mr Wells): There are five more members who wish to speak, and I propose that we call it a day after that point because we have 11 proposals to consider. However, not all of those who are listed to speak are proposers. Those members are: Mr McGimpsey, Mr Nesbitt, Mr Poots, Mr Ferguson, and Mr McCausland. We have given this matter a fair airing, and I will call it a day after Mr McCausland has spoken.

Mr McGimpsey: I thought that this morning we were trying to identify obstacles to the reinstatement of the Executive and the Assembly. I attempted to do that as a unionist representative. The loose headings that I identified were: the political process; policing; and poverty. Those are not exclusive to unionism, but I was highlighting the difficulties that the unionist population has with the ability of the political process to deal with our problems and whether to take, once again, the step to reinstate Stormont.

Poverty-related problems and the fact that there has been no appreciable change in the quality of life and well-being for unionist communities over the past eight or 10 years are real issues. There has been peace and prosperity in Northern Ireland; the economy has

never done better, and in middle-class areas, for example, the value of the houses has doubled and trebled. However, in other areas nothing has changed — everything is exactly the same.

11.15 am

That is what I was highlighting as being an obstacle from a unionist perspective. Another obstacle is policing. I want to talk about the comprehensive agreement, violence and about the need to see an end to paramilitary activity.

All Michael Ferguson wanted to talk about was the Irish language. That seems to be, from Sinn Féin's perspective, the obstacle to the reinstatement of the institutions. Mr Ferguson talked about the Irish language and its status; he spoke in the Irish language. Of course language is an area that must be addressed, and as a sector, it was treated comparatively generously under devolution. However, there is much more to this than language and anecdotal history.

Nelson made the point about the Robson index and the Noble indicators. Robson did not work. Areas of serious deprivation in south Belfast — areas such as Taughmonagh, Annadale flats, and so on — were counted in with the Malone Road. The Robson index gave the wrong answer; it did not address the issue. Need is the ultimate principle, so you start by looking at what the need is, and then you look at how to address it. Those are the issues within unionism.

Education is another important area. The way out of poverty is through work, and the way to work is through training and education. There are a number of themes flowing through that. Those are the hurdles. When we come to talk about culture, there will be other hurdles as well. I am not quite clear where this discussion is heading. Do we want to identify the hurdles that we see as obstacles to the reinstatement of the Executive and the Assembly?

The Chairman (Mr Wells): Our report will have three basic strands: those issues that we have agreed on, those issues that we do not agree on but do not see as major impediments to devolution, and those issues that parties have highlighted as being crucial. I suspect that much of this will fall into the middle category.

We have 11 proposals that various groups feel will take forward the issue of confidence building, which is more than is usual by a long shot. Perhaps members would consider whether their proposals identify major impediments or simply raise issues that they want highlighted.

Mr Nesbitt: I have two points, one is to do with need — and I hope that Alex is not going away, as I want to address some of his comments — and the second is about language. It was Michael Ferguson who first referred to addressing need. I have always

advocated addressing issues on the basis of need. From a confidence point of view, my party and I have always advocated addressing disadvantage. There is no problem with the principle; the problem is how to actually address the need.

Alex asked if the DUP could live with the consequences of the equality figures. When he went down that line, my first thought was that I could not agree with that statement — never mind the DUP; it can speak for itself — because I do not live with the consequences. We need to address the consequences, which was the point that Alex went on to make.

Alex argued that need should be addressed on a proportionate basis; again, I subscribe to that. If 60% of the unemployed are from a certain community, they should get 60% of the jobs available. The problem is that nationalists, republicans, the Government, UNISON, the Equality Commission and all and sundry assume this great mantra. Two weeks ago, Michael Ferguson referred to the unemployment differential, with Catholics being twice as likely to be unemployed. The Government had a concept that that could be addressed on a proportional basis with new TSN, which is arithmetically and statistically impossible. If twice as many Catholics as Protestants are unemployed, and you recruit from the unemployed twice the number that you do from the Protestant community, you will still have the same unemployment differential. That is a statistical fact.

At a previous meeting, Alex said that I had a narrow perspective on equality. My perspective is to try to address the issue of equality as it should be addressed from an analysis of the statistics. It is on that basis that that need should be addressed proportionately. However, in doing so, the unemployment differential is not addressed, and nationalists and republicans have never got their heads around that.

Naomi said that disparity and discrimination are different issues. Although I agree with her, I also say that I am agreeing with her because she is now agreeing with me. I am not saying that she did not agree with me before, but let us get this right. Last week, I said that in six out of the past eight years, the public sector recruited more people from the Catholic community than would have been expected, given the proportion of applicants. I did not say that that was discrimination; I said that it pointed up a difference that must be addressed. The data do not state that there is discrimination; the data state that there is a disparity or a difference.

I welcome Naomi's saying that we have to examine those trends. I wish that the Alliance Party — and I say this genuinely — would say so publicly. It is the Ulster Unionist Party that has called for those trends to be established. I was with the Minister this week, and I

might as well have been talking to the wall. Not only does the Minister not listen but his officials advise him wrongly. They do not put these arguments to him. I asked an official a question at a ministerial meeting, and he went into typical civil servant mode: if you do not want to answer the question you have been asked, answer a different one. He did not even answer the question I asked; he answered a different one.

Mr McFarland: May I just seek clarification from Dermot? My understanding is that at some stage in the past we ended up, for whatever reason, with a disparity between the number of Catholics and the number of Protestants in employment. So there is a gap. We then put in anti-discrimination measures that prevent any discrimination against any community in employment.

As I understand it — and this is my question — unless we introduce some form of positive discrimination or some system to bring Catholic employment up to the level of Protestant employment, that gap will always remain because the fact that there is a disparity will not be addressed. This myth about employment is that there is a gap that will remain unless some action is taken to redress that gap, which is a legacy of the past. Is that a correct understanding of the problem? Is that a correct analysis of the difficulty?

Mr Nesbitt: It is a difficult question to answer succinctly, and I do not mean that in a patronising way. There are two points. There is a disparity in the employment and unemployment data that was brought about statistically by the fact that the proportion of Catholics actively seeking work is greater than the proportion of Catholics actually in work. Forty per cent of the Catholic population are seeking work and yet they have only 38% of the jobs, and that creates a differential. This differential was at its lowest in the early 1970s, so it has increased since then. I see that Sinn Féin members are shaking their heads, but they will see those figures in the 1971 census. However, because the myth was peddled — and it was a myth — that discrimination in the 1990s caused the differential, the Government assumed that they would introduce anti-discrimination laws to remove that differential. The problem is that, although they brought in the most robust anti-discrimination laws anywhere in Europe, the differential still exists. At the February 2006 British-Irish Intergovernmental Conference (BIIC), the Government reported that the differential was still about 2:1. Therefore, the wrong analysis and the wrong suggested approach will not provide the solution.

Mr Attwood: Will the member accept one point of information? His entire analysis is based upon only one sector of the potential employment workforce, namely, long-term male Protestant and Catholic unemployed.

Mr Nesbitt: No. It is —

Mr Attwood: You have said repeatedly that since the early 1970s, the differential between long-term male Catholic unemployment and long-term male Protestant unemployment has been around 2·1, and that that figure has not changed very much. However, equality legislation and policies have brought about an adjustment in the figures, given that there has been a lot of movement into the workforce. For example, more Catholic women have entered the workforce, and overall Catholic participation rates, with the exception of those who are in long-term unemployment, have increased. The differential is still far from perfect, especially in middle and senior-management positions, but the core problem of the long-term employment differential has not been addressed, and much more needs to be done.

However, issues that are connected to every other potential employee or workforce sector have been addressed over the past 30 or 40 years. Do not, therefore, draw conclusions from one particular argument about the overall equality approach.

Mr Nesbitt: To a certain extent Alex does not disagree with me; he is talking about a trend in long-term unemployment. The statistics refer to unemployment, not to long-term unemployment, which is a subset of the unemployed. The member is correct in saying that the situation has changed over time. Unlike my colleague from the DUP, I do not refer to a unionist phraseology; I refer to Bob Osborne and Ian Shuttleworth's 'Fair Employment: A Generation On', which concluded that most of the change that the member talks about was due to educational reform, economic change in the structure of industry and certainly not discrimination, as Government said was the case in the 1990s. That was not the cause of change, and the sooner we get our heads round that, the better.

Mr Attwood: When Queen's University was exposed for its failures in employment practice, and when a report by Beverley Jones and Fiona Cassidy revealed the policies and practices that had been put in place, Queen's began to turn the corner.

Mr Nesbitt: I ask the member, Chairman, to not refer to Queen's. I could give examples of my own life and work there, and I resolutely refuse to do so.

Mr Poots: I endorse the point about Queen's, but please do not refer to it.

Mr Nesbitt: Sorry.

Mr Poots: I am endorsing your request.

Mr Nesbitt: When I look over the transcripts, I see that Mr Poots often jibes and snipes from the side. That seems to be his trait.

Mr Poots: I thought that it was funny.

Mr Nesbitt: All I am saying is that the member should not go there, because I can make the comments. That is my first point.

However, I genuinely wish that the Alliance Party would come out publicly and support the fact that the trends in disparity are addressed —

Mrs Long: Will the member take a point of information? I have not suddenly reached a road to Damascus conversion in this Committee on the matter; I have been discussing it for some considerable time. We said it publicly and privately, and it is a matter of record on Hansard that I said it last week and the previous week. There is no need to appeal to me to say it publicly — I have already done so.

Mr Nesbitt: I am glad, but I do not want to see you getting upset by my comments.

Mrs Long: I am certainly not upset by anything that you have said, Mr Nesbitt.

Ms Lewsley: It must be his body language.
[Laughter.]

Mr Nesbitt: Yes, it is back to that, Patricia. Unfortunately, Hansard does not record the ambience of the contribution, merely the words.

The Chairman (Mr Wells): Thank goodness.

11.30 am

Mr Nesbitt: Moving to the second point, Mr Ferguson says that rights should not threaten anyone. That is true. Why is the Irish language a threat? It should not be a threat. Rhodri Morgan, the First Minister of the National Assembly for Wales, answers questions fully in Welsh. Sinn Féin stated that it wishes to have the same rights for Irish speakers in Northern Ireland that Welsh speakers have. The difference is that far more Welsh is spoken in Wales than Irish is spoken anywhere in Ireland, and one can be very Gaelic-orientated and still be a British citizen. Rhodri Morgan is a member of the Welsh Labour Party. He respects the national law and constitution. Sinn Féin may not know that it is meant to do the same; however, it does not do so. Therefore, unfortunately, Sinn Féin has used the language as a political battering ram. I see that the member is shaking his head, but that is the case. If language were put in its proper cultural context — and we will come to culture later — the schism on the language that exists in the community would not exist.

Mrs Long refers to wanting a single, integrated community. I cannot support that. There can be one community with great diversity, and I presume that that is what she means.

Mrs Long: I ask the Member for clarification. Mr Nesbitt said that he could not support me in calling for a single, united and integrated community, yet he says

that we can have a single community with much diversity, which is what he assumes I mean. Is he opposed to a single, diverse community?

Mr Nesbitt: Of course not.

Mrs Long: Then why does he not agree with what I said, if that is his presumption about what I meant?

Mr Nesbitt: I was just getting clarity from Mrs Long as to what she meant. When she talks about a single community, she seems to say, or imply, that there should not be diversity. The point about a community is that it is comprised of many sub-communities, and there should be diversity. We are not looking for assimilation; people can be integrated yet totally different.

Mrs Long: That is why I said a single, integrated community. That accepts that people could be different. Any interpretation of my comments comes merely from you, Mr Nesbitt, and was not put there by anything that I said.

Mr Nesbitt: I do not want to prolong this. I asked the question. She has given the clarity, and I welcome it. It is good that we have that on the record.

The Chairman (Mr Wells): We will return to cultural issues later, so there will be an opportunity to raise some of those points.

Mr Poots: I want to deal with the unemployment differential, which was the previous topic. There are significantly more people from outside Northern Ireland currently employed in the Province than there are people on the unemployment register. Jobs are available for people who want them. I suspect that if people were given three months to get a job or face withdrawal of benefits, the unemployment differential would disappear quickly and many of those who are currently unemployed would be happy to take up that employment.

I am disappointed at the SDLP's attitude. The SDLP is good at highlighting whether nationalists are underrepresented in a particular area. It was quick to jump on the police recruitment bandwagon. When Ken Maginnis suggested that fifty-fifty recruitment might be a means of resolving that issue, the SDLP was happy to support that idea and is now its greatest proponent. However, whenever unionists identify issues of concern to their community — Mr McCausland mentioned ethnic cleansing in border areas — it wishes to dilute that and to demean the proposal on it through its counterproposal.

I do not know whether Mr Attwood has spent much time around the border recently, but some people are doing very well in those areas. I am sure that when they got their revised rates bills, they were very large — commensurate with their dwellings. I suspect that

those people do not need a lot of help; they are getting a huge income, a lot of which is illegitimate.

As for the universities, there is a chill factor, and it has not been adequately addressed. There is a significant problem in the school of law in Queen's University, in particular, which will filter through in the future to the Northern Ireland judiciary. It has already permeated to the extent that there are not enough solicitors and barristers from a Protestant/unionist background.

The problem started at Queen's University school of law and has been developing, not for years but for decades. That must be addressed. Are young Protestants leaving school with substantially fewer qualifications to the extent that over 80% of those attending the school of law do not come from that community? That is not the case. Fifty per cent of school-leavers are Protestants, and I suspect that their qualifications are fairly similar. It is very clear that young Protestants do not want to go to Queen's or to the University of Ulster, and there are specific reasons for that.

Those reasons are not being addressed, and the students' union has strongly resisted addressing those issues. In Queen's University in particular, the students' union has demonstrated that it is not a welcoming environment for people from a unionist background. The SDLP wishes to portray itself as a non-sectarian party, but in essence, when we seek to address substantial disparities and discrimination against Protestants and unionists, the SDLP pooh-poohs that and claims that the only substantial degree of disaffection has happened in the nationalist community.

Ms Lewsley: Will you take a point of information?

Mr Poots: Yes.

Ms Lewsley: In my opening remarks, I agreed with Mr McCausland that there are gaps in the unionist community that need to be addressed. We all agreed around this table some weeks ago that equality was based on looking at need objectively. That is all the SDLP is asking for.

When Gregory Campbell talked about unemployment differentials in various sectors, I agreed that there is an issue, but we need to establish a structure that guarantees fair play for everyone. You are being unfair about the SDLP's approach to the issue of equality and looking at need objectively.

Mr Poots: I accept that that is what you said. However, when we put it into practice, that is not what the SDLP is doing when need has been identified and brought to attention. For example, we made proposals about the Parades Commission —

Mr Nesbitt: Will Mr Poots take a brief point of information?

Mr Poots: I will when I have made this point.

Mr Nesbitt: It is on this point.

Mr Poots: We made specific proposals about the Parades Commission, because it has a huge chill factor in the unionist community. The SDLP said that it found the commission acceptable and that it was fine.

Mr Nesbitt: Does Mr Poots agree that, while you may address things on a basis of looking at need objectively, if you do not understand the dynamics of the problem to start with you have no chance of finding a solution?

Mr Poots: Yes.

Mr Nesbitt: The difference between unionism and nationalism may be in how both perceive the problem.

Mr Poots: I do not see that there should be a difficulty in understanding the problem. Unionists have been capable of accepting that, in many instances, people in the nationalist community have suffered over the years and have greater requirements for fair play in some aspects than in others. However, in the last 10-15 years, things have reversed significantly, and there is more significant deprivation in some unionist communities than in some nationalist ones. It has been more difficult to get educational resources pumped into unionist communities than into nationalist areas. Brain drain from the unionist community is more significant than that from the nationalist community. Those are issues of concern; they must be addressed and, in the long term, it will not be to the benefit of either community — or of the wider community — if that situation continues.

I want to respond to comments made by Naomi Long. Nelson McCausland produced figures that were taken from the Equality Commission's reports. Mrs Long did not question the figures, but gave the impression that they did not show that there was a problem. Mr McCausland did not mention discrimination or disparity. Why is there disparity against the Protestant community? Are people in the Protestant community not capable of doing those jobs? I suspect that they are capable, so why are they not doing those jobs? They may not have applied for them, and we must ask ourselves why.

Why, for example, are Protestants not applying for jobs in the Equality Commission? Welcoming statements are issued, but the Equality Commission says that it does not get the numbers applying for the positions. It appears that Protestants are not applying for jobs in that industry in a significant way, so the figures produced are not balanced. However, many people have the educational qualifications for those positions.

A disparity exists right across the community sector, and that filters through to funding. The Protestant unionist communities are not getting a fair crack of the whip at the jobs that are available in the community sector. Why are they not in those jobs, and is the unionist community suffering as a result? The unionist community is suffering as a result of not having representatives in those jobs, and what is the Department for Social Development doing about it? Mr McCausland was right to highlight the problem: it should not be set aside and ignored, and we cannot pretend that it does not exist, because it does.

Naomi Long also referred to shared space. I wish that things were as Mrs Long wants to see them and that young people were able to go to the same youth clubs, and so forth. Again, my colleague Nelson McCausland did not refer to unionist youth clubs and nationalist youth clubs; he referred to youth clubs in unionist and nationalist areas, and there is a substantial difference.

I do not know whether Mrs Long could deliver it in her area, but could a youth club be established in the Short Strand/Albertbridge Road area for all the young people in that area to go to together? It would be very nice if it happened. In reality, that is not likely in the near future.

We must deal with realities, as opposed to what we might wish for. Mr McCausland said that in his area £267,000 was spent on one community and nothing was spent on the other community. I wish that that were not the case and that all youth clubs were together, but that is not how it is. Instead, hundreds of thousands of pounds are being spent on one community and zero on the other community. That is not right, and it does not stack up.

The Chairman (Mr Wells): This has had a good airing. We are coming to the main motions, and there are a couple of other issues. Proposals were made on the British passport issue and the lottery fund. It may be that everyone agrees with them, as they were not addressed in any of the comments. However, it may be time for Mr McCausland to beef those proposals up.

Mr Ferguson, I will take your proposal in the second round, as it falls into culture rather than confidence building.

Mr Ferguson: I appreciate that. However, I want to pick up on comments that have been made.

The Chairman (Mr Wells): You will be allowed to join in. I am just letting you know that your proposal is going into the next section.

The proposers must indicate whether their proposals are major impediments to devolution, or whether they are expressing a view on an issue that should be dealt with.

11.45 am

Mr McCausland: I want to clarify, for Mrs Long's benefit, communities in peaceful co-existence, or benign apartheid as it is sometimes described. Sadly, the fact is that in some areas that would constitute progress. I would not wish you to think that that is my long-term aspiration — it is not. We want to see a community that is interdependent. However, as has been pointed out, the term "community" is used in various ways: perhaps "sub-communities" may be more appropriate. The aspiration of a shared future is the one that I was referring to, and I have no difficulty with that.

I raised the issue about non-lottery funding for people who refuse lottery money on moral grounds. That affects a significant number of institutions within the unionist community. A number of Protestant denominations will not take lottery money on principle. It might also have an impact in parts of Scotland, where there are similar denominations. It impacts particularly on rural areas, where there is a much higher level of church attendance and where church influence is much greater. The impact spreads across all areas of lottery funding. For instance, the Heritage Lottery Fund for buildings is a closed door to many groups. It is a non-contentious issue, and there should be some mechanism whereby such institutions could be accommodated. That is my proposal. The proposal about passports stands as well.

I was very careful to say with regard to the Equality Commission's figures for the voluntary sector — and I hope that I have not been misrepresented or misunderstood — that it is not about discrimination; it is about differential. If a differential in employment patterns is seen over a series of years — and I only have the figures for three years, but there is a similar pattern over all the organisations — then that clearly indicates a trend. It is not about one person here or one person there, or about one organisation or another over one or two years. It is about looking over a number of years at a trend that is quite clear across the board.

The implication is that if there is a differential, either the organisations are discriminating — and as I say, I do not think that is the case — or they are seeking to recruit from communities in which there is a differential in capacity. This is, therefore, a way in which you can, in a very rough form, measure the differential in community capacity and community development within the nationalist and unionist communities. A complex issue has been identified, and there is no single solution. It is around such things as how community development training is delivered, where it is delivered, and who delivers it. It is about training and a whole series of other issues.

We are saying that this has to be taken up by the Government at a central level and recognised and

addressed as a complex issue. In the meantime, when organisations are undertaking their work, they should be recognising that there is a problem and that they have a role to play in addressing it, particularly when they seek to take on a representative role.

With regard to sticking by every figure that emanates from the Equality Commission — while it may collate information, its own figures for 2004 show that 59.8% of its staff who identified with a community said they were from the Roman Catholic community and 40.2% were from the Protestant community. That is a situation that has deteriorated year on year. The number of non-determined staff in that case is comparatively small.

I am never going to sign up *carte blanche* to everything that emanates from the Equality Commission. I will say emphatically that the principle of equality is absolutely fundamental. That is why there is a problem with the Equality Commission in areas such as youth provision, which it has not looked at, or the voluntary sector, which is in its figures but which it has not picked up on. This is about the commission's failures and its almost selectivity about what it picks up and does not pick up. This differential has been happening within the commission's own staff, and it has not been picked up. The commission should have been up front in saying that there is a significant problem, which it needs to address.

We have dealt with the passport and lottery funding issues. There are issues regarding provision for young people, and I am grateful to my colleague for clarifying this point. I did not say "nationalist youth clubs"; I was talking about youth clubs in nationalist areas or youth clubs in unionist areas. If somebody lives in Ballysillan, they are not going to feel comfortable using the two youth clubs in Ardoyne. That is a fact at the moment. We long for the day when we have a shared future and it is not like that any more, but now it is, and the result is that substantial numbers of young people in that area are denied access to youth provision.

The youth sector is like the schools sector: there are two systems. We have a statutory system provided by the boards and a voluntary sector that is almost entirely provided by the Catholic Church. Segregation is already built in, and there is a piece of work that needs to be done by the Department of Education, which is responsible for youth, and the Youth Council, and I am glad to say that the Youth Council is now leading the way with a mapping exercise that is dealing with how resources are allocated. That is something that was never done before.

We were told — and not everyone may be aware of this — that in a number of cases in Belfast all that happens is that there is a 3% increase on last year because the budget has gone up. If you were in last

year, you are still in; but if you were not in last year, you get nothing. That is an untenable situation, and we need to address that aspect of youth provision as well as the voluntary sector.

The voluntary sector and the community sector play a significant role in our society. They purport to speak on behalf of large numbers of people and should, therefore, be reflective of the communities they serve.

Mr Ferguson: I want to pick up on some of Naomi's earlier comments following references I made to Nelson's submission. I was very specific in that I challenged the selective use of figures and artificial ideological constructs like "weak community infrastructure". I was very specific in doing that. It is unfortunate that Naomi chose to polarise Nelson's comments as well as my own. She did that deliberately because she wishes to present the Alliance Party as the voice of reason at all times. Sadly, particularly in this case, that collapses all too often into the rhetoric of community relations without any substance of equality. By doing so in this specific way today — by polarising the debate — the Alliance Party has deliberately and unfortunately sectarianised comments made by the DUP and us.

Mrs Long: Perhaps Mr Ferguson will explain how my comments have been sectarian. I have studiously avoided references to particular communities and have looked at and addressed the issue of need. Can he also explain how I misinterpreted his comments when he referred to Catholics being second-class citizens? What did he say that I misinterpreted?

Mr Ferguson: I would like to continue. Mrs Long and the Alliance Party have consistently and deliberately ignored comments that Sinn Féin and I have made, not only at the meeting today but at previous meetings when we were reinforcing the need constantly to ensure that if we address need, we address it objectively and do not sectarianise poverty. That was deliberately ignored.

There were references to the Irish language and Presbyterianism. As an Irish republican, I am very well aware of the role played by Presbyterians in the struggle for separation from England — and of the consequences for many of those Irish-speakers. Many of them, such as Henry Joy McCracken, were executed. I am well aware of that. Mrs Long and Mr Nesbitt ignore the fact — *[Interruption.]*

I thought that that would bring you round, Dermot. *[Laughter.]*

Mr Nesbitt: I have been saying to my colleagues that, since I live in Crossgar, I am well aware of the battles of Saintfield and Ballynahinch, and of the 1798 rebellion and the Presbyterian involvement in it. However, that is local history.

Mr Ferguson: Indeed it is. However, both members have ignored the history of refusal and discrimination concerning funding for Irish schools. I remember protests by Irish-speaking children outside the Department of Education because of such refusals. I remember Sinn Féin's party leader, Gerry Adams, having to take delegation after delegation to meet the British Government because of refusals to fund the Irish language. Let us not leave that out. Mr Nesbitt's comments would suggest that discrimination never took place. One wonders why we have an Equality Commission and a Human Rights Commission and why we are having this discussion today.

Mr Nesbitt: I did not say that.

Mr Ferguson: Moving on, Mr McGimpsey made a fair point about focusing on confidence-building measures. He thought that I had spoken only of the Irish language. That is both an equality issue and a human rights issue. I highlighted the need for the greatest demonstration of confidence, namely restoration of the institutions. If we achieve restoration of the institutions we can deal with all of the issues. We can deal with the issue Mr Attwood raised about the border — and I welcome his comments on development of the border areas and cross-border co-operation. Partition cut us off from our natural hinterland and wasted areas such as Newry. He would agree with me that we need to deal with structural disadvantage west of the Bann.

Mr McGimpsey is right. However, the biggest confidence-building measure we could take is to put the institutions back in place. If Mr McCausland is keen to address objective need, as I am, why then do we not have the institutions, and why do we not have accountable Ministers?

Mr McGimpsey made reference to violence. The IRA has given a good lead. Ulster Resistance and the rest of those organisations need to follow suit. That is the way forward. Who does not want policing? We need democratic institutions, functioning institutions, and restoration of the institutions to deliver the policing that the communities need. Restore the institutions. That will be the biggest confidence-building measure.

We do not have to trust each other. I know of no political party in the world that trusts its political opponents. It is not about trust. We have a legal framework within the terms of the Good Friday Agreement that gives us the opportunities not necessarily to trust each other, but to deliver institutions that build confidence — and only functioning institutions can build confidence and deliver it to communities. Telling people that they are the worst off, or the poorest, is not going to do that. Functioning institutions will make the difference.

Mr McFarland: With respect to a shared future and the way ahead, I was much taken, last week, by Mr Brolly's full support for the integrated school system. He seemed to recommend that anyone who wished to educate children at a faith school should have to pay for it. That was the gist of what he said. I wonder whether Mr Ferguson would agree with that.

Mr Ferguson: The member is aware of Sinn Féin's support for integrated education. Former Education Minister Martin McGuinness was at pains to support integrated education. I had representatives of Hilden Integrated Primary School with me recently. Mr Poots will know them because they also came to Lisburn City Council. That school is likely to be closed. My party's stance is that integrated education is the way forward. The DUP is right, in a sense. Mr McCausland pointed out that we live in a society that is divided and diverse. We have a range of educational sectors that would be celebrated anywhere else.

Some people use the British Government's approach to funding as an excuse to say, "There should not be so many sectors. The Irish-language sector and all the others should be removed. There should be only one sector." In an ideal world, we would support pluralist education; however, conflict resolution is an issue. Since we have different education sectors, let us support them. Let us give people the opportunity to have the education of their choice and let us do so through institutions that work and function. That is the way forward. That is our corporate position.

12.00 noon

The Chairman (Mr Wells): We shall proceed to the proposals. I want to start with those that seem to be non-contentious. In saying that, no one has addressed them.

Mr McFarland: I want to make a general comment. The Committee has been meeting for three months, although I was absent for a short while. I have noticed that the three or four meetings that I have attended since my return have half evolved from the introduction of proposals that stand a good chance of getting consensus into a competition. My party has, so far, avoided that competition. If it continues, however, we must get involved. Meetings are centred on who makes proposals, and who from the other team will not support them. Afterwards, parties go straight into press releases. What used to be a good Committee system, in which people genuinely made proposals because they stood a good chance of gaining consensus, is moving towards competition. Proposals are not being made to advance the Committee's work: they are being made in order to score points. I am worried that the Committee has got to that stage.

Chairman, you have pointed out that there are 11 proposals this morning —

The Chairman (Mr Wells): I have just counted them. There are only seven.

Mr McFarland: That is still much more than what we would normally expect on a particular issue. I wonder whether members have lost the plot slightly as to whether they want to make progress or score points. We can all score points. If we want to have a system of point scoring, we might as well get on with that. However, it will not achieve much.

The Chairman (Mr Wells): Perhaps you pre-empt the decisions on the proposals. Some may get consensus; some may not. When members make proposals on issues that are of concern to them, it gives a structure to the debate.

Mr McFarland: I am concerned, Chairman, about whether those who have introduced the seven proposals will have an opportunity during the debate to review them, and whether everyone who made a proposal in the middle of a speech somewhere — *[Laughter.]*

I will rephrase that: whether everyone who dreamed up a proposal in the middle of a speech, which was subsequently recorded as such, merely wanted to say something off the cuff rather than genuinely want to make a proposal.

The Chairman (Mr Wells): We shall review the proposals. I want to start with those that seem to be less contentious and move up the ladder, as it were.

A proposal has been made with regard to National Lottery funding: to set up an alternative fund for religious groups that object to the use of money that has been raised from betting. Such groups could apply to the fund for money for church restoration, and so forth.

Nelson made a proposal about the difference between those who were born in the Irish Republic who wish to apply for a British passport vis-à-vis those who were born in Northern Ireland who wish to apply for an Irish passport. No one has commented on that being a burning issue.

Nelson also proposed the introduction of a "border fund" for isolated Protestant communities, to which Alex introduced an amendment. The proposal and amendment will be moved simultaneously.

There is a proposal on the perceived chill factor in universities. A proposal on youth provision has been suggested, although I am not certain whether Nelson wants to make a proposal or simply wants to indicate that he is unhappy with the current situation.

Ms Lewsley made a somewhat unusual proposal. If it were to gain consensus, we could finish business today. I expect that there will be debate on it.

Ms Lewsley: I want to comment on what Alan McFarland said. My proposal may seem contentious; however, it is, at least, encompassing.

My worry is that some of Nelson's proposals, whether good or otherwise, deal with individual issues. Every member around this table could produce a wish list and name some of those issues. I have some serious concerns about that, as, I think, does Alan.

The Chairman (Mr Wells): Sinn Féin will also have proposals when we move on to cultural issues.

Parties have made proposals in the past, and other parties have refrained from doing so. All the issues that have been raised are relevant to the subjects under discussion — there is no question about that. As Chairman, I cannot tell a member that they should not make a proposal simply because I believe that they are trying to score points. Heaven forbid that a member of this Committee would try to score points off anybody else.

Ms Lewsley: I am not saying that this is a matter of point scoring. Nelson's issues are specific to different sectors. We talked about unemployment figures at previous meetings, and we could all talk again about the gaps on both sides. I could make a proposal that money should be given to x, y and z, or that a special fund should be set up. I am simply worried about the route that the Committee is taking.

Mr McCausland: We would be deceiving ourselves and doing a disservice to the unionist community if we did not make absolutely clear the deep sense of alienation and inequality that exists. That issue must be put on the table. Politicians have not concocted this problem: there is a deep-seated sense of disadvantage in that community. Until that major obstacle is addressed, we cannot move forward.

I raised some issues this morning to bring a sense of reality and substance to the discussion; I could have raised 25 issues. We can talk in general about how wonderful equality is and how we must sign up to it, but at some stage we must tackle the issues. The equality issues that I raised have been ignored. Dermot Nesbitt and other members were right to point out that they have been talked about for years. However, they are just the tip of the iceberg; the bulk of the problems are underwater. Thus, it is important that we highlight them today.

We must also take cognisance of the fact that a series of communities have suffered from ethnic cleansing in border areas, which is a particularly sensitive issue.

The Chairman (Mr Wells): I am not going to reopen the debate. I will take comments only about Alan's procedural point.

Mrs Long: There is a difficulty with a number of the proposals. Nelson used the word "perception". I agree that perception of discrimination is different from the actual existence of discrimination; evidence certainly shows that a disparity exists.

The problem is that we are proposing ways to tackle this issue without having properly examined the evidence. These proposals attempt to find a cure for problems without first identifying the causes. Members may have opinions on what the causes are, but those opinions may not necessarily be based on evidence.

I am slightly concerned about some of the detailed proposals, not because I object to their detail or general thrust, but because they are not evidence based. That is a concern, and I do not know how that can be dealt with procedurally.

If this were a matter of studying the issues and producing evidence, consensus could be reached. However, it is a different matter to put forward a proposal to tackle a problem when the underlying causes have not been identified. I am not sure that consensus would be reached in that case.

I do not wish to denigrate any of the important issues that have been raised; my concern is about how the proposals are being tackled.

The Chairman (Mr Wells): A member is perfectly entitled to make a proposal. Other members have expressed concerns about the procedural approach, but it is entirely in order, and I have to put those proposals to the Committee.

Mr McCausland: Let me make a suggestion. This morning we identified areas of concern to the unionist community. Perhaps there could be a general proposal about unionist alienation, citing areas of particular concern such as disadvantage, youth issues, the community sector and the significant work needed to address them. The issues are now on record, and that is important, but a general proposal might draw them together.

Mr McFarland: We agreed that we should bring issues to the table and alert our parties and our communities to those that might prove difficult in firing up the Assembly again. The difficulties that Nelson has set out today are genuine. There is a perception, rightly or wrongly, that some effort needs to be made to recognise and address the issues. Perhaps Nelson could produce a composite proposal setting that out. Other parties should not have a problem with recognising that unionism has a difficulty with some issues. It is not unreasonable to call for those issues to be examined and for detailed evidence to be identified so that we can find a solution.

The Chairman (Mr Wells): Would it be possible, Nelson, to produce such a proposal over lunch and bring it back to the Committee at 12.45 pm?

Mr McCausland: OK.

Ms Lewsley: At one of our earlier sessions on equality issues, there was some toing and froing over a proposal. The parties worked together over lunch and came up

with a form of words on which they could all reach consensus. Would it be possible to do that in this case?

Mr McFarland: Perhaps some of the team, having heard our discussions, might rustle something up that all the parties could come in behind.

Mr Nesbitt: We did that two weeks ago.

Ms Lewsley: It took five or 10 minutes.

Mr Nesbitt: The officials did it. It would be good to revisit the proposal that we agreed two weeks ago and to which all parties subscribed. It was a composite proposal that was drawn up by officials over lunch —

Ms Lewsley: I am sorry, but it was drawn up by the political parties and given to officials.

Mr Nesbitt: What I asked was that the officials work on it and present something on which the parties can agree. I do not know who wrote it up.

Ms Lewsley: The political parties wrote it up and gave it to the officials.

Mr McCausland: I will undertake to produce something over lunch.

Mr Nesbitt: It is the parties who must draw up a proposal.

Mr McCausland: I said that I would draw something up and pass it round for consideration.

Mr Nesbitt: It might help if a composite proposal were to come from the Committee.

Mr McCausland: That is the aspiration.

Mr McGuigan: We recognise that it is important that the Preparation for Government Committee deal with poverty and social and economic disadvantage so that the Assembly can tackle those issues when it is set up. Any proposal should be general and should call on the Assembly and the Executive to tackle poverty and social and economic disadvantage — wherever they may exist.

The Chairman (Mr Wells): I think that the DUP proposal will be a bit more specific than that.

Mr Ferguson: That is my concern. There is a perception of alienation, deprivation and poverty, real or imagined, in the unionist community. That perception has been fostered by the absence of functioning institutions. The DUP failed to support the institutions when they were up and running, and I fear that this is more prevarication to avoid doing what needs to be done. What needs to be done was set out in the Programme for Government under the previous Administration, and it was, as Philip pointed out, about addressing disadvantage and need.

We should agree on a general proposal that does not politically tag or sectarianise poverty, alienation and need — they are common afflictions. The way forward,

if the DUP will agree, is to formulate a general proposal centred on the Programme for Government under the last Assembly.

12.15 pm

Mr Attwood: I want to give Nelson some guidance on the SDLP's perspective. For any proposal to be agreed by us, it must be broadly based. I could have come to the Committee this morning and talked about the figures relating to the allocation of Invest Northern Ireland money across the North. I could have put forward a proposal referring to the remarkable disparity between the money allocated to north and west Belfast and that allocated to south and east Belfast — and I include all parts of north Belfast, not only the nationalist areas. Exactly the same applies to the difference in allocation of Invest NI resources east and west of the Bann. That creates a lack of opportunity for the communities in those underfunded areas and a sense of alienation, because people feel hard done by, currently and historically.

Therefore, any proposal touching on Nelson's community's sense of being disadvantaged or discriminated against — as well as cases of real disadvantage — must be balanced to recognise the nationalist community's sense of being disadvantaged in relation to many other public policy issues. The SDLP suggests, therefore, that the proposal should address the causes or perceptions of nationalist or unionist alienation — or common alienation — in relation to the allocation of resources and the development of policies. The implementation of the proposal can be informed by some of Nelson's comments as well as comments made by other parties on particular matters.

Mr McCausland: I did not mention poverty, because that is a subject for another day. This is about disparity and differential and, in some cases, discrimination — although, having said that, I will be referring to matters this afternoon in which discrimination is to the fore.

I have a stronger sense of what the unionist community is thinking than Michael Ferguson does. The issues and their causes are very much in the minds of —

Mr Ferguson: Nelson, if you tell people that they are hard done by, they will think that they are.

The Chairman (Mr Wells): Dermot's contribution will end the discussion, because I have given every party an opportunity to speak.

Mr Nesbitt: Nelson said that he did not mention "poverty". However, whether the words used are "disparity", "disadvantage", "discrimination" or whatever, it is also about poverty, of which unemployment is one of the stronger measures. Just

because the word poverty was not mentioned does not mean that it does not exist.

Chairman, I have a suggestion on procedure. Any proposal should be from the entire Committee, as distinct from a proposal submitted by one party and endorsed by this Committee: there is a big difference.

The Chairman (Mr Wells): Naomi, have you any views on that?

Mrs Long: No. The Alliance Party can discuss its views with Nelson over lunch as he formulates the wording of a proposal. For the Alliance Party to be comfortable with supporting the proposal, it must be sufficiently broadly based to deal with the points relating to discrimination and people's perceptions of discrimination that have been raised by all parties round the table.

The proposal must also take into account the changing nature of our community and those who have come from other cultures and other countries and may feel alienated from politics, society in general and the workforce. For the wording to be right, that must be reflected, and the Alliance Party wishes it to be included in the proposal.

The Chairman (Mr Wells): As it is now 12.19 pm and lunch is at 12.20 pm, we will adjourn to enable the proposal to be drafted. We will consider the proposal at 12.45 pm and then move straight on to discussing cultural issues.

The Committee was suspended at 12.19 pm.

On resuming —

12.49 pm

The Chairman (Mr Wells): Dr Birnie is replacing Mr Nesbitt. Dr Birnie, I understand that this is not your first time with us.

Dr Birnie: It is.

The Chairman (Mr Wells): On the PFG Committee?

Dr Birnie: Yes.

The Chairman (Mr Wells): In that case, we must ask whether you have any interests to declare.

Mr A Maginness: Except your genius.

Dr Birnie: No.

The Chairman (Mr Wells): I welcome Alban Maginness to the meeting. He dropped in just before we adjourned. We have a good turnout. I alert members that I have a slight problem in that I hope to leave around 3.30 pm.

Some Members: Hear, hear.

The Chairman (Mr Wells): Constituency work is always a bit of a pain, but it must be done.

We adjourned in order to allow Nelson McCausland to come up with a composite proposal aimed at reaching consensus on the matter at hand. Are we in a position to do that?

Mr McCausland: There will not be agreement among the parties, so I will submit our proposal. Perhaps there will be some degree of support for that.

The Chairman (Mr Wells): The proposal is that the PFG Committee recognise that community disadvantage and alienation are obstacles to political progress, and that that is particularly evident within the unionist community. Is there consensus on that?

Members indicated dissent.

Mrs Long: May we propose an amendment?

The Chairman (Mr Wells): Yes.

Mrs Long: Alienation, deprivation, disadvantage and lack of confidence exist, and are barriers to progress. The final sentence uses the words "particularly evident within the unionist community." Instead, we could say that where those conditions exist, or are perceived to exist, action should be taken to tackle them objectively based on need.

Lord Morrow: It is not a perception, Mr Chairman.

The Chairman (Mr Wells): Is that an acceptable amendment?

Members indicated dissent.

The Chairman (Mr Wells): That amendment is not accepted.

Mr McGimpsey: Mr McCausland said that no one mentioned poverty. I mentioned poverty earlier. As a unionist addressing the obstacles to the reinstatement of the institutions, it seems to me that this is a key issue. My suggested wording is:

“Disadvantage within communities seriously undermines confidence in the political process within those communities.” I suggest adding: “Currently, this is particularly apparent within the unionist community.”

The Chairman (Mr Wells): Before I call Mr McGuigan, I wish to check if we have a basis for debate. I see that the SDLP is still unhappy with the wording.

Mr McFarland: Mr Chairman, we must look back. This topic is on the agenda because unionists identified a lack of confidence within unionist communities. That was lodged as a matter of concern back in May and June. We are discussing this matter because of that lack of confidence within unionist communities. The issue has evolved, and we shall discuss other matters later, but that is the genesis of our discussing this. The proposal that Mr McGimpsey outlined is eminently sensible, given that this is the topic that we are supposed to be addressing.

Ms Lewsley: For clarity, we asked at the end of last week’s meeting whether we could gain some understanding of what our discussions this week were to be about, so that we could all prepare. I was under no impression that this issue was simply about the unionist community; I thought that it was about a lack of confidence within all communities.

Mr McFarland: This topic got on the agenda because the DUP and UUP identified it as a problem that has been recognised by the Government. This matter has featured in discussions since March. There was perceived to be a lack of confidence within the unionist community. Mr McGimpsey has covered the reasons for that, particularly relating to the outworking of the agreement and a number of other issues. There is an apparent imbalance between the money and attention paid to unionists and that paid to nationalists. That is why this matter was originally put on the agenda. These proposals are in keeping with attempts to deal with the original problem.

The Chairman (Mr Wells): Only two parties highlighted that; it was not mentioned by anybody from a nationalist party or from the Alliance Party.

Lord Morrow: Is the inference that other communities do not have a problem with a lack of confidence, since they do not —

Mrs Long: We do.

Lord Morrow: Hold on. I hear what you are saying now, but I have never heard it before. Unionists were concerned about this, not nationalists.

The Chairman (Mr Wells): Naomi, Mr McGuigan, and Alex will speak next, after which the proposal, as amended, will be put. We will not get into this issue too deeply. I suspect that we will not reach consensus, but we must get the issue out of the way.

Mr Poots: Can we go back to the original proposals? We were asked to suggest a composite proposal, and there were original proposals. Given the problem of gambling, and the desperate situations in which people find themselves as a result, why is there no support for a non-lottery fund for those who have serious gambling problems?

The Chairman (Mr Wells): If the composite proposal is agreed, the other proposals fall. If the composite proposal fails, I will ask the proposers of the original proposals whether they still wish their proposals to go to a vote. The original proposals have not gone away.

Mrs Long: The clarification that our party sought last week specifically concerned the headings and how they related to preparation for Government. That was the context in which we addressed the matter. We did not say last week that it was simply about unionist areas. I certainly contend that many members of society feel alienated from politics and from the society in which they live and have a lack of confidence in the political process. That goes much wider than the unionist community.

I want us to recognise that alienation, deprivation, disadvantage and lack of confidence exist in our community. It is important to do so. When I referred to both real and perceived situations, it was in no way to diminish the reality. Rather, it was to state that perception of disadvantage, deprivation and alienation can be just as strong a barrier to progress as the reality. I used the word “perception” in addition to “reality” to illustrate that, even where it is only a perception, the situation still needs to be addressed.

I would have liked us to recognise that such situations exist, and to agree that we could address those needs, perceptions and realities through evidence-based approaches to deal with need. I cannot see how that disadvantages any individual. However, I can see how focusing on a particular community will disadvantage other individuals. My proposal was not designed to diminish the reality and perception within the unionist community, but to ensure that anyone who feels alienated, deprived, disadvantaged or has a lack of confidence in our society is assured that those issues will be dealt with on the basis of evidence and need.

The Chairman (Mr Wells): Mr McGuigan.

Mr McGuigan: First, Mr Chairman, I allow you to call me Philip, if you so wish.

Secondly, we were not involved in the consultation during lunch. I am confused as to which proposal I am speaking to, so I will address Mr McCausland's proposal. Sinn Féin does not believe that lack of confidence, if it exists, is an obstacle to progress. Conversely, the lack of progress has resulted in a lack of confidence. It is for that reason, and because it suggests specific measures for one community over another, that we will not be supporting Mr McCausland's proposal.

Mr Attwood: To respond to Alan's point, the agenda item is headed "Confidence building", and the unionist parties will bring flavour to that. However, building confidence is a global agenda item and is not dedicated or relevant to the unionist community alone. As I said towards the end of the morning session, we could all have done what the DUP did today, but we chose not to in order to try to progress the work of this Committee and to reach some conclusions.

There is a view around the table that some DUP proposals are so specific that they go beyond what is balanced and reasonable for the development of today's discussion.

Although there are areas of real unionist need and perceived unionist need, it is not fair for Alan to say that we have to be prescriptive and sign up to the particular proposal suggested. At least four of the parties should work towards some sort of agreed proposal because there might be an agreed proposal that is different from—

1.00 pm

Lord Morrow: We have heard that a lot over the past few years.

Mr Attwood: It is to highlight the fact that there has been a sense of sectional interest rather than a broader interest around the table this morning. It is a pity that at least four of the parties cannot unite around a proposal with a broader interest that identifies unionist unmet need rather than on a proposal that appears to the SDLP and others to be sectional and deals only with perceived areas of unionist unmet need.

The Chairman (Mr Wells): We will move on to the proposals and amendments. Mr McGimpsey's proposal is the first to be considered. Do you wish to make your proposal formally?

Mr McGimpsey: I do.

The Chairman (Mr Wells): The proposal is that disadvantage within communities seriously undermines confidence in the political process within those communities and that this is particularly apparent in the unionist community. Do we have consensus?

Members indicated dissent.

Mr A Maginness: Will Mr McGimpsey leave out the last part of his proposal?

The Chairman (Mr Wells): Is that a suggestion to drop the reference to the unionist community?

Mr A Maginness: Yes.

Mr McFarland: I am sorry that people cannot refresh their memories by reading Hansard. We had a month and a half of discussions at which parties raised issues that troubled them and which they believed needed to be sorted out. Those issues were divided up into Monday, Wednesday and Friday meetings. I am sorry that the issue of confidence building was morphed into this wording. The original issue was raised by the UUP and the DUP — it was not raised by nationalism, and you can read Hansard and check that out. It related directly to a perceived lack of confidence within the unionist community.

We have now moved into a social discussion about disadvantaged communities, which is important, but it is not why the topic was on the agenda originally.

Mrs Long: I accept the reasons that the topic was put on the agenda. Nothing that I have said, or the removal of the last part of Michael's proposal, would diminish the reality. It would simply ensure that all need and disadvantage was dealt with on the basis of evidence of need and not sectional interest. That is the crux of the matter. It is not to deny that those issues exist within unionism; it is simply to say that they should be addressed on the basis of objective need. At the moment, it may be a problem for unionism, but at other times, it might be a problem for someone else, and agreeing the proposal could create feelings of alienation in others. Why should we be sectional in our approach? Why not look for a whole-community solution to a problem, which is not simply one for unionism? The lack of confidence within unionism being a barrier to political progress is also my problem, whether or not I am a unionist.

Mr McFarland: We were trying to identify issues that are major problems to setting up Government, and unionist confidence, in terms of the DUP and the UUP's going into Government with Sinn Féin, is a major problem. It was identified as such in all the initial discussions. Naomi is right: we have moved on to a different issue. However, we were discussing unionist confidence, and it seems slightly daft to have a proposal that does not refer to a topic that was on the agenda only because it related directly to unionism.

Mr Ferguson: Mr McFarland made the point that although Sinn Féin did not make this proposal, it could have made a similar proposal. Sinn Féin chose not to make such a proposal for the very reasons given by Alban and Naomi. Sinn Féin does not want to sectionalise or sectarianise the issue, which is why it focused on objective need. Naomi is right: if members push through the proposal, with the wording that they

prefer, they will increase the danger of further sectarianising the issue.

The bullying of the British Government into the Protestant task force and the subsequent allocation of £300 million caused great furore, and many nationalists perceived those actions as sectarianising certain poverty while ignoring their poverty. Sinn Féin rejected making a proposal such as this because it would only sectionalise and sectarianise poverty. Objective need, and addressing need wherever it exists, would be the best way forward, and that is how the Programme for Government operated under the previous Assembly.

The Chairman (Mr Wells): It is clear that we will not reach consensus on this. Mr Maginness suggested dropping the reference to the unionist community in Mr McGimpsey's proposal. Mr McGimpsey appears to be unhappy with that and, therefore, will not accept it. Mr Maginness can still make that proposal, but I suspect that it will not achieve consensus. Mr Maginness, do you want to make your proposal formally?

Mr A Maginness: Yes. I make formally my amendment to Mr McGimpsey's proposal, which is to drop the reference to the unionist community.

The Chairman (Mr Wells): Is there consensus?

Members indicated dissent.

The Chairman (Mr Wells): In the absence of any other attempt at a composite proposal, we move to the individual proposals. I will start with what I perceive to be the least contentious, and I will work towards what I perceive to be an interesting proposal from Ms Lewsley.

Lord Morrow: The nuclear option.

The Chairman (Mr Wells): Yes.

Mr McCausland's proposal is aimed at those groups whose principles do not enable them to claim National Lottery money. Is there consensus?

Mr Ferguson: No. I am not happy to agree this proposal without having seen the evidence base for it and its potential implications. For that very reason, I would not want to agree to something that could impact adversely on anyone. Even in council, we seek equality impact assessments for most of these types of proposal. Therefore, I would be —

Mr McGimpsey: On a point of information, Mr Chairman. This issue arose during the Golden Jubilee celebrations. I was the Minister responsible for the Golden Jubilee grant awards and I created a non-Lottery grant scheme. The scheme allocated substantial funds and it was supported not only by the UUP and the SDLP but by Sinn Féin. All parties in the Assembly agreed to the concept. Therefore, the precedent is there.

The Chairman (Mr Wells): Yes, but that grant scheme was for the Golden Jubilee specifically; it did not extend further.

Mr McGimpsey: The argument is about the principle: could there be non-Lottery funding? That principle has been conceded in the Assembly.

Mr Poots: I will explain this for those who live in caves and do not realise what is going on in the country. Many churches, for example, have not been able to benefit from the Heritage Lottery Fund. The fund distributes millions of pounds that help to retain much of Northern Ireland's architectural heritage, but many churches are not prepared to accept that money because they have specific issues with gambling, the problems that arise from it, and the lives that have been destroyed as a result of it. It is as simple as that. Some groups have serious issues with gambling and see the National Lottery as the first step to the problems that gambling causes.

Lord Morrow: There is something fundamentally wrong with a society that cannot protect the consciences of people, which is all that this proposal is trying to do.

The Chairman (Mr Wells): The only reason that I am allowing this issue to be debated is because it had not been addressed during the main discussion. Let us focus and not get bogged down on this particular issue.

Does that reassure the Sinn Féin representatives?

Mr Ferguson: I want to comment anyway. Mr Poots is well aware of my position on gambling. In Lisburn City Council I have put forward motions — for which I sought his support but could not get it — opposing the introduction of gambling facilities in my constituency. He is only too aware of how vociferous I have been on this issue. I welcome the clarification; it does reassure us.

The Chairman (Mr Wells): So it looks as though we will reach consensus?

Mr A Maginness: We see no problem with this. The only rider that I would add is that if we are trying to identify obstacles and impediments to restoration, I cannot see this issue being an obstacle or an impediment. Certainly, in the course of any restoration, such a scheme should be addressed and reintroduced.

Mr McCausland: Would it not be agreeable that, by creating an enabling environment, we might be able to look forward to such things?

Mr A Maginness: We are not objecting to it. We are simply pointing out that it does not appear to be a significant issue.

Dr Birnie: In response to Michael's query, a consultancy report was prepared for the Department for Social Development, which produced evidence of the problem to which Edwin referred.

The Chairman (Mr Wells): Do we have consensus on the proposal?

Members indicated assent.

Mr Ferguson: Would you like to strike the comment about the caves? I have to say that it was rather offensive.

The Chairman (Mr Wells): We now come to the issue of passports. Some individuals say that no evidence was produced. Mr McCausland, perhaps you would explain the modalities of what you are trying to do so that people understand the problem.

Mr McCausland: If people are wondering whether there is concern about this matter, they need only look at the letters page of 'The Irish Times' to see that it has been raised by a number of correspondents. There is no doubt that it is a genuine issue.

We propose that British passports should be available for those born in the Republic of Ireland since 1941. Currently, they are available only if people apply for British citizenship, whereas Irish passports are available automatically and at no extra cost for those in Northern Ireland who view themselves as Irish. It is an equality issue.

The Chairman (Mr Wells): Is that since or before 1941, Nelson?

Mr McCausland: Since 1941.

The Chairman (Mr Wells): Is that sufficient explanation for members?

Mr McFarland: Is it 1949 or 1941?

Mr McCausland: Since 1941.

Mr McFarland: The Republic of Ireland Act came into force in 1949. Is there something else that brings this back to 1941?

Mr McCausland: It is my typing, or someone else's typing.

Ms Lewsley: It is all coming out now.

Mr McCausland: I did not have my glasses yesterday; I could not see anything.

Mr McFarland: The Republic of Ireland seceded from the Commonwealth in 1949.

The Chairman (Mr Wells): Are members happy with the explanation?

Mr Attwood: It is not for me to argue the DUP point, but it does smell of interference in the affairs of another country. Given that, I think that the height of what could be agreed is that the Committee could request that the Irish Government consider the matter.

The Chairman (Mr Wells): Are you happy enough to amend the proposal?

Mr McCausland: No, it concerns British passports.

Lord Morrow: It is a matter for the UK Government, Chairman. It has nothing to do with the Dublin Government.

Mr Attwood: This is an inter-jurisdictional matter. I do not think that the British Government would act unilaterally. That is not the nature of the relationship or of the issue.

Lord Morrow: That is a way of saying no.

Mr Attwood: The matter should be referred to the British and Irish Governments, given that it is clearly —

Mr McCausland: It would be referred to the British Government, and they would presumably want to speak to others about the issue.

Mr Attwood: You are talking about people who live in the South, so some acknowledgement must be given to the Irish Government's role in this. The British Government may well say that they cannot accept —

The Chairman (Mr Wells): I cannot see this being a major obstacle on 24 November.

Mr McFarland: We could support it in principle without identifying who should deal with it.

The Chairman (Mr Wells): Does that have consensus?

Mr McGuigan: The specific requirements and needs of the people in the North — or the Six Counties — were made clear in the Good Friday Agreement, and they are different from those who live in the South. What came out of the Good Friday Agreement was necessary in relation to British and Irish citizenship for people in the South. On that basis Sinn Féin does not support the proposal.

1.15 pm

Mr Attwood: That is why this matter should be referred to the two Governments for their consideration. If there were a demand or a perceived need, the Irish Government might look at the matter positively, especially in view of the new relationships and the new political environment that have existed since 1984 or 1985. I am surprised by Sinn Féin's approach, because the nature of relationships was reworked with the Good Friday Agreement, as was the issue of identity, to some degree. Therefore that matter must be considered — not that one would want to be prescriptive about the outcome. There are people on this island who think that it is a matter that requires consideration. Should we not address their needs as well? I am surprised at the attitude of Sinn Féin. Can we agree that this matter should be referred to the appropriate Governments for their consideration?

The Chairman (Mr Wells): Would that gain consensus? Are members content that the matter be considered by the two Governments?

Mr McGuigan: I made my comments based on the proposal before me. Sinn Féin is content for the two Governments to have consultations, but it is not a major impediment to the restoration of the Executive and is not an issue in which the Executive or the Assembly should become engaged.

Mr McCausland: I will not be pedantic about the terminology. It is the principle that is important.

The Chairman (Mr Wells): Do we have consensus that the two Governments consider this issue?

Members indicated assent.

The Chairman (Mr Wells): The next DUP proposal concerns a fund for the border community: that the Preparation for Government Committee recognises the unique problems faced by some local communities along the border, which have suffered from a campaign of ethnic cleansing, and supports the development of a border fund to support those communities.

Mr Attwood: What is the proposal?

The Chairman (Mr Wells): The Preparation for Government Committee recognises the unique problems faced by some local communities along the border, which have suffered from a campaign of ethnic cleansing, and supports the development of a border fund to support those communities.

Mr McGuigan: The DUP is making deliberately provocative proposals that its members know have no chance of success. A number of important issues have been discussed today, and with some work and agreement we could proceed on them. However, this DUP proposal is deliberately provocative and has no chance of achieving consent.

Lord Morrow: He is not listening to what is being said; he is looking at who is saying it.

Mr McGuigan: That is not correct. I am looking at the use of such terms as “ethnic cleansing”, which are clearly —

Mr Poots: In County Fermanagh, in particular, many people were driven from their properties. The men of the households were shot dead, and, consequently, many people had to abandon properties and family farms that had been in their names for generations. Many of those people would like to return.

Mr McGuigan: Should the people of Ahoghill — an area that was ethnically cleansed last year — get special funding?

Mr Poots: I would expect the same courtesy to apply to everyone. Is there not an onus on us to allow those people who were driven from their homes at the hands of gunmen and terrorists to return to their property, and to help to facilitate their doing so?

Mr McGuigan: An unfortunate aspect of being an elected representative in North Antrim is that every week I encounter people who have been forced out of their homes. In the past week, there have been petrol-bomb attacks in Ballymena, and, last year, we suffered a horrific campaign of ethnic cleansing. We are happy to address those issues on the sensible foundation of addressing need where it exists without provocative language from the DUP.

Mr Poots: What is provocative about it?

Mr McFarland: We will not reach agreement on this proposal.

The Chairman (Mr Wells): Is there consensus on Mr McCausland’s proposal? I have not heard any comments.

Mr Attwood: It may be better to say that the Committee requests consideration of targeting resources at border communities to maintain border life.

The Chairman (Mr Wells): That is your amendment, which we will come to next, but do we have consensus on Mr McCausland’s proposal?

Members indicated dissent.

The Chairman (Mr Wells): We will move to Mr Attwood’s amendment to Mr McCausland’s proposal: that consideration be given for resources to be targeted to sustain border communities and enhance cross-border initiatives —

Mr Attwood: Enhanced initiatives where there are cross-border projects.

The Chairman (Mr Wells): Do we have consensus?

Members indicated dissent.

The Chairman (Mr Wells): We will not get progress on that issue.

The next proposal concerns universities. Several members said that they would oppose it. Have those members changed their minds?

Lord Morrow: What is the proposal?

The Chairman (Mr Wells): The proposal is that there should be work in universities to eliminate the chill factor for those from a unionist background. Do we have consensus?

Members indicated dissent.

The Chairman (Mr Wells): There is one issue remaining. Nelson, was your suggestion on youth provision a proposal?

Mr McCausland: No, it was tied in with the issue about the voluntary and community sector. It was highlighting the fact that there is a fundamental issue with alienation, and we have got nowhere with that.

The Chairman (Mr Wells): That gets rid of all the proposals, except the elephant in the room — I am sorry, that is a scurrilous remark.

Ms Lewsley: I could leave this Committee damaged from all the references that have been made about me.

The Chairman (Mr Wells): That proposal does not sit neatly with the discussions that we have had up until now.

Lord Morrow: Is it in order?

The Chairman (Mr Wells): It is in order: the Committee calls for the full restoration of the Assembly and its institutions, for Sinn Féin to support the rule of law and policing structures, and for the DUP to sign up to the institutions.

Mr McFarland: When the full Committee is reorganised, after the Monday, Wednesday and Friday teams have met, that proposal may come forward.

The Chairman (Mr Wells): That will not happen, Alan. Each strand will agree its own report.

Mr McFarland: Members have been standing in for colleagues, but the original members of the Committee will be required to sign off the report that is produced from the Monday, Wednesday and Friday teams.

The Chairman (Mr Wells): The deputies have the authority to sign it off.

Mrs Long: This is the main Preparation for Government Committee. It meets to discuss issues of equality, rights, safeguards and victims. It is not a subcommittee. There was only one subgroup, and that was the Subgroup on the Economic Challenges Facing Northern Ireland. Therefore this does not come back anywhere for ratification.

Mr McFarland: My point is that there is a subgroup report and there will be one report from the Preparation for Government Committee.

The Chairman (Mr Wells): There will be three separate reports from the Committee; I have seen the drafts.

Mr McFarland: Is that what was agreed?

The Chairman (Mr Wells): Yes. That is the only way in which it could be done. I will ask Patricia to come in because I am intrigued by the proposal. I am reminded of a famous Act of Parliament on shipping under King Henry VIII, the last line of which was: "I hereby divorce my fourth wife." The proposal seems to have been dropped in completely out of context, and I want to know what the rationale is.

Ms Lewsley: We are talking about confidence building on both sides of the community, and much of the lack of confidence comes from some of the parties around this table. That is why the proposal deals with

restoration. That is what people want to see: the restoration of the Assembly and its institutions. However, there are problems: Sinn Féin has not signed up to policing and the rule of law; and the DUP is not prepared to work the institutions and the agreement.

Mr Ferguson: I am happy to amend that, if the SDLP is prepared to withdraw its remarks on policing. It knows our position well. We would probably have achieved what we wanted on policing if the SDLP had not pulled out so quickly. If the SDLP is happy to withdraw the reference to policing, I am sure that the DUP will want to withdraw references to itself as well. The restoration of the institutions is an objective on which we could try to secure consensus.

The Chairman (Mr Wells): Why was it introduced at this point in the discussions?

Ms Lewsley: Because it is a confidence-building measure.

Lord Morrow: It is not a confidence-building measure. The role of the Preparation for Government Committee is purely to scope the issues; it is not to bring about the restoration of devolution. It is purely to identify the issues that are holding back the restoration of the Assembly. This proposal is to bring back the Assembly, and that is contrary to everything that we are discussing here.

The Chairman (Mr Wells): I will go round the parties.

Mrs Long: I do not believe that the proposal is out of context. It goes further than my opening statements that to restore confidence in the community as a whole we need an end to threats, intimidation and all paramilitary activity. I said that we needed a firm commitment from all parties around this table that they are building for government. We have not had that commitment; we have certainly not had a commitment on paramilitary activity. The proposal is not out of order, as it addresses the fact that much of the lack of confidence in our community does not just relate to either unionism or nationalism but to the vast swathe of people who have no confidence in the ability of their politicians to move the process forward. The way to address that is to show, in a concrete way, that we are committed to making progress.

Lord Morrow: With all due respect, Naomi, that is a different issue. If people do not have confidence in us, they can remove us at the next election.

Mrs Long: As it applies to Northern Ireland, progress includes building confidence in the political process and its ability to deliver for the community.

Mr McFarland: It is like motherhood and apple pie. However, there are a great many ifs: if the conditions are right, if we have identified all the issues, if the negotiations in October succeed and if Sinn Féin

supports policing. We have spent weeks discussing what might or might not happen in future. It is a wonderful aspiration with which one could not argue.

Ms Lewsley: It is a basic principle to which people could sign up.

The Chairman (Mr Wells): It would get good press coverage if it got through.

Lord Morrow: Now you are touching on the issue.

Mr A Maginness: It is not apple pie and it is not aspirational. It is very precise in what it proposes: that Sinn Féin signs up to policing is the first part of the proposal. All of us here, save for Sinn Féin, of course, see that as a serious obstacle to restoration. It is an impediment to restoration.

Hypothetically, if Sinn Féin were to say that it would sign up to policing and that it would do so today or tomorrow, a major obstacle to restoration would be removed in one stroke. How other parties would respond to that is a matter for them. However, if Sinn Féin were to sign up to policing, as people have been demanding, it would transform the political situation.

Equally, the DUP's refusal to give a commitment to work the institutions remains an obstacle to restoration. Most people — particularly the nationalist electorate — see the DUP as unwilling to work the institutions. However, if the DUP were to say that it was prepared to work the institutions, that obstacle to restoration would be removed. If the DUP committed itself today, and said that it would work the institutions under the agreement, the Committee would make political progress. Therefore, it is not an aspirational proposal; it is precise and would transform the political situation if it were passed.

1.30 pm

The Chairman (Mr Wells): I will take contributions from Mr McGuigan and Mr Poots, and then the Committee will vote on the proposal.

Mr McGuigan: With regard to the second part of the proposal, I understood that the PFG Committee is considering policing and justice in a separate format, and I presume that that version of the Committee will produce a report. Policing and justice should be left with that version of the Committee. As Michael Ferguson said, I am more than happy to outline Sinn Féin's position on policing: it is a very good position.

Mr A Maginness: The Committee is discussing confidence-building measures. The SDLP has identified two confidence-building measures: Sinn Féin's signing up to policing, and the DUP's committing to work the institutions under the agreement. They are short-term, but they are confidence-building measures. Nobody in this room could deny that if the two parties made those commitments, it would be a confidence-

building and -boosting measure that could transform the whole political situation.

The Chairman (Mr Wells): Mr Poots.

Mr Poots: Yes, thank you —

Mr McGuigan: I was not finished.

Mr A Maginness: It was an intervention.

The Chairman (Mr Wells): I am sorry. I thought that Mr McGuigan had finished.

Mr McGuigan: Another format of this Committee is dealing with policing and justice. However, Sinn Féin has a position on policing and would like to work through those issues to a successful resolution. That is the aim and objective of Sinn Féin. I agree with the first part of the proposal, regarding the political institutions. There was no reason or impediment for the institutions to be brought down in the first place, and the real lack of confidence exists because the institutions are not up and running.

I listened to this morning's discussions about unionist areas. First and foremost, if the politicians from the unionist communities want to act on behalf of their communities and want to address their very real needs, which, as in other communities, are caused by social deprivation, they should get the institutions up and running. After that, we can work to address the lack of confidence that exists across the communities.

Mr Poots: This amendment may deal with the issues that Alban raised: that the PFG Committee calls for all-party support for policing and justice, and for all parties to work fully with relevant authorities to end criminality and establish accountable, democratic structures inclusive of those committed to exclusively democratic and peaceful means.

The Chairman (Mr Wells): Let us go through the formalities. Do we have consensus on Ms Lewsley's original motion?

Members indicated dissent.

The Chairman (Mr Wells): Is there an amendment to Mr Poots's proposal in your name, Mr Ferguson? I was not sure whether it was meant to be moved.

Mr Ferguson: It is no more likely to go through than Ms Lewsley's proposal.

The Chairman (Mr Wells): Mr Ferguson's amendment was to delete references to Sinn Féin, the rule of law and policing structures. That would leave the proposal as follows: that this Committee calls for the restoration of the Assembly and institutions and calls for the DUP to sign up to the institutions.

Lord Morrow: Did he put the DUP bit in?

Mr Ferguson: We can take that bit out.

Mr McFarland: There is not going to be much left.
[Laughter.]

The Chairman (Mr Wells): What is left is: that this Committee calls for the full restoration of the Assembly and its institutions. Is there consensus?

Members indicated dissent.

The Chairman (Mr Wells): We are then left with an amendment by Mr Poots, which, I perceive, may not achieve consensus.

Ms Lewsley: Will the member read it out again, please?

Mr Poots: That this Committee calls for all-party support for policing and justice, and for all parties to work fully with relevant authorities to end criminality and establish accountable democratic structures inclusive of those committed to exclusively democratic and peaceful means.

The Chairman (Mr Wells): Does everyone understand that? Is there consensus?

Members indicated dissent.

The Chairman (Mr Wells): I heard a definite “No” from my left.

Lord Morrow: Is it the SDLP?

The Chairman (Mr Wells): Members know the rules. There is no consensus. Someone talked about four parties reaching agreement. That is academic, because there is still not consensus.

That brings us to the end of discussion on confidence-building measures. We now move on to culture, which includes the cultures of nationalists, unionists and the ethnic minorities. As usual, each party is allowed to give a five-minute presentation on the issue. I assume that all parties will deal with all three groups together, rather than take five minutes on each. Even though Sinn Féin has covered the issue partially in its earlier submission, it will be given an opportunity to speak.

Mrs Long: I will not need five minutes. Many issues impinging on culture have been dealt with in other strands, so I just want to give an overview.

Northern Ireland is changing. Our society is increasingly diverse and multicultural and, as we look today at dealing with our culture, we need to take account of that changing society and increasing diversity. The discussion will impinge on the balance between equality and rights. For example, we will also explore some issues around parading that we previously discussed.

There is no reason why culture should be divisive. Celebration of culture in a positive and stable political context should be an enriching experience for all — both those who share the culture and those who do not.

However, we do not have that political or social stability.

In Northern Ireland, culture has often been celebrated, used and abused in an aggressive and confrontational manner. Indeed, aggression has often been dressed up and rebranded as culture. Politicisation of flags and emblems and their use as territorial markers is an example of that; another is politicisation of language and the context and demeanour of parades and protests. It is not that those individual items and issues are invalid or do not have cultural merit; rather it is that they are often abused in our society and used as cultural weapons against others who disagree.

Issues around culture and confidence will not be fully addressed amid the continuing structural division in Northern Ireland — that will only happen when we work hard towards, and reach a point of having, some collective view of society, regardless of national aspirations and identities. At that point we will have a genuine and cross-cutting adherence to the notion that we have a single society and that we have to share space. In the context of cultural celebration, we will allow others to experience and express their culture, and we will have to experience and express culture in a way that is not aggressive.

This will only be fully addressed when issues around a shared future are fully addressed — that will be the crux of dealing with what has almost become cultural warfare.

Mr McCausland: As was said this morning, culture lies at the heart of creating a cohesive society. That has to be seen in the context of ‘A Shared Future’ and its vision of equity, diversity and interdependence — principles particularly appropriate when we examine cultural diversity, which is part of the cultural wealth of Northern Ireland.

I wish to begin by drawing attention to some aspects of Irish nationalist culture. Irish nationalism, whether in the form of nationalism or republicanism, is essentially cultural nationalism. The Irish cultural movement has always been essentially nationalist. When the Gaelic Athletic Association was founded in 1884, it was on the initiative of the Irish Republican Brotherhood, and it still remains the situation that trophies, grounds and clubs are named after Irish republican heroes, past and present. The constitution of the organisation also affirms its support for a united Ireland. That is an issue that needs to be addressed, and the DUP proposes that work be undertaken in collaboration with the Sports Council and the Community Relations Council towards that end.

The Gaelic League was founded in 1893. In 1914, Patrick Pearse said that it:

“will be recognised in history as the most revolutionary influence that has ever come into Ireland

... The Irish revolution really began when the seven proto-Gaelic Leaguers met in O'Connell Street."

Someone asked why language is divisive — people have been killed because of the Irish language. That drew me to the comments made by Sinn Féin at the point when it took the Irish language to the fore in 1982, after the hunger strikes. At one of its conferences, the Sinn Féin cultural officer said:

"I don't think we can exist as a separate people without our language ... every phrase you learn is a bullet in the freedom struggle."

Another speaker that day said:

"The armed struggle is the highest point of the cultural revival".

The gun and the Gaelic language were, in his mind, closely linked.

The statements appeared in a Sinn Féin publication, 'Learning Irish', which also stated:

"Everyone was agreed that there was a definite link between the National Struggle and the Cultural Revival".

Today, most republicans are more sophisticated and subtle in their approach, but they remain intolerant of cultural traditions that are not Irish and Gaelic. They continue to seek preferential treatment for Irish and Gaelic culture. Their concept of culture has been an assimilative one based on the concept of one island, one nation and one culture. One of the gurus of the Irish Ireland movement, D P Moran, said:

"The foundation of Ireland is the Gael and the Gael must be the element that absorbs."

In other words — and it is still the view of most republicans — they see everything being absorbed into a Gaelic Ireland identity.

On the other hand, the DUP believes in the 'A Shared Future' concept, which promotes equity, diversity and interdependence. Those principles are appropriate for culture. Diversity recognises the right of individuals and communities to determine their own cultural traditions and identity, whether they be Irish, Ulster Scots, orange or whatever. Equity relates to recognition, respect, resources and representation. Interdependence encourages shared learning and co-operation. However, that can only be taken forward on the basis of equity.

The Government approach over the years to cultural diversity in Northern Ireland has been extremely flawed. For many years it was based on a "two traditions" model that was equally flawed, and did not recognise the plurality that there is in Northern Ireland. In 1987, the Central Community Relations Unit (CCRU) was set up to undertake a Government programme for cultural diversity, and resulted in a briefing paper, drawn up in 1997 by the head of the unit, Tony Canavan. I shall

table a copy of the paper. In a Government briefing for the Minister — undated, though it was obviously written towards the end of 1997 — can be found what led to the content of the Belfast Agreement. It is clear upon reading the document that most of the strands of the cultural element of the Belfast Agreement came from it.

The irony is that, on one hand, Tony Canavan was saying to the Minister — who, I assume, at that time was Tony Worthington — that there was a problem with Irish, in that it had been politicised and needed to be depoliticised. I would certainly commend that. He then went on to say that he wondered whether the Government should do things at the beginning or the end — would Sinn Féin take it better if they got sweeteners at the beginning, or should the Government wait until the end to do nice things for them? In other words, should we use culture for political ends — as the Government was saying — or depoliticise it? There is an inherent inconsistency in the Government's position.

1.45 pm

The Government then said that there was another problem — Ulster Scots had emerged and they needed to find a way of dealing with that. They proposed a number of measures, which eventually found their way into the Belfast Agreement. All were based on the presumption that Ulster Scots would be played down and marginalised while the Irish language was mainstreamed. That is unacceptable because it gives preferential treatment to one language and one cultural tradition.

Cultural rights should be respected. The Council of Europe Charter for Regional or Minority Languages, the Framework Convention for the Protection of National Minorities and the United Nations Convention on the Rights of the Child all contain significant cultural provisions. Unfortunately, for many people in Northern Ireland, the requirements — particularly those with regard to the Convention on the Rights of the Child — are not being implemented. That is something I will return to.

As regards the European Charter, the Government are committed to taking proactive measures to promote the Ulster-Scots language in the same way as they are committed to taking proactive measures to promote the Irish language. The distinction is that Ulster Scots has Part II status under the charter while the Irish language has Part III status. However, Part II status is not to be seen as a hindrance — rather, it is a stepping-stone to Part III status, and there should be a positive programme of action by Government to take it forward on that basis.

I move on to the overall treatment of language in several areas and the associated and attendant cultures. First, there is the cross-border language body, which

has two strands — Foras na Gaeilge and the Ulster-Scots Agency. The distinction is that for every £1 that goes to the Ulster-Scots Agency to cover language and culture, £7 goes to the Irish language body. That is unacceptable.

Mr Chairman, do I have 15 minutes for the three elements?

The Chairman (Mr Wells): Technically.

Mr McCausland: That was my assumption, because there are three points.

The Chairman (Mr Wells): They are sub-headings. I will allow some latitude because you did not use your full allocation previously, but 15 minutes would be pushing your luck.

Mr McCausland: My assumption was based on last week's meeting, at which five minutes were allowed for each point.

The Chairman (Mr Wells): Clever folk ensure that their subsequent interventions last five minutes and they get their points in anyway.

Mr McCausland: It is to give some coherence.

The Chairman (Mr Wells): How much more do you have, Nelson?

Mr McCausland: Festival funding, which is a very contentious issue; education; and cultural tourism.

The Chairman (Mr Wells): I will have to ask members for their views on this.

Mr McCausland: I started on the assumption —

The Chairman (Mr Wells): I can see where the confusion arose, but if folk feel disadvantaged by this —

Mr McFarland: The position is that we have had two minutes from each party and we can take an hour if we want to discuss our own areas. That is how we have traditionally operated.

Mr McCausland: Presentations like that will lack coherence — points are linked to each other.

Mrs Long: I suggest that, within reason, we allow Mr McCausland to finish his points. It is more important that people have the opportunity to express their points than to stick rigidly to time, given that it is only 1.50 pm.

Mr McCausland: I will endeavour to be as quick as possible.

The Chairman (Mr Wells): On this occasion I can see how the confusion has arisen, but from now on I will explain clearly what is meant by sub-headings.

Mr McCausland: As regards culture in the classroom: we have a divided education system, with the controlled sector, the voluntary grammar sector, the Irish-medium

sector, the integrated sector and the Roman Catholic maintained sector.

Under the United Nations Convention on the Rights of the Child, all children are entitled to the same cultural rights. Articles 29, 30 and 31 of the convention make provision for children to be taught in school about the culture of the community they come from. That is a guaranteed international convention to which the United Kingdom Government are committed.

It is clear that that happens in the Irish-medium sector, because that is its cultural ethos, and it is also true in the Roman Catholic maintained sector. In an interesting article in 'Daily Ireland', commentator Jude Collins said that nationalists should want to hold on to the Council for Catholic Maintained Schools (CCMS) because it helps children to have an Irish view of the world and to imbibe Irish culture.

However, the one sector in which there is a weakness is the controlled sector, which has shied away from cultural identity. I argue strongly that we — and in particular the Department of Education — need to look at measures to tackle that problem. All children are entitled to the same rights. There should be guidance on cultural rights for distribution by the Department, and there should be resources to support the teaching of cultural traditions that are relevant to the child, including Ulster Scots. Appropriate elements should be incorporated into teacher training; in-service training; the training of school governors; inspection and monitoring; and information for parents and children about the rights of the child.

If that were done, every child in the controlled sector, whether from an Irish background, such as the pupils of Vere Foster in west Belfast, or from the Ulster-Scots or Chinese community, would be guaranteed its rights. It is an issue from which the Department of Education has thus far shied away. When the Department was asked to provide some funding for Ulster-Scots materials in schools, it refused to provide a single penny; however, it funds an entire Irish-medium sector. It was left to the Ulster-Scots Agency, which has only one seventh of the budget of the other body, to fund something that was the responsibility of the Department of Education.

I would like to give two examples of the fundamental issue. The question of funding for community festivals has been about for some time. Festivals such as those in west Belfast, Ardoyne and New Lodge have been given major funding. In 2006-07, the west Belfast festival was given £244,000; the Ardoyne festival was given £40,500; and the New Lodge festival was given £38,400. In explaining that away, the head of the Department for Social Development said that the funding awards were in response to representations from Gerry Adams MP on behalf of the west Belfast

festival and Gerry Kelly MLA on behalf of the Ardoyne and greater New Lodge festivals.

This happened after the Government admitted that there had been a problem with funding differences in the past, and said that a scheme was to be set up to which everybody would apply equally and from which everybody would get a fair deal. What happened when that produced its results? It did not suit certain people. The head of the Department said that it did not matter about the scheme or about equality or fairness: the two Gerrys got their act together, asked for funding and got it. In 2003-04, the west Belfast festival got £393,000 — in addition to another £100,000 for the other two festivals. At the same time, not one penny came to a unionist community festival in Belfast. That inequality creates resentment and alienation in the unionist community, and that needs to be addressed.

The Tourist Board has been extremely remiss in promoting cultural tourism; it has done very little to promote any cultural tourism other than Irish cultural tourism. Northern Ireland's cultural tourism, festivals and education system need the equality, diversity and interdependence to which the Government are committed. However, the Government's discrimination in favour of nationalist festivals in Belfast is an example of the fundamental problem that needs to be addressed.

Mr Ferguson: Earlier, I made the point that we had to adhere to the principles of full respect for and equality of civil, political, social and cultural rights and that all citizens needed parity of esteem and freedom from discrimination. There is a proposal to that effect before the Committee.

I want to pick up on a couple of points that Nelson raised, because it is worrying that his comments seek to demonise the Irish culture in its entirety. As a consequence of our historical and social development, native Irish people have resisted colonialism, occupation and oppression, yet Nelson somehow thinks that it is OK to demonise everything that has come out of the country as a result. That is poor. It is almost like saying that native Americans or people living in occupied countries during the Second World War were wrong to resist occupation and that the occupier had a right to demonise them.

We have made the point consistently that the only times when orange culture is not welcome are the few times a year when people do not want orange marches through their areas. The other aspects of orange culture are welcome, however, and we even encourage dialogue with local residents to reach an accommodation on marches. The implication of Nelson's comments is that he is demonising sports, dance, music and language, and that is very worrying. I do not ever remember the GAA taking thousands of kids off street corners at weekends and marching them, carrying hurley bats,

through areas where they were not wanted. It is amazing that Nelson makes such implicit comparisons.

Money is invested in festivals such as the Féile in West Belfast, at which one of Nelson's colleagues spoke last year and at which Michael McGimpsey's brother, Chris, spoke this year. Nobody would dispute the fact that that festival promotes the social economy, the economy of the Gaeltacht quarter, tourism, and so on. The festival aids regeneration, which is something from which we can all benefit.

Inclusivity is a fundamental aspect of the Irish culture. Naomi and others mentioned that Presbyterians supported and maintained Irish culture in the nineteenth century. We also know that orange marches through Catholic villages in the eighteenth century resulted in pogroms that left people dead. I am sure that Nelson would not support that now —

Mr McCausland: On a point of information, Chairman. There was no Orange Order —

Mr Ferguson: I will not give way at the moment.

As I said, we need to promote the principles of inclusion and respect for all cultures. We will most definitely support the proposal, and I hope that Nelson will see his way to supporting our proposals.

Ms Lewsley: The key culture and identity issues can be found in the requirements in the Good Friday Agreement for parity of esteem and for just and equal treatment for the identity, culture and aspirations of both communities. I hope that all parties can agree to that approach and create a partnership, thereby establishing the conditions for reconciliation, which includes the basic need for tolerance and respect for diversity. All parties should recognise that people have the right to identify themselves as — and to be accepted as — Irish, British, or both.

We are concerned that the commitments in the agreement regarding the Irish language have not yet been fully realised. For example, TG4 is still not available throughout the North, despite endless commitments being made that it would be. Furthermore, not enough is being done to implement the European Charter for Regional or Minority Languages. We would like that to be developed through an Irish language Act.

We also want more to be done to recognise other languages. In particular, I would like more recognition to be given to sign language. I commend Michael McGimpsey's role in his time as Minister of Culture, Arts and Leisure. Through his Department, he at least recognised the issue and tried to deal with it.

More must also be done to ensure that minority ethnic communities can access services, goods and facilities and that they are not excluded because of language difficulties. That is particularly important

considering the recent cuts in the education budget for English as a foreign language. Children from minority ethnic communities are often the key communicators for their families when visiting the doctor or even a local shop. Language is certainly a large barrier for many such people.

2.00 pm

We need to ensure that the North is a welcoming place for minority ethnic communities, which are growing significantly. That is why it is so important that we operate an inclusive equality agenda and extend the highest standards of equality protection to minority ethnic groups, using, as far as possible, the precedent of existing fair employment law.

Finally, we need a more sensitive approach to symbols. Those on public property, such as lamp-posts, should not be used to mark out territory or to intimidate. Public property belongs to all of us and should not be used for those purposes. We need living spaces with parity of esteem. When agreement cannot be found on that issue, neutrality should be the default position. That is why the SDLP proposes to make it a crime to fly flags from public property, except where that is authorised, following cross-community agreement.

Mr McGimpsey: I will start with the subject of ethnic minorities, which has not been discussed. We have seen a dramatic rise in the number of racist attacks over the past few years and a dramatic increase in the pressures and fears that ethnic communities live under in Northern Ireland. Those will continue to grow until we do something about the matter. At the very least, we need a proper cultural diversity strategy, properly budgeted and with widely agreed objectives, to deal with these issues.

There is also a need to use education to tackle the problem and to go into the schools and into the communities to discuss the issues. We know about reported racist crime and about attacks on ethnic minorities. However, we never hear about the low-level crime and abuse that is not reported — for example, where people have “Chinky” shouted at them as they walk down the street. They routinely suffer that sort of low-level abuse. Much of that should be dealt with through education. There is no use in making lists of the number of crimes and attacks unless we try to identify some of the solutions. We could talk about a strategy to deal with this, but that would produce only high-blown principles. We need to get closer to local communities. Although some efforts have been made, they really need to be budgeted properly and to have clear objectives.

As far as nationalist and unionist cultures are concerned, we have almost slipped into the shorthand of Ulster Scots for unionist and Irish for nationalist, and both those phrases are guilty by omission. When I

was a Minister, I discovered that a significant proportion of unionists/Protestants do not regard themselves as Ulster Scots. Indeed, there was initially a resistance in that section to Ulster Scots. There was much public criticism from prominent writers and broadcasters within the broad unionist community. That still exists. You cannot equate Ulster Scots with all unionists or all Protestants in Northern Ireland — far from it.

Ulster Scots has, however, an important role to play. The Ulster-Scots Agency was originally set up as a language body, but I took the view, as the Minister, that the culture was much bigger than the language. Ulster Scots had been ignored officially for generations, as Nelson said. Because the language was at a particular stage of development, there was a need to codify it and to write it down. That was one activity, but there was a broader cultural area for development, including cultural tourism. We took the view that the agency should promote not only the language but the whole culture and that it should not confine itself to the island of Ireland. It had to be much broader, not least because in Irish America there are some 40 million Americans who consider themselves to be of Irish descent, of whom 56% are Scotch Irish or Ulster Scots.

There was a huge diaspora that could be tapped into for a variety of issues, not least cultural tourism. In 2001, I took part in the first Ulster-Scots Day in Washington with John Laird. The Ulster-Scots Agency, which has had a number of hiccups along the way, has in recent times developed extremely well. In the early days we were beset by issues such as underspending and handing money back. That no longer happens, and a strong case can be made for increasing the budget and funding.

It is a similar situation with the Irish language. Foras na Gaeilge took over the former Bord na Gaeilge, so it had a ready-made infrastructure and a budget of over £7 million. It expanded and, with the Ulster-Scots Agency, comes under the cross-border body An Foras Teanga or Tha Boord o Leid, the all-Ireland body for Ulster Scots and Irish. The Irish language has progressed.

Irish and Ulster Scots are parts of a shared heritage for the people of Northern Ireland. There is much that both communities can gain from both languages; they are not exclusive. A draw a line cannot be drawn around Ulster Scots to state that it is only for Protestants and unionists. The same applies with the Irish language. There can be much cross-fertilisation and common identity, which surprised me. The Irish language continues to be strong and vibrant. It was codified generations ago, so it is at a much more advanced stage of development. Irish is dealt with in part III of the European Charter for Regional or Minority Languages, and Ulster Scots is dealt with in part II.

For those people who say that Ulster Scots is only a dialect and not a language, the European charter states quite clearly that Ulster Scots is a language. Ulster Scots is developing rapidly, and that should be strongly encouraged. Funding of the sector must also increase to the levels reached under devolution. When we took over, funding to Ulster Scots was around £100,000, and we increased that 16-fold. There were hiccups along the way when not all the money was spent, but the establishment of the infrastructure and the Ulster-Scots Agency brings huge potential for growth, which benefits everybody. There is a great potential for Ulster Scots and Scotch Irish in Irish America. If everyone from Irish America visited Northern Ireland just once, think of what that would do for tourism.

The Chairman (Mr Wells): Culture covers many issues, some of which we have already debated. There is the issue of parades, which had a good airing some days ago and, to a lesser extent, integrated education, which we have also debated. When members make their comments, I ask them not to rerun those debates. That will achieve absolutely nothing.

There are issues such as broadcasting, ethnic minorities, language and festival funding that are all entirely relevant and have not been addressed before by the Friday team. We have had the five presentations, and we are in the unusual situation of having a Minister's perspective. This is the only time that the Committee has heard from someone who was responsible for this aspect of Government. I suggest that we set aside an hour to debate the issue of culture.

Mr Poots: That would let you away for 3.30 pm.

The Chairman (Mr Wells): That is true. I have had a hint of a proposal from one group, and there is another proposal on its way, but so far there is nothing on the table.

Mrs Long: I want two points to be clarified. Ms Lewsley made a tentative proposal about making it an offence to fly flags. Flying flags on lamp-posts that are public property is already an offence. Planning permission is required to put up anything on a lamp-post, and most displays do not have that permission and therefore breach trespass and planning laws.

Party-political election posters are the only exception to the law that states that nothing should be attached to lamp-posts. To me, because such a law exists, the flags and emblems issue is not one of creating an offence; it is about how the existing law is enforced. I would prefer that it was not an enforcement issue, but that there was some kind of recognition that attaching flags and posters to public property is inappropriate. However, in the absence of such recognition, it becomes an enforcement issue, rather than a need to create a new law. I would like some clarification on the proposal.

Nelson referred to people's right to be educated in their cultures. It is important that people have that right, which they may or may not choose to exercise. However, Nelson went on to say how the Department of Education had refused to fund particular educational tools for Ulster Scots. We need to discuss prioritisation and what the Department can afford. Simply because a right has been acknowledged does not mean that funding will follow. For example, as there is no central library of material, it is often the case that blind or partially sighted children do not receive their textbooks in an appropriate format until months into their courses. Those people cannot communicate or be educated without those materials. Therefore, that need would be a higher priority than cultural education, and I suspect that the pressure on educational budgets may be the reason for the Department's withholding funding for Ulster Scots.

It is not say that people should be denied their right to a cultural education. Of course, they should not be denied that right. However, there needs to be a mature discussion on how funding can match the acknowledgement of people's rights and how far the fulfilment of rights can go in the overall priorities in budgets. We must be realistic about these issues because it could be wrong to castigate a Department for not funding a particular issue. Patricia referred to subjects such as English as a second language and the problems that they have faced, whereby children cannot access education. If we were to try to prioritise those subjects, we may find that there are higher priorities. That may have been the simple calculation made by the Department of Education. Therefore, we need to be careful that we do not prejudge the Department's attitude based on its actions due to its budget constraints.

Ms Lewsley: Naomi mentioned the proposal to make flying flags from public property a crime. I do not know whether I made this point, but Naomi was right to say that it is an enforcement issue. We go round the houses on this issue: the Department of the Environment blames the police, and the police blame someone else, and so on. It needs to be enshrined in legislation that a certain body or organisation will take control of the issue and move it forward.

My first proposal is that the parties accept the principle of parity of esteem and just and equal treatment for the identity, culture and aspirations of all communities.

The Chairman (Mr Wells): Patricia, will you repeat the proposal?

Ms Lewsley: That the parties accept the principle of parity of esteem and just and equal treatment for the identity, culture and aspirations of all communities.

Mr McFarland: That is in the agreement.

Mr McCausland: What does “aspirations” mean in this regard? It could mean a million things. We have already used the word about 10 times today.

The Chairman (Mr Wells): Will you read the last line again, Patricia?

Ms Lewsley: In the agreement, it says “both communities”, but because of multi-cultural diversity in Northern Ireland, it should be changed to “all communities”.

Mr McCausland: Are they political aspirations or cultural aspirations?

Ms Lewsley: I am referring to cultural aspirations: cultural identity and equal treatment.

Mr McCausland: If the context of the word “aspirations” was clarified and the word cultural was added, the proposal would be much clearer.

Ms Lewsley: The proposal refers to the “identity, culture and aspirations”.

Mr McCausland: Cultural aspirations?

Ms Lewsley: No, culture and aspirations.

Mr McCausland: The difficulty is that the word “aspirations” makes the proposal vague and harder for parties to support.

Mr Poots: Are both proposals being retained?

The Chairman (Mr Wells): There is a proposal concerning the illegality of flying flags on public property.

2.15 pm

Ms Lewsley: No, that was not a proposal for this Committee.

I have two further proposals, the first of which is that the parties recognise the right of people to identify themselves and be accepted as British or Irish or both, as they so choose.

Mr McFarland: Those matters are all contained in the Belfast Agreement and have been thrashed out by parties.

[Inaudible due to mobile phone interference.]

The flying of flags on buildings is fundamental to the constitutional question. It has been settled that Northern Ireland remains part of the United Kingdom until there is a vote to the contrary. However, attempts are consistently being made to dilute that position by suggesting the flying of two flags, or no flags, and by raising the question of neutrality. This Committee is starting to renegotiate the Belfast Agreement on such matters. We are here to identify the impediments to restoration. I do not mind members’ submitting proposals, provided they are likely to achieve some

consensus. However, if we start to rewrite the Belfast Agreement, we will achieve no consensus.

Mr Poots: We may not reach agreement, but if the SDLP wants to renegotiate the Belfast Agreement, the DUP is up for that.

The Chairman (Mr Wells): Patricia, do you have a further proposal?

Ms Lewsley: The SDLP’s second proposal is that the Committee agrees to recognise sign language along with other languages.

Mr McGuigan: I need some clarification. I have no problem recognising sign language, but it is probably not a matter for this Committee: it is an issue of equality rather than culture.

Mrs Long: There are cultural issues relating to sign language. Members of the deaf community consider sign language to be a cultural expression as well as a means of communication.

Dr Birnie: I have three points further to my colleague Michael’s comments on racism and race-related issues.

Why are we talking about race issues in the Preparation for Government Committee? Someone from outside the Committee may ask whether they are direct impediments to devolution — although they are hugely important. Perhaps it has been hinted at in the past few minutes of discussion, but the answer is that there is a danger in emphasising the two-communities model of the problems in Northern Ireland over the past four decades and in the extent to which policies in the Belfast Agreement, or any future agreement, perhaps neglect people who do not wish to define themselves within the “two communities”.

We should try to examine several myths relating to race and racism. On 10 January 2004, ‘The Guardian’ ran an article in which it was stated that Northern Ireland was:

“fast becoming the race-hate capital of Europe.”

In a subsequent article on 26 June 2006, the same newspaper dropped that “fast becoming” qualification, thus implying that Northern Ireland is now the race-hate capital of Europe. It is worth checking whether that horrendous allegation is true. As my colleague Michael rightly said, there has been a huge increase in racially motivated incidents, particularly over the past five years. The most recent figures show that in 2005-06, the PSNI recorded 936 racially motivated incidents in Northern Ireland.

The latest Home Office figure for racially motivated incidents for 2003-04 in England and Wales is 52,694. The figures may be unreliable, but they are the best and the most up to date that we have. However, the figures are significant. The population here is 1·7

million, and there are roughly 53 million people in England and Wales; thus, the rate of attacks per head of population in Northern Ireland is “only” half that in England — although, clearly, any level of racist attack or abuse is unacceptable.

Mrs Long: The allegation that Northern Ireland is the race-hate capital of Europe is not based on the rate of attack per head of general population, but attack per head of the ethnic minority population. The ethnic minority population is considerably lower in Northern Ireland than in England, but the rate of attack per head of that population is higher than anywhere in Europe.

Dr Birnie: I thank Naomi for her intervention. Statistically speaking, she is entirely correct. However, it is simply a product of the fact that the ethnic minority population here is one third or one quarter of that in England — although that is perhaps open to some dispute. On the basis of the same statistics, a member of the traditional or settled population here — or whatever phrase you want to use — is much less likely to be the perpetrator of a racist attack. I do not mean to be complacent about the situation here, but that puts it into perspective.

I want to mention briefly the obvious issue of how we respond to that level of racism. We could argue about how large the problem is, but there clearly is a problem, and it must be dealt with.

The Government introduced ‘A Racial Equality Strategy for Northern Ireland’ in July 2005, which is to be rolled out over 10 years. The first annual implementation action plan was published in April. All parties in a future devolved Executive should check on the implementation of that strategy to ensure that it is on track. Various non-governmental organisations (NGOs), from the business sector and from those represented by, for example, the Concordia umbrella group, have suggested the adoption of an inter-agency approach to ensure the proper treatment and integration of the growing number of migrant workers in the workforce — the numbers have increased by at least 16,000 in the past two years.

Earlier this year, the Electoral Commission pointed out the very low voter registration rate of about 40% for the ethnic minorities here. Of the 40% who registered, perhaps only half voted. Increasing that participation is a challenge for all our parties, including my own. The UUP is attempting to rise to the challenge by translating policy statements on the party website into at least eight overseas languages. We have also lobbied on the “English as an additional language” issue, which was mentioned earlier.

The increase in the temporary or migrant worker population has wider social and, ultimately, political significance in many areas, including housing. A policy area to which my party — like others — is

committed involves houses in multiple occupation (HMOs) and housing stress. We support the move towards a cap on the maximum percentage of houses in an area that can, or should, be HMOs, although we wonder whether the current capped rate of 30% is too high.

Mr McCausland: I will first turn to the issue of identity.

My difficulty with the SDLP’s approach is that it misses the emphasis on the multi-layered nature of identity. The phrase “British, Irish, or both” was used. There may be people who wish to be British and Ulster Scots, or British and Irish, or whatever combination. Identify is multi-layered. We have a series of identities — cultural, national and regional — and people should be able to pick and choose. The Committee is dealing with cultural identity, and the DUP’s view is that all cultures should be treated on the basis of equity, diversity and interdependence. The Government are already committed to that, and society should be committed to it, in that people have signed up to a shared future.

On the issue of education, and the cost of providing what I talked about: it is not so much a question of money as a question of commitment. The Department of Education should initiate a programme of work to ensure that the cultural rights of children, as set out in the United Nations Convention on the Rights of the Child, are fulfilled. The inspectorate does not monitor that, and after 18 months of meetings with the Department of Education, the DUP is no further forward in getting any understanding on it.

Simply producing guidance for schools, governors, teachers and colleges about what it means, the cost of which would be minimal — a few thousand pounds and a few postage stamps — would be a major step in that direction. In the context of the budget of the Department of Education, the level of funding required to produce an information pack would have been minuscule, but in the context of a cross-border body — the Ulster-Scots Agency, which at the time had a budget of only £1.7 million — it would have been a major amount of money. It is not a question of prioritising: there is no need to prioritise, as it is not a budgetary issue. It is an issue of commitment and awareness.

I want to highlight another issue — a reserved matter — that illustrates the problems we face. In 2004-05, there were 5.47 hours of Irish-language broadcasting on television and nothing in Ulster Scots; on the radio, Ulster Scots got 6.7 hours at a cost of £28,490, and Irish got 260.58 hours at a cost of £240,000. There is an issue about the commitment of radio broadcasting. The DUP asked for a half-hour

programme once a week on the radio, but even that could not be delivered.

Mr McCarthy: Is Ulster Scots in a catch-up situation? Nobody knew about Ulster Scots for years, and as a result there was a lack of funding. When the Assembly wanted to employ someone as an Ulster-Scots interpreter, it could not find anyone. That may be moving forward, but it should be taken into consideration.

Mr McCausland: Mr McCarthy's point is valid in that Ulster Scots is lagging behind, and people are trying to move forward fast on the issue. However, there must be a commitment to catch up. We should not be in a position where the spending ratio, which was £1 to £7 several years ago, is still £1 to £7. There should be a programme over a limited period — five, six, seven years or whatever — to move towards equality. However, there must be a commitment and a timescale.

I found it utterly intolerable that the Government set up a pilot scheme for festivals and set aside money, and then ran a coach and horses through it.

I was amazed by Mr Ferguson's comments about the demonisation of the Irish language. The only people who demonise the Irish language are those who say that it is another bullet in the struggle for freedom. Those people demonise the language because they corrupt it and abuse it for political ends.

2.30 pm

I propose that we ask the Department of Education to initiate a programme of work to ensure that the cultural rights of children, as set out in the UN Convention on the Rights of the Child, are implemented and monitored across all school sectors. The proposal does not make a distinction between children's cultural identities. They could be Chinese, Japanese, Ulster Scots or Irish. That is a matter that is determined in children's homes. I hope that that proposal is sufficiently inclusive to cater for the requirements of all parties.

A proposal on flags was suggested earlier. We propose that, as part of the contribution to a shared future, the GAA be asked to work with the Sports Council and the Community Relations Council to ensure that Gaelic sport is depoliticised.

Mr McFarland: Culture can be a confusing issue and one on which, as Dermot said, we in Northern Ireland are prone to navel-gazing. We do not have a good knowledge of our history. Republicans have a unique version of history. It has a go at the Brits and the English. It airbrushes unionists out of the equation as Irish people who have become a bit confused but who will eventually come round. It ignores history.

For a long period of our history, the north and east of the island of Ireland formed part of the "Kingdom of the Isles". The kingdom also included Scotland and was ruled by Somerled, who was of Celtic and Norse descent. Ireland could not be travelled easily because of its forests and bogs, so people moved around by sea. If a big ring were drawn around the north of the British Isles, it would encompass the kingdom of the isles.

A series of events followed, culminating in the plantations. Several eminent families came across from Scotland. For example, the Adamsses, a famous family from the Scottish lowlands, came across, as did the Hume family and, indeed, the Fergusons. They were all lowland Scots. What has become of them? Some have become Irish republicans or prominent nationalists. That is confusing; that was not supposed to happen. Culture is supposed to be simple. I am afraid, however, that it is not.

The Scots-Irish went to America, where they formed the backbone of the army that fought against the English in the War of Independence. That does not make sense: we are Ulster Scots — we do not fight the English. We led the American War of Independence. George Washington is on record as saying that if all went wrong, he would take his last stand with the Scots-Irish in Virginia. That does not compute with our current understanding of culture here. There have been many American Presidents of Irish descent. Traditionally, people from Southern Ireland have left these shores for America and have contributed to the country that it is today.

Anglicans — Church of Ireland people — led the great Gaelic revival. Presbyterians were the saviours of the Irish language. There simply would no longer be an Irish language if Presbyterians had not, in the 1840s, decided to keep it alive. Sam Maguire, whose name is on Gaelic football's all-Ireland championship cup, was a Prod. It is not supposed to be like that. Culture is confusing and not at all straightforward.

Mr McCausland: Will Mr McFarland take a point of information?

The Chairman (Mr Wells): About Sam Maguire?

Mr McCausland: He was also a terrorist, and he was the intelligence officer for the Irish Republican Brotherhood who helped to ensure the assassination of Sir Henry Wilson.

Mr McFarland: Even more confusing, Chairman.
[Laughter.]

Mr Ferguson: That is who he was referring to earlier.

Mr McFarland: Prods are not supposed to do that. Culture is not simple; it is confusing. However, we tend to parcel it up with such things as the purity of

being Ulster Scots, unionist or Protestant, or Catholic, nationalist or republican. It is confusing.

People are beginning to vote with their feet on this. Tribal attitudes are losing the battle, and young people are going their own way. Young people are voting with their feet, and church attendances are dropping dramatically in the Irish Republic and in Northern Ireland.

I was interested in a recent incentive set up by the Irish Government, in which €300 was offered to any family who would go to live in the Gaeltacht in Galway. Nobody wants to live there, because young people want to speak English.

There is common culture developing, but it is not culture as we know it. Everyone in Dublin watches the same television programmes that we watch, and which people in Scotland, England and Wales are watching. That is where young people are getting their culture. Young people in Dublin are not wearing Shelbourne football shirts; they are wearing Manchester United or Liverpool shirts. Common culture is taking over. Young people are not singing Irish, Scottish or any other tradition's folk songs. In every country across Europe — or, it could be argued, across the world — people are listening to the same music on their iPods. Most young children are not interested in culture.

With the advent of air travel, the great navel-gazing attitude that we have about whether we are Ulster Scots or Irish and what passport we have is irrelevant; our children are winging in and out of Thailand and the Far East, and are travelling to Australia and around the world. Shortly, local culture will not be important. One might think that that is an argument for keeping the Irish and Ulster-Scots traditions alive. Before long, most people in the country will not be interested.

It is important that we keep the cultures going, but we should not be so neurotic about it, because it is not the issue to most people in our community that it is to politicians and the political parties.

The Chairman (Mr Wells): Who will follow that? Philip McGuigan?

Mr McGuigan : I will follow that, and I will attempt to be brief. I am no great cultural historian. I listened to Nelson talk about culture and equality in the same terms, and he went on to use 10 of his 15 minutes to castigate Irish culture and the GAA. At this point I should declare an interest, as I am a member of the GAA — a fine organisation that does a lot of good in helping to facilitate communities.

The Chairman (Mr Wells): That is a useful point. Is anyone else a member of the GAA?

Mr McCarthy: I am an active playing member of Ballycran.

The Chairman (Mr Wells): A playing member or a paying member?

Mrs Long: It depends on how short of people they are. *[Laughter.]*

Mr McGuigan: Young people are voting with their feet. Anybody who is trying to get a ticket for the all-Ireland hurling final this Sunday will know how difficult it is, because young people are clamouring to get to those games. The objective of this Committee is to bring forward recommendations or proposals to prepare for Government.

We are never going to agree on the different aspects and specifics of this matter. I would like us to come up with a broad sentiment that encompasses all of this. As my colleague has said, and as was previously negotiated in the Good Friday Agreement, it should allow respect for, and adherence to, the principles and equality of all people's cultures and their culture rights. The specific issues can be dealt with by an Executive when it is set up. We could go round in circles attacking various parts of other people's culture; however, it would be more productive to come up with a broad principle on which we can all agree and move forward.

The Chairman (Mr Wells): Everyone has given this a reasonable airing. We shall now go through the proposals, of which there are quite a few.

No one explained where the Lewsleys came from. I was listening to Mr McFarland, but he did not explain where that name came from.

Ms Lewsley: I do not know. I only married into them. *[Laughter.]*

Mrs Long: Although it has been an interesting discussion, I am not sure that it is taking us in any particular direction. What we have noted is that identity, if separated out from culture, is a complex issue; it is multilayered, and people have the right to define their own identity. That is a basic point of principle with which I agree, and it is something that we have been pushing in other strands of this discussion. People have the right to define their own identity and not be pigeonholed.

Something interesting has arisen from our discussions on these matters in the context of preparation for Government. First, let us examine our society and its changing nature; not only increasing diversity due to immigration, but the changing nature of the people who live in society, their expression of their own identity and their exercise of the right to do that. There has to be some recognition that the current political structures, which are built on a "two communities" model, are not a long-term solution to the tensions and divisions in our society.

We do not believe that there are two mutually exclusive communities in Northern Ireland. It is clear

— by everything that has been said here — that the amount of interplay and interaction, change and redefinition, proves that there are not two mutually exclusive communities which have no contact, no intermingling and no cross-contamination — whatever way you want to put it. We must get real, because in previous weeks we strayed into issues on which people were being accused of being racist. Members disagreeing, for example, with a nationalist or unionist perspective were using the term ‘racist’. Today we are arriving at the realisation that that is a falsehood, that that is not the case, and that people can have different opinions, but it is not a collective block.

The second important point is that when we examine models for governing society — the constructs that we set up, whether for festivals, funding, cultural expression or whatever else it might be — those need to be robust and flexible enough to deal with changing society and changing identities in society. Some of this discussion has been useful in clarifying how dangerous it is for us to get locked into a “two communities” mode of thinking and a “two communities” form of words.

That moves me on to the proposal put by Patricia Lewsley, which contains the phrase “parity of esteem”. It is the form of words — not the principle behind it — that we would not support. “Parity of esteem” is a loaded term and is one with which we are not comfortable. It is a construction based on the premise of “separate but equal”, which as a party we do not adhere to or accept. If the phrase “parity of esteem” were removed we would be happy with the overarching theme of the proposal.

Identity is complicated and difficult. It is interesting, but it is not a barrier to people’s working together. People’s cultural identity and expression should not be a barrier to their working together. If we spent as much time and energy considering where we are going and what kind of society we are becoming as we do belabouring the issue of where we have come from and what we have been, we would be a much more aspirational, confident and welcoming society. We need to focus on culture and identity, not simply looking over our shoulder, but looking to a future that offers plenty of opportunities for people from a range of different backgrounds.

The Chairman (Mr Wells): Can members set aside the spectre of Kieran playing GAA and move back four hours — not forty years — to Mr Ferguson’s original proposal that Irish speakers should have the same rights as Welsh speakers in Wales and Scots Gaelic speakers in Scotland, that there should be an Irish language Act, that the British Government should ratify the Council of Europe Charter for Regional or Minority Languages, and that the Government should issue publications in Irish. Those are four separate issues.

Mr Ferguson: I had it down to three issues, because I put it down in three paragraphs.

The Chairman (Mr Wells): Could we have it in English?

Mr McCausland: I cannot understand any reference to ratifying the European Charter. It was ratified years ago.

Mr Ferguson: Let me explain, and then you can disagree.

The Chairman (Mr Wells): Perhaps you would read it out.

Mr Ferguson: We proposed an Irish language Act — go raibh mo leithscéal — with language rights incorporated into a bill of rights, and overseen by the appointment of an Irish language commissioner.

We also proposed that the British Government ratify the additional clauses of the Council of Europe Charter for Regional or Minority Languages through the promotion of the language in public life.

Finally, we proposed that the British Government and Departments communicate through the medium of Irish when requested and make their publications available in Irish.

The Chairman (Mr Wells): I will take those issues as a whole.

Ms Lewsley: I would like clarification on the final issue. Is Mr Ferguson saying that the British Government and Departments should communicate through the medium of Irish “when requested”?

Mr Ferguson: Yes.

The Chairman (Mr Wells): Do we have consensus on the proposal?

2.45 pm

Mr Ferguson: I wish to make one final point. I am concerned about the point that Nelson raised in relation to the failure to fund Ulster-Scots projects. Michael McGimpsey said that the Department of Culture, Arts and Leisure had increased the budget sixteenfold, but it could not be spent. It is appalling that the demand was not met. I would be equally appalled if it was the Irish language, and I would protest that fact. You would have my full support on that. If there is a genuine demand for it, it should be met.

Mr McFarland: The Belfast Agreement set out systems that were put in place regarding language and bodies, and those are the forums within which those issues are discussed and developed. I am not sure why we are bringing up the issues in this forum.

Mr McCausland: The weakness is that the Belfast Agreement gave eight solid commitments to the Irish

language and none to Ulster Scots; it merely recognised it.

Mr McCarthy: Ulster Scots was in there, because I remember going back to the Good Friday Agreement and including Ulster Scots in it.

Mr McCausland: There were eight commitments, including TG4 reception, but Ulster Scots only got a mention. In fact, the civil servants who drafted the document were clever enough not to use the word “language”, so that they could revert to the dialect argument. The issue has moved on from the Belfast Agreement.

Mr McFarland: It has moved on, but wheels were put in place to take this forward. There is an Ulster-Scots Academy, many bodies deal with Ulster Scots, and it has received funding. However, the development of languages should be taken forward within those groupings that have been set up in the agreement.

Mr Ferguson: I had recent cause to bring the Irish language sector group to meet the direct rule Minister of Education, Maria Eagle, because since the collapse of the institutions there has been a clear rollback in meeting the commitments that were signed up to in the agreement. That includes the responsibility of the Department of Education to pick up on Foras na Gaeilge commitments after five years, which it failed to do. I had to bring Comhairle na Gaelscolaíochta and Forbairt Feirste to meet with the Minister recently about a range of development commitments that the Department did not meet. There are major areas of concern, and we include this simply because it is about confidence building and reinforcing what was agreed to, but which many civil servants are rolling back on.

Mr McFarland: It is difficult for me to agree because I do not know enough about it.

The Chairman (Mr Wells): Yes, but Alan, you are reopening the debate. The only questions that I can accept are those seeking clarification of the wording of the proposal. It is quite clear that people understand the proposal. Is there consensus on the proposal?

Members indicated dissent.

The Chairman (Mr Wells): The answer is clearly “no”, so we shall move on. I suggest that we move to Patricia Lewsley’s proposal on sign language, which I regard as a less contentious issue. Let us get that out of the way before we move on to more difficult issues.

The proposal is that the Committee agrees that the same recognition should be given to sign language as to other languages. Is there consensus on that?

Mr McCausland: We need some clarification on that.

Ms Lewsley: I would like sign language to be given the same recognition as Ulster Scots and Irish.

Mr McCausland: Could I ask for clarification? The European Charter for Regional or Minority Languages contains requirements and conditions as to what constitutes a regional language and a minority language. Does sign language meet those requirements?

Ms Lewsley: My understanding is that that situation has changed because the charter mentions lesser-spoken languages and does not recognise sign language as a spoken language.

Mr McFarland: Chairman, sign language is not a language; it is a way of communicating in English or Irish for people who cannot speak.

Ms Lewsley: It is still a language; it is how people communicate with each other, and it is not specifically —

Mr Ferguson: It is also a disability issue.

Mr McFarland: Traditionally, it has been a health issue. I agree that it must be dealt with, and I have been involved in championing the issue in the past when I was health spokesman for my party. It is an issue of equality that must be dealt with and should be given funding. However, I am not sure that sign language can be put into the category of the European charter as a separate language within the understanding of European law.

The Chairman (Mr Wells): Patricia, what is your point of view on that?

Ms Lewsley: I would like it to be put it to the vote. People can support it if they wish.

The Chairman (Mr Wells): Patricia has listened, and she still wishes to put her proposal to the meeting. Is there consensus on Patricia’s proposal?

Mr McFarland: If you were to change the word “language” —

Ms Lewsley: It is called sign language. What do you want to call it?

Mr Ferguson: This is an issue, Alan, because, as you know, people who want to be trained in sign language have to go to England. It is a cross-cutting issue.

Mr McFarland: I am fully supportive of the need to have signing trainers here. That is a disability and rights issue. I am a bit worried because we have suddenly lumped it into the middle of culture and European legislation on languages. I understand the problem, but we are in danger of dealing with it in entirely the wrong format.

Mr McCausland: By going down a road that is unclear, there is a danger of our not actually helping people. I have a fair amount of knowledge of the European Charter for Regional or Minority Languages; I have been working on it for years. If you look at the requirements of the charter, and what it seeks to do, it

does not meet the needs, aspirations and requirements of that particular community. They would get something that would be of no value to them, and that might not even be capable of implementation.

An amendment about adequate provision would be universally agreed. Whatever is required should be provided — I think that you would get absolute unanimity on that. That would have meaning. To tie this matter into the charter is —

Ms Lewsley: The big message that I am getting from the deaf community is the need for recognition of sign language. That community believes that sign language does not get the same recognition or priority as Irish or Ulster Scots.

Mr McCausland: The problem with that is that much of the charter's work on Irish and Ulster Scots is to do with developing a text base or developing dictionaries. That is about language planning. That is not an issue, as far as I am aware, for sign language. Therefore, I suspect —

The Chairman (Mr Wells): We are getting into a debate.

Ms Lewsley: We can change the wording of the proposal to “the recognition and provision for sign language”.

Mr McCausland: Yes. Just do not mention the charter.

Ms Lewsley: I did not mention the charter. I have not mentioned it.

The Chairman (Mr Wells): Do we have consensus on that? Can you read the amended proposal, please, to refresh our memories?

Ms Lewsley: The proposal is that the parties agree the principle of greater recognition and provision for sign language.

The Chairman (Mr Wells): Is everyone happy with that?

Members indicated assent.

The Chairman (Mr Wells): Patricia proposed that the Committee recognise the rights of people to identify themselves and be accepted as British, Irish, or both, as they choose. Is there consensus on that?

Mr McFarland: That is written into the Belfast Agreement.

Ms Lewsley: But not all parties around this table agree to the Belfast Agreement.

Mr McFarland: But hopefully they are about to, if we can quietly shuffle this through to the autumn.
[Laughter.]

Mrs Long: That is a huge assumption.

Mr McCausland: We are dealing today with culture. We are not dealing with political aspirations. The word “aspiration” was unqualified; therefore, I personally could not agree to that.

The Chairman (Mr Wells): The word “aspiration” actually is not in the proposal, Nelson: the proposal is that the Committee recognise the rights of people to identify themselves and be accepted as British, Irish, or both, as they choose.

Mr McFarland: Or neither, Chairman.

Mrs Long: Chairman, that is exactly the point that I was going to raise. Human rights law protects the right not to be associated with any national minorities. If people can be British, Irish or both, you must accept that they can also be neither. In fact, it may not be helpful to specify those two particular identities.

Mr McCausland: If we are dealing with culture, could we add “and Ulster Scots”? That is a cultural identity. We are dealing with culture, not nationality.

Mrs Long: That is why I was suggesting that it would not be helpful to start to be specific in this way. If we specify “British, Irish, Ulster Scots” then we can start again and look at Chinese, Japanese, etc. Where does the list end? Can we not simply accept that people have the right to define themselves?

Ms Lewsley: I withdraw the proposal. It is not worth the hassle. It is getting too late on a Friday afternoon.

The Chairman (Mr Wells): Patricia has withdrawn the proposal. Her next proposal is that we accept the principle of parity of esteem and of just and equal treatment for the identity, culture and aspirations of all communities.

Mr McFarland: It is not at all clear what that means. Those of us who were in the discussions leading to the agreement spent months on this.

Ms Lewsley: Just put it to the vote.

Mr McFarland: It was very carefully crafted so that everybody could live with what was in it. If we are now trying to tie stuff down we will have to tease out the detail of what it means.

Ms Lewsley: There is no consensus on it.

Members indicated dissent.

The Chairman (Mr Wells): We have several more proposals from Nelson. First, that this Committee requests that the Department of Education initiate a programme of work to ensure that the cultural rights of the child as set out in the UN Convention on the Rights of the Child are implemented and monitored across all sectors.

Mr McFarland: What does that say, Chairman? What is it about? What are the rights? We have not had

a discussion on what we are actually talking about here and I am unsighted, being a —

Ms Lewsley: Can I just ask for clarification? Part of the problem for me is that the Government often sign up to UN conventions and never follow them through. They agree and make a commitment, but in reality it never comes to fruition.

Mr McCausland: Article 29 says:

“States Parties agree that the education of the child shall be directed to ... the development of respect for the child’s parents, his or her own cultural identity, language and values”.

Article 30 provides that:

“In those States in which ethnic, religious or linguistic minorities or persons of indigenous origin exist, a child belonging to such a minority or who is indigenous shall not be denied the right, in community with other members of his or her group, to enjoy his or her own culture, to profess and practice his or her own religion, or to use his or her own language”.

Article 31 reads:

“States Parties recognize the right of the child to rest and leisure”.

However, it is the second paragraph of that article:

“encourage the provision of appropriate and equal opportunities for cultural, artistic, recreational and leisure activity”.

which says that children in all sectors of primary and secondary education should have an equal right to access the culture of the community and the home from which they come as well as the wider culture of the community, so that there is a certain element of cohesion and no fragmentation. It should be applied equally to all children. The British Government have signed up to it, therefore we are simply asking that it be monitored and implemented.

3.00 pm

Mr McFarland: Is it an education or a cultural issue?

Mr McCausland: It is a cultural issue.

Ms Lewsley: The Department of Education would take the lead on it.

Mr McCausland: It also applies to youth clubs, and so on.

Mr McFarland: What are we calling on them to do?

The Chairman (Mr Wells): To initiate a programme of work.

Mr Ferguson: To monitor and evaluate the implementation —

Ms Lewsley: — of something they have signed up to.

Mr McCausland: We are asking them to implement the requirements. In other words, we are asking them to deliver what they have promised but have not yet done.

Mr McFarland: We had several days of discussion on socio-economic rights and a long discussion about bills of rights and about what is deliverable. It is one thing to have a right, but whether that right is fulfilled will depend on the politicians’ ability to provide the money. It strikes me that we are saying that if, for example, someone’s medical treatment costs £10,000 a day and there is a right to it in law, the Government must provide it.

Ms Lewsley: It is not as simple as that.

The Chairman (Mr Wells): Nelson has explained it. Members understand the proposal. Is there consensus?

Members indicated assent.

The Chairman (Mr Wells): The next proposal from Nelson is that the Committee ask the GAA to work with the Sports Council for Northern Ireland and the Community Relations Council to ensure that Gaelic sport is depoliticised as part of its contribution to a shared future. It is pretty clear what that means. Do we have consensus?

Members indicated dissent.

The Chairman (Mr Wells): That completes Nelson’s proposals.

We have a proposal from the Sinn Féin group that we respect an adherence to the principles of equality for all.

Ms Lewsley: That is not a cultural issue; it is an equality issue. We agreed a proposal on that last week.

The Chairman (Mr Wells): I read it out as it has been mentioned.

Mr McCausland: Can I put an amendment to that?

Mr McGuigan: I was not making a formal proposal. It was a suggestion that we reaffirm what is in the agreement.

The Chairman (Mr Wells): It was noted just in case you meant it as a proposal.

Mr McFarland: It will be in Hansard.

The Chairman (Mr Wells): As far as I am aware, all proposals have been dealt with.

There are three issues that we have to get out of the way today. The first concerns the DUP. On 11 August, I chaired the meeting at which the DUP made a proposal to split the Parades Commission’s functions in order to create a mediation body and a determination body. The issue was discussed but the proposal was not put. The Committee received copies of the proposal to consider, but the matter never actually got to the

decision stage. Does Nelson wish to put the proposal to the Committee now and invite members to consider it?

Mr McCausland: The current arrangement has a number of flaws. One is that there is clearly a conflict between the ethos of mediation and the ethos of determination. It would facilitate progress on the issues of parades and protests if the two aspects, which are currently set into one body, were separated.

The Chairman (Mr Wells): No views have been expressed on this. The question is whether the Committee wishes to take up the proposal. We have to make a decision today or it will be too late to get it into the report.

Mr McFarland: The UUPAG broadly supports the proposal, although we would go further in that the Parades Commission has lost the confidence of the community and should be removed. We would replace it with a mediation system and a tribunal, so my party would modify the proposal.

The Chairman (Mr Wells): The only decision we can take today is whether to take forward the DUP proposal.

Mr McCausland: It is a question of semantics. The UUPAG proposal is the same: separation of function is the core element.

The Chairman (Mr Wells): Naomi, you indicated that you did not agree.

Mrs Long: We proposed having further discussions because we thought that there might be merit in splitting the two functions for reasons that I outlined at the time. However, it is being suggested that there should be two separate bodies. We do not believe that that is necessarily a viable way forward so we would agree with the proposal. We believe that there is merit in examining a split between the determination and arbitration functions and the mediation function.

The Chairman (Mr Wells): Do we have a consensus?

Members indicated dissent.

The Chairman (Mr Wells): Two parties are not happy with the principles. That is that out of the way.

At the meeting of 18 August, the Committee agreed to defer a decision on a law-and-order issue. The issue was whether the Assembly might have power devolved to it — along with policing and justice powers — which involved appointments to the Parades Commission and its operation. The issue has come to us for consideration for possible referral back to what is known as the “Wednesday group”.

Ms Lewsley: The SDLP has no problem with that as long as safeguards are in place and appointments are approved by the Executive.

Mr Ferguson: Sinn Féin’s position is that all public appointments should be made within the context of a functioning Executive. Beyond that, we would not support the proposal.

The Chairman (Mr Wells): This would happen after devolution, and there are the issues of a petition of concern and cross-community voting. All sorts of issues can be raised if there is a problem. Do members have views on the suggestion?

Mr McCausland: The DUP is opposed to the existence of the Parades Commission, so it would be difficult for the party to take a position on something that it does not agree with.

The Chairman (Mr Wells): The party could simply say nothing and let it go through or vote against it. The party has both options.

Are there any other comments?

Mrs Long: Given the context in which there would be devolution of powers on policing and justice, the Alliance Party sees no argument for this power being reserved.

The Chairman (Mr Wells): Is there consensus on the proposal?

Members indicated dissent.

The Chairman (Mr Wells): The proposal falls. The Committee does not wish to see that power devolved.

The next item on the agenda is a letter from Prof Monica McWilliams, who is well known to many people in the room. She is the chief commissioner of the Northern Ireland Human Rights Commission, and she has written to Mr Molloy and me suggesting a meeting — a one-night residential — on 19 and 20 September 2006 between members of the Preparation for Government Committee and the commission to discuss a bill of rights.

Prof McWilliams read the Committee’s comments on the work of the Equality Commission with great interest, and she felt that a meeting would be very useful. It is something that had been suggested before but was postponed. It is for members to decide. There is a suggestion that the work of the Committee will continue after we have reported, and there may be an opportunity for the meeting to take place. We have various experts in this field and we will start with Ms Lewsley.

Ms Lewsley: Thank you very much. Is that a compliment, for a change? *[Laughter]*.

As we reached consensus on the need for a bill of rights, I cannot see why the Committee cannot support the proposed meeting.

Mr Ferguson: I agree with Ms Lewsley on the need for a bill of rights, but we have only just received this

proposal. We wish to give this matter further consideration, and we will reply as expeditiously as possible.

The Chairman (Mr Wells): That is a valid point. The difficulty is that — because of time pressure — we need to reply very soon. Members may need to consult their parties and provide an answer through their representatives at Monday's Preparation for Government meeting. In some cases, those will be the same members who are present today.

Mr McFarland: I understood that Prof McWilliams had spoken to most political parties separately and that she was expecting parties to be able to agree in principle today, if not on the detail. We would wish to see the detail of any proposed discussions. If those discussions simply concern the political parties and the Equality Commission, that is fine. We do not wish to get drawn into a public debate on the wider matter of NGOs. If it is just — as it seems to be — a discussion under the Chatham House rule with the parties, that seems logical. Many parties suggested that representatives of the Equality Commission should appear before the Committee. If we are to have a genuinely serious discussion under the Chatham House rule about the shape of a bill of rights — given the caveats that we have discussed at some length — that seems quite sensible.

The Chairman (Mr Wells): I have been alerted to a possible problem: we may have plenary sittings of the Assembly on those days.

Mr McFarland: The proposed meeting is an overnighter, is it not?

Ms Lewsley: It is all day on 20 September.

The Chairman (Mr Wells): The proposed meeting is at lunch time on Tuesday 20 September, but the Preparation for Government Committee dealing with law and order will be discussing its report that day. We can agree in principle whether we wish to accept the invitation, but the mechanics will have to be considered.

Mr McFarland: If the meeting were to involve only the human rights or equality whizzo from each party, that may not make a big dent in representation in the Chamber.

The Chairman (Mr Wells): Prof McWilliams is thinking of something more than that. She rang me this morning and is very keen to meet as many members of the Preparation for Government Committee as possible.

Ms Lewsley: Some parties are not able to say whether or not they are supportive.

Mr Ferguson: We agree in principle.

Ms Lewsley: Chairman, we could agree in principle to accept the invitation, and you could speak to Prof McWilliams to outline some of the possible problems, particularly with respect to Assembly sittings.

Mrs Long: I agree.

Mr McCausland: I would prefer to wait until Monday to give a firm commitment. I need to pass information on and get an opinion from my party.

The Chairman (Mr Wells): I believe that Prof McWilliams was going to contact Mrs Foster, who, as you know, is indisposed at the moment. Prof McWilliams might have had difficulty in contacting Mrs Foster. The DUP would prefer that we deal with the matter first thing on Monday and get it out of the way.

Mr McFarland: Chairman, can we agree on this matter, subject to confirmation from the DUP? Would that be logical?

Ms Lewsley: We agree, subject to confirmation.

Mr McFarland: If the DUP disagrees, the matter will have to come back before the Committee.

Mrs Long: I am not sure where we are on reaching agreement, but we must, at least, get back to Prof McWilliams about the conflict with the plenary sitting. Regardless of other commitments, the proposed meeting will conflict with the plenary sitting of the Assembly, and it will therefore not be possible for our members to be involved in the afternoon session.

The Chairman (Mr Wells): I shall explain the situation to Prof McWilliams. She of all people will understand the difficulties that we face in the Assembly.

There is one other issue. The next meeting of the Preparation for Government Committee is on Monday 4 September when we shall deal with institutional issues. The next meeting of the Preparation for Government Committee dealing with equality, rights, safeguards and victims will be on Friday 8 September.

Mrs Long: We have reached the last item on our agenda.

The Chairman (Mr Wells): The draft report must be considered, so next Friday's meeting is very important.

Mrs Long: Will we receive a copy of the draft report before the meeting?

The Committee Clerk: We hope to send that to members on Wednesday.

Adjourned at 3.14 pm.

COMMITTEE ON THE PREPARATION FOR GOVERNMENT

Monday 4 September 2006

Members in attendance for all or part of proceedings:

The Chairman, Mr Jim Wells
Mr PJ Bradley
Dr Seán Farren
Mr David Ford
Ms Michelle Gildernew
Ms Patricia Lewsley
Mrs Naomi Long
Dr William McCrea
Mr Alan McFarland
Mr Michael McGimpsey
Mr Martin McGuinness
Mr David McNarry
Mr Conor Murphy
Mr Ian Paisley Jnr
Mr Peter Robinson
Observing: Mr Francie Molloy

The Committee met in private session from 10.03 am to 10.24 am.

The Committee met in open session at 10.24 am.

(The Chairman (Mr Wells) in the Chair.)

The Chairman (Mr Wells): The suggested wording for debate on 11 and possibly 12 September is:

“That the Assembly approves the first report from the Committee on the Preparation for Government on the Economic Challenges facing Northern Ireland; agrees that it should be submitted to the Secretary of State for Northern Ireland; and calls on the Secretary of State to take action to implement the recommendations in the Report.”

Do members have any thoughts on that?

Mr M McGuinness: Sinn Féin has some thoughts on these matters. I am conscious that this is September; the two Governments made it clear that the principal purpose of establishing a PFG Committee and, indeed, recalling the Assembly, was to put an Executive in place. So we are somewhat disappointed that we have not had a plan of action from the two Governments for putting the Executive in place by their deadline of 24 November.

We are seeking meetings with the Secretary of State and the Minister for Foreign Affairs, Dermot Ahern, to try to ascertain whether they have indeed a plan of action or a schedule to ensure that the institutions are restored by that date. The public needs to have confidence that the

two Governments are working to achieve a successful outcome to the work of the recent past.

We are conscious that time is now short. I recall a conversation with a unionist insider in the spring — I will not say which party he was from — who said that none of this gets serious until September. I am working on the basis that members regard today’s meeting as the beginning of a serious effort to bring about the restoration of the institutions that people throughout the island of Ireland voted for in 1998.

Until we see from both the Secretary of State and the Minister for Foreign Affairs a plan of action that is designed to bring about a successful outcome vis-à-vis the restoration of the institutions — given that their stated priority from the beginning was that the recall of the Assembly was to achieve that — it is premature for us to agree to further Assembly meetings. If we get a schedule that represents a serious approach to the restoration of the institutions that the people voted for, we will have an open mind about our approach to plenary meetings in the weeks ahead.

We hope that that can be resolved this week so that we can face up to —

The Chairman (Mr Wells): May I interrupt you with a procedural point? We have agreed the report. We could move back into public session, with Hansard reporting our proceedings. As your contribution went on it suddenly dawned on me that that is the issue you are raising. What do members feel about that? Do we want to go back on the record, as it were?

Mr P Robinson: We should go back onto the record from when Mr McGuinness started to speak.

The Chairman (Mr Wells): I think that is right.

Mr M McGuinness: Absolutely.

The Chairman (Mr Wells): I have no problem with that.

Mr M McGuinness: I was contributing to this on the basis that it was on the record.

The Chairman (Mr Wells): From now on every word will be published.

Mr M McGuinness: This is serious business. We are in a serious period; we are effectively in the final phase of the effort to see the institutions restored by 24 November. We believe that all parties are entitled to be given some plan of action, some schedule, which will clearly show that the two Governments are serious about bringing about the restoration of these institutions by 24 November. In that context we will approach the business of whether or not there should be Assembly plenary meetings on the basis of the reports that arise from the work of the Committees that we have been involved in. We would do that in a very serious way.

The Chairman (Mr Wells): I take it then that you are opposing, not just the wording of the motion, but the principles of it.

10.30 am

Mr M McGuinness: It is a question of timing. Principally, Sinn Féin seeks a plan of action and schedule from both the British and Irish Governments that will reassure not only Sinn Féin and other parties at this Committee but also — and more importantly — the general public, who are hammered almost every week with threats and proposals for huge hikes in rates.

Every party is conscious that people on the street are, rightly, in uproar at many of the decisions being taken by direct rule Ministers — decisions over which we have no control and which impose massive financial burdens on the people that members represent in every single constituency.

The Chairman (Mr Wells): That contribution has provoked several members to indicate that they wish to speak. I will go round the table by party, starting with Mr Robinson, on to Mr McNarry and Mrs Long, etc.

Mr P Robinson: First, I resist any implication contained in the last remarks that the work that has been done thus far, both here in the PFG Committee and in the economic subgroup, was not serious. Members have engaged in serious and important work, as they should.

The Assembly's job is to prepare for devolution. This Committee is an essential part of that preparation, not only in relation to the particular proposal that we are considering now, but also in relation to issues concerning the institutions, policing and human rights that are discussed here. Frankly, no schedule is needed in order to recognise that all of that important and necessary work needs to be dealt with and, as far as possible, agreed.

The DUP has a schedule, which is not based on the calendar but on what is required for a system of government that can benefit the community in Northern Ireland. Included in our schedule are institutional changes to the structures of the Assembly and to North/South and east-west structures. We have also clearly indicated the need for a financial package.

Events of the last week emphasised what I said at a previous meeting of the PFG Committee: if members want devolution to bed down in Northern Ireland, we must have the ability to make a difference to some of the key decisions that have been taken, whether on water charging, rates or other issues. Tinkering with those decisions, as has been suggested over the last day or two, will not make much difference to a community that wants to see a real difference. If devolution cannot deliver change, difference and improvement, people will become less than enamoured with the Assembly and the Executive.

The permanent ending of republican paramilitary and criminal activity is included in the DUP's schedule. We do not merely want a tactical cessation for a convenient period of time; we want to ensure that it is permanent. If there is to be a stable and lasting Assembly, it is essential that all those issues are resolved. The last thing that we should do is to plaster over the cracks and hope that everything will hold together in a restored Executive.

We have to make sure that we do not have constant suspensions and collapses, and that we have an Executive and an Assembly capable of lasting when the political storms blow.

All of this work of preparing to have a stable Assembly and Executive is essential; however, it is not dictated by the clock or the calendar but by changes that have to take place out on the ground, and over which Sinn Féin perhaps have more control than some of the rest of us.

The Chairman (Mr Wells): I shall go round by party. Dr McCrea wishes to say a few words, and if any Ulster Unionist wants to come in after that, that is fine.

Dr McCrea: I am looking at the draft minutes of the the Business Committee meeting of 4 July 2005, and I notice that in Paragraph 3:3 it states:

"Members noted the Secretary of State had referred the matter of discussion of economic issues to the Preparation for Government Committee (PFGC) under Section 1:1 of the 2006 Act and had directed it under Paragraph 4:1 of the Schedule 1 to the Act to set up a subgroup and report back to The Assembly in September."

I stress the word "directed". That statement is in those draft minutes. The Secretary of State has directed this Committee to report back to the Assembly in September. The Committee will report on the economic package and therefore it is relevant.

The remarks of Sinn Féin members show that they still have not woken up to reality and that they close their minds and hearts to the issues that are cardinal and right at the very heart of whether we will see restoration of an Administration and the setting up of an Executive in Northern Ireland. Issues such as criminality; the money from the bank robbery; weapons; policing, and support for the security forces, who actively engage those who still bring terrorism on this community, might as well not exist. Those issues must be dealt with.

Apart from those who engage with us in a voluntary capacity, Sinn Féin and the IRA together have a cardinal responsibility. Unless they wake up to that, they are simply making noises that they know fine well contribute to instability and ensure that we cannot, clearly and unequivocally, have a devolved Government on democratic lines.

Those issues have still to be dealt with, and they will not be run away from.

The Chairman (Mr Wells): Let me clarify a procedural issue before we move on to Mr McNarry. The printed report is now with the Business Office. The Secretary of State has the power to intervene and order that it be made the subject of debate at the Plenary, if he so decides. It is important that Members realise that; however, he cannot compel Members to attend that debate.

Mr P Robinson: May I put on the record that, from our point of view, the proposal is satisfactory. We can always tinker around with it and seek to amend it later, but it covers all of the necessary aspects.

Mr McNarry: I draw Members' attention to one technical aspect of the report. It calls on the Secretary of State to take action to implement the recommendations of the report. We have already taken action on recommendations 17 and 18. Technically, I want to tidy that up because that is something that the subgroup asked us to do by way of extending their mandate. That is only a minor issue.

With regard to intervention by the Secretary of State, he has intervened a lot in this Committee, particularly on aspects where it has failed to reach consensus. You have only to read through the correspondence and you will see a litany, where, as I pointed out, the Secretary of State actually directs.

One thing the Secretary of State perhaps cannot do, but certainly has not looked at, is directing people to come in to the Assembly for a debate. Regrettably, there is one party that has no desire or wish to come in to the Assembly — apart from one appearance, and a brief appearance at that.

I endorse the view of the essential need to prepare — if the Committee is serious — for a sustainable and lasting Assembly and Executive. If that does not happen, then we will be in for the “magic roundabout” stuff that my party endured for a number of years.

A question arises from Mr McGuinness's statement — if it was a statement. Does Sinn Féin's opinion on debating the report of the Subgroup on the Economic Challenges facing Northern Ireland also apply to the other issues under consideration by the Committee, such as the institutions, policing and justice, etc? Should it come to pass that reports were formulated on those issues and they were to be debated in the Assembly, would Mr McGuinness's statement apply then? I noticed that there was a caveat, however, about having to wait a week for something or other.

I am disappointed by Mr McGuinness's statement. When the Committee asked about Sinn Féin's attitude to debates in the Chamber, Mr McGuinness gave as near to an equivocal answer as one could extract, saying that

it would be a matter of honour for Sinn Féin to debate the report of the subgroup. I do not have Hansard in front of me, although I am sure that it could be produced. Those sentiments — again under questioning — were endorsed by his colleague Conor Murphy, who read from Hansard at the time in response to a question from me about how serious Sinn Féin was in giving its word that it would debate in the Assembly Chamber, and if his party would be there.

It is regrettable if what Mr McGuinness has said this morning — after having given consent to the report — proves that he had no intention of going into the Assembly, and may never have had any intention of going into the Assembly to debate with his colleagues on the economic future of our country. I will let others make a judgement on his reasons for that decision, but it is a fine abdication of responsibility.

Sinn Féin talked about the Government being serious, and Mr McGuinness gave the timing as part of his reason for not agreeing to the proposal. He has known the timing of the report all along. His party contributed to giving the subgroup an extra week. One does not need to be a clairvoyant to work out where it would go from there. The timing issue would appear to be a non-issue. However, if timing is an issue, surely the rest of the Committee have a right to ask Sinn Féin how serious it is about its work.

Mr McFarland: I waxed lyrical at one of the Committee's previous meetings about this. Sinn Féin is not playing the game. One could understand a bit of messing around in the early days. However, once the Committee got into substantial work, Sinn Féin said time and time again that if useful work were done, then it would take part in plenaries discussing that useful work.

The logic of what Sinn Féin is saying is that it does not believe that either the subgroup or this Committee has carried out useful work. If, as a matter of principle, it refuses to take part in a debate on the subgroup report, presumably it will refuse to debate any of the work that the Committee has carried out to date. Sinn Féin is definitely not playing the game. There was a clear understanding that if everybody operated in good faith, we would get somewhere.

10.45 am

I am worried that it will be another case of Sinn Féin overplaying its hand. We suffered in the past when Sinn Féin made a wrong judgement and overplayed its hand, as its members know themselves. It would be most unfortunate if the party judged this situation wrongly and overplayed its hand again.

There was a clear understanding that we would all play the game in good faith, talk in this Committee all summer — regardless of the cost to us all as individuals — and have a debate at the end of summer, with, as Mr Robinson said, the report perhaps being

the basis for talks in the autumn. That seemed a very sensible way to proceed.

However, Sinn Féin is now playing sillies and refusing to take part in plenaries, having said before that if useful work was done, Sinn Féin would not be found wanting. There is now a danger of the party's good faith being found wanting.

Mrs Long: I want to raise several issues.

The Alliance Party wishes to make it very clear that, from the outset, it has never taken any of this process other than seriously. Our members were certainly not playing with this process over the summer, or taking it lightly. We were not waiting for an elusive September deadline. That may have been important to other people, but it was certainly was not the case with us.

The clear understanding was that the work carried out in this Committee and in the economic subgroup would lead to a plenary session. That was outlined in the Government's original timetable and in the Secretary of State's direction. There is no question about that.

Moreover, this Committee endorsed that when it sought to have the plenaries delayed for a week. Martin McGuinness used the word "premature"; no one suggested that it would be premature to have a plenary on 11 September when we asked the Secretary of State to consider that as a date for the first plenary. It seems strange that that would now be considered premature when it was not considered so a number of weeks ago.

Other members have mentioned that the Secretary of State can simply direct us to have a debate in the Chamber, but that would not be the most edifying outcome. It does not set a particularly good tone for discussions in the Committee or, indeed, for any future negotiations, if members appear to agree to do something and then row back from it just as it is about to happen. We must consider that.

I am particularly surprised that Sinn Féin is now going to exercise some kind of veto over the plenary sessions, having had substantive discussions over the summer. I find it incredible that it will provoke a direct rule Minister from Westminster to interfere needlessly in our business, especially given that that party professes such distaste for such meddling.

I appeal to those members who may have reservations about the plenary to consider that their actions may cause members of other parties — who have participated in this process in good faith — to have reservations too.

We have some concerns about the wording of the proposal, as it calls on only the Secretary of State to take action to implement the recommendations in the report. At the very least, our aspiration should be that a devolved Administration should take forward the recommendations. However, even if that does not happen,

the report recommends some level of participation. Recommendation 10 states:

"That there should be a discussion with Ministers on alternative uses for the £30m set aside for an energy subsidy."

That implies that there would be discussion between Assembly Members and Ministers. Assembly Members who wish to take this forward in a constructive way should be able to do so. However, I do not want to elaborate on the detail of the wording when we have not yet managed to agree on the principle. That perhaps should be explored in a bit more depth before we move on.

The Chairman (Mr Wells): David, do you wish to add anything?

Mr Ford: I never need to add anything after Naomi has spoken. *[Laughter.]*

Dr Farren: Naomi has taken the words out of my mouth with respect to my opinion on the motion. I made a similar note about what our aspirations should be if we are working towards the earliest possible restoration of the institutions. I also noted that any responsibility or input that the Executive, Assembly and the other institutions have for enhancing our economic opportunities should be reflected in the motion. There are difficulties in a Committee of this size trying to phrase a motion, but we should consider that aspiration.

Martin McGuinness has been absent over the past few weeks, so he has not taken part in recent discussions. I trust that his colleagues have not been engaging in anything other than serious business. I have taken reasonable satisfaction and, indeed, optimism — so far as that is possible in our circumstances — from the work that has been done in the Committee's various formats, particularly the Subgroup on the Economic Challenges facing Northern Ireland. That shows that we can create a positive atmosphere — albeit not always cordial — in which to discuss the issues before us. That atmosphere, regardless of the issues, demonstrates the potential to establish a greater sense of confidence that the PFG Committee might deliver. There may be an increase in momentum over the next few weeks, but that does not suggest that we have been anything but serious over the past few weeks.

Martin McGuinness made a point about the calendar. One will see from previous communiqués from the two Governments that a reasonably detailed calendar was published noting all of the major milestones up until 24 November. That calendar accompanied those communiqués. I am not sure what more is expected. Degrees of commitment and determination are required, but they cannot be specified in a calendar. Martin McGuinness should, therefore, look at the calendar with

his colleagues and see that it meets the requirements as set out by the Governments.

I am being as positive as I can about what Sinn Féin is saying. There may be a chink of light, and its members do not appear to be making the absolute refusals that they made last week. Sinn Féin seems to be pushing in the direction of more delay, but its members say that they are anxious to see matters expedited. Therefore, there is a contradiction that must be resolved.

I do not want us to find ourselves back in the ignominious situation in which a Secretary of State determines when a group of Irish men and women should debate any matter, not least the matters of significance that are contained in the economy report. Following the Committee's work and the atmosphere in which it was conducted, I would like to think that we could come to an agreement. The Executive summary of the report states:

"It is hoped that the report will form a basis for a constructive and informed Assembly debate in September 2006 and that its recommendations will throw some light on the many challenges that face the economy."

I think that doing so will produce greater confidence, not only among the Committee, but among our colleagues in the Assembly. The ingredient that is sorely lacking is confidence in one another; it was severely damaged by the events that led to suspension, and by subsequent events. We must restore some of that confidence and arrive at a working relationship that would make restoration not only possible, but stable.

Mr PJ Bradley: Aside from the work done by political parties in the past few months, many respected and important representatives from organisations such as the Ulster Farmers' Union, InterTradeIreland, the Northern Ireland Tourist Board and the Business Alliance gave us their valuable time and provided evidence to the subgroup. They are bound to feel disappointed that we cannot reach agreement on how to proceed with the report, and they may be reluctant to give evidence to Committees in the future. For their sakes, and out of respect for their valuable contributions, we should try to seek unanimity on how to take the report forward.

Mr M McGuinness: Peter Robinson's first contribution to this discussion knocked out of the water everything that Seán Farren said regarding the Government calendar. Peter Robinson said that the DUP schedule was not based on any calendar. That highlights Sinn Féin's problem vis-à-vis the DUP's intentions. For him to say that the public were wondering whether the IRA's actions last year amounted to a tactical cessation is almost laughable. The overwhelming majority of people on this island do not regard the IRA's actions last year as a tactical approach. What the IRA did last year was massive: it ended its campaign and

dealt with the issue of arms to the satisfaction of Gen de Chastelain, the British and Irish Governments and the wide range of international opinion. That has had a massive impact on the entire community.

Willie McCrea referred to the Secretary of State's direction that the economic subgroup should report to the Assembly by September. Nothing that I have said will prevent that from happening. There are four weeks left in September. It is a bit rich coming from Willie McCrea, given that the Secretary of State also directed the Committee to set up subgroups to deal with matters such as policing and justice. The DUP refused to set up those subgroups.

David McNarry said that Sinn Féin did not want to participate in the Assembly, but nothing could be further from the truth. Sinn Féin is serious about being involved in a programme and a process that sees the restoration of the institutions, which the people of Ireland, and a majority in the North, voted for overwhelmingly. We wish to be involved in meaningful work, which will restore the institutions by the date set by the two Governments — 24 November 2006.

Alan McFarland said that Sinn Féin is not playing the game. You are right, Alan, we are not playing a game here. This is serious, and we will not be involved in stringing out this process or going along with the DUP's stated intention of breaking through the 24 November deadline to some time in never-never land either next year or the year after, or possibly never.

11.00 am

It is time for us all to get serious. The Committee must consider carefully what I have said. It is quite reasonable to expect a schedule from the two Governments for restoration of the institutions by 24 November. I cannot envisage how they could refuse to develop such a plan this week. If a plan is developed, Sinn Féin will give serious consideration to attending Assembly plenaries.

Therefore, it is a matter of time and of whether we can establish during the next few days that both Governments have a decisive plan. People have said that we might find ourselves in Scotland on 9 September — we might find ourselves in Timbuktu on 9 September. No one appears to know where we are going or what will happen when we get there. We have been in hothouse situations before, only to find out in the aftermath that the unionist parties are not prepared to restore the institutions.

Sinn Féin is serious. It will play a positive and constructive part and will work with all the other parties around the table. However, Peter Robinson's initial remarks are revealing. They flatly contradict what Seán Farren said. It is clear from Peter Robinson's remarks that the DUP is not working to the same calendar as the rest of us. Sinn Féin's perspective is, therefore,

that it is important that a marker is put down for everyone. We will not play the DUP's game. We will stand up to the DUP's attempts to destroy the Good Friday Agreement; to break through the 24 November deadline; and, after that deadline has passed, to bring us to a situation in which we are scratching our heads and wondering where we go from here.

Mr P Robinson: I am even more confused by Mr McGuinness's second contribution. His first contribution was based on the principle that the Governments must set out a schedule. Any remarks that I might make are, therefore, irrelevant, since it is not the DUP's commitment to any schedule that is being sought but that of the two Governments. That is strange when the British Government have openly indicated what their schedule and intentions are. They indicated not only the deadline that they wanted met but the process that would lead to that, and that included sittings of the Assembly and useful business being done in the Preparation for Government Committee. As William said, that is indicated in the Secretary of State's directive on the economic subgroup. The Government's schedule is clear: the business of the Committee is to proceed to negotiations with the Secretary of State and, presumably, others during September, and with the Prime Minister and others during October.

Everybody knows what the schedule is; it is not a surprise. I am sure that Sinn Féin members have read newspapers other than 'Daily Ireland', so they will have caught sight of the Government's intentions and schedule and therefore know what they are. The party is grasping around for an excuse that explains its bizarre behaviour and its unwillingness to discuss matters in the Chamber that it is quite prepared to consider in Committee. How are we to understand the logic that, although it is right for Sinn Féin members to be involved in the preparation of a report, it is wrong for them to approve a motion in the Assembly that asks the Secretary of State to deal with matters in the report for which he has responsibility. That seems to be bizarre behaviour.

There has been no change in the DUP's position, which I outlined this morning. It has been consistent. We are not bound by anyone's diary. We want there to be a change of events out in the country.

Republicans should not be surprised that the rest of the world does not see everything through their green-tinted glasses. There are people who do not trust them, because they have been caught before. The republican movement does not always do what it says it will. There have been tactical cessations in republican violence in the past. Reducing the violence by several levels was conducive to its political aspirations during elections. When the President of the United States visited Northern Ireland, it was helpful for the republican movement to turn it down a level or two. Tactical cessation of

violence is part of the policy of the republican movement, as is tactical use of the armed struggle. People who have read internal IRA documents about that will, unsurprisingly, recognise that that tactical use may be turned on again at some stage. Therefore it is important that we are sure that there is some permanence. Ultimately, only the behaviour of the republican movement over time will be the proper judge of that.

There have been many signals that there has been a reduction in paramilitary and criminal activity, but there are also signals that that process is not complete. Excuses have been made that any such activity has not been sanctioned; nevertheless, as those things are still happening in the community, there is a great deal of confusion. I understand that the Independent Monitoring Commission (IMC) may say this week that it recognises that the IRA has ended its paramilitary and criminal activity. That would be progress, but people will still seek explanations for certain things that have been happening. We could list those things if that were helpful, but I do not think that it would be.

Dr McCrea outlined the Secretary of State's direction, not because he believes that the Secretary of State should be obeyed — each of us recognises that we have our own policies and we will do what we deem to be in the best interests of those whom we represent — but because, ultimately, the Secretary of State will determine whether the Assembly will sit and what it will debate. The importance of William's remarks is, therefore, to identify the fact that the Secretary of State would have great difficulty in not proceeding with a debate on this issue.

Therefore the only thing that we are discussing is whether Sinn Féin will be present when this matter comes before the Assembly. If it wants to turn its back on those people who worked hard during the preparation of this report, and if it wants to stick its finger in the eye of all those who gave evidence, that is a matter of tactics for Sinn Féin, and I am sure that it will be judged upon it.

Finally, I find it hard to listen to Sinn Féin talking about the need to comply with some date that Government has set down. No party more than Sinn Féin has been busting through deadlines and stringing out events over the decades in Northern Ireland. I will not take a homily from Sinn Féin on the importance of keeping to Government deadlines and keeping a programme or process to a tight timescale. Sinn Féin is happy to string things out and to break deadlines when that is helpful to its political ideals. The Democratic Unionist Party has a responsibility to the unionist community to ensure that the outcome of this process will benefit the whole community and will be capable of lasting and providing stable, effective, efficient Government for the people of Northern Ireland. Those are the criteria under which we will operate. If the

outcome is not ready on 24 November, we will hold out until it is. That is simply good political common sense.

Dr Farren: Martin McGuinness's central point earlier was that Sinn Féin needed clarification on a schedule for restoration, and that until such clarification was forthcoming, Sinn Féin would not commit to taking part in any Assembly debates. However, a schedule already clearly exists. It outlines the major milestones until 24 November and what is to happen on 25 November. Therefore, the real issue cannot be the absence of a schedule: perhaps it is the absence of further detail in the schedule.

From the start, this Committee has, broadly speaking, worked within the context of that schedule, and Sinn Féin has not objected to that until now. As this matter affects us all, perhaps Sinn Féin will tell us what further information and detail it requires the existing schedule to contain. That may enable us to gain a little more understanding of the party's difficulties with it.

Mr McFarland: I wish to ask Martin a few questions. Let us suppose that the Secretary of State reads this report tomorrow morning and produces a schedule for Sinn Féin — even though, as Seán says, a schedule already exists. In that case, is Martin saying that Sinn Féin would be encouraged to take part in a debate? Would the party be almost definite about taking part or simply be more likely to do so; or, as Martin said originally, would the party still have to meet with the Secretary of State and the Irish Foreign Minister?

Would Sinn Féin have to take time out to meet them at the end of this week, next week or the week after, or would all be well if the Secretary of State put a schedule into Martin's hands tomorrow morning, which I am sure the team could organise?

11.15 am

Dr McCrea: In one sense, I am surprised by Sinn Féin's new confidence in the Secretary of State. He would be very pleased that he has engendered such confidence within the party that all that is needed is a little word or sheet from him and all is well.

However, the reality is different. Sinn Féin has realised that it wrong-footed itself at last Monday's meeting. The party spokesman on that day, Conor Murphy — who seems to be taking a back seat at the moment — put the boot into all the Sinn Féin members who sat on the economic subgroup and who signed off the report. Those members had agreed that it was acceptable and worthy of debate. However, Conor Murphy dismissed that report, and those present at the meeting realised the extent to which he dismissed it. He claimed that sufficient work had not been carried out and so forth.

The truth is that Sinn Féin did not want to enter into debate because that is one area in which Sinn Féin

finds itself at a loss. However, the party recognised that it wrong-footed itself and that its position was not defensible in the community. Therefore, the party has tried to soften its approach somewhat — which is a strange mode for Martin McGuinness — by claiming that if it got this schedule it would consider a debate. That is the very opposite to what was said at the last meeting, at which there was no mention of a schedule or anything else. The party's position was that it would not play the game in the Assembly unless all the preparation for government issues were settled.

Sinn Féin members have since realised that their position is not defensible — and neither it is. Martin McGuinness tries to tell us that what the IRA did had a massive impact and closes his eyes to the criminality and to the most recent IMC report, which found that IRA criminality was still continuing and that leading members of Sinn Féin were involved in that criminality. Even though the IMC will state, could state that there has been a change in that criminality, it cannot wipe out what has already taken place. Nor can anyone wipe out the fact that Sinn Féin turns it on and off tactically whenever it wants to. There is nothing surprising in that; because the party is under the scrutiny of London, Dublin, and, internationally, America and Europe, it has to put the screws on the folks on the ground.

The truth is that the IRA is a terrorist organisation that is still intact. Had it turned its back on its terrorist and criminal past, as some people have proclaimed, there is no reason whatsoever that it should still be intact.

Mr Robinson has made it abundantly clear that while a schedule from Tony Blair or Bertie Ahern might give succour to Martin McGuinness and the troops of Sinn Féin, it will not tie everybody else's hands: nobody will bow in submission to the dictates of those people.

The DUP has made election promises to the public that define its democratic credentials. It will not renege on those for either Bertie Ahern or Tony Blair. Martin McGuinness may get some crumb of comfort from them, and hide behind them for whatever reason, such as putting off a debate that his party might refuse to participate in anyway. The subgroup, and this Committee, approved the report unanimously. As far as the DUP is concerned, the report must be debated.

I referred to the Secretary of State because I have read the minute in which he states that he had referred the matter to the Assembly and that he "had directed" the Committee. Hence, we are not waiting for him to direct us; he has already stipulated that the Committee will address the Assembly on the subgroup's report in September.

It is up to members to decide what they want to do with the report. The DUP's decisions have always honoured the promises that it has made to the public.

Mr M McGuinness: I want to make it clear that I have made no negative judgements about the work that has been done by the subgroup. People must understand that the work that is done by the Committee and the subgroup cannot be separated from the overall objective that was stated by the two Governments at the start of the process, which is that the principal purpose of the Preparation for Government Committee is the restoration of the Assembly, the establishment of a power-sharing Executive, and the reinstatement of the North/South Ministerial Council — an important all-Ireland dimension of the Good Friday Agreement.

The danger is that we will end up in a situation where people believe that the only work that needs to be done is that of the Preparation for Government Committee and the subgroup — valuable though that is, particularly if further consensus can be reached on the important matters that we must deal with.

We must not separate what the Committee and the subgroup have achieved from the overall intention that was stated by the two Governments at the outset of the process, which is that the principal purpose of bringing back the Assembly is to reinstate the institutions that were agreed on Good Friday, 1998.

In terms of Willie McCrea's comments, it is quite significant that he even attributes remarks to the IMC that the IMC never made.

Alan queried how this matter could be processed during the course of this week. We can work it out vis à vis meetings with the Secretary of State or the Minister for Foreign Affairs, Dermot Ahern. All of the other parties can discuss with the Governments at any time how we take things forward. Sinn Féin will do the same; we will see whether we can get what we are seeking during the course of this week. That is why I think it is important that we should reconsider the motion next Monday. We have time to do that, and it is the sensible way to proceed.

Seán Farren asked what detail Sinn Féin might derive, beyond what the Governments have flagged up publicly, from further discussion with the Governments. Let us wait and see. Sinn Féin certainly has its own view of how this should be taken forward. We think it is important to discuss with the Governments the need to ensure that there is a realistic and meaningful plan of action or schedule to ensure that the institutions are up and running by 24 November.

That is all the more pertinent given the remarks made by the DUP delegation this morning to the effect that they are not bound by the calendar date flagged up publicly by the two Governments. Willie McCrea —

Mr McFarland: Will Martin take a question?

Mr M McGuinness: I will finish this point and then I will take a question. Willie McCrea has consistently

said, from the day and hour the PFG Committee was set up, that the DUP would not be bound by any deadline. That clearly represents a massive challenge, not just to the Irish and British Governments, but to every other party in the Committee that stated that it wants to see the institutions restored by 24 November.

Mr McFarland: My understanding was that the Secretary of State had put the plenary meeting back a week, so that it should take place next Monday. I am confused as to how, if this issue is to be debated next Monday, we can decide next Monday what the motion should be. The motion must be submitted to the Business Committee tomorrow.

Mr M McGuinness: I am saying that we should reconsider the motion next Monday, vis-à-vis when it is put forward for the Business Committee's consideration as regards a debate in the Assembly. I am not arguing against Assembly debates on this issue; I am arguing for a recognition by the Committee that the work of the Committee cannot be taken in isolation from the overall stated purpose of the two Governments from the beginning, that work was to prioritise bringing back the Assembly, electing an Executive and restoring the power sharing and all-Ireland institutions.

It is crucial that the work of the Committee and those overall aims should progress simultaneously.

Mr McFarland: So what you said earlier about just needing a list of dates was not exactly correct? Even if the Secretary of State got a list to you tomorrow morning, you are saying that Sinn Féin believes that the debate should not take place next Monday but should be delayed for a week or more, because at next Monday's meeting, the Committee should examine the motion, and send it to the Business Committee the next day for debate on 18 September.

That is difficult for us, because my understanding was that the debate on the economy was to be followed rapidly by three more debates, on the other three reports that are being produced. Some of those reports are fairly massive and debate could take two days for each. Perhaps you are saying that you are not going to agree to any of these debates, in which case we can keep putting this back for as long as we wish to. However, what you said originally was that you needed a timetable, and I asked you whether if you got one tomorrow morning that would do the trick. I sense that it would not do the trick, because it is not about a timetable — it is about trying to put off the plenary meeting and not have plenary meetings.

Mr M McGuinness: You should not presume my intention.

Mr McFarland: That is the logic of what you said.

Mr M McGuinness: It seems to be a recurring feature for some parties to attempt to analyse Sinn Féin's

position, just as Willie McCrea wrongly attributed remarks to the IMC. Based on what I said earlier, you have decided that Sinn Féin's purpose is to delay for as long as possible, or even prevent, further debates and discussions in plenary session. I have not said that.

Sinn Féin is prepared to consider debates taking place and participation in those debates. However, none of us have spoken to Peter Hain recently, and I have been told that he will not be back here until next weekend, so we are at a disadvantage. Dermot Ahern is probably on holiday.

It is legitimate for us, particularly given the assertion by some unionist insiders that things will get serious from September, to seek clarification. We want a serious plan from the two Governments to achieve their stated objective, which is to bring back the Assembly to elect an Executive. Sinn Féin wants that to happen before 24 November, and it is legitimate for us to ask both Governments to explain what will happen between now and then.

Do you know if you are going to Scotland on 9 September? Do you know if you are going to Timbuktu on 9 September? Is it 9 September? How long will we be there? What is going to happen? Will the DUP engage with Sinn Féin in a serious way? There are many questions that remain unanswered.

Dr Farren: Martin, you run the risk of exasperating the lot of us. You seem to think that the existing schedule is not detailed enough, but you have not shared any of your concerns or proposals for how it could be made more comprehensive. I do not have a copy of the schedule in front of me, but it may be helpful if the secretariat could share it with us, because it is reasonably detailed. I do not care whether we are going to Scotland or Timbuktu next month — the business must be done wherever we are.

Mr M McGuinness: Exactly.

Dr Farren: The location does not matter.

Mr M McGuinness: Exactly.

Dr Farren: Therefore, when you ask whether we need an answer to the question about whether anyone knows where the talks will be held, the answer is "no". All we need to know is that we still have the opportunity to discuss the issues.

It would be helpful if Sinn Féin could tell us what details it believes are missing from the schedule, because we would all be affected by any amendment to it.

I accept the general milestones that are in the schedule up until 24 November, and the two Governments have made it clear what they will do if the deadline is not met. For the life of me, I cannot see what is needed over and beyond what is there. However, if Sinn Féin has any difficulties or questions that it wants answers

to, perhaps it could share them with us. Sinn Féin may have noticed a serious gap in the schedule, and the rest of us may have been fools not to see it. Therefore we would also want answers to Sinn Féin's concerns.

However, all you have said is that you want a meeting with Peter Hain and Dermot Ahern. Why on earth do we want meetings with Peter Hain and Dermot Ahern to tell us what to do?

For God's sake, I thought that you and I were Irishmen and that we wanted to do business with other Irishmen and Irishwomen, instead of always being put in the ignominious position of being told what to do by a British Secretary of State.

Mr M McGuinness: Will you take an interjection?

Dr Farren: No. You can have one when I finish.

I thought that you were for breaking the connection with those people, instead of tying it tighter.

Mr M McGuinness: Seán, it may have escaped your notice that a British Secretary of State suspended the institutions against our will.

Dr Farren: We want to put an end to that nonsense.

Mr M McGuinness: A British Secretary of State has established what is called the Hain Assembly for which, effectively, he decides everything that goes on. The very fact that you are sitting there is proof of that. Do not lecture me about Irishmen and British Ministers. The British Government suspended the people's institutions against the will of the people a number of years ago. I think that it is quite —

The Chairman (Mr Wells): Are you asking a question?

Mr M McGuinness: He has finished.

Dr Farren: Yes, I asked a question.

The Chairman (Mr Wells): The tone was beginning to get quite harsh.

Dr Farren: It was an expression of exasperation, as I said.

11.30 am

The Chairman (Mr Wells): Have you finished, Mr McGuinness?

Mr M McGuinness: No, I have not finished.

Mr P Robinson: Was Mr McGuinness the next on the list to speak?

The Chairman (Mr Wells): No. Mr McNarry was the next member on the list to speak.

Mr P Robinson: Mr McGuinness should not have started.

Mr M McGuinness: After Willie McCrea, since you came in here this morning you have interjected a few times yourself, Peter.

The Chairman (Mr Wells): Any interjections tend to be short questions or observations. If Mr McGuinness wishes to speak, I can certainly put his name on the list.

Mr M McGuinness: I do wish to speak.

The Chairman (Mr Wells): I will ask Mr Ford to speak, because the Alliance Party has not had a fair crack of the whip this morning. I will then ask the Ulster Unionist grouping to speak, because there are several points to come, followed by the DUP grouping, then Mr McGuinness.

Mr Ford: I welcome Sinn Féin's actions of earlier today. When it agreed the report of the Subgroup on the Economic Challenges Facing Northern Ireland and agreed that it would be published as the report of this Committee, it clearly acknowledged the work that the subgroup has done over the summer.

The talk about things getting serious in September has been entirely disproved by the amount of serious work that many of us in this room have been doing for many weeks in the full Committee and in the subgroup when others were not necessarily here.

When Sinn Féin accepted the report and agreed that it should be published, it actually acknowledged that what it said last week about the report not being serious enough was wrong. It is a very serious report: it deals with critical issues, and it merits an Assembly debate.

However, the proposal today that we cannot have an Assembly debate because we do not have a schedule from the Governments is absolute nonsense. We may be unhappy with the schedule from the Governments, and we may think that not everything is in it, but when the Prime Minister and the Taoiseach came to this Building they set out the timetable of operations. Not until today have we heard any complaint from Sinn Féin that there is something fundamentally wrong with the timetable.

A few weeks ago Sinn Féin was prepared to accept that we should delay the plenary meeting for a week to ensure that a proper and full report was available for debate. The party went along with everybody else on that. Now it is saying that because of another issue entirely it is not prepared to deal with an Assembly debate.

I notice that the serious questions that Seán Farren and Naomi Long posed have not been answered and that all that we have heard have been diatribes against the DUP. Those may be justifiable at times, but on this occasion it is easy for Sinn Féin to attack the DUP because that is one way of avoiding serious questions from others.

What are the problems with the timetable? How is the Committee expected to resolve those problems when Sinn Féin has not mentioned them before today? What possible benefit will it be to have a timetable for operations while insisting on putting things back a further week for no good reason whatever?

The Chairman (Mr Wells): Several Ulster Unionists wish to speak, and this is their opportunity to do so. I will then call the DUP. Mr McGuinness can answer, and we need to move to the proposals after that.

Mr McNarry: I agree with David Ford. This is a great deviation from the remit of the PFG Committee. It has been long established that its remit was to scope and discuss. Martin McGuinness wants to now introduce a form of negotiations with a Government that are not represented at this table. It is fair that he raises serious concerns, and it is interesting to hear those. However, to use them to stop a debate on the economy is quite a facile Sinn Féin tactic.

We are preparing, not negotiating; the Government are not sitting around this table. The proposal is not controversial. I have heard no one object to it in any great detail. The only objection comes from one party that does not want to debate it in the Assembly Chamber.

This seems to be a run on from last week when Sinn Féin personnel on this Committee dumped on their own people in the Subgroup on the Economic Challenges facing Northern Ireland, and dumped on them hard. They backed off them and left them hanging high and dry. Those people are not here, but we will deal with what we have.

Sinn Féin now seems keen on a wrecking exercise designed to ruin any confidence building — for another week, at least. What guarantees do we have that anything will change in another week? What guarantees are there that anything will change if Sinn Féin gets the timescales and schedules that it is worried about? This is all a filibuster. We will not get consensus on a plenary sitting; it is now 11.35 am, for goodness' sake.

The Committee should bear in mind its earlier decision to approve the subgroup's request that it be allowed to reconvene to prepare a report on an economic package and a further report on the forthcoming research from the Economic Research Institute of Northern Ireland (ERINI), which is due to be completed in October; and to employ at least one economist.

Chairman, the members on the economic challenges subgroup put in an honest day's work and worked very well as a team. I cannot speak for all those who sat on the subgroup, but most of its members — even, I think, Sinn Féin representatives — would see the decision to block the report as a right kick in the teeth. That is Sinn Féin's intention.

How can we encourage the subgroup to hang in there and prepare further reports if we cannot be sure that those reports will not be subjected to the same sort of nonsense? What is the point in preparing reports if they are only going to gather dust?

The Chairman (Mr Wells): Mr McGimpsey will speak next, and that will be the last opportunity for the Ulster Unionist Party Assembly Group (UUPAG) to contribute to this debate.

Mr McGimpsey: As everybody knows, this Committee started off in angry form, but then settled down throughout the summer. The work that it and the subgroup have carried out throughout the summer has not been without value; it has been a useful exercise.

We all knew what the plan and timetable were. Martin says that he needs a serious plan, but a serious plan was published, and we knew roughly what the time frame was. As I understood it, we were heading towards plenary sittings in September to discuss these plans. The next key date will be the IMC report on 4 October to confirm whether, as William mentioned, the IRA is still an intact terrorist organisation or whether it has turned its back on terrorism and criminality. That will be another key trigger date, after which Blair will get involved, as he has done in the past.

The countdown then begins to 24 November. I am quite clear about what is to happen on that date. We have been told that either the Executive and devolution restarts or MLAs' salaries and allowances and financial assistance to parties will stop. The British-Irish Intergovernmental Conference is due to meet in December. That schedule was published, and we all received a copy. I do not understand why that has escaped Martin's memory. He says that he wants a serious plan; we all have the serious plan, and we know what we are about.

The deadline is 24 November. Members may or may not believe that that is a serious deadline. Deadlines have come and gone before, but it seems that this Secretary of State probably means what he says when he talks about that deadline — as do Blair and Ahern. However, there is an element of a gamble in that.

However, that is the date towards which we have been working. I do not understand how Sinn Féin could sit in this Committee and in the subgroup and put their hands up and agree these reports — in fact, Sinn Féin members put their hands up to approve the report this morning — and then do a complete U-turn. The party now says that it is not prepared to go into the Assembly and tell everybody about the report — in effect, share our work with the public and let them know the issues on which consensus was reached. I wonder how serious Sinn Féin is, now that Martin has come back from holiday. Martin, I do not know

whether you had a bad holiday or whether the salmon were not running —

Mr M McGuinness: I had a very good holiday, Michael.

Mr McGimpsey: You are certainly in fine form now. Questions must now be asked about how serious Sinn Féin is. Martin, you talk about history and the past, but we all could do that. We have had several goes at this — the last time was three years ago. You are quite right that you do not need all this to get the deal that you got with the comprehensive agreement, which was drawn up as a result of discussions that the two Governments had with the DUP and Sinn Féin. However, while that was being negotiated and discussed, the IRA was planning the Northern Bank raid. Therefore, this discussion is not taking place in a bubble; there is a history. You tax Alan for trying to interpret your remarks, but we are all likely to draw conclusions from them.

It is odd, to say the least, that Sinn Féin has effectively done a U-turn this morning and is kicking this matter into next week or the following week, or whenever. You say that you have no schedule, when, in fact, you received it when this Committee started weeks ago. Now you claim that you need to have this schedule before you can get going. That casts serious doubts over how serious Sinn Féin is about reaching agreement on 24 November.

You keep talking about getting on with the people's agreement. The agreement is not your exclusive property, and it is definitely not the exclusive property of the two Governments. The agreement was drawn up between the UUP, the SDLP and the two Governments —

Mr M McGuinness: So it is your exclusive property?

Mr McGimpsey: No, it is not our exclusive property. Everybody has to be involved, and there were certain provisions in that agreement —

Mr M McGuinness: Catch yourself on, Michael.

Mr McGimpsey: A key issue was the interdependency of the institutions — the deal was that if there were no Assembly, there would be no North/South bodies. The North/South Ministerial Council and the Northern Ireland Assembly are mutually interdependent and one cannot successfully function without the other. I remind you, just as I reminded Conor Murphy and others, of what Paul Murphy said in the House of Commons on 8 March 1999:

“The North-South Ministerial Council, to which the bodies are accountable, would disappear if there were no Assembly. Similarly, the bodies envisaged in the agreement would disappear.”

There will be no Utopia post-24 November if you do not make the Assembly work. I have voiced this

concern before, but I believe that you want to bust the Assembly to get what you think you can get out of it after 24 November. I have had occasional doubts in the past when listening to Sinn Féin members on other Committees, but I now have serious concerns about whether Sinn Féin is serious about this matter, and whether its plan A really is its plan A. Is this a step towards that?

Mr P Robinson: I do not want to rain on your party, but let us be clear that the electorate have made their views known on the Belfast Agreement. The principle of the mandate is such that we must be guided by the most recent mandates, and the overwhelming majority of the unionist community has shown that it is not satisfied with the Belfast Agreement. Their views must be taken into account, given that the agreement requires cross-community support. It cannot work without the support of both communities, so it is essential that changes are made.

Chairman, your earlier suggestion that we move on is probably sensible because Sinn Féin is at sixes and sevens; it does not quite know what it is doing.

Members of that party attended the meeting last week. They gave their reasons why they had not approved the report. They said that the report was incomplete and that further work was required. They put forward all sorts of excuses, none of which were strong or satisfactory. However, we listened to them.

11.45 am

This week, a new set of excuses has been put forward that run contrary to the actions taken by Mr McGuinness earlier today. At the start of the meeting, he approved the report, which states specifically, in the third paragraph of the executive summary, that the Assembly should debate it in September. Despite the fact that Sinn Féin has expressly approved the report being debated in September, it will not commit to that unless everybody jumps through its hoops. The schedule — which I understood was already in place — is meaningless, because it does not bind any party and does not deal with the key ingredient for restoration, which is that the republican movement has ended its paramilitary and criminal activity for good.

We could go round in circles. I suspect that if we have another discussion on the matter next Monday, Sinn Féin will, yet again, throw the rattle out of the pram and will have another excuse for not entering the Assembly. It appears that its priority is not to be in the Assembly and not to discuss those matters, regardless of how important they are to the preparation for Government, whether they are agreed in Committee, whether everybody else wants to debate them or whether the Secretary of State directs it. We cannot change Sinn Féin's attitude. It must sort out the internal differences between its members on the subgroup who,

in their report, indicated that it must be debated in September, and Mr McGuinness and his colleagues who voted that it should be debated in September and who now say that they do not want it to be debated then.

Dr McCrea: Sinn Féin, and Martin McGuinness in particular, is squirming this morning. He has tried to get cover from whatever source possible. Last week, we were told that the report is incomplete and that it is not necessarily a serious report. Peculiarly, however, the report, which was incomplete last week and to which only small, technical editorial changes have been made, is considered complete today and has, indeed, been passed. Sinn Féin is clearly playing a game.

The Committee was set up to scope issues. Sinn Féin wanted negotiations, which are not in the Committee's remit. It has kept to its remit. Sinn Féin, however, has tried to move the goal posts. It wants the Committee to delay the debate on the report, which it says is complete, for another week. Why? The reason is simple: Sinn Féin wants us to play its game.

Earlier, Martin McGuinness told the Committee that Sinn Féin is not playing a game. Indeed, it is, and it wants the Committee to play along with it. The Committee would be foolish to do so. Questions are being asked about how serious Sinn Féin is. Anyone who reads the minutes of what happened this morning will see that no consistent argument, which could stand up to scrutiny, has been presented by Sinn Féin as to why the debate should be delayed.

The report has been passed unanimously. It should, therefore, be presented to the Assembly as it is. Peter Robinson mentioned the important statement in the executive summary of the report that indicates that it should be debated in September. That has been accepted. A week has already been lost. Are we to delay the debate for another week? There are serious issues that must be dealt with by the Assembly. I appeal to the Committee to make the right decision on how to proceed.

The Chairman (Mr Wells): I will allow Mr McGuinness to respond to the points that have been raised. Afterwards, we must proceed to the various proposals.

Mr M McGuinness: As usual, those who are on the other side of the table have totally and absolutely misrepresented Sinn Féin's intentions vis-à-vis the work of the Committee —

Mr McNarry: That is how you have presented them, Martin.

Mr M McGuinness: It is not a matter of how we have presented them. Time and time again, ad infinitum, you, Michael, Alan, Peter, and Willie McCrea have all given your views on Sinn Féin's intentions.

Mr McNarry: They are pretty consistent.

Mr M McGuinness: That is all it is — your view. The SDLP, the Alliance Party and the Ulster Unionists are content to play the DUP's game, but rest assured that Sinn Féin will not play that game. We stated from the beginning that we will hold both Governments to their stated objective and that the principal purpose of bringing back the Assembly was to see a Government established — a power-sharing Government — and the Good Friday institutions restored. That is what Sinn Féin seeks to achieve.

Nothing that I have said, or that any Sinn Féin member has said in Committee or on the subgroup, conflicts with statements that I made earlier in the year that Sinn Féin is prepared to engage seriously in plenary debates and in discussions if it is satisfied that they form part of an overall project designed to fulfil the both Governments' initial stated objective of restoring the institutions.

Time and time again in deliberations today, both Peter Robinson and Willie McCrea have made it absolutely clear that the DUP is not bound by any deadline, and that the DUP is working to its own calendar. Will the DUP share that calendar with the rest of us? The Committee is discussing calendars and plans on how it will deal with everything, and it has just been handed the work plan for July, August, September, October and November. It states that during the autumn—I presume that that means September—efforts to elect the First Minister and the Deputy First Minister will continue. I have not heard anybody talking about when that will be on the agenda for a plenary.

Ken Reid told the general public that there will be intensive debates and discussions at a venue in Scotland—or Timbuktu, for all we know—some time in October. I have not heard anyone discuss that.

The Committee should not blow out of all proportion what Sinn Féin seeks, which is that the Committee agree that it should deal with the motion on the economic challenges subgroup's report in a plenary next Monday. That is all Sinn Féin is asking. The Committee should not make a melodrama out of it, and blow it out of proportion. It is not unreasonable, and if other people think that it is, that is tough on Sinn Féin.

Mr McNarry: What will change between this Monday and next Monday?

Mr M McGuinness: I do not know what will change. However, Sinn Féin will speak to both Governments about how they intend to take this process forward between now and 24 November. Sinn Féin has issues, but it will not place those issues before the Committee.

Mr McNarry: The Governments are running this Committee, not Sinn Féin.

Mr M McGuinness: Seán Farren is anxious that I inform the unionist parties about the conversations that

we may have with both Governments, but, with respect, that is not how Sinn Féin negotiates.

Mr Paisley Jnr: Call the psychiatrist.

Dr Farren: On two occasions, the SDLP was referred to —

The Chairman (Mr Wells): I am permitting Dr Farren to make a point of information on Mr McGuinness's speech.

Dr Farren: The accusation was made that the SDLP and others are working to the DUP's agenda: that is not the case. I am working to the agenda before us, and I hope that Martin and his colleagues are as well.

I made the point that issues that affected the schedule, and any changes or additions to it, would affect us all. It would be helpful if Martin McGuinness were to share those proposed changes with the Committee in order that it might appreciate their significance and understand why their absence is posing difficulties for Sinn Féin.

I am certainly not anxious to hear of matters that Sinn Féin regards as privy to itself and the two Governments. However, the Committee is entitled to know what is missing from the schedule that causes Sinn Féin such difficulties that it cannot agree that the motion be approved.

If Sinn Féin answers that question, my concerns will be slightly allayed. However, Martin has made no attempt to give an answer, hence my exasperation on the previous two occasions that I have spoken.

Mr M McGuinness: I have already answered that question, and I have made clear —

Dr Farren: I think not.

Mr M McGuinness: I have made clear Sinn Féin's reservations, and I have given a number of examples. For instance, the work plan of the two Governments was circulated this morning, but does anyone here know on what date in September the vote for the First Minister and Deputy First Minister will take place?

Dr Farren: Table a motion with the Business Office in that case.

Mr M McGuinness: It is not a matter of Sinn Féin tabling a motion. This is something that the British Secretary of State has empowered himself to do. It is not something over which the PFG Committee has any control. Unfortunately, that is the reality that we are dealing with, but Seán does not appear to be aware of that.

It is also pertinent that the public learnt from Ken Reid on Ulster Television that intensive negotiations are to take place somewhere in Scotland in October.

Dr Farren: There will only be intensive negotiations if people turn up for them.

Mr M McGuinness: Nobody has yet refused to turn up for negotiations.

Mrs Long: May I ask a question?

The Chairman (Mr Wells): A point of information, Mrs Long.

Mrs Long: Is this delay —

Mr M McGuinness: They are only examples, Seán.

Dr Farren: Give me a few more.

Mr M McGuinness: No, I will not give you a few more.

Mrs Long: Is this delay simply a fit of pique because the media has launched something that was not raised with the Committee? If that is the case, this is a poor show of trying to deal with the situation. I agree that finding these things out through the media is not the ideal way of dealing with the future of these talks.

Mr M McGuinness: It is incredible that you should say that, Naomi —

Mrs Long: It is not the most incredible thing that has been said this morning.

Mr M McGuinness: It is incredible that you should say that you were made aware by UTV and Ken Reid that there will be negotiations early in October.

Mrs Long: I did not say that.

Mr M McGuinness: What did you say?

Mrs Long: I said that Ken Reid announced that we would be going to Scotland.

Mr M McGuinness: What are you going there for? A football match?

Mrs Long: I asked if your reaction this morning was a fit of pique in the light of that announcement.

Mr M McGuinness: It is not a fit of pique.

Mrs Long: That is good; I wanted to clarify that.

The Chairman (Mr Wells): We have aired this adequately. I suspect that we might have difficulty in reaching consensus on this matter.

One of the proposals is that the matter be deferred to Monday 11 September. That means deferring the debate to 18 September. It would be impossible to debate that and the other issues that are arising from the reports from the three strands of the PFG Committee in time —

Mr M McGuinness: I do not know how you can presume that at this stage.

The Chairman (Mr Wells): I am simply reporting the mechanics. Mr McFarland is correct; most of those reports will require a minimum of two days' debate. There would not be time to agree those reports, get them to the Business Committee and then to the Assembly in time for a possible start of negotiations on 9 October.

Mr M McGuinness: We should not work forward on that basis.

Mrs Long: Does the PFG Committee have the power to delay plenary sittings? On the previous occasion that we wanted an extension, the Committee had to request it in writing from the Secretary of State.

The Chairman (Mr Wells): If the Committee did not put anything forward, Mrs Long, there would not be anything to debate.

Mrs Long: That is not what I am asking; I want to know if the Committee has the power to delay the plenary sitting.

Mr McFarland: It is not at all clear. The first debate was supposed to be on 4 September; that was the plan, and we all agreed that.

Mr M McGuinness: Sinn Féin did not agree to that.

Mr McFarland: The discussions that I had around —

Mr M McGuinness: There you go again, misrepresenting Sinn Féin's position.

Mr McFarland: I understood that Sinn Féin was comfortable with this and with the delay that the subgroup was granted.

Mr M McGuinness: Your understanding was clearly wrong.

Mr McFarland: Perhaps you were not here for it, but your colleagues —

Mr M McGuinness: I am aware of everything that happens here, Alan.

Mr McFarland: The PFG Committee agreed to a week's extension for the subgroup and asked the Secretary of State to delay the plenary for a week to —

The Chairman (Mr Wells): There was agreement by consensus.

Mrs Long: If there had not been consensus, it would not have happened.

Mr McFarland: There was consensus, and Sinn Féin agreed, at this table, to delay the plenary from 4 September to 11 September. That was logical because there was more work to do in the subgroup. However, Martin McGuinness's arguments this morning do not make sense and are not logical.

Mr M McGuinness: Let us not go on the merry-go-round again. I have stated Sinn Féin's position.

Mr McFarland: I understand that.

Mr M McGuinness: I have put a proposal to the Committee; I am the only person to have done so.

The Chairman (Mr Wells): I assure you that we have several proposals to deal with.

12.00 noon

We have aired the matter extremely well. I will put the proposal, which was on the original motion. I accept that some members may wish to amend that proposal, if it is accepted that we have a proposal at all.

Mr Ford: Surely the logic of Naomi's amendment to Martin McGuinness's apparent proposal is that he should request that the Secretary of State order the delay and that it would be only proper that the Committee make that request in the right way. I am sure that he would wish the Secretary of State to request the wordings.

Mr McNarry: Martin McGuinness would have to give good reasons for suggesting his proposal. What guarantees has he given that next Monday he will not have a different opinion and protest that we must delay even further? It is a filibuster. He does not have a clue what his reason is, because he does not have a reason.

The Chairman (Mr Wells): That is not a point of order, Mr McNarry.

Mr McNarry: I am sorry.

Mr P Robinson: It is a good point, however.

Mr M McGuinness: Mr McNarry should contain himself.

The Chairman (Mr Wells): The Committee Clerks have pointed out that it would be logical to take first the proposal that stands in Mr McGuinness's name, because if we agree to defer the issue for a week, we do not have to worry about the contents of the actual motion.

I will put this —

Mr P Robinson: Can we be clear? Is Mr McGuinness's proposal to the effect that the debate should take place a week later; or that the PFG should consider the motion in a week's time?

The Chairman (Mr Wells): Mr McGuinness proposed that the discussion on the motion that will go to the Business Committee be deferred until Monday 11 September.

Mr P Robinson: Again, there is no commitment to discuss the motion at all in the Assembly.

The Chairman (Mr Wells): Is there consensus on Mr McGuinness's proposal?

Members indicated dissent.

The Chairman (Mr Wells): We shall now return to the original motion. It would be helpful to get consensus on the principle behind the motion. Naomi had slight difficulties with it, and it has been tweaked somewhat, which I accept is legitimate. Seán had a few comments —

Mr P Robinson: On a point of order, Mr Chairman. Was it proper for you to accept Mr McGuinness's proposal, given that there is a direction from the

Secretary of State that the issue must be discussed at the September plenary?

Mr M McGuinness: How does accepting my proposal conflict with that direction? There is no conflict at all.

The Chairman (Mr Wells): The Secretary of State could intervene at any stage and instruct us on this issue. We could have still technically debated the motion in September even with that proposal, so I am happy that it was in order. However, the proposal has fallen; it has been defeated.

Mr P Robinson: The problem is that, because we must operate on the basis of having consensus, nothing will be agreed.

The Chairman (Mr Wells): We do not yet know what will happen, because we have to put a series of proposals.

Mr P Robinson: We do know.

The Chairman (Mr Wells): It is unlikely perhaps, but I think —

Mr McFarland: Chairman, it is fair to say that, from the beginning of these Committee meetings, the DUP's key point was that the need for consensus on every issue would present problems.

The Chairman (Mr Wells): We shall put the proposals. If the motion falls, there will be no arguments over the semantics, because there will be no motion.

Mr McFarland: Chairman, did this motion come from the subgroup or from the PFG Committee?

The Chairman (Mr Wells): No. The clerking team suggested it in order that the Committee would have something with which to work.

Mr McFarland: Is it not up to the Secretary of State to produce the motion?

The Chairman (Mr Wells): Yes. He can intervene and instruct the Business Committee on how to proceed, and he can instruct the Assembly to debate the issue.

Mr McNarry: If it is likely that there is no consensus, are we bound to write to the Secretary of State to say that we have been unable to reach consensus, so we are unable to avail ourselves of the date that he has offered us?

The Chairman (Mr Wells): No, that is a matter for the Business Committee.

Mr P Robinson: If that is the case, all we are discussing is the content of the motion, not the date when it will be debated: it is up to the Business Committee to determine that. Therefore, let us consider the motion, regardless of when it will be debated.

The Chairman (Mr Wells): If the motion falls, I will suggest, as Chairman, a possible procedural motion that could be used.

Mr McNarry: Why should the motion fall if it is just its content, and not the date for debating it, on which we must agree?

The Chairman (Mr Wells): I cannot pre-empt what members will say, so I shall put the motion simply to remind members that —

Mr P Robinson: The draft motion in front of us has a heading, which specifies a date. The heading has to be removed.

The Chairman (Mr Wells): The heading is there for guidance. It is not part of the draft motion and can be deleted. There is no difficulty with that. It has been two hours since we first read the draft motion into the record, so I would remind members of the wording:

“That the Assembly approves the first report from the Committee on the Preparation for Government on the Economic Challenges facing Northern Ireland; agrees that it should be submitted to the Secretary of State for Northern Ireland; and calls on the Secretary of State to take action to implement the recommendations in the Report.”

I know that there are technical difficulties with that. If they are sustained, we will come back to them as amendments. Does the Committee accept in principle that it will have a motion of that nature at some stage, with amendments? Are we agreed?

Members indicated assent.

Mr M McGuinness: We are not agreed on that taking place on the —

The Chairman (Mr Wells): The draft motion is simply as I read it. There will be no date attached. We have reached consensus on that.

There were technical difficulties with the numbering of the recommendations because we had made some of them ourselves, such as the appointment of an economic advisor. Mr Ford, you suggested that we should specifically refer to recommendations 1-16 and 19-21, because recommendations 17 and 18 are within our own bailiwick. The last line of the draft motion would then read, “and calls on the Secretary of State to implement recommendations 1-16 and 19-21.” Is that agreed?

Mr Ford: There is the further point, which Naomi raised.

The Chairman (Mr Wells): I will be coming to the issue of “pending restoration”.

Mr Ford: I presume the Clerks have got the numbers right. Those are the short-term issues for the Secretary of State. However, the draft motion still implies that responsibility for all of those recommendations rests and is likely to remain with the Secretary of State.

The Chairman (Mr Wells): I would then move to Mrs Long’s amendment that we add the words, “pending the restoration of the institutions”.

We are trying to bring together a composite motion to reflect those comments.

Mr P Robinson: Why not just add the words, “calls on the Secretary of State and others to take action to implement the recommendations in the report”?

The Chairman (Mr Wells): Mrs Long is unhappy with that.

Mrs Long: I prefer the words, “pending the restoration of the institutions”. If we are to debate the recommendations in the context of preparation for Government, then that has to be the context in which the motion goes forward.

Mr P Robinson: That is not accurate either, because there are recommendations that are not for the Secretary of State, but which are for others, whether or not there is restoration.

Mrs Long: I do not object to the word “others” being included, but I prefer to include the reference to restoration.

The Chairman (Mr Wells): We shall include both. That should combine the three concerns expressed about the motion as drafted. The motion now reads:

“That the Assembly approves the first report from the Committee on the Preparation for Government on the Economic Challenges facing Northern Ireland; agrees that it should be submitted to the Secretary of State for Northern Ireland; and, pending the restoration of the institutions, calls upon the Secretary of State and others to take action to implement recommendations 1-16 and 19-21 in the report.”

Does that satisfy the three considerations?

Mr P Robinson: Why are we specifying those recommendations?

The Chairman (Mr Wells): Because recommendations 17 and 18 are our responsibility.

Mr P Robinson: This is an Assembly motion, and these are PFG responsibilities. We are saying that the Assembly is telling the Secretary of State and others —

The Chairman (Mr Wells): The word “others” referring to us?

Mr P Robinson: We are some of the “others”.

Mr McFarland: It should not matter. The Committee’s action fits in under “others”.

Mr McNarry: We have already accepted that in the motion.

The Chairman (Mr Wells): We can drop the wording as a result of the additional material. Are members happy with that?

Dr Farren: Read the motion to us now, please.

The Chairman (Mr Wells): Here we go again:

“That the Assembly approves the first report from the Committee on the Preparation for Government on the Economic Challenges facing Northern Ireland; agrees that it should be submitted to the Secretary of State for Northern Ireland; and, pending the restoration of the institutions, calls upon the Secretary of State and others to take action to implement the recommendations in the report.”

Mr P Robinson: It might be appropriate to give more standing to the PFG Committee and make the recommendation read, “The Secretary of State, the Committee on the Preparation for Government and others”.

The Chairman (Mr Wells): I can see the logic to that. Are members content with that suggestion?

Mr Ford: That seems logical, given that two of the recommendations have been made specifically by the PFG Committee.

Members indicated assent.

The Chairman (Mr Wells): There is no date attached to the proposal: it stands as worded.

Mr M McGuinness: The proposal would be enhanced if we included the phrase “before 24 November”.

Mr Ford: Looking at the long-term nature of some of the recommendations on the economy, it is unrealistic to suggest that we could implement them by 24 November. Although that date might have resonance in certain other areas, I am not sure that we can put the Northern Ireland economy right in three months.

The Chairman (Mr Wells): After the composite proposal, the motion reads as follows:

“That the Assembly approves the first report from the Committee on the Preparation for Government on the Economic Challenges facing Northern Ireland; agrees that it should be submitted to the Secretary of State for Northern Ireland; and, pending the restoration of the institutions, calls upon the Secretary of State, the Preparation for Government Committee and others to take action to implement the recommendations in the report.”

Are members content with the composite proposal?

Members indicated assent.

The Chairman (Mr Wells): We have got through a lot of business this morning, and it is not appropriate to move to the ministerial code and the various strands of the report at this point. I suggest that we break now.

The Committee was suspended at 12.11 pm.

On resuming —

12.49 pm

The Chairman (Mr Wells): Comments have been received from some members about delays in receiving the Official Report (Hansard). This matter was drawn to the attention of Madam Speaker, and her response, I hope, explains the difficulties that the Office of the Official Report faces. Do members have any comments on Madam Speaker’s response?

Mr McFarland: I raised this matter originally. I was concerned that it seemed to be taking an awfully long time. What worried me is that for four years we were unable to do our work; when the opportunity arose in May to start doing some fairly substantial work again, someone should have checked whether the system at Stormont could cope. Presumably the Secretary of State decided we were going to do this work.

I know that it has been a pain for the Clerks and others who have had to reorganise their lives over the summer. However, as we are doing some work for the first time in four years, I could not quite understand why the Office of the Official Report was not able — albeit it was a nuisance, and a pain, or whatever — to provide its usual high standard.

Hansard was excellent during the first Assembly: staff carried out their work and the report was accurate. Having got all of this up and running again you would have expected the Clerking system and Hansard to be of the same standard as before and to work though whatever difficulties they have had. We have all had difficulties over the summer in terms of reorganising our lives to cope with this. I do not want to dispute what Madam Speaker has been told, but on the day I raised this matter I had got a Hansard report out for comment, which I think had been for a meeting which was over a week, or 10 days, beforehand. I was just confused as to why that should be the case. Anyway, I will let it lie there. Madam Speaker has replied to us.

The Chairman (Mr Wells): Are you happy with Madam Speaker’s response to your concerns?

Mr McFarland: I acknowledge Madam Speaker’s letter.

The Chairman (Mr Wells): Are members content to leave it that Mrs Bell has explained the situation and the problems there have been? You cannot just go into the street and pick up a member of Hansard staff — they are highly trained, professional people who spend many years learning the trade. It is not just about getting extra bodies — you have to train people to do the job.

Mr McFarland: Could I ask a question?

The Chairman (Mr Wells): Yes.

Mr McFarland: If we ever get to the halcyon days when the DUP and Sinn Féin do a deal — perhaps before 24 November —

Mr P Robinson: Why do you keep writing yourselves off?

Mr McFarland: Supposing they manage to do a deal on 10 October and this place fires up, where are we going to get those fully trained Hansard operatives at that stage? I am confused as to why it seems to be OK that we have let all those staff go and are not concerned whether they are back or not. Does the Secretary of State not have confidence that the parties can do the deal?

The Chairperson (Mr Wells): I can say from my experience on the Assembly Commission and on the Speaker's Advisory Group that we will have enormous difficulties if the Assembly fires up suddenly. At the last count we had lost 114 permanent staff, who have gone elsewhere.

Mr P Robinson: We have taken note of that: no rush back.

The Chairman (Mr Wells): I know from previous experience in September 1998 that the staff rose to the occasion magnificently, and it was seamless. So it can be done. However, we need to appreciate the very unusual circumstances in which we find ourselves as an Assembly. Does any other member wish to comment on this issue?

Ms Gildernew: I am sorry that I missed the substantive part of the discussion. I would like to reiterate that Hansard has had to cope admirably with a great deal of work that nobody was able to foresee a number of months ago. I apologise if those remarks have already been made. The staff have done a sterling job in providing the relevant documentation for us at each stage.

We should congratulate them on the work that they have done to date.

The Chairman (Mr Wells): I am certain that the Editor of Debates will ensure that those comments are accurately minuted and recorded.

The next item is the draft minutes of the meeting of 29 August. Have members had an opportunity to read them? Are there any corrections or additions? The minutes tend to be non-contentious. They are always a clear and accurate record of the meetings.

Mr P Robinson: There is very little in them.

The Chairman (Mr Wells): They are stark, because Hansard records everything anyway.

Are members agreed on the draft minutes of 29 August?

Members indicated assent.

The Chairman (Mr Wells): The next item is the draft ministerial code.

Mr McFarland has drawn it to our attention that OFMDFM officials have been considering changes and additions to the ministerial code, and they will make the new material available to us by Friday. Do members wish to proceed on the issue today, or do they feel that it is more appropriate to wait until we have the material on Friday, which means that it would be debated next Wednesday?

Mr McFarland: Even though a ministerial code was produced and agreed at the beginning of the previous Assembly, work was ongoing to document the evolving custom and practice in the Executive. Had the Assembly not been suspended, the modified version would have gone before the Executive and been agreed. According to the Secretary of State's plan, the Committee is obliged to agree, or suggest, a ministerial code in October. Therefore it seems daft to work on a draft ministerial code when work had been ongoing, and modifications were available. Those suggested modifications have no official status, but, if we are to produce a code in October, it makes sense to consider that which had evolved and was being documented as a result of experience and best practice during the first Assembly.

The Chairman (Mr Wells): We could have a general debate on the ministerial code. The DUP has submitted a paper on it. Have members had a chance to read it?

Mr M McGuinness: Is this the first time that this paper has been submitted?

Mr P Robinson: All parties were invited to submit papers for this meeting.

The Chairman (Mr Wells): Only the DUP took up that option.

Mr M McGuinness: Sinn Féin does not propose any changes to the ministerial code, but we are happy to consider proposed changes by any party, provided that they are based on rationale and that they are within the terms of the Good Friday Agreement.

Mr McNarry: Are you sure that you do not want to talk to Peter Hain about them first?

Mr M McGuinness: Normally, we talk among ourselves before we talk to the British overlords in whom you place a great deal of confidence.

Mr McNarry: You accused me of making assumptions, but now you are making them.

Mr M McGuinness: This is the first time that we have seen the DUP paper. I am unsure if other parties have submitted papers.

The Chairman (Mr Wells): No, the DUP is the only party to have submitted a paper.

Mr McFarland: If we are to receive the latest version of the ministerial code from OFMDFM on Friday, it makes sense to sit down and work through the DUP's document. Then we could move forward and have a sensible debate on the issue.

1.00 pm

Mr P Robinson: Mr Chairman, the context to this discussion is that all the parties here have agreed that there should be a ministerial code, elements of which should be given statutory authority in a new piece of legislation. The Committee also agreed that there were some issues best dealt with in a ministerial code, such as accountability. Indeed, there was general agreement that the issue of support for the rule of law could be dealt with in that context as well.

There has been consensus on those issues thus far. The DUP submission relates only to the matters which we feel it would be necessary — beyond what is already in the legislation — to include as part of a statutory ministerial code, or the elements of the ministerial code that would have a statutory effect. Clearly, there are other matters. There are two exercises; first, what has to go into statute, and second, what the content of a wider, all-embracing ministerial code might be. Have we any indication from OFMDFM what areas they have considered for change in the ministerial code? Are they areas that are likely to impact on the statutory elements?

This Committee had a particular obligation to look at obstacles to devolution. I suspect that most of the ministerial code will not be considered by anybody to be an obstacle to devolution. However, some of the obstacles to a return to devolution that have been identified could be dealt with in a statutory ministerial code. We need to distinguish between those two elements.

The Chairman (Mr Wells): That is a helpful comment. The NIO will be giving us a paper on the additional work that it has been doing on the code.

Mr P Robinson: The NIO?

The Chairman (Mr Wells): Sorry, OFMDFM.

It is not going to be a revised draft code. The issues that we think are going to be new are issues such as bringing written papers to the Executive and the implications of the Freedom of Information Act 2000 for the workings of the Executive. Those are obviously matters that they would not have been aware of in 2000.

Mr McFarland: Do you know why it is taking so long?

Mr P Robinson: Perhaps they have not seen the schedule.

The Chairman (Mr Wells): Taking so long to bring it to us?

Mr McFarland: Yes. There is likely to be a document that they have annotations on. My understanding was that they actually had something. Presumably it is a matter of photocopying that and giving it to us. Why is it taking until Friday?

The Chairman (Mr Wells): As you know, Alan, this matter was only raised on Friday.

Mr McFarland: Yes, but 15 photocopies does not take a week.

The Chairman (Mr Wells): There is no document as such. The various changes have to be brought together under one cover for our benefit. That is what I have been told. It is not available today, but it will be.

Mr McFarland: Can we hurry them up?

Mr P Robinson: Freedom of information is not going to be relevant to the core issues, which could be resolving obstacles. If we get that done, so be it. There is no rush to get that done in the next month or two, is there? The written papers and the rules that would relate to them being brought to the Executive or elsewhere might have a bearing on it.

Mr McFarland: The programme requires that:

"Parties conclude discussions and finalise draft Programme for Government and draft Ministerial Code".

That is for October, so logically in September we would be examining all this and coming to some conclusion on it. Is the actual Programme for Government to be debated, or just key parts of it? Are the statutory parts to be debated?

Mr P Robinson: What is put forward is up to us. The PFG Committee was given the role of putting forward recommendations for debate so, if it is thought to be an important element, then maybe it will be put forward.

Realistically, given the timescale that has been mapped out to November, we will do well to deal with the reports of the Subgroup on the Economic Challenges facing Northern Ireland, and of the PFG Committee dealing with institutions, policing and human rights. That will account for four weeks, and if we are all going to go to Timbuktu or Scotland in between, it might take another week or two.

The Chairman (Mr Wells): I am in the hands of the members.

Dr Farren: I understand that, at the minute, you are seeking a way forward as to how we handle this debate. We have had a paper from the DUP and we have the original draft ministerial code. In addition, there are notes from OFMDFM. It would be helpful if we had all of that together at one time, so that we could go through it, setting the various recommendations for change, if there are any, against the original document. I am not in favour of delaying

things, but it would help if we met with all the relevant documents before us.

Another suggestion, and I hope it is helpful though I am not a legal expert, is that the original document could be marked to tell us which elements are likely to be part of statute, so that we could see what in the ministerial code would be statutory and what would not.

Mr P Robinson: That is for us to decide. All we have at the moment is a pledge of office and a code of conduct. I was never clear as to whether the code of conduct was not really a statutory element of a ministerial code. If it is, perhaps that bit needs to be expanded. It is up to us to determine how much of it should be statutory. The DUP has stated what it believes should be included.

Dr Farren: There may be certain elements that obviously lend themselves to statutory underpinning, and therefore they might be marked because they could be made statutory. There might be other elements that we could add to it or take away. It is helpful to have guidelines, although we do not have to be dictated to by them, as to what should be part of statute and what should not. It is just to help debate.

Mr P Robinson: If officials are going to do that, they might want to look at elements that, though they are in a ministerial code, are giving Ministers what is already in other legislation outside of the Northern Ireland Act 1998 or any successor Act. Much of it — for instance, the freedom of information stuff that we are talking about — is to meet legal requirements. That is the case in the existing ministerial code. All it does is tell the Minister what he should do because he is legally required to do it.

The Chairman (Mr Wells): When do we do this? The DUP is the only party that took up the invitation to provide a paper. Others could still do that, if we return to this issue.

Dr Farren: The SDLP will not.

The Chairman (Mr Wells): We have this note from OFMDFM. The Assembly is to sit on Monday, so we will not meet. Dr Farren suggests that we move this discussion to our next meeting, which is on Wednesday. That would give members a chance to consider the DUP's paper and perhaps give other parties an opportunity, if they wish, to provide more material. Alternatively we can dive into this now, and hope that when the note comes through on Friday from OFMDFM, it does not radically alter what we have decided.

Mr M McGuinness: That makes no sense.

The Chairman (Mr Wells): Those are the two proposals. I am entirely in the hands of the Committee as to how we deal with it.

Dr Farren: This is not a major exercise, even though the document is substantial. There is much that we will probably agree needs to be in a ministerial code, whether statutory or otherwise. There may be disagreement over what needs to be underpinned by statute. I would prefer to have all the documentation in front of me so that we can go right through it and finish the job in one day.

The Chairman (Mr Wells): We would not have any difficulty in filling the rest of today, given the items that are on the agenda, so we will not lose time on this issue. There seems to be support for Dr Farren's proposal. Do members agree that we should defer discussion on the ministerial code until our Wednesday meeting?

Members indicated assent.

The Chairman (Mr Wells): A related issue is a proposal by Ian Paisley Jnr, which was referred by the meeting of Wednesday 30 August. It states:

"The Committee believes that a breach of the Ministerial Pledge of Office should be actionable in the courts and followed by disqualification from office."

Do members wish to debate that proposal today or defer it until we discuss the other issues?

Mr Paisley Jnr: It would be helpful if we kept it on the agenda but moved it to next Wednesday to give everyone a chance to consider the papers.

The Chairman (Mr Wells): Are there any contrary views?

Mr M McGuinness: The proposals are about the same issue.

The Chairman (Mr Wells): Is there consensus on that proposal?

Members indicated assent.

The Chairman (Mr Wells): We now move to "Discussions on institutional issues". It has been a long haul for everyone, and several issues have been parked. One member said that the car park now had several storeys. We need to make decisions on those issues. We have a problem about what to do.

I suspect that we will not reach consensus on some issues, but we will have to include them in the report, stating that the issues were debated but that we have not reached agreement on them. However, we may reach consensus on other issues.

Mr P Robinson: Are these outstanding issues, or have they been discussed and we could not reach agreement on them?

The Chairman (Mr Wells): There is a mixture. Some of the issues were debated in great detail.

Mr P Robinson: I will put the question another way. Are there any issues that we discussed and could not reach agreement on that have not been included?

The Chairman (Mr Wells): Yes, but those are issues where we could not reach agreement. We decided that the report would state that we did not reach agreement on them.

Mr P Robinson: Can we do the same with some of these issues?

The Chairman (Mr Wells): Yes. The parties flagged up some issues as being major impediments to devolution, and others were merely disagreements. However, we are left with these issues hanging in the air.

Mr Paisley Jnr: Can the Clerks provide us with a list of issues that have not been agreed?

Mrs Long: There are distinctions. Consensus was not reached on certain issues, and the discussions were completed; there are issues that we will consider today where consensus was not reached but discussions were to continue; and there are a few issues where consensus was reached.

The Chairman (Mr Wells): These are the issues that are in the car park, as it were.

Mr Paisley Jnr: Set the car park aside for a moment and deal with the issues that are in their appropriate place — unagreed, but in their appropriate place.

Mr P Robinson: I assume that we will receive a report that will give us a list of everything that has been agreed or has not been agreed. We want to know which category we put those into.

Mr Paisley Jnr: There must be a draft list somewhere.

The Chairman (Mr Wells): They are in three separate reports.

Mr Paisley Jnr: You could give us a copy.

The Chairman (Mr Wells): It is a long list. A great deal of work was required to extract that information.

The Committee Clerk: The work on that list is under way.

Mr Paisley Jnr: A list will have to be produced, anyway.

The Committee Clerk: The complete list is not ready. We intended to produce the list for the next meeting.

The Chairman (Mr Wells): The draft of that report will be issued by the end of this week.

Mr Paisley Jnr: In this vacuum, an aide-memoire might be useful, so it would be good to have sight of where we stand on many of those issues.

The Chairman (Mr Wells): That is the difficulty, because some of the issues date back to the start of August.

Mr McFarland: It is absolutely clear from our discussions that we shall not reach agreement on some of those issues, which I thought had been accepted would go to the negotiations in October. For example, the matters concerning the election of the First Minister and the Deputy First Minister directly relate to the comprehensive agreement. We held several days' worth of discussion on that matter and I understood that we could not reach agreement on how that was going to operate.

1.15 pm

We are putting off discussions on the ministerial code and the Pledge of Office until next week. We will never reach agreement between nationalism and unionism, in their broadest senses, over the North/South implementation bodies, because unionism is happy enough with what has already been negotiated.

Mrs Long: You are, essentially, prejudging the outcome of the discussion. You may judge that matters will not be agreed. I happen to agree with you, but we must formally not agree them today for them to fall into that category. We have to go through the formal process seeking consensus.

Mr McFarland: Having spent at least two days on many of these issues, it would not make much sense for us again to open up broad discussions on them. If we are taking decisions, that is absolutely fine, but my sense is that we are not going to reach agreement. Of course, that must come officially from the Committee. The reason that most of those items were parked was because there was no agreement and, rather than say that the issue is closed, we have said that we will park it.

The Chairman (Mr Wells): Alan, the other option is that we slot each of those matters into the relevant report — the draft report that members will be considering — and there will be another opportunity at that stage to try to reach agreement.

Mr McFarland: My point is that, for example, there may or may not be negotiation on the number of North/South implementation bodies in the autumn, just as there was with the comprehensive agreement. It will be the same, I suspect, with the OFMDFM matters. We may manage to do something about the matters relating directly to our discussions on the ministerial code, etc, on which there is quite a lot of room for sensible agreement. It is probably fairly easy to agree that the rest be parked in the report and will be the subject of negotiations in the autumn.

The Chairman (Mr Wells): For example, Alan, there was a general agreement that a mechanism is needed to ensure stability. That issue was to be parked

with a view to exploring possible mechanisms. There was not a great clash among the parties; it was agreed to come back and explore those mechanisms.

Mr P Robinson: Four of the matters relate to the ministerial code.

The Chairman (Mr Wells): We could move those into the debate next Wednesday.

Mr P Robinson: Could we agree then that the other elements should be matters considered during negotiations, as there is no consensus at the present time?

Mr McFarland: Certainly, the issues concerning the First Minister and the Deputy First Minister lend themselves to that.

The Chairman (Mr Wells): We accept that no matter how long we debate those issues and the matters concerning North/South implementation bodies and the North/South Ministerial Council, we are not going to reach agreement on them, so we move them into those matters that will be the subject of negotiations. The other matters will be discussed on Wednesday, along with Mr Paisley's motion.

Mr P Robinson: Which Wednesday are we talking about?

The Chairman (Mr Wells): Wednesday 13 September. There is one other issue — reducing the numbers of MLAs and deferring consideration on the mechanism for further consideration.

Dr Farren: Did we not defer that matter to a Committee of the Assembly because, essentially, that is where it would have to be?

Mr McFarland: It is not going to happen before the next election.

The Chairman (Mr Wells): Yes, there was no rush on that matter.

Dr Farren: Turkeys do not queue up for Christmas.

The Chairman (Mr Wells): As one of the turkeys — *[Laughter.]*

Dr Farren: It was said, appropriately, that that matter should be with a Committee of the Assembly, rather than with us.

The Chairman (Mr Wells): The major issue is that plenaries are to be held on 11 and 12 September.

Members might like to look at the work plan; there is quite a bit to it. We will soon have to consider the draft reports on the three areas being dealt with by the Committee. The Committee dealing with institutional issues and the Committee dealing with law-and-order issues will each hold two more meetings. However, I believe that the Committee dealing with rights, equality and safeguards will issue a draft report on Wednesday, which will hopefully be agreed on 8 September.

When all those meetings have taken place, we hope to agree the reports and refer them to the Business Committee so that the reports can be debated in the Assembly the following week. Difficulties will arise if we cannot reach agreement at the end of those meetings. However, in theory, that is the programme. We will work through the next month, making referrals to the Business Committee, followed by debates in the Chamber.

Mr McFarland: Chairman, now that we are getting down to the sharp end of this matter, we should consider how long it will take us to complete the necessary work. When time gets tight, members may consider working on a Wednesday, but not on a Thursday. However, we need to work Monday, Tuesday, Wednesday and Thursday. My colleagues will obviously want to have Fridays in their constituencies, but, of course, the Committee meets on Fridays. At this stage, we should be able to work Monday through to Friday in order to get through the business at hand, should we not? There may be some delays, and it will be difficult, but we cannot simply decide to work some days and not others and hope that everything will be OK.

It would be a mistake to leave this work until 3 October, even though it seems a long way down the line. If we are going to be away somewhere or other the following week, we should have all our work tidied up, debated and out of the way by then. We do not want to be dealing with this work after 3 or 4 October, if, as Peter said, these reports are to be the basis of discussions, or are to help with discussions.

The Chairman (Mr Wells): We have the power to meet whenever we feel it is appropriate. However, members must bear in mind that as the economic challenges subgroup will soon be back in action, members may have to attend its meetings, as well as those of the Business Committee, and, possibly, party meetings.

Mr McFarland: The main concern for the subgroup was the preparation of a report for a plenary. That is a key issue, but it is a longer-term issue, as other colleagues have mentioned. The work on economic issues will take quite some time, so it does not have to be completed by 4 October — although, as was mentioned this morning, discussions on a potential economic package must be held before the talks.

We must clear the debris out of the way so that when we reach the talks, it is absolutely crystal clear what the issues are, what the parties' positions are, and what negotiations need to take place. It would be quite ambitious to leave that work until after the debates on 3 and 4 October — as we appear to be doing.

We should try to complete some of that work before then, because, as our experience of the Assembly has shown, everything takes much longer than we think it will. Therefore, the more work we undertake now, the more time we will have later to deal with matters that

go astray. It seems daft to devise a programme, but leave no time to sort out any difficulties that may arise or to arrange an Assembly debate. It would be useful to have a sensible debate in the Assembly about those issues before going into talks.

Mr P Robinson: I am not throwing out a fly to bait Mr McGuinness on the economic issue, but a motion on the economic challenges facing Northern Ireland is to be debated in the Assembly on Monday 11 and Tuesday 12 September. We have three further reports to debate on three further Mondays and Tuesdays before we get to Timbuktu. Do we not need to make sure that we have a report for each of those Mondays and Tuesdays? Does the work programme provide for that? Can we meet the work programme for each of the reports?

The Committee Clerk: The equality report will be discussed this Friday, and the Committee will get one go at it before we table it for debate. The law and order report will be discussed on Wednesday, but we will give the Committee two goes at it. The report on the institutions is supposed to be discussed next Wednesday and the following Wednesday, but we have programmed events to allow one report to go to plenary every week.

Mr P Robinson: Therefore you think that the timetable can be met.

The Chairman (Mr Wells): A problem arises if the Committee cannot reach agreement on the equality report by the end of the first day or by the end of the second day on the other two reports.

Mr McFarland: It does not buy us any time. It is ambitious to leave the final plenary sittings to the day before the Independent Monitoring Commission report is published. If there were to be a delay, the reports will start to stack up. I do not mind whether we have a spare Thursday in each week on which we can roll over. However, we need to get into a mindset of dealing with the issues sooner rather than later.

Mr P Robinson: I agree with you. If those who are discussing rights issues do not get agreement, they will simply have to come in the next day, will they not?

The Chairman (Mr Wells): If the Committee accepts that solution, there are no procedural difficulties with having a meeting on a Thursday.

Mr McFarland: We need to lodge in the common psyche the fact that it takes as long as it takes and that people will have to be prepared to come in when necessary to reach agreement. My worry is that if we are programmed to have our final decisions on 3 and 4 October, that does not leave us much time for other matters. Bringing everything back a week, or having plenaries on Monday and Tuesday of one week and on Wednesday and Thursday of another, could buy us time. I am worried that our business will stack up and

get stuck and that we will head off into the ether without having had a proper debate.

The Chairman (Mr Wells): We simply set aside Thursday as the reserve day. If we run into problems and are not making headway or if members have to rush off to Westminster, we can still get a team together.

Mr P Robinson: Westminster does not come back until the third week in October.

The Chairman (Mr Wells): Lucky for them.

Are members content that we put in a reserve day and timetable it accordingly? That will give us a fall-back position should things start to unravel. That will keep us within the timetable of trying to get a report through each week to plenary. I see no opposition to that suggestion, which surprises me.

Members indicated assent.

The Chairman (Mr Wells): We discussed a proposal by Monica McWilliams, the chief commissioner of the Northern Ireland Human Rights Commission, to hold a meeting — a one-night residential — with the members of the Preparation for Government Committee. At the meeting that I chaired last Friday, four parties agreed to the meeting in principle. The DUP wanted time to consider the matter and said that it would report to us today on whether it could attend such a meeting.

Mr P Robinson: It is not a priority for us.

The Chairman (Mr Wells): Does that mean that you will be unable to attend?

Mr P Robinson: It is unlikely. I understand that the proposal is that we spend two days in discussion. However, one of those days conflicts with an Assembly sitting.

Mrs Long: The conflict with the potential plenary sitting was raised on Friday, and I asked that contact be made with the commissioner to explain that it would not be possible for any party to be part of that discussion if it conflicted with a plenary sitting. My understanding is that we made a commitment to try to adhere to those dates.

The Committee Clerk: I contacted Prof McWilliams and she informed me that she had spoken to the Secretary of State's office and that it had informed her that if the Committee thought that it was a priority to go to this event, the plenary sitting could be timetabled around it. I then spoke to the Secretary of State's office, and it confirmed that that conversation had taken place.

1.30 pm

Ms Lewsley: That is absolutely amazing.

The Chairman (Mr Wells): What do members feel?

Mr P Robinson: That has reinforced my view that it is not our priority.

Mr McFarland: What does that mean, Mr Chairman? Are the programme that we have just been discussing and the plenary days going to change?

The Chairman (Mr Wells): No. The Secretary of State is saying that we can change it ourselves if we want to.

Mr P Robinson: If the Committee is going to go on a two-day jolly with Monica, we would have to change the plenary days.

Mr McNarry: We would need time to go to the gym for a couple of days before that.

Ms Lewsley: Given what Mrs Long said, may I have some clarification? My understanding was that we were to ask the Human Rights Commission if other dates were available.

Mr McFarland: Yes. We were to ask the commissioner for other dates. It was not for the commissioner to ask the Secretary of State whether we could change our plenary meetings to suit her.

Mrs Long: With all due respect to the commissioner, we have business to do here. We have been invited to take part in a meeting with the Commission. We were asking for an alternative date. The position of the PFG Committee was clear on Friday — an alternative date was the way forward. It was not for the commissioner to ask permission for us to change our mind.

The Chairman (Mr Wells): The other dates for the meeting with the Human Rights Commission were late into October when we will all be away negotiating somewhere in the eastern Sahara. The difficulty is that things will have moved on a fair bit by then. It is entirely up to members.

Mr Paisley Jnr: Leave it until after 24 November; it will give us something to do.

Mr P Robinson: We are too committed to getting the preparations for Government right to go off on these junkets.

The Chairman (Mr Wells): I will report back to Prof McWilliams and let her know the situation.

Mr M McGuinness: What exactly are we letting her know?

The Chairman (Mr Wells): I will be letting her know that the date does not seem to be appropriate and asking her for an alternative one.

Dr Farren: Does it have to last two days?

The Chairman (Mr Wells): She wants it to run overnight. I think it will last a day and a half.

Dr Farren: So it is a bonding exercise.

Mr M McGuinness: Are we being truthful with her? From what I am hearing from Peter Robinson,

there appears to be a fundamental objection from the DUP to a meeting with the Human Rights Commission.

Mr P Robinson: The DUP has no objection to discussing issues, even with Monica. Looking at the timetable for the next number of months, we have to make a determination about how much we take on. I have been turning down all sorts of things over the next number of months because of the work programme. I just do not think that this is a priority for us.

Mr Ford: I want to explore Mr Robinson's priorities a little. What is suggested is having a meeting during a plenary sitting day for the Assembly and on the second day, which is a serious work day — that clearly creates problems. It might be possible to get a day earlier, or even a period which could involve an overnight stay. The issue of human rights is fundamental to restoring the Government, and we should not say that it is not a priority. My problem is with where it conflicts with the schedule.

Mr P Robinson: What are we going to gain from this meeting? How will it help us to fulfil our obligations?

Mr Ford: We spent a fair bit of time on Fridays discussing human rights.

Mr P Robinson: So why do we need to go there? I am told that they are one meeting off reaching agreement on a report. What are we going off to see Monica about?

Mr Ford: Maybe it would be useful if we helped to influence them before that meeting takes place.

Ms Lewsley: I am getting confused. I assumed that we had consensus on the need for a bill of rights, and we had a debate on what should be contained in it. That is what we are talking about here. Because we agree that there should be one, maybe now we can talk about some of the detail. This was a matter of trying to get the parties to agree a structure for the bill. Maybe a day and a half, or two days, for a meeting is too long. Perhaps we should be asking the Human Rights Commission for a shorter meeting that does not conflict with plenary sittings.

Mr Ford: That is what we proposed last week.

Mr P Robinson: That is not relevant to the matter at hand. The job that the PFG Committee has been given is to prepare for Government. In other words, we are to look at all of the issues that need to be resolved in order for devolution to be triggered. The issue of a bill of rights for Northern Ireland does not need to be resolved before that happens. Therefore, a bill of rights can wait. What is important is that we focus on those issues that we must resolve.

The Chairman (Mr Wells): I understand that Ms McWilliams is happy to accept a delegation of the parties' spokespersons on human rights, even if they

are not members of the PFG Committee. Therefore, parties do not have to commit members of this Committee — who are very busy — to that delegation. I appreciate that that is causing problems for many members. The Committee staff will contact Ms McWilliams to see what she proposes as an alternative. Is everyone reasonably happy with that?

Members indicated assent.

The Chairman (Mr Wells): The next meeting of the PFG Committee will be held on 6 September, at which residual law-and-order issues will be discussed. The Committee will also consider the first draft of its report on law- and-order issues. That will be its first bite of the cherry on that matter. As normal, lunch will be provided.

The next meeting of the PFG Committee dealing with institutional issues will be held on Wednesday 13 September at 2.00 pm, when the first draft of its report will be considered. Lunch will not be provided.

Adjourned at 1.36 pm.

COMMITTEE ON THE PREPARATION FOR GOVERNMENT

Wednesday 6 September 2006

Members in attendance for all or part of proceedings:

The Chairman, Mr Francie Molloy
Mr Dominic Bradley
Mr Fred Cobain
Mrs Diane Dodds
Dr Seán Farren
Mr David Ford
Mr Gerry Kelly
Mr Raymond McCartney
Mr Alan McFarland
Lord Morrow
Mr Sean Neeson
Mr Sammy Wilson
Observing: Mr Jim Wells

Witness:

Mr Tim Moore (Senior Research Officer,
Northern Ireland Assembly)

The Committee met at 10.03 am.

(The Chairman (Mr Molloy) in the Chair.)

The Chairman (Mr Molloy): I remind members to switch off their mobile phones. Are there any new members of the Committee who wish to declare an interest?

Members indicated dissent.

The Chairman (Mr Molloy): OK. We shall now move on to the draft minutes of the meeting of 30 August.

Mr McFarland: Are we recording attendance first?

The Chairman (Mr Molloy): Yes; I am sorry.

Lord Morrow: Will we receive a copy of the minutes, or are they for the chosen few only? Is there a code word, and can you tell me what it is?

The Chairman (Mr Molloy): Who is deputising today?

Mr G Kelly: I am deputising for Martin McGuinness.

Mr Raymond McCartney: I am deputising for Conor Murphy.

Mr D Bradley: I am deputising for Alex Attwood, and I will be joined later by Seán Farren.

Mr Ford: I am myself, and Sean Neeson is deputising for Naomi Long.

Mr McFarland: Danny Kennedy sends his apologies and will not have a deputy today. Fred Cobain will be along shortly; he is standing in for Mr McNarry.

Lord Morrow: I expect that Sammy Wilson and Diane Dodds will be here.

The Chairman (Mr Molloy): Are members content with the minutes of the PFG Committee meeting held on 30 August 2006?

Members indicated assent.

The Chairman (Mr Molloy): The next matter on the agenda is the Committee's letter to the Secretary of State and his reply. The Secretary of State will attend the PFG Committee meeting on 18 September at 10.00 am. That is set as a plenary date, but the plenary is not likely to happen before 12.00 noon, and the Committee meeting will be finished by then.

The Secretary of State's reply addresses the issue of national security and the type of information that the policing oversight bodies can expect to receive. The Committee should have been informed last week of who could be expected to receive that information. The letter sets out with whom the information will be shared and states how the Government will engage with the political parties on the matter. Does anyone wish to comment on that?

Mr D Bradley: As there is a range of issues up for discussion, it would be appropriate for the Secretary of State to attend the Committee for two hours. I propose that the Committee requests that he does so.

The Chairman (Mr Molloy): How long is the meeting likely to last?

The Committee Clerk: The Committee meeting is set for 10.00 am, and the plenary starts at 12.00 noon. It will be tight.

The Chairman (Mr Molloy): The four main issues up for discussion at that meeting — at this stage — will be national security, the role of the Army, the Glenties speech, and the Regulation of Investigatory Powers Act 2000. If any other issues arise from today's meeting, they will be considered. It is our intention to forward the Committee's questions to the Secretary of State so that he comes prepared.

The Committee asked whether Army powers would be restricted to public order and explosive ordnance disposal. The Secretary of State's letter states that they will not, but does not say what its other powers might be. That question can be put to the Secretary of State at the meeting.

Does anyone wish to comment on the Secretary of State's letter?

Members indicated dissent.

Should the PFG Committee's meeting with the Secretary of State be in open or closed session? Minister Eagle attended the economic challenges subgroup yesterday, and it was conducted in open session. One member of the public attended.

Mr Ford: Normal practice is to take evidence in open session, and I see no reason not to continue that.

Mr McFarland: How open is that? Are we announcing in the press that that will take place? Are we holding that session in the Senate Chamber? Fifty people may attend if we advertise it.

We all love being in touch with the electorate. The difficulty with this is that the aim of the Committee is to get straight and honest answers from the Secretary of State about what is going on, because the Committee needs that information to make sense of it.

While under most other circumstances, a public session would be laudable, the danger is that I could nearly write the Secretary of State's replies to almost all of these questions, if he knows that he will be sitting there with 50 people present, including the press. The meeting should be reported in Hansard. The whole idea is to try to persuade the Secretary of State to tell us things that he does not want to tell us. That is the essence of having him here. We may try to extricate from him some sense on, for example, his Glenties speech. However, if he knows that he will be sitting in front of the press, we will simply get the same old stuff that he has given us already.

I think the Committee would get more out of it if the session were in private.

The Chairman (Mr Molloy): Shall we lock the door and not let him out until he answers?

Mr McFarland: There may be merit in that.

Mr Ford: I am sure that Mr McFarland has a point, but I do not think it necessarily any more likely that we will get full and open answers from the Secretary of State before five parties, their researchers and the Assembly staff than we would if there were a television camera in the room. I suspect that the Secretary of State will be in public mode once there is more than one person in the room.

Mr G Kelly: I agree with Mr Ford. The Secretary of State will behave as though it were a public meeting anyway.

The Chairman (Mr Molloy): As to the Senate Chamber, the Committee Clerk is checking its availability.

Mr McFarland: If we publicise this meeting, we could get quite a lot of interest. It is the first time that the Secretary of State will have been grilled on policing and justice by an Assembly Committee with all five parties present.

That is not what I mean. We are not grilling the Secretary of State. If we were, he would not come, as he has said previously.

The Chairman (Mr Molloy): With regard to the meeting with the Secretary of State, members should give advance notice of questions they wish to ask him or issues they wish to raise with him.

We will move on to the issue of firearms and explosives. We need to make a decision on this matter. Mr Moore has researched the subject.

Mr T Moore: The Committee has considered the devolution of powers over firearms at a number of meetings. At the last meeting, the Committee decided that it would be useful to have in place all possible options. At tab 3 of members' packs, a table sets out six possible options. I will explain the table to members. At the top, a distinction is drawn between "prohibited weapons" and "other firearms". "Prohibited weapons" are those for which the Secretary of State's permission is required for possession, manufacture or sale. "Other firearms" do not require such permission. That is the key distinction.

For both groups, the Committee has a range of options. The first, entitled "full devolution", involves transfer of full responsibility for legislation, policy and general oversight. That includes the power, held at present by the Secretary of State, to grant authority to hold, manufacture and sell weapons. It also includes "full responsibility for legislation, policy and general oversight" for all other weapons. In that option, all powers relating to firearms are devolved.

The second option is where full responsibility for legislation, policy and general oversight is not devolved, but the Secretary of State's power to grant authority to hold, etc, is devolved. That also involves devolution of powers over "other firearms".

The third option — the one considered in the NIO discussion document on policing and justice — is the Scottish model. It is an unusual combination. The Secretary of State has the power to grant authority for the possession of prohibited weapons, but there would be only limited responsibility for other firearms. For example, the Minister for Justice in Scotland can grant a museum the authority to hold weapons without a firearm certificate. That is the nature of the limited powers.

10.15 am

Options, 4, 5, and 6 do not allow for any devolution of prohibited weapons; devolution is restricted to other types of firearms. The fourth option covers fully devolved responsibilities such as legislation, policy and oversight. The fifth option allows for only some aspects of full devolution; for example, granting certificates and authorities to museums, changing fees, or the duration of a certificate. Those functions could

be devolved to the Minister. Under option 6, which deals with current arrangements, control of firearms is a reserved matter.

Those are the six options. Mr Attwood said that he noticed that the NIO's letter of 29 August stated that, in relation to the Secretary of State's authority, it might be desirable to have devolution, but not at this time. The first three options could all be prefaced by some reference to the words "but not at this time".

The Chairman (Mr Molloy): Do members have any questions? Mr Moore has given details of prohibited weapons.

Mr T Moore: A list of the prohibited weapons is set out in article 45 of the Firearms (Northern Ireland) Order 2004.

The Chairman (Mr Molloy): Do members have any questions?

Lord Morrow: Is the Committee being asked to now decide the option with which it can sit comfortably?

The Chairman (Mr Molloy): Yes. A couple of meetings have been put back, and a decision must be made so that it can be included in the report. We must decide to have either full devolution or one of the other options.

Mr G Kelly: This matter has come up a number of times, and the information on it is helpful. However, I propose that the Committee goes for option 1.

The Chairman (Mr Molloy): Option 1 is full devolution.

Lord Morrow: I propose that we go for option 5.

Mr McFarland: The Committee decided during its previous discussion on this matter that it would make sense if legislation and prohibited weapons were reserved, but that control of other firearms — mainly shotguns, etc — should be devolved. Whether that is done immediately depends on the direction in which discussions on policing go.

Mr D Bradley: The SDLP supports option 1.

Mr Ford: Alan McFarland's logic implies that he favours an arrangement that is somewhere between options 2 and 3.

Mr McFarland: The Ulster Unionists would be happy if responsibility for other firearms were devolved. I cannot see a situation in which anyone would want to have rocket launchers or anything else that is mentioned on the list of prohibited weapons. Therefore, decisions on prohibited weapons would be better left at a national level. It would be sensible if legislative responsibility for such weapons remained centralised for the United Kingdom as a whole.

Mr Ford: The Alliance Party sees the sense in leaving legislative responsibility for both categories at

UK level. That logically leads us toward the Scottish model at option 3, in which there are powers to grant authority and also some limited local responsibility. However, legislation would remain elsewhere — at least initially.

The Chairman (Mr Molloy): The Committee does not have consensus on any option. Does any member want to put forward a proposal?

Mr G Kelly: I propose that the Committee adopts option 1.

The Chairman (Mr Molloy): Do members agree?

Members indicated dissent.

The Chairman (Mr Molloy): Do members have any other proposals?

Mr D Bradley: In the light of the fact that the first proposal has not achieved consensus, I suggest that we adopt option 4, which proposes that powers over all firearms, except prohibited weapons, be devolved.

Mr Ford: Would Mr Bradley like that to happen immediately, or is it an aspiration?

Mr D Bradley: On devolution.

Mr Ford: The Alliance Party would have difficulty with it if it were proposed to happen immediately after restoration of devolution.

Mr D Bradley: I will accept then that it should happen as soon as possible after restoration of devolution.

The Chairman (Mr Molloy): The proposal is to adopt option 4 as soon as possible after restoration of devolution. Do we have consensus?

Members indicated dissent.

Mr S Wilson: The DUP would have preferred the current arrangements, but option 4 is a reasonable compromise.

The Chairman (Mr Molloy): We do not have consensus on that proposal.

The next item on the agenda is "Residual Justice Issues". Mr Attwood made a proposal on that matter last week, and Mr Bradley will follow up on that.

Mr D Bradley: The SDLP believes that the Public Prosecution Service (PPS) should provide reasons and sufficient details, in general cases, in the interest of victims. The PPS should also provide reasons and sufficient details where public interest is heightened and public confidence threatened, in sensitive cases. The British Government were most unhelpful in earlier negotiations on this key issue. In the light of experience over the past three years, the situation needs to be reviewed and the PPS policy of not providing reasons must be reconsidered.

Mr G Kelly: I agree with Mr Bradley. This has been an ongoing debate, and it deals with controversial cases. I am reminded of one particular case, in the Markets area of Belfast, where there has been no prosecution even though all the evidence is there. It is a pernicious attempt to obstruct justice. However, I am unsure whether Mr Attwood's proposal for the Government and the PPS to review their policies is the correct course of action. The proposal should be amended to state that this Committee calls on Criminal Justice Inspection (CJINI) to review the policy of the PPS on the publication of reasons where there has been a failure to prosecute and the collapse of prosecutions.

Mr D Bradley: I accept that amendment.

Mr S Wilson: Could you read the amendment again?

Mr G Kelly: This Committee calls on CJINI to review the policy of the PPS on the publication of reasons where there has been a failure to prosecute and the collapse of prosecutions.

Mr S Wilson: That is not an amendment. That is the original motion.

The Chairman (Mr Molloy): The difference is the involvement of CJINI.

Mr G Kelly: Instead of the Government and the PPS reviewing their own policies, it would be CJINI. We believe that it would be better situated there.

The Chairman (Mr Molloy): Does anyone wish to comment on that? Do we have consensus on Mr Attwood's proposal, as amended?

Mr McFarland: CJINI has a specific role, which is that of watchdog for the criminal justice system. It is not there to review policies. I am content to go with the business of reviewing policy — the outcome of that review would be a different matter — but it is not the role of CJINI. Its role is to ensure that things work properly and are not out of order. As I understand it, CJINI does not have a role in reviewing matters in that way.

Mr G Kelly: Mr McFarland is right, to a certain extent. I would have had this done under criminal justice oversight, but that mechanism has run its course, and any work remaining under its jurisdiction has now gone to Criminal Justice Inspection. That is why I chose Criminal Justice Inspection, which sits outside the system. Asking any public prosecution service to review its policy would not be effective. That is a matter of human nature. We want an outside body to do that work. It will have the experience; its job is inspection of policy and practice.

Mr S Wilson: I take Mr McFarland's point. I am not too clear on the role of Criminal Justice Inspection Northern Ireland, but my understanding was that its job was simply to look at policies to see whether or not they were being properly applied and whether the

criminal justice agencies were doing their jobs properly. However, I am not sure that to direct a change in policy or to make new policy is part of its role. It may well be that all it can do is make the same requests as this motion — that is to say: "We do not like what you are doing. Review your policy."

Is it not far better to say that we want the policy reviewed, rather than take this other circuitous route? I could be wrong, but I believe that that is all that can be done anyway. If it was concluded that a review was in the public interest or that there was sufficient impact on the public when decisions not to prosecute are made and no reasons are given, the Government should go back and look at that policy. Surely all we are doing is cutting out the middleman and saying that that is what we believe should be done.

Mr G Kelly: That will be the result. The effect may be that legislation is necessary to change the current policy, which will mean involving the Government. However, the recommendations of an outside body would carry more weight. This is not just about the PPS. There would be no faith in any group investigating itself if it is already happy with its current policy. That is the difficulty. We need an outside view, but one that does not itself have the power to change things.

Mr S Wilson: If there is a lot more power for —

Mr McFarland: The Government decide policy. We are calling on the NIO to review the policy of the PPS. That is an independent organisation, but its policy is set by the Government. That is the normal, logical way to deal with a problem. If the stage is reached at which there is still unhappiness with policy, one might well call on Criminal Justice Inspection Northern Ireland, which is the watchdog, to revisit the matter. However, it is normal in the first instance to call on the Government to review the policy of holding back information.

Mr G Kelly: Is it possible then, instead of stipulating Criminal Justice Inspection, to call for an independent review? Then we will end up hearing from every appropriate grouping. The difficulty with any review of policy is that, regardless of who carries it out, there is very little confidence that it will overturn practice. As Mr Bradley has pointed out, that has been a matter of debate for some years now.

Mr McFarland: We do not know. It may be that there is a recognition, as there was in some court cases, that, eventually, a degree of transparency about what was going on was achieved. It may not have been as much as some people might have wanted, but there was a recognition that people could not simply say that they were not commenting.

The political parties debated the issue in the media. As a result of that, the Committee is asking the

Government to review the issue. That is not unusual; the Government decide policy.

There are concerns about the Government's impartiality on such matters. However, their reaction to this proposal might indicate whether they are being genuine and fair about the issue. If we call on them to review the policy and they make adjustments, everybody will be happy. However, if no adjustments are made, the Committee can ask Criminal Justice Inspection Northern Ireland to consider the matter.

However, in the first instance, we should not run straight to Criminal Justice Inspection without giving the Government an opportunity to reassess what they are doing. We are merely encouraging the Government to act.

10.30 am

Mr G Kelly: Will Alan or Sammy write a proposal so that we know what we are considering?

Mr S Wilson: As it stands, the proposal already addresses the issue of a policy review. We are expressing collective concerns about a lack of transparency where there has been a failure to prosecute. We are therefore asking the Government and the PPS to review the policy — they are the only two bodies that can do that.

Calling for such a review is a stronger option than going to middlemen and asking them to examine the policy and decide whether it is being implemented properly. A middleman will do exactly what the proposal asks. I am not sure why there is reticence about the proposal; going directly to the relevant agencies is a stronger option than asking a middleman to carry out a review. That is why we support the proposal.

Mr G Kelly: To explain, it is not a reticence; it is an attempt to strengthen the proposal. It is broadly felt that if an organisation investigates or reviews itself, it is already in danger. I will support the proposal, but I will argue that the reference to the Public Prosecution Service be removed. That means that the review will go straight to the Government.

Mr McFarland: I would be happy with that, because the Government make the policy. That is a double-hatting issue; you could argue that the PPS is merely being alerted. We are asking the Government to examine the policy, and they will subsequently ask the PPS to undertake that examination.

Mr G Kelly: I will support that.

The Chairman (Mr Molloy): Mr Bradley, are happy to remove the reference to the PPS from the proposal?

Mr D Bradley: Yes.

The Chairman (Mr Molloy): Do we have consensus that we should remove the reference to the

PPS from the proposal and that the remainder of the proposal stands?

Members indicated assent.

Mr S Wilson: You will get a productivity bonus for securing agreement, Chairman.

Mr D Bradley: The second proposal deals with district policing partnerships (DPPs) and community safety partnerships (CSPs). It is widely agreed that there is confusion about, and duplication in, the work of those bodies. So far, the Northern Ireland Office has been unhelpful about resolving those problems. The Review of Public Administration (RPA) creates the space in which to reconsider this matter. However, it is critical that we maintain the authority of the district policing partnerships and the policing arrangements.

Mr S Wilson: Do you accept that this matter is not simply about the retention of the authority of one or other of the bodies? Do you also accept that, given the level of overlap in the work of the two bodies, and given that they sometimes make contradictory decisions, it is important that the two bodies are merged? Many community safety issues are not solely policing issues; other statutory agencies that are involved in community safety partnerships, but that work in isolation from the DPP, may deal with those issues. This is not about the dominance of one body over the other, or about which body should have priority, but about making decisions on how community safety partnerships work. The police are one of the statutory agencies, some others being local councils, education and library boards or the Roads Service.

Surely all those organisations could be represented on one body that would examine problems such as youngsters annoying people by running through an entry that the Roads Service says it will not block off despite the police saying that it would be helpful if it were. Co-operation on such issues is a much more important reason for there being one body, rather than whether DPPs should have dominance over community safety partnerships, or vice versa.

Mr McFarland: That has been an ongoing issue. Sammy and I sat on the first Policing Board. Throughout its existence, the Policing Board called on the NIO to deal with that issue. Interestingly, the Criminal Justice Review, published in March 2000, recommended that the organisations be merged because councillors were represented on each of them, which resulted in duplication. Essentially, the organisations do broadly the same job, except that the DPPs are statutory agencies.

The CSPs were originally set up by the Government as a cunning wheeze to allow Sinn Féin to exert more influence in its areas; funds were made available for security, and all sorts of weird and wonderful things. The situation has moved on. Everyone who is involved

wants the organisations to amalgamate. They cannot understand why the NIO is reluctant to do that. It would be much more effective and efficient for councils and for public safety.

Mr Ford: That is not a recent suggestion. I was present at a meeting of the Committee for the Environment, in this room, when the issue of CSPs was first raised. At that stage, it was believed that there was merit in ensuring that there were joint structures. Others have agreed with that position. There is sufficient overlap of both the personnel and the remits of the two organisations that it is ludicrous to maintain separate structures.

Mr G Kelly: It is my understanding that CSPs were introduced in Britain first; they pre-date the DPPs. They were not introduced into the North until later. Discussions leading up to the Good Friday Agreement centred on whether those organisations would contradict each other. That discussion continues.

We should be cautious when considering the removal of DPPs. DPPs were introduced to provide communities with a mechanism by which the police could be brought to account at a local level. There are no PSNI members on DPPs, even though they attend meetings, and so on. CSPs have a different make-up. If the two organisations were to be amalgamated, the accountability mechanism that is provided by DPPs could be compromised. I am wary of that possibility.

I do not object to a review in principle. Overlapping and double-jobbing does occur. However, the review should not be conducted with the intention of amalgamating the organisations in the way that Alan and Sammy have described. If the last part of the proposal — “and to maintain the authority of the policing arrangements” — is removed, Sinn Féin will consider it.

Mr Ford: Gerry Kelly has a point about the ability of the DPPs to hold the local police commander to account. However, surely it is not beyond the wit of man to devise a system in which councillors, community representatives and other statutory bodies can sit down together and co-operate in order to deal with local problems. Representatives of, for example, the Roads Service or the Housing Executive would not be present for meetings between the DPP and the local police commander. The suggestion that accountability will be lost through amalgamation can be modified by the methods by which it is organised.

DPPs and CSPs discuss issues that are common to both bodies. It is, therefore, pointless to maintain them separately. I accept that there is a need to ensure that there is accountability. However, that would not be impossible to arrange.

Mr McFarland: Gerry is correct to say that the system of accountability must be maintained. However,

the same organisation could meet in different formats, such as subcommittees or subgroups. There are two entirely different structures, with different managers, council representatives and members. In some cases, empire building has taken place. Indeed, groups have been scrapping about which of them has the authority to deal with certain issues. That is nonsense.

Provided that we retain the integrity of the existing systems for holding the police to account, which are important, it should not be beyond our competence to have one organisation that meets in two formats.

Mr S Wilson: Changing Mr Bradley’s proposal to ensure best practice and effectiveness and to ensure that arrangements stay in place to maintain the authority of the policing arrangements would address the point that was raised.

Mr D Bradley: Our proposal calls for a review and for the operation of the two bodies to be examined. Based on the results of such a review, changes could be made. I know that Committee members have experience of the two groups that work in their areas, and they probably have suggestions and proposals to make. However, we should not pre-empt a review. If a review is proposed, we should allow it to take its course and for modifications to be made on its findings.

Mr Neeson: We cannot disagree with the principle that Mr Bradley puts forward, as we cannot pre-empt the findings of a review. However, some issues need to be determined, and that is the main emphasis of the proposal. We should move forward as quickly as possible.

Mr McFarland: We could change the wording slightly so that after “effectiveness” we would have: “while maintaining the authority of the policing arrangements”.

Mr S Wilson: Or: “by ensuring that structures are in place to maintain the authority of the policing arrangements.”

Mr G Kelly: If we want a wide-ranging debate — and to tell you the truth, I am getting nervous about where the debate is going — all that we need to do is put a full stop after “effectiveness”. That would allow us a very wide-ranging debate. I am not at all convinced that amalgamating the two groups is the proper thing to do. There is overlap of practice in both groups that needs to be sorted out; however, that is different from: “to maintain the authority of the policing arrangements”. If you want an open review, put the full stop after “effectiveness”.

Mr S Wilson: That seems to contradict Sinn Féin’s previous point, which was that if the two bodies were joined, the body or format in which the police are held to account would be lost. By stopping at “effectiveness”, is Sinn Féin saying that it is no longer concerned about structures being in place to hold the police to account

at local level, or does it still want a separate structure for that purpose? If the latter is the case, we are left with what we have at present. We would be reviewing the work of the two groups, but we would still have two groups.

I took Mr Bradley's proposal to mean that the work of two bodies overlapped and was sometimes contradictory and that community policing, because of how it works now, requires an holistic approach from a wide range of authorities. Therefore, it would be far better to amalgamate the two groups, while ensuring that the role of holding the police to account was not diluted or did not disappear in any such amalgamation and that there was a structure in one, new, amalgamated body that would perform that role.

If we wish to have that — and I wish to have that, as, it seems, does Sinn Féin — we have to keep the last part of the proposal, but amend it so that structures are put in place to ensure that the authority of the policing arrangements is maintained.

10.45 am

Mr D Bradley: As I said earlier, the proposal calls for a review, not for the amalgamation of the two bodies. It proposes that the work of the two bodies be reviewed and that action be taken on the basis of the evidence gathered during that review.

Mr G Kelly: Sammy, not for the first time, has convinced me in his interpretation of our position — which is actually the DUP position — not to support this proposal. It is clear that, from the unionist and Alliance points of view, it is about amalgamation, and I am not prepared to support it.

The Chairman (Mr Molloy): We have three proposals; we have the main proposal and amendments to it.

Mr McFarland: Why will Mr Kelly not support the proposal? Most people who have anything to do with criminal justice and policing agree that, at some level, arrangements are daft in their current form. It is not sensible to have two bodies fighting with each other at ground level and trying to work out who should deal with what. Whether we end up with an amalgamation or with the bodies remaining separate but with modified roles, — for example, the same councillors could sit on both — one could argue, as Dominic said, that that is up to the review.

Most people agree that the roles of the bodies need to be looked at, and that is all that the proposal says. I do not understand why we cannot get agreement. I thought that Sinn Féin agreed in its earlier statements that a review is necessary. The proposal does not say what will come out at the far end, and we have no power as unionists to insist that the bodies be amalgamated. However, that does not stop the matter from

being looked at. We seemed to have agreement that the system was not working very well, but now we do not. I do not mind what wording we have on this matter, but to consign the whole thing to the scrap heap again without examining it would be daft.

Mr G Kelly: It just shows you that I am listening to unionism. You said that it is clearly about amalgamation, as did the Alliance Party.

I offered earlier to put a full stop after the word “effectiveness”, which would mean the widest review. You moved away from that, which is why I am disagreeing with it on the basis of the arguments given.

Mr Neeson: We cannot ignore the implications of the Review of Public Administration and the principle of community monitoring. Therefore I have no problem at all in accepting the proposal. We cannot bury our heads in the sand — there are going to be major changes.

The Chairman (Mr Molloy): We do not have consensus on this matter. There is a proposal from Gerry Kelly.

Lord Morrow: Is there consensus that change is necessary?

The Chairman (Mr Molloy): I think that there is.

Mr Ford: My interpretation of —

Mr G Kelly: There is consensus that there is double-jobbing.

Lord Morrow: I think that there is consensus that change is necessary. However, do you bring about change by saying that we should never look at this or by saying that we should?

The Chairman (Mr Molloy): We have a proposal, which seems to have consensus, that there should be a full stop after the word “effectiveness”.

Mr McFarland: That would at least get us a review, I suppose. If the minimum that we can achieve is that somebody looks at it —

Mr S Wilson: Gerry Kelly actually raised this point initially, and I was glad that he did. I simply reinforced it. In this review, it is paramount that we do not finish up with a structure that dilutes the scrutiny of the police at local level. We can change the wording of the last phrase; we are happy enough with that. It is paramount, however — and I thought that we were at one with Sinn Féin on this — that we ensure that the body we finish up with is able to hold the police to account at local level.

Mr McFarland: Chairman, could Gerry suggest some words, because Sammy is right —

Mr G Kelly: Change “authority” to “accountability”.

The Chairman (Mr Molloy): Dominic, are you happy enough with that?

Mr D Bradley: I was going to suggest that we remove the phrase “and to maintain the authority” so that the proposal would read “best practice and effectiveness of the policing arrangements”.

Mr S Wilson: We will live with the phrase “accountability of policing arrangements”.

Mr McFarland: Gerry has suggested that the word “accountability” should replace the word “authority”, which would seem to get round everybody’s concerns. We needed to examine this proposal, and we have agreed on the word “accountability”. We are nearly there.

The Chairman (Mr Molloy): Does everyone agree that the word “authority” should be replaced by “accountability”?

Members indicated assent.

Mr S Wilson: Chairman, you will be getting an OBE out of this.

The Chairman (Mr Molloy): I might need something. *[Laughter.]*

We will move on to the research on definitions of ceasefires.

Mr T Moore: The Committee asked for some research on the definition of ceasefires in legislation.

Mr McFarland: Chairman, could you remind us why we asked for this? I cannot recall.

The Chairman (Mr Molloy): David Ford asked for it.

Mr Ford: Sean Neeson requested it first, and I followed up on that request last week.

The Chairman (Mr Molloy): He is to blame.

Mr McFarland: Chairman, can you refresh our memory as to why it was requested?

Mr Neeson: The main reason for our request was that when the initial ceasefires were announced in 1994, the Government turned a blind eye to criminality, and so forth. However, if we are to move forward it is very important that we have a clear definition of a ceasefire. Thus, should the question arise of the Secretary of State’s excluding a party or parties from the Assembly, we will be clear about the matter.

Mr T Moore: Members have been given a copy of the research findings. A definition of ceasefire was found in the Northern Ireland (Sentences) Act 1998, and the same wording can be found in the Northern Ireland Act 1998, as amended by the Northern Ireland (Monitoring Commission etc.) Act 2003. The definitions are there for members to read, so I will not make any further comment.

Additional research was carried out on international definitions, which may or may not be of interest to the Committee.

The Chairman (Mr Molloy): Section 30 of the Act, which deals with the exclusion of Ministers from office, is part and parcel of this issue.

Mr T Moore: It is included because some of the wording in section 3(9) of the Northern Ireland (Sentences) Act 1998 is repeated in section 30(7) of the Northern Ireland Act 1998. There is no reference to the ceasefire, but it is the same wording, so we included it for the sake of completeness.

Mr Ford: I thank Tim for ascertaining that there are very few references to ceasefires in domestic legislation. Some of the international comparisons are interesting, but they are not directly relevant to our current situation. The definition of a ceasefire is somewhat less than it should be. It certainly ties in with the need for a commitment to solely peaceful and democratic means and to the Pledge of Office, which is mentioned later on the agenda.

The practical reality is that the Governments have interpreted ceasefires as being an end to operations directed against the state, economic targets and “the other side”, but they have not taken into account the full range of criminality. Section 30 of the Northern Ireland Act 1998, as amended, has made some useful additions to an effective definition of a ceasefire. We must ensure that that definition is widened in the Pledge of Office.

We have now reached a situation whereby the UVF can murder Craig McCausland, but that is not considered to be a breach of ceasefire, yet when the UVF fires shots at police officers — but, thankfully, do not kill any of them — it is considered to be a breach of ceasefire. That poses a fundamental moral question, which the Government have failed to answer thus far.

The Chairman (Mr Molloy): If there are no other comments, we will move on to rule of law issues and further consideration of the proposals tabled by Ian Paisley Jnr.

Mr S Wilson: The first proposal is self-explanatory. We had some discussion on that at the last meeting. Our view is that there must be confidence in any devolved Administration and in those who hold office in it. If there is any hint that those who hold office are associated with criminality, or are associated with and support people who are involved in criminality, it undermines the credibility of an Administration. That is an important building block if devolution is to work. One of the most important issues for us is that there should not be ambivalence about whether a Minister who will introduce legislation actually supports the rule of law.

The Chairman (Mr Molloy): Do we have consensus on that?

Mr G Kelly: No. The Pledge of Office and the exclusion of Ministers from office are done and dusted. This issue has come up several times in the past few days. Ian Paisley Jnr has been less than vociferous in his support for the actions of the PSNI. There are contradictions all around this issue. We have negotiated a Pledge of Office, and I do not intend to support either of Ian Paisley Jnr's proposals.

Mr D Bradley: The proposals would be more appropriately dealt with by the PFG Committee dealing with institutional matters. We are not against considering this issue, but it should be looked at in the context of other Pledge of Office issues, including attendance at meetings of the Executive and the North/South Ministerial Council. Support for the rule of law, or lawful society, is sensible.

The Chairman (Mr Molloy): The main reason that it has come to the PFG Committee in this format is for an opinion. If there is no consensus, it will be referred to the PFG Committee dealing with institutional matters.

Dr Farren: What is the intended import of the proposal? I have no difficulty with the idea that if a Minister is guilty of a crime, he or she will cease to be a Minister. What is the effect? Is it to leave it to me, or to someone like me, to say: "Fred is involved in crime, and therefore he cannot be a Minister"? I say "Fred" only because I am looking at Mr Cobain. I have not participated in this debate before, and I fail to see the import of the proposal.

Mr S Wilson: Read the first proposal. It states: "association with, or support for". You are quite right: a Minister will lose his job if he is involved in crime.

Dr Farren: I am reading "association" and "involved" as being similar.

Mr S Wilson: I am not sure that that is the case. Being involved means that the person is directly involved in criminal activity. Equally important in building confidence in those who hold office is that they should not be seen to be associated with, or supporting, those who are involved in criminal activity. There is a difference. If the phrase were simply "involved in criminal activity", there would be no need for the proposal because once a Minister had been caught, charged and found guilty, they would be out of office anyway.

This proposal goes beyond that. There is a confidence issue if Ministers are ambivalent towards people who are involved in fuel laundering, money laundering, drug dealing or whatever, while not being involved in, or being found guilty of, those things themselves.

Dr Farren: Anyone who watched 'Spotlight' last night would be very concerned about the use of the

word "association" in this context, given what has transpired in relation to the issues that were highlighted in that programme. The word "association" has led to a terrible tragedy for one individual.

If the Committee believes what that individual said last night, it would exercise caution when including the word "association" in the proposal. Mr Bradley has said where the SDLP considers such issues would be best raised, rather than in the Committee.

11.00 am

Mrs D Dodds: Surely Dr Farren is talking about the need for strong accountability mechanisms to hold the police to account. There must be a strong accountability mechanism to deal with wrong actions, and there is confusion about that. It is a law-and-order issue, and it is of paramount importance that those who hold the highest office in the land support the police and be separate from any association — or perception of association — with criminality.

The Chairman (Mr Molloy): Is there consensus on the proposal?

Members indicated dissent.

The Chairman (Mr Molloy): We will move on to the next proposal.

Mr S Wilson: The previous proposal may be better discussed in another format of the PFG Committee, as it relates to the Pledge of Office. The DUP is happy for it to be referred to the PFG Committee dealing with institutional issues.

The Chairman (Mr Molloy): The Committee now has a proposal in the name of Alex Attwood in relation to policing and justice.

Mr D Bradley: The SDLP proposes devolution of justice on day one of restoration. We believe that if there is sufficient confidence to go into Government, there should be sufficient confidence for those powers to be devolved.

Mr G Kelly: This is the third or fourth time that this issue has been raised — and that is not the wording of the proposal. The proposal states that it "is not at this time able to define when." When the Committee discussed this issue previously, it was put to the DUP that, if the institutions are restored, it would surely accept that all the parties involved are fit for Government. The DUP would not give even an indicative time frame of when policing and justice could be transferred.

The terms "as soon as possible" or "we cannot define it yet" are meaningless. In December 2004, the emphasis was on a two-year period or halfway through an Assembly term. The Committee has debated this over and over again. I do not know why the issue is being raised again, because there will not be consensus.

Mr S Wilson: First, this discussion is not meaningless. I borrowed the term “as soon as possible” from a Sinn Féin representative who talked about “as soon as possible”.

Mr G Kelly: I am glad that you are reading our stuff.

Mr S Wilson: The Sinn Féin representative is not here today so I will not name him or he might get into trouble.

Secondly, the term “as soon as possible” is borrowed from the comprehensive agreement. Other parties have used it on a number of occasions. There was a long discussion about whether conditions would be met for devolving power to other Departments, and whether or not policing and justice could be devolved at the same time. That has always been accepted, even up until the passing of the Northern Ireland (Miscellaneous Provisions) Act 2006 in the House of Commons — which, incidentally the three SDLP MPs supported. It has always been accepted that there would be separate arrangements and separate timing for the devolution of policing and justice, subsequent to the devolution of powers to other Departments.

Policing and justice was seen as a particularly sensitive issue that could only be effectively devolved when there was confidence that the institutions were working properly and not being abused.

That has been the position of the SDLP. If that position has changed, perhaps the SDLP can explain why. Until July, when the Northern Ireland (Miscellaneous Provisions) Act 2006 became law, the SDLP was supporting separate arrangements for policing and justice, requiring that devolution be brought forward jointly by the First Minister and the Deputy First Minister, then subject to a vote in the Assembly — the SDLP accepted that the Assembly would have to be in place — and then it would go to Westminster for the necessary legislation, enabling powers being already there. Obviously all the other structures would have had to be in place before that could happen.

This is not a new position. It has been our position, and it has been held, as Mr McFarland pointed out, by those who signed the Belfast Agreement in 1998, when the comprehensive agreement was discussed a couple of years ago and when the Northern Ireland (Miscellaneous Provisions) Bill was going through Parliament this year. No one should be startled that the DUP supports a subsequent arrangement for policing and justice. The reason is that devolution of policing will be the ultimate test of confidence in the parties’ willingness to work within the structures set up in Northern Ireland and within the rule of law. It will require that we see that Ministers and those in the Assembly have operated properly and worked the

structures properly and that, therefore, there is confidence in the community.

“As soon as possible” was the phrase that indicated our intent. The accusation has always been made that the DUP is deliberately dragging its heels. We are not dragging our heels, and that phrase is designed to convey that we want to ensure that when devolution of policing and justice powers occurs, it will work. Mr Attwood has added that the parties have all had different definitions of that. This was a genuine attempt to convey to all the other parties that the DUP aspires to devolution of policing and justice as quickly as possible. However, it is not entirely within our power.

To set timescales would be wrong. If that were done, parties would work towards a date, rather than towards meeting the conditions necessary to build up confidence. By not setting a date, but by laying down the necessary conditions, we hope that people will focus on those, rather than sit on their hands, wait for the date to come, and then claim that there is a crisis because the date has not been met.

Mr G Kelly: No one is astounded that this is the DUP position. Sammy is right that it has been consistent to that extent. The problem is that the DUP does not want to give a time frame. It wants to have a veto, and Sammy has described the way he is going to use it.

First, the DUP sets the bar for setting up the institutions as high as it possibly can — it is holding back the restoration of the institutions. Then it wants to have its cake and eat it — it wants to get to the point of restoration and then have another go at policing and justice. The DUP tells us to stall, and that it will decide who is fit to be involved in policing and justice and who is not. That is what this is about. It is an argument against setting any time frame.

Even Sammy’s description of the ultimate test shows that the DUP will be the arbiters of that test. They want to be in charge of everything. Sinn Féin will not support that. There should be a time frame. There is no logical reason for the DUP to refuse to give even an indicative time frame; it just refuses to give it. This could go on for ten years. The DUP should show its intent by agreeing to a time frame — something, incidentally, that it was on board for in December 2004.

Dr Farren: The SDLP believes that devolution should include policing and justice. That is not unlikely, but, assuming that the institutions will be restored, the imperative must be to work to ensure that devolution of policing and justice occurs as soon as possible, recognising the procedures that are broadly as Sammy Wilson has set them out.

The SDLP wants all parties to make a concerted effort, because, when devolution is restored, we will be bound to work together on all issues for which we will have responsibility. If devolution of policing and

justice is not possible from day one, we should work together to set down a short and indicative timetable, in which commitments will be made and confidence built up so that we can realistically put a more precise timeframe on the devolution of policing and justice. It would probably be easier to do that now, as our hopes are that devolution will be restored, but we cannot be 100% certain about that.

Therefore, we urge the parties to find a way — it should not be difficult — when devolution is restored, or the prospect of it emerges over the next few weeks, to begin to address the issue. Ultimately, it will be a litmus test of the parties' commitment to the institutions, that we are all fully committed to supporting, as we are to holding to account, the agencies for law and order.

Mr McFarland: I can see before me the mists of my crystal ball clearing. I can see the end of October when the terms and conditions laid down by the DUP — criminality, paramilitarism and support for policing — are all within reach: halcyon days. I can see a Government being formed at the beginning of December when Sinn Féin has met the DUP's requirements. Then, early next year, the DUP will see Sinn Féin giving its full support for policing and encouraging young republicans from Crossmaglen to join the police, and all criminality reported by the Independent Monitoring Commission (IMC) will have ended. At that stage, confidence may have risen enough —

Lord Morrow: When does this dream end?

Mr McFarland: — for the Assembly to take a cross-community vote on the devolution of policing and justice, because, in the end, it has to come from the Assembly. It will require a cross-community vote, and that will require the parties to agree. The deal from the beginning has been that the Assembly will ask for the devolution of policing and justice when the time is right.

If Sinn Féin played the game, accepted the rule of law and supported the police, the DUP would realise that it was serious and genuine, and there would not be an issue over this. However, at the moment, there is an issue. My strong sense is that we will not reach agreement today. It will probably go into the melting pot for some sort of deal in early October, with pressure from the DUP to accept it and from Sinn Féin to demand some sort of timescale. I do not think that we will reach agreement on this today.

Mr S Wilson: Your crystal ball tells you quite a lot.

The Chairman (Mr Molloy): Do we have consensus on the proposal?

Members indicated dissent.

The Chairman (Mr Molloy): The next item on the agenda is “Devolution of appointments to, and the operation of, the Parades Commission”.

At the meeting of 16 August, members agreed to refer to the PFG Committee dealing with rights; safeguards; equality issues and victims, the matter of whether appointments to the Parades Commission and its operation should be devolved to the Assembly.

Mr McFarland: Did we not deal with this last week? I have a sense of déjà vu. I thought that there was no consensus and that the proposal fell.

The Committee Clerk: It was discussed at last Friday's PFG Committee meeting dealing with rights; safeguards; equality issues and victims, which is now reporting back to this Committee.

11.15 am

Mr McFarland: Did that Committee deal with this matter or has it been referred to this Committee to deal with?

The Chairman (Mr Molloy): The Committee on rights; safeguards; equality issues and victims considered the matter last Friday but did not reach consensus on whether the power should be devolved.

Mr McFarland: Therefore, the parties did not reach consensus at Friday's PFG Committee meeting. If that is the case, is it not merely a formality raising it again here today?

The Chairman (Mr Molloy): The Committee must make a decision on the devolution of appointments to, and the operation of, the Parades Commission. It appeared under the heading of “Public Order” in the table that accompanied the letter from the NIO dated 15 August 2006. Do we have consensus on the proposal?

Mr McFarland: I thought that Sinn Féin objected.

Mr S Wilson: Do not encourage them.

Mr McFarland: Somebody objected; there is no question about that.

The Chairman (Mr Molloy): Do we have consensus?

Mr McFarland: Let me do a double take.

The Chairman (Mr Molloy): The Committee Clerk will read the proposal again. Alan is surprised; that is why he wants it read out again.

Mr McFarland: I am surprised because one of the parties around the table was definite that the appointments to, and the operation of, the Parades Commission would not be devolved to the Northern Ireland Assembly. I got the impression that the proposal did not have a snowball's chance of getting consensus.

The Chairman (Mr Molloy): Things move on.

Mr S Wilson: They have changed their mind.

Mr McFarland: It is not they who were changing, Sammy; your team was majoring on that.

The Committee Clerk: The proposal is that appointments to, and the operation of, the Parades Commission be devolved.

Dr Farren: We need clarification on what is meant by “devolved”. Appointments to public bodies are either within the authority of a Minister or, centrally, within the Office of the First Minister and the Deputy First Minister. If we are talking about the Office of the First Minister and the Deputy First Minister having the responsibility, I would be more sympathetic to the use of the word “devolved”. However, if we are talking about devolving authority to the Assembly — the Assembly, in a massive vote, deciding the membership of the Parades Commission — I would be of a different mind.

The Chairman (Mr Molloy): Members might not have a copy of the letter and the table, so the Clerk will remind you of its contents.

The Committee Clerk: Members may recall the letter from the Secretary of State’s office dated 15 August and the accompanying table listing matters that may or may not be devolved. The Committee worked its way through those matters. The letter can be found towards the back of the draft report.

Mr McFarland: The PFG Committee dealing with rights; safeguards; equality issues and victims had several lengthy discussions on the issue. There is a difficulty in firing it in here without the background discussion or without refreshing ourselves about the issues, because those of us who are not on the Friday team, and who have not had the benefit of hearing the arguments, are being asked to take decisions without having heard the information required to understand the arguments.

I am slightly concerned. The PFG Committee dealing with rights; safeguards; equality issues and victims has made a decision on the issue. We must keep reminding ourselves that, although the PFG Committee meets in different formats, if the Committee makes a decision: that decision stands. There are not three separate Committees.

If you are happy to refresh us on the arguments, Mr Chairman, we can get up to speed and reach a common level of understanding.

The Chairman (Mr Molloy): It may be safer to accept the report of the PFG Committee dealing with rights; safeguards; equality issues and victims, in which consensus was not reached.

Mrs D Dodds: There was no consensus?

Mr McFarland: Let me give an example. Our party believes that the Parades Commission should be scrapped. Therefore, whether responsibility for the Parades Commission is devolved is not an issue for us. The PFG Committee dealing with human rights; safeguards; equality and victims has had a series of discussions on the Parades Commission.

The Chairman (Mr Molloy): There is no point in rehearsing those arguments again today.

Mr McFarland: Seán had a point about public appointments. A range of issues is involved. It is a thorny and sensitive subject from all points of view. The Committee had a full debate on it, and I understood that it had been agreed that a decision could not be taken, for various reasons. I would be slightly worried that, if a decision were taken in this format of the PFG Committee, we would end up firing shots in the dark.

The Chairman (Mr Molloy): We should perhaps rule that when the Committee makes a decision, that is the end of it, and the matter in question should not be revisited. The PFG Committee dealing with rights; safeguards; equality issues and victims considered the issue on Friday but did not reach consensus. Do we accept that?

Dr Farren: I am not sure whether you are in a position to answer my question, Chairman. That format of the PFG Committee made that decision notwithstanding the fact that the Secretary of State’s note states that the Government’s preference is for responsibility for the Parades Commission to be devolved. It does not define what devolution — in the sense that I referred to a few minutes ago — might mean. Nonetheless, the NIO discussion paper ‘Devolving Policing and Justice’ states:

“The Government’s preference is that responsibility for all aspects of parades, including appointments to the Parades Commission and its operation, should be devolved.”

Does Friday’s decision mean that the Committee, having considered this issue, accepts in principle that responsibility for the Parades Commission should be a devolved matter, but was not clear as to what devolving it might entail?

Mr McFarland: The Committee could not agree because my party and the DUP share the view that the Parades Commission should be scrapped. Therefore, to agree that its functions should be devolved is illogical. Many other issues were involved. For example, would decisions about the commission be taken on the Floor of the Assembly? In that case, everything must be determined by cross-community vote and the issue could become bogged down as a result of the Assembly rowing about it.

Would decisions rest with OFMDFM? There are issues with the First Minister and the Deputy First Minister being in charge of the parades issues. Does responsibility for parades remain in London, where it is out of our hair? Decisions taken there may be viewed as being more impartial. There is a view that the parades issues should stay out of Northern Ireland politics.

All debates on the issue are in Hansard.

The Chairman (Mr Molloy): There was no consensus on the issue at Friday's meeting of the PFG Committee.

Mr McFarland: No, we simply could not agree. It has been parked for the talks. I do not know whether the issue, and where responsibility for it should rest, will be included in all parties' agendas.

Dr Farren: For clarification, do the unionist parties — since they seem to have the same views on the Parades Commission — believe that, at present, responsibility for the Parades Commission should not be devolved?

Lord Morrow: Both parties think that the commission should be scrapped, but can you repeat the question?

Dr Farren: Whatever form the Parades Commission takes, is the unionist position that the commission's functions should not be devolved, notwithstanding the Government's preference — and ours — is that they be devolved?

Mr McFarland: Off the top of my head, I cannot recall. With the PFG Committee meeting three times a week in its different formats, they all morph into each other sometimes.

Dr Farren: That is fine. We can defer it until another day.

Mr McFarland: I need to refresh my memory. We have had several weeks of lengthy, detailed discussions on the parades issue; we can have another discussion if we want.

Lord Morrow: Can we defer this issue? It seems that members need to refresh their memories of their own parties' positions, never mind those of other parties.

Dr Farren: I hope that you are speaking for yourself. *[Laughter.]*

Lord Morrow: Could we discuss this issue next week?

The Chairman (Mr Molloy): We are trying to finalise the report, but we can return to this issue next week.

Mr McFarland: The PFG Committee dealing with rights; safeguards; equality issues and victims has discussed culture and parades under the umbrella of human rights, equality and culture. The issue has

presumably returned to the PFG Committee dealing with law-and-order issues only because the decisions of the Parades Commission could affect the police, which would come under the area of law and order.

Parading, as such, is not a law-and-order issue. I am slightly confused that the PFG Committee dealing with rights; safeguards; equality issues and victims has not taken a decision on that, as the issue falls within its remit. I am also confused as to why the issue has appeared before this format of the PFG Committee.

Mr Ford: Surely the Parades Commission, as an agency, is a justice issue, and responsibility for parades and the commission could potentially be devolved. Therefore, it is absolutely within the remit of the PFG dealing with law-and-order issues.

The Chairman (Mr Molloy): The issue overlaps with this format of the PFG Committee, in respect of policing, and the PFG Committee dealing with rights; safeguards; equality issues and victims, in respect of equality. We can defer discussion of the decision of the PFG Committee dealing with rights; safeguards; equality issues and victims until parties have reviewed their positions, and we can revisit the issue. The decision will probably not change.

The next item on the agenda is our initial draft report. We shall go through the report, line by line. The Committee shall continue in private session.

The Committee met in private session from 11.27 am to 12.18 pm.

On resuming —

12.18 pm

The Chairman (Mr Molloy): Does the Clerk wish to deal with the Hansard issue?

The Committee Clerk: There has been some discussion about the 48-hour turnaround time.

The Editor of Debates has explained that sometimes the draft report of a meeting is cleared only at 7.30 pm or 8.00 pm and that — by the time it has been given to us the next morning and printed — it may be a day before we can get it to Committee members. If members wish to provide an e-mail address, we could get the draft report to them at 7.30 pm or 8.30 pm.

Mr S Wilson: Are there people who have sleepless nights because they do not receive the Hansard report?

The Chairman (Mr Molloy): Some bedtime reading.

The Committee Clerk: The offer has been made by the Editor of Debates so that members can have the report immediately.

Mr Raymond McCartney: It was agreed at an earlier meeting that a copy would be sent to the administration offices of each party. Can we ensure that that is done?

The Committee Clerk: Do you mean copies of the reports?

Mr Raymond McCartney: Yes: copies of the Hansard reports, and the file that we received this morning.

Mr S Wilson: I would like clarification about the Committee report that we will receive next week. First, that areas of agreement and areas of lack of consensus will be highlighted. Secondly, that “impediments” will be changed to —

The Committee Clerk: “Issues to be resolved by parties”, or something along those lines.

Mr S Wilson: Thirdly, that any changes we discussed today will be included as additional material for discussion in a couple of weeks.

Mr Ford: Do you have senior moments as well as Gerry?

Mr S Wilson: It makes for easier reading.

The Chairman (Mr Molloy): It is important, when signing off the Committee report next week, that members have a clear idea of what they want it to contain or of any changes that they want to make to it. That should be done fairly speedily, but members should have a clear idea of what they want.

The Committee Clerk: Probably the most important issue that we need to resolve is the parties’ view on what is or is not a potential impediment to devolution. We might need a rewording of

“impediments” in the tables in the “Conclusions” section of the Committee report. Parties need to come back to the Committee to state which issues are, or are not, potential impediments to devolution and which, therefore, might need to be referred for resolution later.

Mr S Wilson: Will they be referred to the discussions later in the autumn?

The Committee Clerk: We will put some words together so that members can look at the issues again next week to finalise them.

Mr S Wilson: I ask this because I am not clear on the matter. If we mean issues that have still to be resolved, we could probably tick all the boxes. The word “impediment” attaches some importance — perhaps too much — to those issues. I want to be clear about the matter when I go back to our party group: what exactly are we being asked to tick? Is it that a certain matter is of such importance that it is a deal-breaker; is it that it is important enough to be included in negotiations, or is it that the matter is less important?

The Committee Clerk: That is why we had difficulty in writing up the document. As you say, there is a whole range of issues. The remit of the Committee is to scope the issues that need to be addressed in preparation for Government, and the issues that have not been agreed but which need to be addressed in preparation for Government. That is what the report will highlight.

The Chairman (Mr Molloy): When we go through the issues, we might find that nothing needs to be highlighted.

Mr Cobain: I agree with you, Chairman.

Dr Farren: Are you prepared to negotiate?

Mr Cobain: Absolutely not.

The Chairman (Mr Molloy): The next meeting of the PFG Committee dealing with law-and-order issues will take place on Wednesday 13 September.

The Committee Clerk: May I remind members that this Committee will meet as usual next Wednesday at 10.00 am and that, because of possible plenary sittings next Monday and Tuesday, the PFG Committee dealing with institutional issues will meet next Wednesday afternoon?

The Chairman (Mr Molloy): A revised work plan is being passed around. It is important that members note the start times for next Wednesday’s meetings.

Adjourned at 12.26 pm.

COMMITTEE ON THE PREPARATION FOR GOVERNMENT

Friday 8 September 2006

Members in attendance for all or part of proceedings:

The Chairman, Mr Francie Molloy
Mr Alex Attwood
Mr George Ennis
Dr Seán Farren
Mr Michael Ferguson
Mr David Ford
Mr Derek Hussey
Mrs Naomi Long
Mr David McNarry
Lord Morrow
Mr Dermot Nesbitt
Mr Edwin Poots
Mr George Robinson
Ms Caitríona Ruane

The Committee met at 10.15 am.

(The Chairman (Mr Molloy) in the Chair.)

The Chairman (Mr Molloy): I remind members to switch off their mobile phones. We hope to have lunch at 12.20 pm and are planning to have high tea at 5.00 pm, if that is OK.

In addition to apologies, are there any deputies?

Mr Ferguson: Caitríona and I are deputising for Conor Murphy and Michelle Gildernew.

Mr Attwood: I am standing in for Mark Durkan.

The Chairman (Mr Molloy): Seán is here as of right. Is that correct?

Dr Farren: Yes.

Mr Ford: I have to leave shortly. I am not sure of Naomi's whereabouts. I will check that out.

Mr Nesbitt: I am here in place of Alan McFarland, and Derek Hussey will be here to deputise for Danny Kennedy, I think.

Mr McNarry: I am here as of right.

Lord Morrow: I believe that I am here as of right also. I expect a couple of others to join us shortly.

The Chairman (Mr Molloy): There are two issues. First, the draft report on economic challenges is to be presented to the Assembly in plenary on Monday. Normally, copies of the report would be sent out to those who gave evidence to the subgroup, and a copy of the report is included in members' bundles today. Are members content that copies of the draft report,

which is embargoed until the start of Monday's debate, be sent out to contributors?

Mr Nesbitt: Are we agreed that a draft report —

The Chairman (Mr Molloy): I am sorry. It is the final report of the Subgroup on the Economic Challenges facing Northern Ireland. It will be presented at Monday's debate.

Mr Nesbitt: I am sorry. I thought you meant that it was a draft report.

The Chairman (Mr Molloy): I am sorry; that was my mistake. Are members agreed that it can be sent to witnesses?

Members indicated assent.

The Chairman (Mr Molloy): Also included in members' packs is a copy of a press release from the subgroup. Are members content with the press release?

Members indicated assent.

The Chairman (Mr Molloy): Let us move on to the draft minutes of the meeting of 1 September 2006.

Mr Nesbitt: Just before they are approved, Mr Chairman, may I draw your attention to page one of the minutes? The minutes state that I attended the meeting as a DUP representative. Although I know that the DUP would love me to be a member of their party, I am still a member of the Ulster Unionist Party.

Mr Ferguson: That must have been wishful thinking.

Mr Nesbitt: A little change is required there.

The Chairman (Mr Molloy): That might have got you some extra news headlines over the weekend.

Mr Nesbitt: Perhaps the silly season is not quite over yet.

Lord Morrow: Lawrie Sanchez is making all the news; you are all right, Dermot.

The Chairman (Mr Molloy): Are there any other corrections?

Mr Attwood: I do not wish to be contentious, but I believe that what was agreed — just before Mr Ferguson left the meeting — has been expressed in a rather uneasy way.

It is true that Nelson McCausland made a proposal that British passports should be made available to citizens born in the Republic of Ireland after 1941. However, it would have been more accurate to say that there may be citizens of the Irish Republic born after 1941 who may want a British passport. That is more accurate, because the draft minutes suggest that British passports should be made available to "citizens" — which could mean everybody.

I believe that Nelson only intended the proposal to be that there may be citizens born after 1941 who may

want a British passport, and that the matter should be referred to the two Governments for their consideration.

That is a more accurate way of expressing what was agreed, rather than what could be interpreted as a more general invitation for the people of the Republic to obtain British passports.

The Chairman (Mr Molloy): The other issue was that, in fact, the Republic of Ireland Act came into force in 1949.

Mr Attwood: Mr McCausland had a reason for stipulating 1941 and not 1949.

Dr Farren: It should be 1949.

Mr Attwood: Mr McCausland was insistent that it was 1941.

Mr Ford: There were no citizens of the Republic in 1941 — they were citizens of the Free State.

Mr Ferguson: It does not need to be addressed until later. The minutes suggest that there was all-party agreement to Nelson McCausland's proposal; in fact there was not. My colleague, Philip McGuigan, stated that Sinn Féin did not support it. However, I am content to discuss the matter later.

The Chairman (Mr Molloy): Do you wish to correct the minutes?

Mr Ferguson: No. Nevertheless, it is related.

Mr Attwood: There was consensus on the proposal, and Hansard will reflect that.

Mr Ferguson: If I had agreed to the proposal, I would not be suggesting otherwise.

Mr Attwood: Hansard will reflect that there was consensus on the proposal; no one objected to it. However, there was some toing and froing before consensus was achieved. The consensus was that some citizens of the Irish Republic might want to avail of a British passport, and that therefore the matter should be considered by the two Governments. There was no prescription in that consensus — there was merely an invitation for the two Governments to consider the proposal, and that is where consensus was achieved.

Ms Ruane: I did not attend the meeting, but Philip McGuigan stated that Sinn Féin did not support the proposal. However, we will raise the matter when we discuss the draft report, because we feel that that is an inaccuracy.

Lord Morrow: Was it recorded in Hansard?

The Chairman (Mr Molloy): We will make reference to Hansard now.

The Committee Clerk: In last week's report, there was a discussion about whether the Republic of Ireland Act came into force in 1941 or 1949. Mr McCausland now says that there might have been a typographical

error in his notes, which is why we have raised it again today. The correct date should be 1949.

The Chairman then discussed the proposal on passports and asked whether there was consensus. Mr McGuigan said that specific requirements and needs of the people in the North were made clear in the Good Friday Agreement. Then he said:

"On that basis Sinn Féin does not support the proposal." — [Official Report, Bound Volume 20, col 2, p CPG269].

There was further discussion about referring the matter to the two Governments, which Mr Attwood raised, and Mr McGuigan then said:

"I made my comments based on the proposal before me. Sinn Féin is content for the two Governments to have consultations, but it is not a major impediment to restoration of the Executive." — [Official Report, Bound Volume 20, col 1, p CPG270].

The Chairman then asked:

"Do we have consensus that the two Governments consider this issue?" — [Official Report, Bound Volume 20, col 1, p CPG270].

Members indicated assent.

Mr Attwood: That is precisely what I have just said.

Lord Morrow: Therefore there was consensus.

Mr Attwood: That is all there was consensus on. To reassure Sinn Féin, the proposal did not instruct the two Governments to go in a certain direction; it suggested that the two Governments consider an issue that the DUP felt may have some relevance for the citizens of the Irish Republic.

Lord Morrow: The minutes simply state that it should be referred to the two Governments, and there was consensus on that.

Mr Attwood: That is not a threat to anyone around the table — Mr McGuigan acknowledged that at the previous meeting.

The Chairman (Mr Molloy): He raised the issue, but it was referred to in a different way.

Mr Attwood: That is where we should sign off on it, because it not will interfere or prejudice any party's ideology.

That is not the issue.

Ms Ruane: We want to discuss the matter in relation to rights and safeguards because it has been misrepresented in the document. The issue has become confused; therefore we need to read through the minutes and discuss it further.

Mr Ferguson: Two issues are involved: one is that the proposal was agreed, and the other is that it was

agreed that there should be a discussion on the proposal. Those two separate issues have been collapsed into one in paragraph 48 of the draft report. Therefore we have an issue with that paragraph.

The Chairman (Mr Molloy): We are now dealing with the minutes; we can deal with the report later. I want to focus on the minutes for now. Are members agreed that the matter should be referred to the two Governments for consideration? Nothing is being forced.

Mr Attwood: I remember indicating that that was a way to move things along.

The Chairman (Mr Molloy): Will we change 1941 to 1949?

Are members happy with the minute as it stands?

Mr Attwood: The minutes have to be changed to reflect the fact that there was consensus that the matter should be referred to the two Governments for consideration as there was an issue around whether citizens born in the Irish Republic after 1949 might be entitled to British passports. We could change it to something of that nature.

The Committee Clerk: Perhaps you would be content if we amended the minute to read:

“The issue of whether a British passport should be made available to citizens born in the Republic of Ireland after 1949 should be referred to the two Governments for consideration.”

The Chairman (Mr Molloy): Are members happy with that?

Mr Attwood: I think that Lord Morrow’s point was that there may be a category of citizens in the Irish Republic who want to apply for a British passport. The word “citizens” suggests that the proposal applies to a much broader group of people, up to and including all citizens of the Irish Republic. I do not think that was the intention behind the DUP’s proposal, but that is for the DUP to say. My understanding of the proposal was that it applied to a category of citizens who may wish to avail of that option and that that matter should be considered by the two Governments. There was consensus that that should be the height of the proposal.

The Chairman (Mr Molloy): Can I have a suggested wording, please?

Mr McNarry: The phrase “some citizens” could be used.

A Member: Or “there may be citizens”.

Mr Attwood: I suggest that the wording should be: “That the matter be referred to the two Governments for consideration if there is any citizen, or category of citizen, who may wish to avail of that option.” That should satisfy all concerns.

The Chairman (Mr Molloy): Are members happy with that?

Mr Attwood: This minute is trying to reflect what was agreed last week: following discussion of whether British passports should be made available to any category of citizen of the Irish Republic, it was agreed that the matter should be referred to the two Governments for further consideration. I think that it was agreed that we could not tell the two Governments what to do because the matter had to be worked out at intergovernmental level — if anything was to be worked out at all. That is how the discussion reached that point. I believe that the amended wording that I proposed should satisfy all members’ needs and would not pose a threat to anybody’s ideology.

The Committee Clerk: I am not sure whether I have picked up Alex’s suggestion correctly: “The matter should be referred to the two Governments for consideration of whether any category of citizen born in the Republic of Ireland after 1949 might be issued with a British passport.” Is that OK?

Mr Ferguson: No, I am not happy with that. The confusion over this has occurred because two separate issues have been collapsed into the agreed proposal. I will not agree to that.

Lord Morrow: For what reason?

Mr Ferguson: For the fundamental reason that the Twenty-six Counties is a sovereign state in its own right; it is quite different from the distortion of a state in which we live. There are issues around sovereignty, so I do not support the proposal.

The confusion arises because paragraph 48 of the draft report suggests that Sinn Féin agreed the proposal, when it did not.

10.30 am

Mr Poots: Sinn Féin agreed to the proposal, and that is recorded in the Hansard report — it cannot run away from that fact. The issue is about how the Committee portrays that in the minutes so that they give an accurate reflection of the decisions that took place last week. If Mr Ferguson has had the rug pulled from under his party because of its incompetence last week, that is his problem, and not the Committee’s. The Committee’s problem is to reflect what happened accurately in the minutes.

Mr Ferguson: I want to say something about Edwin Poots’s rude remarks. Philip McGuigan’s comments were read out before Edwin came in. He might not have been so quick to jump in if he had been here earlier and heard what Philip McGuigan said, according to the Hansard report.

Irrespective of that, no one is saying that any of us, at any time, cannot disagree, or go out for 10 minutes

to have a rethink about what has been said here — just as we will do over press releases.

I am not happy with this, and I would like to take it away and rethink it, primarily because of the way that the matter has been reported in paragraph 48 of the Committee's draft report. That is not unreasonable. Edwin can interpret it as he wishes; however, he might want to come early to the meetings.

Mrs Long: Alex's intervention was quite useful. Sinn Féin did, on a number of occasions, say that it was not entirely happy with the proposal, but was content to enter into discussion about it. Those discussions would have given Sinn Féin the opportunity to make its points. What was agreed last week should be in the Hansard report, and it should simply be a matter of reflecting that on paper. The Committee should not be reopening the debate about the ins and outs of the matter — that is for another day.

Lord Morrow: What does the Hansard report state? After all, that is why Hansard staff were brought in.

Mr Nesbitt: I was not at the Committee last week so I have only the benefit of listening to this discussion. There are two clear points. First, Sinn Féin's position is that it does not support some citizens of the Republic being granted UK citizenship, or passports. Secondly, the issue of whether the two Governments do that is to be referred to the Governments. The latter, from what the Committee Clerk read out, was agreed by consensus and the former was not.

I can see the dilemma: the minutes say that Nelson McCausland proposed something, and they then say that there was consensus and that the proposal was agreed. That brings the two matters together. I understand from what was read out that it was agreed that the proposal would go to the two Governments. Sinn Féin cannot block that. That is what the Hansard report says — and I understand that that is all that the SDLP has asked. The principle is very clear; it is simply a matter of semantics.

Mr Ford: I accept that Sinn Féin may wish to revisit this point as regards the Committee's report. Like Dermot Nesbitt, I was not at last week's meeting. However, when I heard the extract from the Hansard report read out, it was clear that Alex Attwood's amendment to the minutes reflected what happened. There was not consensus on Nelson McCausland's substantive proposal, but there was consensus that the issue should be referred to the Governments.

I do not see how the Committee can do anything other than approve minutes that say that something was recorded in the Hansard report. If the issue is to be revisited later in the meeting, that is an entirely different issue.

Lord Morrow: That was the compromise.

Mr Nesbitt: It is very clear, Mr Chairman. It states:

"Sinn Féin is content for the two Governments to have consultations". — [Official Report, Bound Volume 20, col 1, p CPG270].

That is unambiguous — it is all in the SDLP's proposal.

Ms Ruane: Sinn Féin is concerned about the confusion surrounding this issue. As Michael said, there are inaccuracies in the Committee's draft report, and we cannot agree the minutes or the draft report. There was confusion about the way proposals were taken. The Committee operates on consensus, and Sinn Féin is concerned about the way the whole issue was dealt with.

Mr Attwood: I agree with Caitríona Ruane that the conclusions do not reflect what was agreed in the Hansard report, and the minutes do not reflect what was agreed in the Hansard report. In those circumstances, the Committee should go back to the source document, which is the Hansard report.

Hansard is a substantially verbatim record of what was agreed. What appears in Hansard is what was agreed. I understand why members are sensitive about the wording in paragraph 48. I would not be talking about the way in which the minutes have been drafted if the SDLP did not also have sensitivities about the draft minutes.

To rectify this, we should agree that paragraph 48 of the minutes be amended to say that, following a discussion on the availability of British passports to citizens of the Irish Republic who were born after 1949, it was agreed to refer the matter to the two Governments for further consideration. I do not think that that wording prejudices any party's views, and it most accurately reflects what was agreed.

It may be helpful were I to give that wording to the Committee Clerk.

Mr Ford: I supported Alex's wording when I first heard it. However, an alternative, which might be more helpful to Sinn Féin, given that other proposals that fell were recorded, would be to say that Nelson McCausland proposed that British passports should be made available to citizens born in the Republic of Ireland after 1949. There was not consensus and the proposal fell. He then proposed that the matter be referred to the two Governments for consideration. There was consensus on that proposal.

That seems to me to be almost exactly what was read from Hansard. My suggested wording is not quite what Alex said, because my suggestion records Sinn Féin's objection and its subsequent agreement to the slightly lesser proposal.

Mr Nesbitt: David gives substance to the two elements, and I support his suggested wording. I cannot see how Sinn Féin members can be confused.

I make this comment tongue in cheek: I remember Mr O'Dowd said a few weeks ago that the Sinn Féin's equality gurus were on holiday. Perhaps its equality gurus have returned and are saying: "Here is a little missive from Sinn Féin on what they agreed to last week."

The Chairman (Mr Molloy): Let us not get into semantics. Have we agreement on either Alex's or David's suggested wording?

Mr Attwood: Is Sinn Féin content that my wording accurately reflects what was said and is not prejudicial to its views or those of any other party? That is the issue.

The Chairman (Mr Molloy): Are you content with David's wording?

Mr Attwood: Yes. His suggested wording and mine are essentially the same.

Mr Ford: They are essentially the same. I was trying to help Sinn Féin by spelling out in more detail where consensus lay and where it did not lie.

Mr Attwood: David's suggested wording is probably better.

Mr Nesbitt: David's suggested wording decouples the two proposals that were made.

Ms Ruane: We are concerned, because we do not accept that there was consensus. The way in which the proposals were put caused confusion.

Lord Morrow: Which are you? Are you concerned or confused? Or is it a combination of the two?

Ms Ruane: We are concerned. There has been confusion written into it in the way in which the proposals have been minuted and —

[Interruption.]

May I finish?

Mr Nesbitt: Where is the confusion?

Ms Ruane: Three people have interrupted me.

Mr Ferguson: Hansard seems to be inaccurate.

The Chairman (Mr Molloy): One member is to speak at a time, please. Otherwise, we will get nowhere in this meeting.

Lord Morrow: You are annoying the Chairman now.

Ms Ruane: Sorry, Chairperson. I clearly said that there is confusion over the proposals, the way in which the proposals were put, and in the reporting of what was said. In the light of that, we cannot accept that the draft minutes are an accurate reflection.

Lord Morrow: How do you know that?

Ms Ruane: I know from reading the draft minutes and the draft report. My party —

[Interruption.]

Is this an interrogation?

Lord Morrow: I am merely asking questions.

Mr Ferguson: There is clearly ambiguity in paragraph 48.

The Chairman (Mr Molloy): I was half joking when I ordered tea, but I think that we need it.

Mr McNarry: I have not spoken, but I have sat here patiently for too long. We are discussing an item in the draft minutes. It is either accurate or it is not. It has been established that what is recorded in the draft minutes is not accurate. The Chairman should call for an amendment to paragraph 48 to be proposed. Two have been suggested. We should decide which reflects Hansard. Today's Hansard will show that there is now no consensus. If Sinn Féin dislikes the proposal, the Committee will deal with it when it arises in the report, and we can make changes to it then.

Lord Morrow: In the plenary, Sinn Féin will get plenty of time —

Mr Ferguson: The DUP must be signing up to restoration then.

Mrs Long: Caitríona has said that there is confusion and concern. The confusion is spreading. I am unclear as to whether there is consensus on either of the proposed amendments. That is the crux of this debate.

There is confusion and concern about the minutes. Does Mr Ford's proposal clarify or allay those concerns? That is the only thing that matters at this stage; simply restating concerns does not move us forward.

The Chairman (Mr Molloy): I asked whether that was the case, and it was not. That is how we have arrived back at this situation.

Alex's proposal was worded differently. Is there agreement on that?

Mr Nesbitt: I support David Ford's proposal.

Mr Ford: I was happy with Alex's proposal.

The Chairman (Mr Molloy): Dermot, you may support that proposal, but I asked Alex a question.

Lord Morrow: Behave yourself, Dermot.

Mr Ford: I was quite happy with Alex's proposal. I merely sought to expand it in an attempt to be helpful to Sinn Féin. I am content to agree to Alex's proposal, if Sinn Féin is content to do so.

The Chairman (Mr Molloy): Perhaps if Alex rereads his proposal, members will listen, and we can see if there is consensus.

Mr Attwood: Following the discussion on the availability of British passports to citizens of the Irish Republic born after 1949, it was agreed to refer the matter to the two Governments for further consideration.

The Chairman (Mr Molloy): Have we agreement on that?

Members indicated dissent.

Mrs Long: To resolve this matter, can we simply insert the relevant section from the Hansard report?

The Chairman (Mr Molloy): That is all we can do. However, David's proposal was a reflection of what was recorded in the Hansard report.

Mr Ford: I attempted to insert in the minutes both the proposal that fell and the proposal on which there was consensus. In effect, that is what Hansard records.

Mr Attwood: Perhaps David will withdraw his proposal and agree to Naomi's proposal to insert the relevant paragraphs from the Hansard report.

The Chairman (Mr Molloy): Are we agreed?

Mr Poots: It will become evident that the only confusion is among the ranks of Sinn Féin.

The Chairman (Mr Molloy): Do members want a copy of the Hansard report? We can adjourn for five minutes to arrange that.

Mr Ford: We have accepted the accuracy of it.

Mrs Long: There is no point in looking at the Hansard report to decide whether it is accurate. It is accurate. We cannot dispute Hansard. If members wanted to do that, they would have done so before today.

Lord Morrow: If we have copies, we will know what the Hansard report says.

The Chairman (Mr Molloy): At least we would know to what we are agreeing.

Mrs Long: It is immaterial.

Mr Poots: Referring to the Hansard report will make it worse for Sinn Féin.

Mr McNarry: This is the final report of Hansard and not the draft, is it not?

The Committee Clerk: It is the draft.

Mr McNarry: Have all members approved the draft Hansard report, according to normal procedures, and said either that they have no problem with it or that they do have a problem?

Lord Morrow: Does that include Mr Ferguson?

Mr Poots: It will be explicit from the Hansard report what we agreed.

Mr McNarry: Technically, that is what should be done.

Mr Ferguson: Technically, we usually do that at the beginning of every meeting. That is why we are talking about it now.

Mrs Long: The only changes that members can make to Hansard are minor alterations to grammar. The context and detail cannot be changed, whether in draft form or not.

The Chairman (Mr Molloy): It would be handy if there were less cross debate, so that we can listen to the member who is talking.

Mrs Long: The only changes that members can make to the draft and final versions of a Hansard report are minor grammatical amendments in order to assist the flow. Members cannot change what was agreed or not agreed. Whether in draft or final version, the Hansard report reflects what happened.

Mr Poots: Correct.

Lord Morrow: That is true.

The Chairman (Mr Molloy): Can we go back for one moment?

Mr Nesbitt: I support what Naomi said. The Hansard report shows that the Chairman asked if there was consensus that the two Governments should be asked to consider the issue, to which members indicated assent. That will be clear from the tape. There can be no ambiguity, unless the tape shows something different.

Mr Ford: I am happy to follow Alex's suggestion that I withdraw my proposal in favour of Naomi's.

The Chairman (Mr Molloy): The Clerks must know the exact wording to ensure future accuracy.

Mrs Long: My proposal is simply to delete the paragraph that paraphrases the Hansard report and to replace it with the relevant paragraphs from the actual report, wherein the proposal is made and consensus sought and reached.

The Committee Clerk: Our difficulty is that we reflected what we thought was agreed in the body of the report. If we are not clear on what was agreed, there is a difficulty with the report. That is why we are trying to clarify that proposals were agreed last week.

Mr Attwood: On this occasion, the Hansard report is explicit. It records that the Chairman asked if there was consensus, that the matter would be referred to the Governments and that no one dissented.

The Chairman (Mr Molloy): We could copy the two proposals directly from the Hansard report and insert them into the minutes.

Mr Attwood: Yes.

Mr Ferguson: I suggest that the Committee be suspended for five minutes so that members can read the Hansard report and consider Alex's proposal.

Lord Morrow: We can take the Hansard report wherever we like; we cannot change it.

Mr Ferguson: My suggestion is that we take a five-minute adjournment. Does Maurice have a problem with that?

10.45 am

Lord Morrow: I have no difficulty with that; the protocol has been that if an adjournment is asked for, it has been granted. Sometimes it is useful to state the reason. The DUP is not objecting to an adjournment.

Mr Ferguson: Well, I am asking for one.

The Chairman (Mr Molloy): Let us take five minutes and come back to the matter then.

The Committee was suspended at 10.45 am.

On resuming —

10.59 am

The Chairman (Mr Molloy): Do any members who have not attended before — Mr Ennis; Ms Ruane; there might be others — have any interests to declare?

Mr Ennis: I have no interests to declare.

The Chairman (Mr Molloy): You are very welcome to the meeting.

Can we agree the minutes?

Mr Ferguson: No. Sinn Féin is not going to agree, primarily because Philip McGuigan's comments, as recorded in the Hansard report, clearly reflect our objection on the passport issue. That being the case, why would we then feel that it would be OK for the two Governments to discuss something that we object to?

11.00 am

Mr Nesbitt: That is your logic.

Mr Ferguson: It is fairly clear to me.

Mrs Long: Previously, when there has been no consensus on the substantive issue, we agreed that it could become part of the talks, or be referred to the two Governments for further consideration. That has happened on a number of occasions. I cannot cite them all now, but they are in the Hansard report. It does not follow that if you disagree with the proposition you must automatically disagree with other people having further discussions on it.

Take the DUP's paper on parades, for example. We did not agree with the entirety of the paper but were happy to bring it back for further consideration. There was consensus that it should return to the Committee for further consideration. There have been instances where people clearly do not agree with the substantive point but do agree that there should be further discussion, either with the Governments or within the Committee.

The Chairman (Mr Molloy): I do not know if we are going to get anywhere in this debate. I will ask the Committee Clerk to clarify the minutes, and we will either agree or disagree at that point.

The Committee Clerk: Nelson McCausland proposed that British passports should be made available to citizens born in the Republic of Ireland after 1949. There was not consensus, and the proposal fell.

The Chairman (Mr Molloy): Is everyone happy enough with that? What is the next part?

The Committee Clerk: He proposed that the matter be referred to the two Governments for consideration. There was consensus, and the proposal was agreed.

Mr Ferguson: It was not agreed.

The Chairman (Mr Molloy): As regards the Hansard —

The Committee Clerk: That is what the Hansard report says.

The Chairman (Mr Molloy): We do not have agreement on it.

Mr Nesbitt: Where does that leave us?

The Chairman (Mr Molloy): It leaves us with minutes that are not agreed.

The Committee Clerk: We have agreed that the proposal that British passports be made available did not have consensus. If the second part has not been agreed then it is not agreed, so it does not appear in the minutes.

Mr Poots: We are agreed that we put those particular portions of Hansard in the minutes, are we not?

The Chairman (Mr Molloy): That is why I have asked the Committee Clerk to reword that.

Mr McNarry: This is a very dangerous precedent.

Mr Nesbitt: Very dangerous.

Mr McNarry: I suggest that you should take advice on this, Chairman. The exercise that we engaged in this morning was just to agree the minutes — a relatively simple thing. Here we are at 11.05 am and we have not agreed them. We cannot just say that the minutes are not agreed. Unless you can give a direction now, Chairman, I respectfully suggest that you take advice. This will set a precedent for every issue. Any party could decide for political reasons — which I suspect is the case here — to change its mind at the next meeting and attempt to alter the minutes. If we cannot accept this, we cannot accept the whole minute.

Mr Poots: Chairman —

The Chairman (Mr Molloy): Naomi was first.

Mrs Long: I am very concerned about this. This is not a matter of something being implied; it is explicit. The Hansard report says that members indicated assent. Philip McGuigan said:

“I made my comments based on the proposal before me. Sinn Féin is content for the two Governments to have consultations, but it is not a major impediment to the restoration of the Executive.” — [Official Report, Bound Volume 20, col 1, p CPG270].

If Sinn Féin is saying now that it disagrees with Philip McGuigan, then that is an entirely different matter. Sinn Féin cannot dispute the accuracy of what is recorded.

Mr Ferguson: My point is that paragraph 48 of the proposed draft report implies that Philip McGuigan also supported the notion of the passports. The confusion

arises out of how that is interpreted. That is why we have a difficulty with it.

Mrs Long: We are only dealing with the minute.

Mr Ferguson: The logical conclusion of the minute is that we would support the notion of passports for —

The Chairman (Mr Molloy): All we are dealing with at this stage is the accuracy of the minute.

Mr Nesbitt: Sinn Féin cannot get away with that. We are not confused about what Sinn Féin is saying we are confused about. We have spent an hour and five minutes trying to decouple two dimensions: one, Sinn Féin does not agree with Irish citizens getting British passports; and, two, it did permit that to be suggested for consideration by the two Governments. There is no confusion; this point does need to be clarified.

It was suggested that we would be here for some time today. This quite simple matter should be clarified as a matter of priority and, if possible, before the meeting completes its business today.

The Chairman (Mr Molloy): The minute is not agreed, so we will check the position on it. We also have a previous minute that was not agreed, and we need to look at it.

Lord Morrow: Therefore we are returning to it.

The Chairman (Mr Molloy): We will return to it afterwards.

Mr Ford: At that point we did not have the benefit of Hansard. The Committee's report on this strand will include a full Hansard of last week's discussion, and so what was agreed will be absolutely clear. I said earlier, about a hundred years ago — well perhaps 45 minutes ago — that it was entirely open to Sinn Féin, when making recommendations in a report, to change its position. However, it simply cannot say that it did not say last week what it clearly did say.

The Chairman (Mr Molloy): I do not think that we can get any further on this, so let us move on.

Mrs Long: It is difficult to see how we can make progress if people are in denial about what they said and if they are prepared to sit with the Hansard report — which is clearly an accurate reflection of what was said — in front of them yet say the opposite of what it contains. That places the whole Committee in a very precarious position. The lack of agreement on the minutes was the reason for bringing Hansard into proceedings of the Committee in the first place. That was done so that we would not get into these wrangles, and everyone else has accepted the accuracy of the Hansard report and the minutes ever since. Now, at the end of a lengthy process, we have people disputing the accuracy — not the content, which is for discussion under the report — but the accuracy of the record, and

that is a substantive issue that we need to address. How we move on from this is not clear to me.

Mr Nesbitt: Mr Ford said a moment ago that Sinn Féin could change its position when we deal with the report; however, I am not sure whether that can happen. The report is meant to be a record of the deliberations of this Committee.

Mr Ford: During discussion, any party is surely at liberty to change its position and to request that an amendment be made. The record of what happened last week is one thing; but surely any party is at liberty to say that it has changed its mind. My point is that no party is at liberty to say that it did not say something that it did say.

The Chairman (Mr Molloy): I suggest that we reflect the minute as the Clerk read it out, and I rule that it is an accurate record of last week's meeting.

Lord Morrow: It is an accurate record; that is what was agreed.

The Chairman (Mr Molloy): The minute is accurate.

Mr Nesbitt: I did not say that people or parties could not change their positions; of course they can. However, does the substantive report that we put to the Assembly reflect what was agreed here?

The Chairman (Mr Molloy): We have decided that it is an accurate minute, with the amendment that we are using Hansard as an accurate account.

Mrs Long: We agree that without question. We need to address the issue that Mr Nesbitt raised: the status of the draft report. Parties could challenge the way in which paragraph 48 is worded; but that is a completely different issue.

The Chairman (Mr Molloy): We are coming to that.

Mrs Long: If we muddle the two, it creates more difficulty.

The Chairman (Mr Molloy): We are not dealing with the report at this stage; we are dealing with the minutes. We will come to the report. There may be variations, as different people have different ideas.

Mr Ferguson: We have put on record that we are not happy with the minutes.

The Chairman (Mr Molloy): Yes.

Mr Nesbitt: May I deal briefly with a matter that arises from the minutes, now that they are agreed? Monica McWilliams's letter was considered at the end of the meeting, and I was not present for that. A letter from the Human Rights Consortium was considered at the beginning of our previous meeting, but that is just a matter of procedure. My question is this: what happened at the meeting of 4 September as regards that item?

The Chairman (Mr Molloy): We were going to bring that up at the end of the meeting, but we can deal with it now.

The Committee Clerk: The matter was deferred at the meeting on Monday. The DUP came back with its position.

It was agreed that the Committee would not accept the proposal made by Prof McWilliams in its current form, and members requested that I ask her whether she could arrange either a shorter seminar or alternative dates. Prof McWilliams phoned me with an alternative date. She is to confirm that in writing but has yet to do so. Therefore I have nothing to table today.

Mr Nesbitt: Thank you.

The Chairman (Mr Molloy): It will be a shorter seminar. There do not appear to be any other matters arising from the minutes.

The next item of business is the draft report. As is customary, our discussion of the draft report will take place in closed session. Are members content that we continue with that practice? It means that today's Hansard report will not include details of the discussion.

Mr Poots: Will the session be taped for accuracy purposes?

The Chairman (Mr Molloy): Yes. The session will be taped to help staff when drafting the Committee's report, but the discussion will not be included in the Hansard report. As was agreed for other meetings, even though the session is closed to all other parties, the research staff will remain.

The Committee met in private session from 11.11 am to 4.13 pm.

Adjourned at 4.13 pm.

COMMITTEE ON THE PREPARATION FOR GOVERNMENT

Wednesday 13 September 2006
(Morning Session)

Members in attendance for all or part of proceedings:

The Chairman, Mr Jim Wells
Mr Dominic Bradley
Mr Fred Cobain
Mr David Ford
Mr Gerry Kelly
Mr Danny Kennedy
Mrs Naomi Long
Mr Fra McCann
Mr Raymond McCartney
Mr Alan McFarland
Mr Alban Maginness
Mr Ian Paisley Jnr
Mr Peter Robinson
Mr Sammy Wilson

The Committee met at 10.07 am.

(The Chairman (Mr Wells) in the Chair.)

The Chairman (Mr Wells): Ladies and gentlemen, this meeting will finish at 12.30 pm. Members will be sad to hear that lunch will not be provided, because the Committee on the Preparation for Government (PFG) dealing with institutional issues is to meet at 2.00 pm. Some folk will be staying on for that, but, in most cases, parties will be represented by a completely new team. We shall try to conclude this meeting at 12.30 pm, allowing a break for an hour and a half before the second meeting.

Once again, I remind members to turn off their mobile phones. I believe that all members who are present have previously attended the PFG Committee dealing with law-and-order issues, so I do not think that any fresh declarations of interest need to be made. Is that correct?

Members indicated assent.

The Chairman (Mr Wells): We now move on to the draft minutes of the meeting of 6 September. Following Friday's events, I dare not ask whether members wish to suggest any corrections or additions to, or make any observations about, the draft minutes. This is normally routine, but last week it certainly was not. Are the draft minutes agreed?

Members indicated assent.

The Chairman (Mr Wells): The next item on the agenda is "Matters arising". The important issue is

next Monday's meeting at 10.00 am with the Secretary of State, Mr Hain — if it is still Mr Hain. I hope that it is, for continuity purposes if nothing else. We need to devote some time to considering how we deal with the mechanics of what will be a very important meeting for this Committee. We have already decided by consensus that it will be a public meeting, but we must decide on the location, whether television cameras will be admitted, what questions will be asked, and the order in which those questions will be asked.

We also need to agree a press notice to alert the media and the public that this important meeting is taking place — although I suspect that that fact is now well known.

The Committee briefly discussed the options last week. We could use somewhere such as the Senate Chamber, where television cameras are already present. The meeting could be broadcast and the press could take excerpts from it. There is no difficulty in the press sitting in the Chamber for the meeting, and the public, researchers and others could do likewise. The downside is that, first, it is a big Chamber, and secondly, members will be sitting on Benches with nowhere to put their papers. I recall that some members of the Committee for Agriculture and Rural Development complained that that is a bit awkward. However, the papers for the meeting may not be too extensive. We can sit on the Benches and ask questions of Mr Hain. That would give us maximum exposure.

At the previous meeting, some members suggested that there might be those among us who would play to the cameras — heaven forbid. I am sure that no one on this Committee would try to get a sound bite on the BBC news.

Alternatively, we could use one of the Committee rooms, from which the media could be excluded completely or allowed in just for the set-up. The cameras would come in, we would welcome the Secretary of State and exchange a few pleasantries, and at that point we would exclude the cameras and get down to business. There could be a live feed — without cameras — to the media offices in the Building so that they could hear the discussions. I am totally opposed to letting the cameras stay in the room, because their floodlights would be very intrusive and would make the room unbearable.

Then again, we could have no television broadcast at all. All manner of options are available, and I am entirely in the hands of members.

Mr Paisley Jnr: I propose that we use the Senate Chamber.

The Chairman (Mr Wells): What do folk feel? The default situation, if we do not have consensus, is that there will be no television broadcast. Mr Paisley has

proposed using the Senate Chamber, with, presumably, the cameras present.

Mr Paisley Jnr: They are already there.

The Chairman (Mr Wells): We could use the Senate Chamber but not broadcast the proceedings.

Mr Paisley Jnr: We should use the Senate Chamber. Perhaps you should consider the question of location in two parts.

The Chairman (Mr Wells): How do members feel about using the Senate Chamber?

Mr G Kelly: That is fine.

The Chairman (Mr Wells): Mr Kelly is happy with that. Mr Bradley, what do you think?

Mr D Bradley: I am happy enough with that.

Mr Ford: It is a very large room. I do not know whether members saw any of the coverage of the Public Accounts Committee when it used the Senate Chamber, but the gathering did not look businesslike; it looked like a few people sitting around balancing papers on their knees. Room 135 is slightly bigger than this room, and there would be plenty of room there, particularly if there were no table at the back, to put chairs out and allow people in. We would still have the option of the sound feed. There is no reason why the cameras should not film the Secretary of State coming in, doubtless to be greeted warmly by whoever is in the Chair.

The Chairman (Mr Wells): It will be me.

Mr Ford: Perhaps not that warmly, in that case. After a few handshakes the cameras leave, but the sound feed would allow journalists to either sit in or listen downstairs. Using the Senate Chamber would not make us appear as though we were conducting a businesslike meeting, whereas sitting around the table in this room or in room 135 would.

The Chairman (Mr Wells): It is worth saying that some of the press have approached me, as Chairman. They are extremely keen to televise the meeting but, of course, they would say that, would they not? Have the Ulster Unionists any thoughts on this?

Mr Kennedy: We are still consulting on the matter. On balance, we feel that the Senate Chamber, although not ideal, at least provides the opportunity for blanket coverage of the session, which allows the media to get a better sense of proceedings. I am not suggesting that there be wall-to-wall coverage. Could desks be put along the front of the Senate Chamber for papers, or is that considered bad form?

The Chairman (Mr Wells): The problem is that the microphones are on the ground. That is the other problem with the Senate Chamber; in order to pick up voices, there can be nothing between the person who is speaking and the microphone.

Mr Paisley Jnr: Those of us who have used the Senate Chamber for Committee meetings have worked out how to overcome that problem. Members can sit with their papers on their laps. We will not have great volumes of papers. Most of us know what we will ask the Secretary of State, and most of us are capable of articulating our positions without the use of a desk. I appreciate that it is an inconvenience — well spotted, Danny — but we can get over it.

The Chairman (Mr Wells): If it is any consolation, the papers for that meeting are not extensive. Also, we will have a fair idea what questions we will be asking, as those will be agreed today. Therefore, there should not be too many surprises or much frantic hunting for material for a question. David, do you consider this to be a crucial issue?

Mr Paisley Jnr: As an impediment to Government?

Mr Kennedy: Is it a deal-breaker?

10.15 am

The Chairman (Mr Wells): We need consensus, so how strongly do you feel about this, David?

Mr Cobain: Do you want to phone a friend — that is, if you can get one?

Mr Ford: Thank you, Fred. The fact that the other four parties all agree does not necessarily mean that I think that they have got it right — a scenario that will doubtless recur several times in the autumn. I will not make a big song and dance about it if everyone else is in agreement. However, even though I am willing to go along with the proposal, I remain to be convinced by it.

The Chairman (Mr Wells): May I take it that there is consensus that the meeting will take place in the Senate Chamber?

Members indicated assent.

The Chairman (Mr Wells): Presumably, the follow-on from that is that the meeting will be televised: Assembly cameras will film the event and the press can take whatever they want from the proceedings.

Mr Paisley Jnr: There is another option. There could be an opportunity for members to raise certain issues in camera with the Secretary of State and perhaps extract more information from him in that type of session — or not. There could then be a public session to discuss issues that the Secretary of State has already flagged up, on which he will answer questions and on which he will not change his position anyway. I am simply putting forward that option for discussion; I am happy for the entire event to be televised.

Mr McFarland: When this issue was raised at our last meeting, one school of thought was that we might get more out of the Secretary of State from a private meeting. The general consensus was that we would not. Therefore, the logic was to go for the full monty,

as it were, and televise the meeting. I suspect that the Secretary of State will not say anything of any import, but having the cameras there will give members a chance to have their ta-da moment.

The Chairman (Mr Wells): There will be a dress code, I assure you.

Mr Cobain: Do not tell Sammy Wilson.

The Chairman (Mr Wells): We are not that desperate. There will be a live audio feed to Hansard, so there will not be much privacy, regardless of whether the meeting is televised.

Mr McFarland: There is a difference between journalists mentioning the meeting as an item on a 5.00 pm radio show and having really good pictures of Committee members jumping up and down saying that they could tell the Secretary of State this or that, and so forth, being broadcast on the television news.

The Chairman (Mr Wells): When we consider the issues for discussion, we could decide, as Ian suggested, that some of the meeting be held in camera. Presumably, that is simply a matter of turning off the camera, over which we have control.

Mr McFarland: The Committee will invite members of the public to the meeting. If we are to hold part of the meeting in camera, we will need to do that at the beginning and then invite the public in. We cannot invite the public into the meeting, ask them to leave for a certain period halfway through and then ask them to come back.

Mr Ford: The entire premise of the notion of a session in camera at any level is nonsense. I cannot believe that the Secretary of State would say anything more to one person or party than he would consider saying in public anyway.

Mr G Kelly: I agree. We had this discussion previously and agreed that the meeting should be open, so let us keep it open. It will be a story in itself if the meeting is held in camera; in fact, it will be the story.

The Chairman (Mr Wells): There seems to be reasonable consensus that the cameras remain on throughout.

For members' information, the meeting will start at 9.45 am. The first period will be a private session, after which Madam Speaker will bring the Secretary of State to the door of the Senate Chamber and the meeting will go public when he enters the Chamber. As no one seems greatly exercised, that is how it will be. That is what the Committee for Agriculture and Rural Development did when I was a member. I suggest that members bring clipboards with them if they want to lean on something as they frantically write notes as the Secretary of State is speaking.

There is a draft press notice at tab 3 of the members' pack.

The Committee Clerk: There is a revised draft.

The Chairman (Mr Wells): Has that been handed out?

Mr Paisley Jnr: Are we still on tab 2 of the members' pack?

The Chairman (Mr Wells): Yes; we will come back to that. We have not finished discussing the meeting with the Secretary of State. However, it may be useful to consider what the Committee is saying about it in the press release before moving on to the issues for discussion at that meeting.

Mr Paisley Jnr: With that in mind, the press release, as currently constituted, flags up three narrow issues. I have another six issues that I want to raise with the Secretary of State. We should deal with the facts: there will be a meeting with the Secretary of State on 18 September; it will be in the Senate Chamber; and it will be public. The press release can say that a number of issues have been the subject of discussion and could be perceived as impediments to Government, or whatever, but it is foolish to start listing the issues specifically. I would want at least another six issues on the list.

The Chairman (Mr Wells): The Committee could not say that Monday's meeting will be public until it is so agreed.

Mr Paisley Jnr: I know that, but we are where we are now.

The Chairman (Mr Wells): We would not have much of a press release if those issues were dropped.

Mr Paisley Jnr: It would be factual.

The Chairman (Mr Wells): It is very bland.

Mr Paisley Jnr: Members are worried about the story, but the story comes after the meeting. It will be public.

Mr McFarland: Did the Secretary of State not ask the Committee what the topics would be? We discussed the matter and said that we would let him know in advance.

The Chairman (Mr Wells): We will do that.

Mr McFarland: Have we not done that already?

The Chairman (Mr Wells): No, we are coming back to that.

Mr McFarland: So we can still add other topics?

The Chairman (Mr Wells): Yes, we can. We have two options: we either drop all references to what we will discuss and have a straightforward press release, or we list everything. How do members feel about that?

Mr McFarland: I would prefer a general press release stating that we are meeting with the Secretary of State to question him on issues involving policing and the institutions. We can finalise the list and give the tenor later; it will be more of a surprise to people.

Mr G Kelly: There is a difficulty with issuing a list of topics. We have not dealt with the list; more may be added to it. Mr Paisley has already said that he wants to add to it. A general press release would be best.

The Chairman (Mr Wells): Are members happy? There is sufficient interest in the meeting that the press will be present whether or not a press release is issued. A press release would remind them to put it in their diaries.

Mr Cobain: I have a point of clarification. The Secretary of State will want to know the issues to be discussed, so I assume that we will be sending the topics for discussion to him, but not to the press. Is that right? Are we going to agree among ourselves?

The Chairman (Mr Wells): Yes, that is the next subject. The actual press release is all of four lines long.

Mr Ford: It could be lengthened by pointing out that the meeting is in public, in the Senate Chamber at 10.00 am; that would add another half line.

Mr Kennedy: It makes it more exciting, does it not? On a slow news day it is bound to work.

The Chairman (Mr Wells): I am sure that it will be the hottest ticket in town. If it were today, it would be a headline.

Mr McFarland: Is the meeting with the Secretary of State just with the Committee dealing with law-and-order issues? I thought that, for example, on the institutions side —

The Committee Clerk: It will be this strand.

Mr McFarland: At the beginning, when we were discussing whether we would invite evidence, we decided that we would need to speak to the Secretary of State towards the end of the Committee's work, so that we could pick up all the loose strands from our discussions. Are there loose strands from the discussions on institutions and human rights?

The Chairman (Mr Wells): Yes. We have two problems. First, the other strands of the PFG Committee have not raised those issues to be tabled with Mr Hain on Monday; secondly, he has not been told to expect them. The genesis of this came from Arlene Foster — who, by the way, has still to give birth. The baby is still imminent. Arlene raised the issue of the Glenties speech in July and required clarification on that, so it was very much in this format of the Committee.

Mr McFarland: I understand that this format of the Committee was taking the lead on that. However, we

do not want to have to call the Secretary of State back to meet the other two formats. Is there anything else that we should ask him? We should clear up all the issues that we are uncertain about when he is here. Are we doing a package or not?

The Chairman (Mr Wells): Mr McFarland, you are one of the best attenders of the Committee — in all its strands — and you realise that we are well down the route to agreeing the report on all three strands. The only issue that has arisen is the ministerial code. However, the Secretary of State has not been given any inkling that that is expected. In any case, I suspect that we will be able to fill our time.

Mr McFarland: I was just wondering whether there are any outstanding matters that we might want the Secretary of State to come back on later. If we are going to do this, let us do it now. If there is nothing outstanding, that is fine.

The Chairman (Mr Wells): If there is anything more in this area to discuss, members will have the opportunity — for a few minutes — to add to the list, which will go to the Secretary of State.

Mr D Bradley: On the first point on the list that has already been provided, we would like to ask —

The Chairman (Mr Wells): You are moving on to the items for discussion with the Secretary of State.

Mr D Bradley: Yes.

The Chairman (Mr Wells): Could we agree the press release first? Are members content with the press release?

Members indicated assent.

The Chairman (Mr Wells): I am interested in hearing the views of all parties on the issues that should be flagged to the Secretary of State.

Mr D Bradley: The issues that the SDLP would like to add to the list include: asking why the PSNI should retain primacy for national security; what accountability mechanisms exist for MI5; and when, and what, will be shared in respect of the new arrangements regarding MI5.

The SDLP is happy with the third and fourth items on the list, but we would like to add restorative justice as a fifth. We wish to discuss the flaws in the protocols and our concerns about their impact on the integrity of policing.

The Chairman (Mr Wells): Do you have three items to add, Mr Bradley?

Mr D Bradley: Yes.

The Chairman (Mr Wells): Those items are entirely in order, as the SDLP and others flagged them during previous discussions. There is no difficulty with the relevancy of those points. Do other parties wish to

raise anything? We will go through all the points and distil them into a manageable form.

Mr Paisley Jnr: I am sure that members will wish to raise issues within the four existing areas. The DUP wants to discuss paramilitary and political links to serious and organised crime, but that is missing from the list. We want to discuss fifty-fifty recruitment, which has been on the agenda previously. We also wish to raise the appointment next year of the new Police Ombudsman. The SDLP has mentioned community restorative justice (CRJ); I would like that to be raised also.

Mr S Wilson: Will the SDLP clarify a point? There seems to be a contradiction between intelligence remaining with the PSNI and MI5 accountability. Which is it to be? If intelligence is to remain with the police, why would we need to be concerned with MI5 accountability if that body will not be operating? I am not sure why both items are on the agenda; they seem to be contradictory.

The Chairman (Mr Wells): Mr Ford, does your question relate to this issue?

Mr Ford: Yes. Surely the way in which it has been spelled out in the first bullet point in the 'List of Matters for Meeting the Secretary of State' does not try to answer the question, but indicates that we wish to raise it. I fear that Sammy will reopen the debate on that point. Should we agree the questions in a reasonably neutral way, parties will obviously put their spin on them. We cannot agree the list of questions for the Secretary of State in a partisan way.

Mr Paisley Jnr: Before we get into a wider discussion, the DUP would like one further item, sentencing policy, to be added to the list.

The Chairman (Mr Wells): Mr Kelly has been waiting for quite a while to speak.

Mr G Kelly: Sinn Féin has made it clear that it wants to discuss the accountability mechanisms for MI5 and the Serious Organised Crime Agency (SOCA). The first item on the list mentions demarcation. We have been through this list three or four times already. Like Ian Paisley Jnr, I can add to that list, but does there not have to be consensus on what is being put forward?

The Chairman (Mr Wells): If it were important to a party that a question be asked, I would rule that we do not have to force that party to seek consensus. That is how it has been dealt with as far as raising issues at the Committee has been concerned. To require consensus would be totally unfair.

Mr McFarland: Parties should show a degree of sense. We do not want to lose the opportunity of eliciting information that would be useful to the Committee.

Each party could end up producing a list of 50 items that it wants to raise; we could end up gumming it and not getting an answer to anything. That is the danger of everyone having free rein. I am happy for parties to raise issues to which they have not yet had answers. However, if we start producing a wish list of all our problems, we will not have the time to get anything done.

10.30 am

Mr Paisley Jnr: Mr McFarland makes a valid point, but it is important that the Secretary of State gets a broad brush on the headline areas that he will be asked about. Under the current four topics, none of the areas that I have identified could have been raised. All the parties will have discretion on whether we ask about an issue and the nature of the questions. However, at least the areas will have been flagged up beforehand, and the Secretary of State will know what to expect.

The Chairman (Mr Wells): So far, parties have been fairly responsible and have listed three or four major issues. If that is the trend, we should have no problem with distilling the issues into four or five headings and getting questions on them.

Mrs Long: The additions by the SDLP and DUP, particularly on CRJ and fifty-fifty recruitment, encompass some of the issues that the Alliance Party hoped to add to the list. Our concern is that CRJ issues are not unduly delayed, as there are organisations that, although they are willing to live up to them, do not meet the kind of protocols that we regard as necessary for CRJ to operate. There is concern in the community that CRJ issues are being unduly delayed, when the Government ought to be moving ahead.

If the topics are broad, it will be possible for all parties to explore the issues.

Mr G Kelly: We could be here all day. This is an attempt, although perhaps not the right kind of attempt, to bring all the issues under four headings. The question is: what is the format or running order of the day? If parties knew that, they would know whether they could raise the six or seven issues that the DUP has raised or issues that come under sub-headings.

The Chairman (Mr Wells): We will be coming to that point, as it is extremely relevant. A party could place a topic under a heading but not get to ask a question about it. Once we get the list we will have to form headings from which to allocate questions to each party, and we must do that fairly.

Mr Paisley Jnr: There is an alternative way of proceeding. As we know the precise amount of time that we will have with the Secretary of State, we could allocate a time section to each party, in which it could decide what it considers important to raise with him. There may be some overlap, but at least each party

would be satisfied that it was raising issues that it considers to be impediments.

Mr Cobain: Mr Chairman, you have been through several of these meetings, and you know that one question may stimulate other questions. If individual parties are left to run through a section, there will be a fragmented discussion. Parties will want to run through five or six headings in their allocated time. One party might want to talk about or clarify issues that were raised by the previous party. Instead of a seamless run through questions, the DUP might want to spend 15 or 20 minutes discussing CRJ, while Sinn Féin might want to do the same. That is not how to do it.

We should have a general heading under which we ask the Secretary of State questions, and parties can then run through the particular issue that is raised. It is better to ask the questions in a seamless way rather than struggle through the parties. However, I defer to your greater experience in the matter, Mr Chairman.

The Chairman (Mr Wells): I will go round the parties to gather their views on the issue, because it is important.

Mr S Wilson: My only concern with dividing the questions among the parties is that, while Sinn Féin, or the DUP, say, is asking questions, the other parties will be disengaged. Such a system might take away from the spontaneity of a session, because members may want to follow on from a question that they may not have listed. Asking questions by topic rather than by party might be a better way of proceeding.

Mr Ford: We agree with what Fred broadly outlined. “Topics” seems to be a much more sensible way of getting into the detail.

Mr D Bradley: We would go with the thematic approach.

Mr G Kelly: I do not have a difficulty with that — it is going to happen anyway — but each party needs a short slot in which to state its position. In the previous format each party had five minutes to make opening remarks, followed by discussion.

The Chairman (Mr Wells): Our difficulty is that we have a maximum of 90 minutes. If each party takes five minutes that is 25 minutes gone immediately. Parties may even wander beyond the five minutes. There seems to be agreement that we should pursue themes and topics. I was going to suggest that each party should be allowed to ask five primary questions, with a few supplementary questions, and then the parties can decide to allocate, in order of their own preference, those topics they want to ask questions on. Therefore, if a party is not, for instance, primarily concerned about CRJ it could ask a question about MI5 or something like that.

I do not want people saying at the end of the meeting that I did not give them enough time to ask questions.

Mr McFarland: We have operated fairly well here. We made our list of topics and then addressed them. Logically, providing the parties are sensible, we will be questioning the Secretary of State on several issues, the first of which, presumably, will be national security. There will be other topics as we go round; and the answer, I suppose, is to attract the Chairman’s attention when one wishes to speak on particular issues. We can have a discussion on national security in the normal way.

Do we want parties to do that in order? The difficulty is that if the issue was initially raised by the SDLP, for example, it would be silly if that party were placed fourth on the list. On the other hand we all have contributions to make. I do not know how we would arrive at a running order, but we should treat it as we would normally, in a sensible way, without grandstanding. I know that that is a forlorn hope.

The Chairman (Mr Wells): So we have consensus that there will be no grandstanding on Monday?

Mr Ford: I assumed, Mr Chairman, when we started this discussion that you were going to stick with precedent and Alliance was going to take the lead in every session. *[Laughter.]* However, to be slightly more serious — even Naomi was laughing at that one — there would be logic in having five sections and agreeing this morning that each party would take the lead on one. After that, it would be for other parties to catch your eye, depending on the priority they give to that particular section of the agenda. If you do not treat us fairly, Mr Chairman, you will presumably incur wrath around the room.

The Chairman (Mr Wells): That had occurred to me. We seem to be going places. The difficulty will be in trying to get five themes that encapsulate all the additional points that members wish to raise. Are there any other issues?

Mr G Kelly: There is one prevalent issue — Diplock courts. In particular, it has been suggested that the practice of defence counsel’s peremptory challenge should be abolished. That is an important issue.

The Chairman (Mr Wells): Excuse my total ignorance, but what on earth is peremptory challenge?

Mr G Kelly: Peremptory challenge means that the defence lawyer in a jury trial has an opportunity to peremptorily say that a juror can go. If the practice is removed, then they will want to introduce anonymity, which is also a dangerous precedent. It exists in Britain but there is no demand for it here. The intention is to introduce it.

The Chairman (Mr Wells): I notice that the Alliance Party seems to be happy that others raised the topics it intended to raise. Is that the situation, because

I have nothing specifically down on my list against the Alliance Party. Is that correct?

Mr Ford: That is correct.

Mrs Long: It would fall under those broad headings. Our specific angle on items may be different to other parties.

The broad areas are covered, so it would still be possible to ask our questions within the general thrust of the discussion.

The Chairman (Mr Wells): Is it the same for the UUPAG?

Mr McFarland: Yes. We are more concerned about other topics; for example, we have grave concerns about Peter Hain's speech at the MacGill summer school in Glenties, and my party originally raised it. Obviously we have views on the national security issue that differ from those of Sinn Féin and the SDLP. We will contribute on whatever topic we feel concerned about. CRJ is a big issue. I am not sure what the issue is about the Regulation of Investigatory Powers Act 2000 (RIPA), but Sinn Féin raised it.

The Chairman (Mr Wells): We need to agree about five topics. I see Mr Bradley's two issues – the primacy of the police service and accountability mechanisms for MI5 – coming under the “issues of national security” heading. They seem to sit comfortably there. Does the SDLP agree? Under what heading does CRJ belong?

Mr Paisley Jnr: It does not belong under that heading.

The Chairman (Mr Wells): No. We need a separate heading for that.

Mr McFarland: RIPA probably sits under the “issues of national security” heading, because it is connected with the world of intelligence and surveillance.

Mrs Long: The issue raised by the Alliance Party during the discussions, about potentially differential treatment of loyalist and republican paramilitarism, falls under that heading. I assume that we will be able to raise it again during that discussion. Division of responsibility for dealing with those is already an issue. It is something that we want to raise.

Mr G Kelly: CRJ came in under the heading “residual issues of justice” and so too did the Diplock courts. It is intended to bring the Diplock courts to an end in those circumstances. Were the heading broader, it could probably encompass a few other issues.

May I make a point that I meant to make earlier? You moved on slightly more quickly than I expected. There was substantial discussion of the relationships between the British Secretary of State, a possible Minister for Justice, the PSNI Chief Constable and the Policing Board. Other parties too may have been worried

about the powers of the Policing Board under those circumstances. Questions must be asked about that.

The Chairman (Mr Wells): Under which heading does that sit?

Mr Paisley Jnr: I suggest that “national security and intelligence” is a single heading and that it includes topics like primacy of the police, accountability and RIPA. That should be a separate issue. A heading of “police and policing structures” would cover a multiplicity of areas including structural issues, accountability of police to Government, et cetera; fifty-fifty recruitment; the Ombudsman; perhaps even sentencing powers — well, no, not in policing. A third, and fairly obvious, heading is that which I put first: “paramilitary links and crime”. That sits on its own. A final area is that of “police/justice matters”, and under that could come CRJ and sentencing issues.

The Chairman (Mr Wells): That is helpful.

Mr Paisley Jnr: The only issue left out of that scheme is Army powers post normalisation. That might fit under either the “police structures” heading, or under “national security”. It depends what side of the fence you are on.

The Chairman (Mr Wells): The only difficulty with that is that I do not remember it being raised.

Mr Paisley Jnr: It is on the list here.

The Chairman (Mr Wells): Yes. But it was not raised in the discussions that we have had.

Mr S Wilson: Army powers were raised. In fact it is one of the issues that we have —

The Chairman (Mr Wells): I must not have been chairing on that day.

Mr McFarland: The issue of Peter Hain's speech at the MacGill summer school in Glenties is about where policing is going, because in that speech there was the suggestion of a two-tier police system. Other issues, political links and CRJ, fit with together with that. The practical outworking of CRJ on the ground, and whether separate structures are needed, should come under the same heading as the MacGill speech.

10.45 am

The Chairman (Mr Wells): That seems too neat. I am sure that there are members who feel that the topics they have raised do not automatically fall into one of those categories. It certainly seems to take us a long way towards getting a theme for each set of questions. Does anyone have any thoughts on that? I am going through the various topics: fifty-fifty recruitment; the Police Ombudsman; sentencing and Diplock courts. It seems to cover most issues.

Mrs Long: Mr Chairman, would you run through the headings again?

The Chairman (Mr Wells): “National security/Intelligence”; “Policing structures”, which includes fifty-fifty recruitment, the Ombudsman and the Glenties comments; “Crime/Paramilitarism”; “Justice issues”, which includes CRJ, sentencing and courts issues; and “Army powers” post normalisation. Does everyone feel that the subjects they wish to raise will be covered by those five headings, which will give a definite structure to our questioning? The one that looks thin is “Army powers” because there is just one subject under that heading, but I do not see that subject going anywhere else. What do members feel? It seems reasonably neat and clear. Is there consensus?

Mr Ford: “Army powers” does seem to be very thin. I wonder if it might fit alongside the security issues. It also seems to me that the way in which we are describing the structural issues around policing involves two different issues: fifty-fifty recruitment and the Ombudsman; and the Glenties speech, which is to do with the political acceptance of policing. They are not really the same thing.

The Chairman (Mr Wells): The reason I am so keen on having five topics is that we have five parties. We will then just have to agree who takes the lead on each one. I see “Army powers” as being thin, to put it mildly, and I wonder who would take the lead on that — the DUP presumably wants to take the lead on one of the other ones.

The Committee Clerk: “Army powers” was an SDLP issue.

The Chairman (Mr Wells): But the DUP wanted a separate heading.

Mr Ford: That is my concern, Mr Chairman. Is policing being split into two different issues, one being the political link to the policing structures, and the other being the policing structures themselves?

The Chairman (Mr Wells): Policing is such an important issue that it deserves more coverage.

Mr Ford: I think it deserves more time than “Army powers”.

Mr Paisley Jnr: May I build on that suggestion and say that we could split “Policing structures” into two areas: the politics of policing, and the structures of policing. We could deal with “Army powers” under the politics of policing and we could deal with the other issues under the structures of policing.

Mr G Kelly: I could be wrong, but I presume that we will not have a situation in which the Secretary of State says that he is not taking a particular question. Who is going to chair the meeting?

The Chairman (Mr Wells): I will be chairing it.

Mr G Kelly: We need to know the procedures. We are really trying to do the thing here. I do not see

circumstances in which somebody will stand up and say that we cannot ask a particular question to do with any of the subjects that have been brought up.

The Chairman (Mr Wells): The Secretary of State has indicated that if he gets prior notice of the topics he will try to answer everything he can.

Mr G Kelly: So these are headings, and then there will be a sub-list that we will send to him. Is that right?

The Chairman (Mr Wells): He will get the headings, which will outline the areas of questioning. We are not going to hand him the questions. That would make life too easy for him. He will know to be briefed on these five major subjects before he comes into the room.

If we agree that, we must then decide who will ask what and who will deal with which issue. That will be our next difficulty. There is considerable merit in what David and Ian have said about subdividing the policing issue. It was a dominant issue throughout the Committee’s discussions. The issue of army powers could then be incorporated into the politics of policing issue. Are members content to split the issue in that way?

Mr G Kelly: It depends on who is leading on what.

The Chairman (Mr Wells): That is the next difficulty: who will ask the questions? Do we have consensus on the five headings?

Members indicated assent.

The Chairman (Mr Wells): There are five parties and five sets of questions. The spokesperson for each party will lead on their choice of issue.

Mr Paisley Jnr: If, for example, the Alliance Party chooses to lead on the national security issue, would other parties still have an opportunity to ask questions?

The Chairman (Mr Wells): Yes.

Mr Paisley Jnr: It is not really a problem, is it?

The Chairman (Mr Wells): Priority would obviously be given to the party that first raised the issue — it would have the first opportunity to ask questions. The problem is that parties have raised several different issues, some of which overlap.

Sinn Féin raised the issue of responsibility for national security. The DUP raised the policing issue, or, at least, it raised its concerns about the Secretary of State’s speech in Glenties in July. Mrs Foster was greatly exercised by the Secretary of State’s comments. The SDLP is very exercised about both policing and national security.

How do we decide who gets what? It is really only a matter of who gets to ask the first question. From a media perspective, the member who leads on an issue is more likely to receive media exposure than the member who asks the fifth question. That is perhaps why members are keen to lead on particular issues.

Mr Paisley Jnr: It sounds like you are talking people out of volunteering to go second.

The Chairman (Mr Wells): At the start of the meeting, we were assured that no one would use the occasion as a media opportunity; therefore the running order should not concern anyone.

Mr Paisley Jnr: Therefore, we are agreed that Alan will go last?

Mr G Kelly: The easiest approach to take would be the normal approach — the order should be based on the number of Assembly seats that each party holds.

The Chairman (Mr Wells): In that case, the DUP would have first choice, followed by Sinn Féin, followed by the UUPAG —

Mr Ford: Who?

Mr Kennedy: I am not sure whether that term is —

Mr G Kelly: Current?

The Chairman (Mr Wells): It is no longer in existence.

Mr Kennedy: You may want to consult the Speaker on that.

Mr Ford: Chairman, I am happy enough to explore that approach, but I am not agreeing to it. The Alliance Party does not want to end up leading on an issue in which it has no interest, when it has already expressed significant interest in two or three issues.

The Chairman (Mr Wells): Let us see where the suggested approach leads us.

Mr Ford: I am prepared to see where it leads, but I am not yet prepared to agree to it.

The Chairman (Mr Wells): Working on the basis that the DUP would have first choice, is there a particular issue on which it would like to lead?

Mr Paisley Jnr: The politics of policing.

The Chairman (Mr Wells): What would Sinn Féin choose?

Mr G Kelly: National security and intelligence.

The Chairman (Mr Wells): What would be the Ulster Unionists' choice?

Mr McFarland: Can you remind us what the politics of policing issue was?

The Chairman (Mr Wells): There was the structures of policing and —

Mr G Kelly: Was it the politics of policing and the structures of policing?

Mr McFarland: The DUP is leading on the Glenties issue. We will deal with the other policing issue, which is policing structures.

The Chairman (Mr Wells): And the SDLP's choice?

Mr D Bradley: Could you list the issues that have already been selected, please?

The Chairman (Mr Wells): National security and both policing issues have been picked. The crime and paramilitarism issue remains, as does the justice issue.

Mr S Wilson: The justice issue really involves community restorative justice matters.

Mr D Bradley: In that case, we shall choose justice.

The Chairman (Mr Wells): By a process of elimination, that leaves the Alliance Party with crime and paramilitarism. How do you feel about that, David?

Mr Ford: For the second time today, we will be gracious and go along with others.

Mr McFarland: What does that issue include?

The Chairman (Mr Wells): Crime prevention and paramilitarism relate to the paramilitary links with serious crime. The DUP raised the issue, and it has come up several times.

Mr McFarland: I thought that that was included in one of the other areas.

The Chairman (Mr Wells): No. It is separate from the others, and it is split in two. It is a fairly meaty topic, and it is by no means the dregs of the subjects for discussion.

Mr Ford: The Alliance Party has spoken a lot about it, and the Ulster Unionists raised it originally.

Mr Paisley Jnr: Is it the Ulster Unionist Party's fault? That is unfair.

The Chairman (Mr Wells): Are all parties content with what they have? Has everyone got a topic to get their teeth into in their first question?

Mr Kennedy: Do you intend to invite the Secretary of State to begin the meeting with an overview based on the indication that he has received and then continue with a more detailed conversation?

The Chairman (Mr Wells): The Committee can ask the Secretary of State to do that, and the decision to do so may be made this morning. However, an opening statement from the Secretary of State will eat into the time allowed for questions.

Mr Kennedy: If the Secretary of State is aware of the topics for discussion, it might be useful if he begins with a brief statement or overview relating to them, and it might lead to better questions.

The Chairman (Mr Wells): Should we ask the Secretary of State to give a statement, and, if so, how much time should he be allocated? That is important. I will go round the table for each party's response. Mr Kelly?

Mr G Kelly: Mr Hain will do a lot of talking, and we may end up with a speech about the Deputy Prime Minister's job. I do not know if the Secretary of State could cover all that Danny is suggesting in a brief introduction. He will give his views as time goes on. The meeting will last for only 90 minutes, and we have already ruled out an opening speech by the parties, so I do not see the purpose of a statement from the Secretary of State.

Mr D Bradley: I would prefer that the time was devoted to questions.

Mrs Long: It might be better if the Secretary of State did not make an opening speech, because, I suspect, that people would be drawn into questioning him on his remarks when we have an agenda that we want to explore with him. I would prefer that we ask our questions and direct his comments towards our agenda rather than the other way round.

Mr McFarland: There is a danger that the Secretary of State will try to go into some of the topics and cover too much for a brief statement. The protocol would be to invite him to say a few words to start off the meeting. However, that would eat into the time, and, I suspect, that we will run out of time in any case as people try to mine down into these issues.

Mr Paisley Jnr: We should afford him the usual pleasantries and words of welcome, but apart from that we should not give him a platform.

The Chairman (Mr Wells): He might want to thank us for our hard work over the summer, but he can do that during the questioning.

Mr Ford: Further to what Alan said, Maria Eagle's presentation to the economic subgroup did not significantly cover anything that we had not already dealt with in evidence from others, but it ate at least 10 minutes into a relatively brief time. The question and answer was much more productive.

The Chairman (Mr Wells): There seems to be consensus for a few pleasantries and straight into questions. That will make maximum use of our time. The meeting will last for 90 minutes, and there are five parties. Each party will therefore be allocated 18 minutes. It will be my job to try to ensure that each party roughly gets its fair share.

Mr McFarland: That is a dangerous way to look at this. I know that people will keep going back to party policy and such like, but we have been operating successfully as a Committee. The Committee has a life of its own, and we have taken a life of our own here. It is the purpose of the Committee to get discussion on these matters, so it would be unfortunate if one party was tackling an issue — for instance, national security — and ended up spending 14 minutes of its allotted

time on it because it was having a back and forward with the Secretary of State.

The Chairman (Mr Wells): I would not allow a party to occupy the arena for such a long time. I would ask it to keep its questions short and snappy, and it would have the right to come back with a response.

11.00 am

Mr McFarland: If a party is engaged in a debate that is producing a good deal of information and if it is not using the time to grandstand, it would be unfair to interrupt simply because it has gone two minutes over its allocated time. After all, the Committee's intention is to dig out information on the issues.

You should try to make it fair — I am not arguing about that. However, we should leave you to decide whether the allocated time is acceptable and whether members have had a fair crack of the whip. You do not want them to complain after the meeting that they had two minutes less than they were entitled to.

The Chairman (Mr Wells): My worry is that we could run out of time when we get to the fifth topic and it is David or Naomi's turn to speak.

Mrs Long: That would not worry Alan, but it would worry us.

Mr McFarland: We should leave it up to you, rather than simply saying that each party has been allocated 14 minutes.

The Chairman (Mr Wells): I would not allow any topic to be discussed for more than 20 minutes.

Mr P Robinson: There may be another complication. The PFG Committee does not simply deal with policing and related issues; it deals with other matters such as human rights and institutional issues. In one of its other modes, the Committee may have a pressing issue that it wants to raise with the Secretary of State.

The Chairman (Mr Wells): We had a brief discussion on that. The Secretary of State has been invited as a result of an intervention by Mrs Foster, following his Glenties speech. He has not been given any warning that anything other than policing and justice and law and order issues will be discussed.

Mr P Robinson: You do not think that he would be capable of moving from one subject to another?

The Chairman (Mr Wells): Aside from the ministerial code, we are unaware of any burning issues that have arisen at the other PFG Committee meetings and that we have had to refer to the Secretary of State. This strand of the PFG Committee is the only one that has requested a meeting with him, but heaven knows what else could crop up by Monday.

Mr P Robinson: This afternoon, the PFG Committee dealing with institutional issues may have an issue that it would like to raise with him.

The Chairman (Mr Wells): The problem is that that would unravel the structure that has been agreed for Monday. If we get through our questions on law and order and criminal justice, we may have time to slot in other issues at the end. I do not think that we can get an extension to the time.

Mr P Robinson: Are we changing the arrangements for Monday? Normally, the PFG Committee deals with institutional issues on Mondays.

The Chairman (Mr Wells): We had anticipated that there would be a plenary on Monday, but that is unlikely now.

Mr Cobain: Some issues that were raised did not relate directly to policing and justice. We did not discuss them, because they were matters for other meetings of the PFG Committee. Those issues were passed either to the PFG Committee dealing with equality issues or to the PFG Committee dealing with institutional issues. Your point is quite right; we have dealt only with policing and justice in this Committee.

The Chairman (Mr Wells): On Monday, I presume that parties will send their main players on policing and justice.

Mr P Robinson: We do not know yet.

The Chairman (Mr Wells): Those members would be best placed to ask searching questions on those issues.

Mr G Kelly: I presume that parties will decide for themselves who should attend. It would be logical to send the members who sit on the PFG Committee dealing with policing and justice. However, parties will make up their own minds, because, in the end, there is only one Committee — the PFG Committee. I am a substitute on it. I will be there on Monday, but I expect Martin McGuinness to attend as well.

The Chairman (Mr Wells): Are there any burning issues from the other two strands of the PFG Committee that could be appended?

Mr McFarland: I have attended all meetings of the PFG Committee and, usually, issues are identified that members feel should be referred to the Secretary of State. The PFG Committee dealing with institutional issues may wish to raise issues with him, following examination of the report.

The Chairman (Mr Wells): We will examine the report on institutional issues this afternoon. We could introduce as an agenda item whether members have any pressing issues that they want included on next Monday's agenda. The only way to do that neatly is to have a session at the end of the meeting during which those matters can be raised.

Mr McFarland: We would have to squish those matters together; some of them are not big topics. Having read the Secretary of State's replies to our letters, my guess is that an extensive response will not be forthcoming on those issues. Most of the letters have been given stock replies. Ninety minutes is long enough for the Secretary of State to answer our questions. As he has said, he will not discuss matters, but will answer our questions and clarify certain issues, such as what he meant by his speech in Glenties. We may have to squish those matters together if there are other burning issues, but I do not have a problem with that. We are the Committee on the Preparation for Government — one Committee in different formats — and we must seek answers.

The Chairman (Mr Wells): I am aware of members' skills, and I am sure that they could weave in questions on institutional issues. The only problem is that that would mess up our neat schedule. It would perhaps be better if the Committee dealing with institutional issues identified and discussed the burning issues that it wants to raise. The only way around that is to cut time off the five parties and add time for miscellaneous matters at the end. I do not envisage that any matters will arise from the report on equality issues.

Mr P Robinson: With regard to the institutions, questions will arise about the extent to which the Secretary of State and the NIO, in the drafting of the Bill, have taken the Committee's work into account.

The Chairman (Mr Wells): That is an important issue. Are members content that that question be raised?

Mr Ford: I am sure that it will not take the Secretary of State more than 30 seconds to answer that question.

Mr P Robinson: Or, rather, not answer the question.

Mr Ford: I stand corrected.

The Chairman (Mr Wells): We will leave that matter for the moment. I presume that there will be an overlap between this morning's and this afternoon's discussions.

Mr P Robinson: One way to deal with that is to ask the Secretary of State to address that issue in his opening remarks, so that our schedule would not be disturbed.

The Chairman (Mr Wells): We are just about to inform him that he will not be given an opportunity to make opening remarks.

Mr P Robinson: That is my point. If he is asked to comment on that issue, he may want to do so in his opening remarks. He will make opening remarks anyway, whether in response to the first question or whatever. That cannot be avoided. A press release will have been prepared before he comes to the Building. It will take up the time allocated to whoever asks the first question.

The Chairman (Mr Wells): Will that be the DUP?

Mr Ford: That is OK. *[Laughter.]*

The Chairman (Mr Wells): We will put that on the institution group's agenda, and it can discuss the issue. However, it will be a separate item — it will not be woven into one of the five parties' questions, whether the Secretary of State is asked to say a few words at the start or at the end. It will not disrupt our schedule.

The sponsoring party will put the first question. I will then invite other parties to ask questions in order of party strength, and I will repeat that in reverse order. That is what the economic challenges subgroup did: the first round of questions was asked in order of party strength, and the order was reversed for the second round. The difficulty with questions being asked according to party strength is that the Alliance Party may not get the opportunity to ask questions.

Mr Ford: I am delighted that you are so concerned about my party, Chairman.

Mrs Long: If questions are to be ordered according to party strength, does that mean that the DUP will ask a question first on the politics of policing, followed by a question on national security from Sinn Féin, or will the Secretary of State take questions in the order that was listed earlier by Ian?

The Chairman (Mr Wells): Party strength will dictate who will ask the first round of questions.

Mrs Long: No; I am asking about each topic. In what order will the topics be taken?

The Chairman (Mr Wells): The DUP will begin, followed by Sinn Féin, and so on.

Mrs Long: The debate will proceed according to party strength?

The Chairman (Mr Wells): Yes. Each party will have a maximum of 20 minutes in which to ask its questions because, even if each party's contribution were to run over by as little as two or three minutes, the Alliance Party would lose its opportunity to ask questions on its allocated topic. Of course, that topic does not belong solely to the Alliance Party; it is the Committee's topic. Therefore, it is important that parties try to keep within their allocated times. There will be difficulties because, obviously, we could more than fill the allocated 90 minutes — there will be no pregnant pauses or embarrassing silences — and, therefore, it will be a bit of a juggling act.

Are members content with the proposed arrangements?

Members indicated assent.

The Chairman (Mr Wells): The structure for Monday's meeting is reasonably well sorted out, apart from any decisions that might be made this afternoon.

The next item on the agenda is the consideration of the draft report. The discussion will take place in

private. A recording will be made to assist the Committee Clerks, but today's Hansard report will not include the forthcoming discussion.

The Committee met in private session from 11.11 am to 12.48 pm.

On resuming —

12.48 pm

The Chairman (Mr Wells): The next stage is to agree that the report be printed. Are members content?

Members indicated assent.

The Chairman (Mr Wells): We need to agree the motion, which will go to the Business Committee. Has that been given out?

The Committee Clerk: There will be a slight change. It is the new one that we circulated and that obviously needs further slight amendment. I suggest that the last two lines should read:

“calls on the Secretary of State and others to address those matters identified in the report as requiring resolution prior to restoration of the institutions.”

Mr McFarland: Should that be “either resolution or further discussion”? One requires resolution; the others require further discussion.

The Committee Clerk: It depends.

Mr Ford: Further discussion is not prior to restoration of the institutions. Surely, the key point is the resolution before the restoration.

The Committee Clerk: Either all those matters could be included or there could be a focus on the one issue that requires resolution.

Mr McFarland: Technically, that is correct. As we get into talks there may be issues — they are listed at tab 2 in the pack — that change their complexion here, and some of them may well become deal-breakers. The point is that the motion allows an option for resolution. We have what we agreed; there are two other items to debate, and the matters that are deal-breakers. If we use the phrase “either resolution or further discussion”, everybody is happy with that and it covers everything.

Mr Ford: For clarification, is that asking for resolution or further discussion full stop? Otherwise, we end up with contorted grammar.

Mr McFarland: Yes, the reference to the parties has been dropped.

Mr G Kelly: I presume, from what Naomi has proposed, that that will read through, because in the body of the report —

Mr Ford: Yes.

The Chairman (Mr Wells): Are members content with the motion as amended?

The Committee Clerk: I will read it out:

“To address those matters identified in the report as requiring further discussion or resolution prior to restoration of the institutions.”

Mrs Long: No. That would not be factually correct, because some of the issues that require further discussion do not have to take place prior to devolution. It should read:

“as requiring resolution or further discussion.”

Mr Ford: That was trying to avoid the ambiguity.

The Chairman (Mr Wells): We need consensus on this. Are members content?

Mr G Kelly: Irrespective of the wording, there is still a huge question over whether the DUP will go into the institutions. At the moment, this Assembly is a talking shop. Though we have made, some could argue, considerable progress on the issues in the Committee, the Assembly has no power. From the Sinn Féin point of view, there is no reason to go into that Assembly. I ask the DUP: does it have any intention of going into the institutions? There is no point in sitting in an Assembly that has no power to do anything with the report. I am happy that the public can see the report, but we have said clearly that we will not go into a talking shop.

The Chairman (Mr Wells): We are rehearsing the previous argument we had on the economic challenges subgroup report.

Mr McFarland: I will clarify this matter. Martin McGuinness raised one precondition for debates, which was that the Secretary of State provide him with an up-to-date programme between now and 24 November. As far as I am aware, Mr McGuinness has that updated version.

The Chairman (Mr Wells): I do not wish to interrupt you, Alan, but we need to make a decision. Do we now go back onto the Hansard record at this stage? Members should realise that we had Hansard for the benefit for the Clerks, but we now have Hansard for the benefit of the public. We must go back to the start.

Mr McFarland: Yes. Can we go back to where we started on the motion?

The Chairman (Mr Wells): Are members content?

Members indicated assent.

Mr McFarland: When the PFG Committee divided into three formats and we began to discuss this issue, Sinn Féin made it clear that if the Committee did good work over the summer it would take part in the debates and would not be found wanting. Again, we are into this completely unnecessary silliness of trying to block motions for no good reason. Martin McGuinness said previously that all he needed was an updated programme; he got an updated programme and still Sinn Féin did not turn up for the debate on the subgroup’s report.

It is bad faith. All the parties, including Sinn Féin, have worked here all summer in good faith, co-

operating and doing a great deal of good work in my view. Now we are back, playing fast and loose with the good relations and confidence in each other that has been building, and we are trying to destroy that again. I do not understand why Sinn Féin is doing this; I do not understand.

Mr G Kelly: Let us not exaggerate the situation, Alan. You have built good contacts, but when somebody takes a different political view, you blame it on bad faith. That is a load of nonsense. We have a political view. The fact is that neither the British Secretary of State nor anyone else has put forward a plan for restoration to Martin McGuinness. It is a fair question to ask the DUP. Is this, in fact, preparation for Government, or are we going into a talking shop in the Assembly?

As for blocking motions, everybody at this table knows that that does not make much of a difference, because Peter Hain will make his own decision on this, as he did on Monday. Let us not exaggerate. We have a decision, but we have not been given a plan. The DUP has given no indication at all that it will be involved in the institutions. We have said that we will not be involved in talking shops that have no authority or purpose.

Mr P Robinson: It is sometimes difficult to assess Sinn Féin's position because it changes it so often. At last Monday's meeting, Mr McGuinness arrived with what appeared to be a prepared statement, which he put on the record. That statement indicated that, in the absence of a schedule following a meeting that he would want to have with the Secretary of State and another with the Foreign Minister of the Irish Republic, Sinn Féin would not participate in the debate on the subgroup's report. Mr McGuinness received a four-page response to his request from the Secretary of State, setting out a schedule leading to the period in November. I assume that that is what he has been discussing with the Secretary of State, either by phone or in person.

That appeared to meet the condition that he had set down. It may be that Sinn Féin is looking for assistance to get off the hook on which it has impaled itself. Everyone knows the DUP position; it has been consistent. We want devolution as soon as possible, but in the right circumstances. We are still awaiting the level of certainty that all paramilitary and criminal activity has ended for good.

There are other issues also, concerning the institutions and so on, that can be resolved during the negotiations. That remains the position. None of us has been spending our summer in these Committees because we do not want devolution to be restored. We want to be ready for the time when the republican movement gets its act together and has ended its paramilitary and criminal activity for all time. We are

waiting on the republican movement; it is not waiting on us.

The Chairman (Mr Wells): There was a long debate along these lines when the report of the Subgroup on the Economic Challenges facing Northern Ireland was being discussed. We got around that by having no date on the motion, and it went to the Business Committee. The debate we are now about to have was well rehearsed in the Business Committee. Quite a few members have indicated that they wish to speak.

Mr S Wilson: That being the case, I have no wish to prolong this debate because I must leave. Take my name off the list of those to speak.

1.00 pm

The Chairman (Mr Wells): We must make another decision. It is now 1.00 pm. We need to decide whether to postpone this afternoon's planned meeting on institutional issues. Should we postpone that meeting and continue this debate into the afternoon? If we are to have as lengthy a debate as we had on the report of the Subgroup on the Economic Challenges facing Northern Ireland, we will certainly not finish by 2.00 pm.

Mr G Kelly: No one wants a lengthy debate. The issues have been well aired.

The Chairman (Mr Wells): We will give this a run around the parties and come to some conclusion. Mr Wilson has taken his name off the list. Next in order is Mr Ford, then Mr Maginness.

Mr Ford: Mr Chairman, I was going to say what you have just said. Out of deference to your health, I have no desire to prolong the discussion as we have had it before.

I welcome the fact that Sinn Féin has agreed the report and that it should be published. However, it is completely illogical that the party is not prepared to agree to the motion. If it will not agree, let us save the discussion and carry on.

If it was premature to debate the economy previously, I am not sure at what point things cease to become premature. The ground seems to be shifting slightly. Sinn Féin wishes to dig in, having been constructive earlier in the meeting.

Mr A Maginness: The usual advice for someone who is in a hole is to stop digging. Sinn Féin should stop digging. Martin McGuinness laid down only one condition on behalf of Sinn Féin: that there be a programme of work leading up to the possibility of restoration. As far as I am aware, that condition has been fulfilled, and there is no substantive excuse for Sinn Féin not to participate in a debate in the Assembly.

Leaving that aside, the public want to know what their politicians have been doing and discussing over the summer about the issues in this report. They

deserve to know what has been discussed and what the attitudes of the parties are to relevant issues.

It is important that a debate takes place, which is a matter for the Secretary of State. Sinn Féin, acting negatively — as it is now — is blocking the opportunity for the public to hear that debate and the views of the parties in the Assembly. That is highly regrettable, and one can only hope that Sinn Féin will revisit its position. My party believes that such debates assist efforts towards restoration. Blocking or not participating in such debates will actually inhibit restoration.

The Chairman (Mr Wells): Before I call Mr Kelly to speak, I wish to outline what happened to the economic challenges subgroup report, from a procedural standpoint.

There was consensus that the report be printed, which enabled the report to be sent to Members. There followed a quite lengthy debate on a motion to go to the Business Committee, which was agreed by consensus. The motion went to the Business Committee, and the two Sinn Féin Members on that Committee made it clear that the party would not be attending the debate, and that they were not very happy with the motion going forward. There was a four-to-one split in the Business Committee.

If we do not reach that stage today, we will be left with a report that will be printed and distributed to Members, but goes nowhere. The only remaining option will be for the Secretary of State to step in and instruct the Assembly to debate the report. I just wanted to remind members of what happened last time.

If we can get to the stage that was reached on the economic challenges subgroup report — that it went to the Business Committee for discussion — we can then consider the mechanics of what happens after that.

Mr G Kelly: For the record, Sinn Féin is not in a hole and is not digging. As we discussed earlier, the single impediment to restoring the institutions is the one stipulated by the DUP, not by us. We want the institutions up and running tomorrow. The institutions should be operating and so should the Assembly — instead of the Hain Assembly, which is what exists now.

If there is a way of moving this report forward, because work has been done, let us discuss that, as the Chairman described earlier. Let us have a discussion about that matter, rather than a circular argument on what Sinn Féin is, or is not, doing.

The Chairman (Mr Wells): Is there consensus on the motion? No specific date is mentioned; the motion simply stipulates that we refer the report.

Mr McFarland: Sinn Féin has explained its position, and the party was sensible last time in explaining its position. Sinn Féin agreed the motion as one attached to the report, which did not prevent that party from

taking a view on whether there should be a debate in the Assembly. That position did not interfere with the normal outworking of the Committee's work. There would be a constitutional crisis of sorts if we produce reports but cannot produce motions to go with them. Whether reports are debated is a matter for argument.

We adopted quite a pragmatic approach last time in agreeing the report and the motion on their individual merits, followed by a discussion on whether there should be a debate.

That was kept as a separate issue, so it did not interfere with the Committee's integrity in producing a report and a motion. That seemed to be a very sensible way forward and got everyone out of what would have been a complicated situation.

Mr G Kelly: I am open to repeating that.

The Chairman (Mr Wells): Do we have consensus on the motion with no date attached?

Members indicated assent.

The Chairman (Mr Wells): We now have a motion to go to the Business Committee, so that is progress.

The report will now be printed, but there will be a strict embargo until it is debated in the Assembly. Of course, the issue will come before the Business Committee, and we may need to check the mechanics of what happens now. Nothing has been slotted in for next week, and the Business Committee could be minded to debate our report.

It would be feasible for the report to be printed and delivered to Members on Friday for possible debate next Tuesday or Wednesday. However, that will not allow us to include the Hansard report of the Secretary of State's contribution next Monday.

Members can see the difficulties. We will be meeting the Secretary of State at 10.00 am on Monday. Obviously, there is no way in which we can have the Hansard report printed and included in the Committee's report for debate on Tuesday or Wednesday. However, it will, of course, be available to Members — at least we assume that Members will have it — by 11.00 am on Tuesday.

Mr McFarland: Hansard reported today on the debate held yesterday, so, although next Monday's Hansard may not be included in the Committee's report, as long as Members have the Hansard report in their hands that morning, that would be all right.

The Chairman (Mr Wells): The other difficulty is that the Secretary of State will not have had time to correct anything that he has said, so it would be an uncorrected version. The normal convention is that a witness, particularly someone such as the Secretary of State, would have an opportunity to amend what he has said to a Committee.

Mr McFarland: The draft could be faxed through to him at 9.00 am the next day, and if there is anything major that he would disagree with, we would be aware of it in time for the debate at 10.30 am.

The Chairman (Mr Wells): As the meeting will be televised, what the Secretary of State says will be in the public domain already. If members are minded to proceed on that basis, the Business Committee has indicated that it will have a special meeting to authorise the calling of an Assembly debate.

I realise that some members feel that there should not be a debate at all, but I am just going through the mechanics. I was at the Business Committee meeting on Tuesday, and it indicated that if we went down this route, it would call a meeting.

Mr McFarland: On Tuesday?

The Chairman (Mr Wells): No, it would be a meeting to enable a debate to take place on Tuesday, or Wednesday, or whenever. How do members feel about that? In the absence of that, there would be no business next week because the Secretary of State has indicated very clearly that he is not minded to allow one of the ordinary early day motions to be considered.

Mr McFarland: We had this discussion last week. We have a tight timescale, and the logic is that we have debates on Monday and Tuesday or Tuesday and Wednesday, but we must keep up to speed. The last topic, institutional issues, is due for debate on 3 and 4 October.

We may have a week to play about with, because there is talk of putting the October Scotland stuff back. Last time, my thoughts were that we should use the time available and keep up the pressure. If we have a problem with one of the other reports later, we may be glad that we bought some time here. Therefore, we should try to encourage a debate on this issue next week. It will then be out of the way, and we will then have two issues left.

Mr Kennedy: Given that the session with the Secretary of State is relatively early next Monday morning, is there any possibility that Hansard could turn that round very quickly? Confirming accuracy and obtaining the Secretary of State's approval would make it more than a draft. When it is put into Members' pigeonholes on Tuesday it would be a proper Hansard report.

The Chairman (Mr Wells): That is a pretty tall order. I will need to check with the Editor of Debates. This issue is one of semantics, in a way, because it is a live-broadcast contribution, and he cannot correct something that has gone out on television. It is not a normal situation.

Mr P Robinson: It will not have any bearing on the report, as that will be agreed by the PFG Committee

before the Secretary of State has spoken. It should be attached to the report.

The Chairman (Mr Wells): Members are not particularly exercised by that issue. It is just an unusual way of doing things.

Mr Ford: This whole Assembly is unusual.

Mr P Robinson: The unusual is the usual.

The Chairman (Mr Wells): It will not be an annex to the report. The initial intention was that it would be.

Mr P Robinson: Could the Hansard report not be included as an annex? For instance, where annex G should be, a sheet could be inserted to say that the Hansard report will be issued separately?

The Chairman (Mr Wells): Would that get round the problem?

The Committee Clerk: Are members content that the annex will be ready after the debate?

Members indicated assent.

The Chairman (Mr Wells): That has squared the circle. The issue is now whether members are content that that is the way forward. Do we refer the matter to the Business Committee so that it can decide — which I think that it will — to hold an emergency meeting, at which those who feel that the matter should not be debated at all will have a chance to have their say? Is that the way forward out of that logjam? The Clerks will inform the Business Committee, and those of you who are members of that Committee can expect to receive a call.

I omitted at the start of the meeting, as we had only a small turnout, to check for deputies and take apologies. Ian Paisley Jnr is representing himself, Peter Robinson is deputising for Lord Morrow, and Sammy Wilson is deputising for William McCrea.

Mr McFarland: Mr Cobain is deputising for Mr McNarry.

Mr Ford: For the DUP's purposes, I was doing Naomi this week and she was doing me. *[Laughter.]*

Mr G Kelly: You did it very well.

The Chairman (Mr Wells): What was the line-up for the SDLP?

Mr A Maginness: Mark Durkan and Seán Farren.

Mr G Kelly: Raymond McCartney is deputising for Michelle Gildernew and Fra McCann for Martin McGuinness.

The Chairman (Mr Wells): Sorry about that. We only just had a quorum at the start of the meeting.

There is one other item regarding the report. The minutes of today's meeting will be bound in the report, so we will not have the opportunity to bring those

back. The two Chairmen will check the minutes and sign off on them, and they will be included without being referred back to the Committee. That is standard practice; we did the same with the economic challenges subgroup report. Are members content for the same practice to apply here?

Members indicated assent.

The Chairman (Mr Wells): The press notice has been amended and is now down to the bones. Are members happy enough to agree that without seeing it?

Members indicated assent.

Mr G Kelly: A while ago, was there not a request for documentation on the protocols between the Policing Board and the PSNI? I do not remember those documents being brought forward.

The Committee Clerk: They were not. The NIO indicated that the protocols were not completed.

Mr G Kelly: Was there a letter about it?

The Committee Clerk: It is in the members' pack. All letters and correspondence between the Secretary of State and the Committee are included.

Mr G Kelly: So, in effect, the NIO has said no.

Mr Ford: Presumably the staff will amend the front sheet of that pack to reflect the five areas of questioning, as opposed to the current layout.

The Committee Clerk: You have the pack. Do you want that issued separately?

Mr Ford: It would be useful to have a list of the five issues in order, so that everyone knows what they are before we go into the meeting.

The Committee Clerk: The best way to do that is to circulate the letter that goes to the Secretary of State.

1.15 pm

The Chairman (Mr Wells): I remind members that we will gather at 9.45 am on Monday in the Senate Chamber in private session to arrange the last bits and pieces for the Secretary of State's visit.

Mr McFarland: Chairman, will you be here for this afternoon's meeting of the PFG Committee dealing with institutional issues?

The Chairman (Mr Wells): Yes. I solved the problem and will be here this afternoon.

Mr McFarland: Will the meeting start at 2.00 pm?

The Chairman (Mr Wells): Yes.

Adjourned at 1.16 pm.

COMMITTEE ON THE PREPARATION FOR GOVERNMENT

Wednesday 13 September 2006
(Afternoon Session)

Members in attendance for all or part of proceedings:

The Chairman, Mr Jim Wells
Mr Thomas Buchanan
Mr Wilson Clyde
Dr Seán Farren
Mr David Ford
Mr Danny Kennedy
Ms Patricia Lewsley
Mrs Naomi Long
Mr Alan McFarland
Mr David McNarry
Mr Conor Murphy
Mr John O'Dowd
Mr Peter Robinson

The Committee met at 2.07 pm.

(The Chairman (Mr Wells) in the Chair.)

The Chairman (Mr Wells): We will start with Sinn Féin. Mr O'Dowd, who is representing whom today?

Mr O'Dowd: I represent Michelle Gildernew. Conor Murphy will join us shortly.

Ms Lewsley: I am here on behalf of Mark Durkan.

Mr McNarry: There are quite a few cross-dressers.

Ms Lewsley: We are looking for gender balance.

The Chairman (Mr Wells): Will Ian Paisley Jnr be here?

Mr P Robinson: No; Tom Buchanan will be coming.

The Chairman (Mr Wells): Members will have received copies of the minutes of our 4 September meeting. Until recently, the minutes went through on the nod; however, last week we had quite a discussion on one set of minutes. Have members any additions or corrections? Is everyone happy?

Mr O'Dowd: I was not present at the last meeting, so I will just note the minutes on this occasion.

The Chairman (Mr Wells): Is everyone else content?

Members indicated assent.

The Chairman (Mr Wells): Much of today's discussion will be on the draft ministerial code. Before that, however, I wish to alert members to a matter that Mr Robinson raised during this morning's meeting of the PFG Committee dealing with policing and justice.

We will meet the Secretary of State for a public, televised session in the Senate Chamber at 10.00 am on Monday 18 September. The point was made that although we have agreed the five headings and the sets of questions that will be asked on policing and justice, issues may be raised on the institutional strand. There are two ways of doing that: we could ask the Secretary of State to address them in his opening remarks; or we could ask separate questions at the end of the questions on policing and justice.

If members feel that there are burning issues arising from our consideration of the report, we need to flag them up now and agree that they be put to the Secretary of State.

That will make sense to those who were at this morning's meeting. Perhaps it will come as something of a surprise to those who are fresh to the Committee.

Mr P Robinson: Most, but not all of the institutional issues need to be resolved among the parties. Therefore, there is probably less of a requirement to raise those matters with the Secretary of State. The most worthwhile matter to raise — and to get the Secretary of State's response on — is the Government's intentions on a draft Bill on the institutional issues, and the extent to which matters considered by the Committee would inform that drafting. We could ask when the draft Bill might be available to the parties and what the process might be for taking it forward. The answers to those questions would more or less inform the Committee's further debate and the negotiations that will follow in October.

The Chairman (Mr Wells): Do members feel that that issue is of such importance that it should be tabled for consideration on Monday?

Mr McFarland: At this morning's meeting of the PFG Committee, Mr Robinson pointed out that the Secretary of State might wish to make some opening remarks, and that he might be encouraged to include such enlightenments. That would seem to be the sensible way forward.

The Chairman (Mr Wells): That could be the substance of his opening remarks, and we could draw out the other issues. However, the meeting will last for only 90 minutes.

First, are members happy to accept that as an important issue to be raised with Mr Hain on Monday, and, secondly — and I am probably tempting fate — are there any other burning issues that members feel must be raised as a matter of priority?

Mr Murphy: I apologise for being late, Chairman. The Committee with responsibility for policing and justice invited Peter Hain on the basis of his Glenties speech and to tease out some of those issues. I have no wish to restrict anyone's opportunity to ask questions,

but there is a time limit. We should try to build in a small degree of flexibility as to what issues can be raised, without the meeting being left open. The purpose of the discussion — as originally intended — might be lost, along with a whole range of other issues. All parties have the opportunity to talk to Peter Hain and his officials or to the Irish Government on those matters. I would not want the meeting to be too rigid, but one in which people could introduce an important topic, within reason.

Mrs Long: The Committee had a long debate about that issue this morning. Five topics relating to policing and justice issues were firmed up, and there is quite a lot of meat in those issues. Unless members have specific issues that they can identify now, which the Secretary of State could address in his opening remarks, we should not deviate from the five topics. If the meeting were opened up, it would be difficult not to allow anything that was discussed in the PFG Committee to be part of the agenda. An hour and a half with the Secretary of State would not allow us to do justice to any of the issues. If justice is to be done to the issues already on the agenda, we must be specific about raising issues outside the policing and justice arena, and any such discussion should be very brief.

The Chairman (Mr Wells): We could put a time limit on the Secretary of State's opening comments, if that were helpful. I could give him some advice as to our time frame.

I detect that there are no other issues, so we are down to one that seems relevant, if not matching particularly well with the other issues. However, the best way to deal with that would be to ask the Secretary of State if he could give us five minutes on that issue before we lead into questions.

Dr Farren: We cannot write the opening script for the Secretary of State. However, out of deference to the range of issues that have been discussed — institutional issues; policing and justice; human rights; and economic issues — it would be helpful if, without going into detail, he could provide some sense of how he has acknowledged or taken account of the work of the PFG Committee in its various forms. The Committee should know whether that work is of significance, and whether there is a determination to take account of it, insofar as it is necessary, whether by legislative or other means.

If the Secretary of State can be prompted to encapsulate that in some way in his opening remarks, I am sure that the wordsmiths will be well able to accommodate him. That would be helpful and — dare I say it — encouraging.

2.15 pm

The Chairman (Mr Wells): The PFG Committee dealing with law and order issues decided that there

should be no opening statement from the Secretary of State, therefore the Committee should be able to go straight into the issues for discussion. If we were to ask him to make an opening statement, that would be a way of getting that issue onto the agenda without disrupting the questioning on the other issues.

Dr Farren: How long will the session be?

Mr P Robinson: It is impossible for the Secretary of State not to make an opening speech. He will do it regardless of whether he is given a slot in which to do so, or when he is asked his first question. The NIO will prepare his remarks for him — or at least the bits that are to be publicly spun.

The Chairman (Mr Wells): The Secretary of State will not be invited to make an official opening statement, but I am sure, as Mr Robinson says, he will take the opportunity to do so. There must be consensus on this. Are members content that the Secretary of State is given five minutes to speak on that issue at the beginning of the session, and for that to be followed by discussion on law and order?

Mr P Robinson: I do not think that he needs five minutes. The Committee Clerk should inform the Secretary of State's staff that it would be useful for us to have some indication of what he is planning to do. For instance, will any draft Bill that is being worked on be ready for the negotiations that are to be held in Scotland, or wherever they might be?

The Chairman (Mr Wells): I presume that the Committee Clerk should give the Secretary of State some indication of what is expected of him and remind him to keep his comments to a minimum. Are members content for the Secretary of State to get three minutes to speak at the beginning of the session?

Members indicated assent.

The Chairman (Mr Wells): Following the Secretary of State's opening remarks, we will go into questions and answers. I raise that now, but some other burning issues might arise as we go through the report. I hope that is not the case, but at least members have been alerted to that.

Mr P Robinson: Is that next Monday?

The Chairman (Mr Wells): Yes. It will be next Monday at 10.00 am. I presume that some representatives here today will be at the question and answer session with Mr Hain.

The big issue before the Committee today — before we come to the report — is the draft ministerial code. At the last meeting, members agreed to defer consideration of the code until today to enable the Office of the First Minister and the Deputy First Minister (OFMDFM) to provide information on proposed amendments and additions. That information is at tabs 3 and 4 of

members' packs. As members can see, there is a lot to it. It is a fair bit of work. The DUP has also submitted a position paper on the code, and Peter Robinson, as spokesman on the issue, will speak to that.

A decision must be made before we begin this discussion, otherwise we could be here for a long time. Do members want to plough through the ministerial code line by line and try to reach agreement on what should be put on a statutory basis and what should not? Or, should we agree the issues that are required to be put on the statutory basis and those that can be decided upon later? Those are the available options. I am happy to go down either route. At some stage today, we must decide what to do with all this material.

I suggest that Mr Robinson lead off with the DUP submission on the draft ministerial code — an issue considered by the DUP to be of great importance, and one that it has flagged up in various discussions. Members will then be given an opportunity to comment and ask questions on his presentation. They will speak in alphabetical order of party, starting with the Alliance Party. Are members content?

Mr Murphy: Will the Committee decide first what to do with the ministerial draft code, or will we take the DUP presentation and then resolve the code?

The Chairman (Mr Wells): I will take the presentation first, and when we are clear on the DUP paper we will discuss how we are going to deal with the draft ministerial code before we get into the meat of it. We could have a half-hour session on it, or we could have a two- or three-hour session.

Mr P Robinson: A lot of us might be voting for the half-hour session. I feel as if I have gone through this on at least two or three occasions already. I do not feel particularly compelled to do so again.

I am keener that we make a more realistic assessment of the extent to which we need to resolve these issues at this stage and the extent to which it is a matter for the negotiations. Whatever we decide will determine what is included in the report. Judging by the amount of material that we have already received from OFMDFM, I think that the ministerial code will be a significant and voluminous document. The Committee agreed that some elements of the code should be put on a statutory basis in any amendment to the legislation. All we need to do is examine the extent of our agreement on the matters that should be included in the statutory section. The remainder will be a matter for an Executive and will be one of the first items of business after devolution. With regard to impediments to the restoration of devolution, we need to examine only the statutory elements. The rest can be done when devolution is up and running.

Perhaps we do not need to agree all the details of the items that need to be put on a statutory basis. As far

as the report is concerned, if we can agree the broad subject matters, we will have gone a fair bit of the way. The statutory elements of the code will be written in legal language, and I am not particularly equipped to deal with such language.

Our paper contains some of the key issues that we think should be included in a statutory ministerial code. We will hold fire on the dozens — if not hundreds — of issues that should be included in the full ministerial code.

The Chairman (Mr Wells): I can confirm that the Committee did agree that the ministerial code should be put on a statutory basis. Some members may have agreed to that before they realised how complex the document would be. It would be more feasible to put some elements of it on a statutory basis.

Mr McFarland: Perhaps it was not clear. Technically, the document being put on a statutory basis means that it is an Assembly document. No ministerial code has ever gone before the Assembly. I am not sure that when we discussed whether it should be on a statutory basis that we spoke about it being a document that went before the Assembly and, therefore, brought forward on a statutory basis, rather than as an involuntary code and custom and practice, in the Executive. The legal aspect is not clear. This concerns the sovereignty of the Assembly and the Executive. These are Assembly issues. Putting elements on a statutory basis could mean that we come to the stage of running to the courts every time that we had a row. It would be absolutely daft if, say, Danny and I ended up being Ministers and rowed with Seán Farren, and our first port of call was the High Court.

Mr P Robinson: Why, then, did you do that in 1998?

Mr McFarland: I did not do anything in 1998.

Mr P Robinson: The Northern Ireland Act 1998 has a schedule that includes the Pledge of Office and a code of conduct.

Mr McFarland: They are there as part of the system for the Assembly.

Mr P Robinson: What would be the difference?

Mr McFarland: A code of conduct for Ministers will proceed, presumably, as part of the Assembly's rules of the game.

Mr P Robinson: There is no distinction to be drawn. The schedule to the 1998 Act included the Pledge of Office, which put that on a statutory basis, and a code of conduct. Certain matters have a key importance and, therefore, should be included in that. In the same way, the Local Government Act (Northern Ireland) 1972 contains standing orders that state that every council — or almost every council; perhaps Antrim Borough Council does not have standing orders —

Dr Farren: Moyle District Council does not have standing orders.

Mr Ford: Neither does Antrim Borough Council.

Dr Farren: Therefore, two councils do not have standing orders.

Mr P Robinson: Most councils create their own standing orders, but they must be consistent with the standing orders that are laid down in section 10 of the Local Government Act (Northern Ireland) 1972. There is nothing unusual about having key features in the legislation and a body building upon those, as long as they are consistent with the 1972 Act.

The Chairman (Mr Wells): I will regard this as a questioning of Peter Robinson's opening remarks in the DUP submission. That is a wide remit.

Dr Farren: To some extent, I have fallen into the trap of commenting on the statutory requirement. There is no problem with a statutory requirement for a ministerial code, but we must be careful about how much of that code is enshrined in statute. We need to make clear distinctions, because I share Alan's concerns that we are an Assembly and a political body that makes political decisions, and we do not want to find ourselves working under the threat of judicial action, save that which is always present by virtue of judicial review on decisions that are taken.

When the Committee previously discussed the draft ministerial code, I tried to be careful about identifying sections of it that would be placed on a statutory footing. Those sections that would not be placed on a statutory footing would act as a powerful guide to how to proceed in the Executive and to its relationship with outside bodies, notably the Assembly, the North/South Ministerial Council (NSMC), the British-Irish Council, and so on. We need to go through a major exercise to ensure that we do not fall into the traps that Alan pointed to, but that we have a statutory basis to some requirements in the ministerial code, where it is appropriate and where there is agreement.

Mr Murphy: We also agreed that we would consider the idea of putting the ministerial code on a statutory basis. The only issue on which we expressed a desire for legislation in relation to ministerial behaviour, was around the automatic entitlement of Ministers to represent their Departments or their sectoral interests —

The Chairman (Mr Wells): I have to stop you, Mr Murphy. A mobile phone is still switched on. I am not targeting anyone in particular, but could they please turn it off? It interferes with the recording equipment and we do not want to miss any members' comments.

Mr Murphy: Unfortunately, the area of automatic entitlement was abused by the previous First Minister: the automatic entitlement of Ministers to represent

their sectoral interests, whether on the North/South Ministerial Council, the British-Irish Council or any other meeting at which the Executive are represented. We are happy to consider some of the issues, but it is a matter for the Committee to decide whether we wish to identify what would be placed on a statutory footing.

Sinn Féin takes issue with the suggestion in the DUP's paper that the Independent Monitoring Commission (IMC) should identify a breach of the Pledge of Office. We would not put ourselves in hock to a body that we feel is fairly discredited. However, we are happy to discuss any of the issues. It would be helpful to ascertain whether we intend to negotiate the details of the ministerial code now or postpone the discussion until our negotiations.

I know that they have yet to come up, but it is difficult to consider the DUP's proposals in isolation from an all-encompassing discussion on the ministerial code and on other measures that people seek to have inserted, such as accountability and other institutional issues.

2.30 pm

The Chairman (Mr Wells): That brings us to the crucial point: will we decide this afternoon which elements of the ministerial code are put on a statutory basis, or do we merely agree the principle that some elements have to be put on such a basis and leave the decision to negotiations? That is entirely the Committee's call. Are members feeling up to that task?

Mr P Robinson: To the extent that those questions were all directed to me, you might want me to respond.

The Chairman (Mr Wells): Certainly, but perhaps you will indicate what you feel is the best way to deal with that.

Mr P Robinson: First, the Assembly is not a sovereign body: it is a creature of statute. Its Members and Executive are creatures of statute. Therefore they and everything that they do are subject to legislation. On that basis, there is nothing unusual in the conditions set out in the legislation. We can increase accountability in one of two ways, and either is equally satisfactory. We can make massive changes to the Northern Ireland Act 1998 and insert new sections to deal with all the accountability and other matters. Alternatively, we can deal with it through the ministerial code, which was a comprehensive agreement proposal.

I recall that that was not our preferred course in 2004; we would have preferred to add new sections to the legislation. Those would have made dramatic and significant changes to the legislation, if it had to be done on a line-to-line basis. However, there is nothing unusual in increasing accountability through a ministerial code; that procedure is consistent with the purpose of the 1998 Act, which is to set out the *modus operandi* of the Assembly and all its elements.

As far as what is achievable is concerned, I am inclined to agree that a great deal of it will be a matter for October when negotiations begin. I do not believe that we will get a high level of instant agreement on those issues. Therefore we are perhaps only wasting our time covering them now when they will be dealt with more comprehensively later. However, I hope that there is general agreement that we can deal with them. One way or the other, we have to deal with them; therefore, it is a case of whether that is done through a statutory ministerial code or whether the legislation is changed.

The Chairman (Mr Wells): Obviously, we discussed the ministerial code at previous meetings, but we had parked a series of issues. I thought that it might be useful to remind members of those before we reach the important decision of how to proceed with them.

First, the code should be used to increase collectivity and ensure that ministerial colleagues inform one another of major decisions. Accountability between the Executive and the Assembly was covered at previous meetings, at which there were discussions on issues such as Assembly referral to the Executive where power is vested, and options for the Assembly to reverse ministerial decisions in certain circumstances. Accountability of Ministers to the Assembly on the North/South Ministerial Council (NSMC) was also discussed, as were requirements or entitlements of Ministers to attend meetings of that body. An obligation for Ministers to attend Executive meetings, the North/South Ministerial Council and the British-Irish Council (BIC) should be included in the Pledge of Office, which should also include a commitment to uphold the rule of law. Agenda item 4 is relevant to that point.

Those issues have been parked, and as I do not detect that Mr Robinson has any further questions to ask, we will now discuss exactly how we should handle this matter. Mr Robinson has indicated that he does not wish to plough through the entire ministerial code this afternoon. That is one party's view; what do others think?

Mr P Robinson: Is it possible for us to reach consensus on a proposal that the parties and others should consider further the adoption of a statutory ministerial code and that consideration should be given to all those matters in that context?

That does not tie any of us down, does it? We can leave the matter until October.

The Chairman (Mr Wells): Did members grasp that?

Dr Farren: I want to be clear about what Peter said. Our position is that there should be a statutory requirement to have a ministerial code. We are now being asked to identify whether parts of, or all of, or, indeed, none of, the ministerial code should be in statute.

Mr P Robinson: I wish to draw to your attention why simply having a statutory requirement to have a ministerial code would do nothing.

Let us take the issue of accountability, which is a deal-breaker — as Alan refers to it — as far as the DUP is concerned. Were the accountability issue to be dealt with in the ministerial code, a statutory requirement to have a ministerial code would not give us comfort that the issue would be satisfactorily dealt with when the code is ultimately produced. Therefore, if there were a statutory ministerial code, or elements of the ministerial code were put on a statutory basis, we would know, as part of an overall agreement in October or whenever, the basis on which accountability would be managed.

Dr Farren: I am not anticipating that we would wait until the code exists in statute before agreeing which parts of the code should, or should not, be put on a statutory basis. It would be totally unsatisfactory to simply agree that we should have a code and put off having the code. I understand that that would be fatuous. Therefore, we must address the issues that have already been identified, and any other elements of the ministerial code that parties feel should be placed on a statutory basis. We are not terribly far apart in our thinking.

Mr P Robinson: Let us be clear: the DUP will be seeking a higher degree of certainty on the measures that will ensure accountability than parties that simply believe that these matters should be addressed in a ministerial code after devolution has been restored.

Dr Farren: I am not saying that.

Mr P Robinson: Those elements would not be in place when devolution is restored.

Dr Farren: I wish to make it clear that I am addressing my remarks through the Chair, so that people do not think that we are having a chat across the table.

Those matters will form part of the negotiations in October, and we are committing ourselves to discussing them in the negotiations. When it comes to the bit, some parties may say that they believe that certain issues should be included in the ministerial code but not placed on a statutory footing. Other parties may say precisely the opposite, and we must tease that out. Is the member saying that we must commit ourselves today to making a clear decision about what might be laid down in statute about accountability? I do not think that he is saying that.

Mr P Robinson: My proposal was that further consideration should be given to the matter in October.

Mr McFarland: According to the Secretary of State's timetable, we are due to examine this matter in October. Is that correct? The Committee is timetabled to examine and produce a ministerial code in October.

Thus, based on the Secretary of State's timetable, we are quite far ahead of ourselves. Can we check that?

Mr P Robinson: That is right, but I think that the Secretary of State has little idea of what that entails. It will take weeks of work to agree a full ministerial code.

Mr McFarland: I have looked through the ministerial code; most if it is sensible and based on experience from the previous Assembly. One or two parts of it may be contentious. However, most of it is fairly sensible good practice. We have been busy and have tried to have the report ready for debate on 3 or 4 October. We must head to Scotland. We will, therefore, have until 16 October to meet the time frame that the Secretary of State has laid out for examination of the ministerial code.

The Chairman (Mr Wells): It would be wonderful if there were a ministerial code subcommittee. However, there is not. Therefore, we are stuck with it.

Mr McFarland: Perhaps we should concentrate on the report. The code would fall into place in October. The contentious issues would clearly require negotiation then.

The Chairman (Mr Wells): There are several options. The Committee could approve Mr Robinson's proposal; we could go through the draft ministerial code, line by line, and decide which parts must be statutory or non-statutory. The alternative is to accept Mr McFarland's proposal. I am content to continue with this as long as time permits. There is time available because of the way that other reports have developed.

Mr McFarland: Is this the last of the reports?

The Chairman (Mr Wells): Yes. The report on law-and-order issues is ready for the Assembly and the report on rights, safeguards, equality issues and victims is well ahead of schedule. Therefore, we can spend some time on the code, although I suspect that we could spend days going through it.

Mr McFarland: Most of the code is obvious and sensible, because it is the result of sensible actions taken since the first Assembly. However, there are particular issues on accountability that will require a fair amount of debate. It will not necessarily be new debate; it is the same debate that we have had from the start of this process — about how heavy a hand should be put on Ministers with regard to their relationships with the Assembly and the NSMC. Perhaps those issues will end up being negotiated. The question is whether parties want to set aside a day next week to identify and discuss their contentious issues. I believe that most of the code is not contentious.

Thank goodness that we have obtained a copy of the rewritten draft ministerial code; much of the original has been improved.

The Chairman (Mr Wells): I will ask each party what it believes is the way forward. I will start with Mr Murphy and continue round the table.

Mr Murphy: A substantial part of the code probably is not contentious. The difficulty is that propositions have been made on accountability, efficiency, and so on that are not contained in the code, but will change aspects of how the Assembly does business. Those will have a bearing on discussion on the draft code.

It is difficult to deal with the code in isolation from other issues that parties might raise during negotiations. Discussion on the ministerial code might address certain issues, but not all of them. For example, it is difficult to consider the proposals set out in items 3 and 4 of today's agenda in isolation from a broader discussion of the code and how it will fit in with Members' notions of how some of the Assembly's operations must be altered.

That does not offer much of a suggestion on how to proceed. It is difficult to deal with the ministerial code in isolation from discussion on other matters.

Dr Farren: Unless Conor is referring to every paragraph in the draft code, we could, either today or at our next meeting, go through as much of it as possible and identify the parts that are non-contentious or that do not appear to be contentious. The paragraphs and sections that may need further consideration could be identified also, and such a ground-clearing exercise would be helpful to us later. I am content that we proceed today.

2.45 pm

Mr Ford: I am particularly conscious of the Alliance Party's position when discussing a ministerial code. There is no point in starting a six or eight-week discussion on the minutiae of the code at this point, not least because, as Conor said, there are so many other areas that interlink with the code and where issues inevitably seem to be discussed together.

I am not sure how to pick out those elements of a ministerial code that should be included in statute, other than those relating to the broad principles of the obligations of Ministers, whether individually or collectively. Presumably, at this stage, a potential Westminster Bill or Order would be required prior to restoration. The Assembly would pass the rest of the code as secondary legislation based on that primary legislation.

However, surely the Assembly must be in a position to amend the code, on an ongoing basis, through an appropriate voting mechanism. Therefore, it is difficult to enshrine much of it in Westminster statute. On that basis, we can make little progress now, beyond the broad generalities. We can talk about pledges to uphold

the law, etc, but we will not get into the detail that occupies so many pages within the code.

Mr McFarland: It strikes me that fairly substantial swathes of the ministerial code concern sensible custom and practice. For example, it states that a paper on a certain subject should go to a particular place, and so forth. I cannot see any of that being contentious.

However, there are contentious areas, such as the obligations of Ministers and their ability to do their own thing, etc. Perhaps we should take time out and bring the issues that parties identify as contentious to the meeting next week or the week after that.

Conor has a point: we may end up discussing many issues that impinge on a ministerial code before we have even got past first base in the negotiations on identifying those issues and whether they can be resolved. Once identified, those issues may have to be included in the ministerial code.

I am trying to dig out the areas that parties will have to deal with in negotiations and produce a list, as the PFG Committee discussing law and order did earlier today. Parties can then sit down in October with a list of areas to examine. That list will dovetail with the list of issues that we have already identified for negotiation in October, which would simplify matters.

The problem is that the draft ministerial code is quite a chunky document and takes a long time to wade through. However, if we can extract from it the key issues for negotiation that tie in with the other issues that need to be negotiated, it may be more simple to make progress.

Mr P Robinson: Members thought that they had agreed something at earlier meetings. However, what was agreed clearly meant different things to different people. When it was agreed that the ministerial code, or elements of it, be put on a statutory basis, some people thought that the term “statutory basis” referred to primary legislation, which is the basis on which the Assembly has its standing. Others presumed that to mean that the code would be included in legislation enacted by the Assembly. That was the first difficulty, and I can see how that misunderstanding arose.

If the code is not dealt with in primary legislation, we are back to “buts” in relation to the list of issues that need to be resolved. The issues that we had assumed could be dealt with within the ministerial code must still be dealt with through amendments to primary legislation.

I wonder whether it is possible to reach agreement on a proposition that we agree that further consideration be given, prior to the restoration of devolution, to the ministerial code, or elements of it, being given a statutory basis and the extent to which it should comprise issues, which we will decide later. That

proposal would simply allow for further consideration to be given to the issue, allowing us to deal with it in October. It does not bind us either to putting a ministerial code on a statutory footing or to including in it the specific matters that have been outlined.

The Chairman (Mr Wells): That is a slightly beefed-up version of your previous proposal, based on the views that have been expressed.

Mr Ford: Could Peter read his proposal again, please?

The Chairman: Yes; I think that it is important that he does so.

Mr P Robinson: The Committee agrees that, prior to the restoration of devolution, we should give further consideration to putting the ministerial code, or elements of it, on a statutory footing and give further consideration to the extent to which the ministerial code should comprise issues such as those that the Chairman has listed.

The Chairman (Mr Wells): That refers to the six issues that we have parked.

I shall put Mr Robinson’s proposal to the Committee. I will then be open to further proposals. If Mr Robinson’s proposal has fallen, there could be a further proposal that we plough through the ministerial code. If his proposal succeeds, however, we shall not plough through it.

Do we have consensus on Mr Robinson’s proposal?

Mr Murphy: May I seek some clarification? I have no issue with the ministerial code being given further consideration. There is no doubt that we shall give it further consideration. However, because of the way in which the proposal is phrased, it could be construed that further consideration of the issues listed is a prerequisite for restoration. I would not accept that. I accept that this Committee, in the course of its work, should give further consideration to all the issues. I do not have difficulty with the proposal, other than to make the point that were it to be interpreted as a prerequisite for restoration, I do not accept it. However, if that is not the understanding, Sinn Féin can support the proposal.

The Chairman (Mr Wells): Mr Robinson has stated that this is a big issue for the DUP.

Mr P Robinson: All that the proposal states is that further consideration be given prior to restoration.

Mrs Long: Peter’s response partly clarifies the proposal. How the proposal is reported is an issue, and we encountered that this morning in the PFG Committee dealing with law-and-order issues. We noted in one instance that Sinn Féin did not accept something to be a precondition, yet the position of at least one party was that it was. Parties are therefore not consenting to something being a precondition but are recognising

that for some people it may be. I think that that was how we got around that this morning.

The fact that the proposal only asks that further consideration be given and not that agreement be reached means that it is not an issue.

The Chairman (Mr Wells): With that one reservation in mind, do we have consensus on this proposal?

Members indicated assent.

Mr P Robinson: Can we go now?

The Chairman (Mr Wells): We have much more business to do, but that certainly cuts out about three hours of discussion.

Mr McFarland: Most of the code is not contentious, but it might be a useful exercise if we were to meet for an hour or two to identify those issues in the full ministerial code that are likely to be contentious. It would be useful for the Committee to have those at hand rather than wade through the entire code.

We could extract the issues that will require negotiation, but we would not necessarily need to discuss them, because they will form part of October's negotiations. However, by holding a meeting, we could acknowledge that one party or another has a difficulty with a particular part of the code.

The Chairman (Mr Wells): Parties can do that by submitting papers to the Committee. If each party were to take away the ministerial code and return with a list of its difficulties, we could circulate that. Each of the five parties would then know where the others stood. It might be that only a dozen issues would emerge.

Mr McFarland: Do we see a need for that list — however large — to be included in our report, or as an annex to it? As we discussed at length in the PFG Committee dealing with law-and-order issues this morning, logic dictates that it would be handy for people entering the negotiations to have a ready reckoner of the key issues. To help the parties and the Committee, would we want that clarity included? The report could state that we are happy with the ministerial code, except for the issues listed, which will be subject to negotiation.

The Chairman (Mr Wells): We could do that, but that would require consensus in order for it to be included in the report.

Mr McFarland: I understand that, but it might help to take an initial look at the ministerial code in Committee some day.

If parties have 200 issues with which they are uncomfortable, there is no point in putting those in the report other than as one-liners. It would be better to discuss the whole report. However, if there are a small number of such issues, discussing those might help to clarify the position.

The Chairman (Mr Wells): That would have to be agreed at the next Committee meeting so as not to hold up the report. However, the Committee has not yet agreed the principle of whether parties submit the report to the Clerks for circulation.

Mr McFarland: We could do that, or we could have a meeting about it to which we come armed with our knowledge. We have managed to stay away — thank goodness — from endless party papers and thick files that have to be read and made sense of. However, if we meet face-to-face, we can come to an agreement quite quickly because we are able to ask one another: “Why are you doing that?” and to respond immediately: “That is nonsense” and so on. If we had an hour or two, either next week or the following week, before the report is submitted, we could dig out the issues. We do not need to debate them; we just need to identify them. We can do that by either circulating papers or by sorting it out at a meeting.

The Chairman (Mr Wells): Given the nature of the problem, it would be best to have at least a piece of paper with a list of what members agree and disagree. The Clerks could distil that list into areas of concern. However, members must agree that they are happy to do that.

Mr McFarland: It would be useful to ensure that each party produces such a paper so that none will state later that it would have liked to have included something but had not got around to it, or that some issue has not been fully covered. We will then all know with what each party is happy or unhappy. Furthermore, it will be recorded.

Mr P Robinson: Given our experiences to date, anyone who thinks that the Committee can go through that volume of paper in a few hours is mistaken. We are capable of taking a very long time over each paragraph.

My problem is that we are dealing with a ministerial code. The normal, and the best, procedure is that the Executive agree the ministerial code and propose it to the Assembly on behalf of the First Minister and the Deputy First Minister. However, there are elements of the code that we want put on a statutory footing; the rest of it can be left to the Executive to propose to the Assembly.

The Chairman (Mr Wells): Are you not in favour of obtaining a tabulated statement from each party?

Mr P Robinson: We will weary ourselves unnecessarily. None of those issues, except for those that we have identified as priorities, is an obstacle to devolution.

Mr McFarland: It is clearly the intention that parts of the code be negotiated. Bits of it will end up on the negotiating table in Scotland in October —

Mr P Robinson: We have extracted those items.

Mr McFarland: Yes. However, you need to identify them.

Mr P Robinson: We already have.

The Chairman (Mr Wells): They are the six items that I read out about half an hour ago.

Mr McFarland: Where did that list come from?

The Chairman (Mr Wells): They came from the various discussions among parties. They are the parked issues.

Mr McFarland: My point is that there is a proposal, which members may not have read, to substantially modify the ministerial code. We heard that for the first time today. However, once the implications of that proposal have been examined, the list may include 12 items.

If we compile a list from the first code and produce the proposed new code, with modified sections, we need to identify the areas with which parties have trouble so that, when we start negotiating in October, we at least have some idea of where difficulties lie.

Dr Farren: The phrase “such as” in the proposal allows for additions.

Mr P Robinson: Yes; if they are issues that need to be resolved prior to restoration.

Dr Farren: If we can circulate those in the next few days, that is fine. I do not think that the proposal excludes anything but the six items. That is why I am happy to endorse it.

The Chairman (Mr Wells): I will let Mr Murphy speak, but I think that we can see a way through this. We need to move on, because we have a number of other items to deal with.

Mr Murphy: I have reservations about each party producing another paper. We can all talk through this now and examine the six items that have been identified. I am not sure from which document that list was taken; if it were circulated, it might be helpful. I sense that, in trying to find common ground on all the issues, we are giving the Clerks more work for no real reason.

During future discussions we might find that there are issues on which we agree and that there are issues that provoke further disagreement. Therefore, I do not know how serving papers early would aid the discussion. If each party comes back with its problems with, and attitudes to, the various sections of the code, members could discuss them as the issues arise.

3.00 pm

The Chairman (Mr Wells): The Assistant Committee Clerk will distribute a copy of the six points to members for reference. We have consensus on Mr Robinson’s

proposal. The phrase “such as” will enable others to add issues that they feel are important and that have not been highlighted at this stage.

Ian Paisley Jnr’s proposal is on the Pledge of Office. He is not here, but I assume that others will be able to speak to his proposal, which is that:

“This Committee believes that a breach of the Ministerial Pledge of Office should be actionable in the courts and followed by disqualification from office”.

I presume that that disqualification would happen upon conviction. This proposal has been hanging around since 30 August. It has been referred to the PFG Committee, and, therefore, members need to try to reach a decision on it.

Mr P Robinson: Where is it?

The Chairman (Mr Wells): It is item 3 on the agenda.

Mr Murphy: This might help to short-circuit the discussion. None of these proposals can be considered in isolation from a full discussion of the draft ministerial code and any other aspects of accountability mechanisms that members want to debate. I will not agree the proposals at this stage, although whether Sinn Féin consents to them at all is another matter. Therefore, rather than have an hour-long discussion on the merits of the proposals, it might be best to deal with them with all the other issues that the Committee is required to consider.

The Chairman (Mr Wells): I will let the DUP answer that point.

Mr P Robinson: It is not my proposal, but I am inclined to think that, as it is in schedule 4 to the Northern Ireland Act 1998, the ministerial Pledge of Office is already actionable in the courts.

The Chairman (Mr Wells): Yes, the ministerial Pledge of Office is contained in the 1998 Act. Therefore, as it is on a statutory basis, it can presumably be subject to judicial review.

Mr Ford: There is also the minor point that the sentence:

“and followed by disqualification from office”
could, perhaps, be concluded with “if appropriate”.

The Chairman (Mr Wells): Yes, a Minister would have to have been convicted before that could apply.

Mr Ford: Indeed, but that does not appear to have occurred to Mr Paisley Jnr when he drafted the proposal.

Mr Murphy: Under the agreement, is it not the case that the Assembly, by cross-community vote, decides on disqualification from office? Perhaps the purpose of the proposal — and I am not privy to the reasoning behind it — was for a judge to decide whether a Minister should be disqualified from office. However, the broad

point remains that it is impossible to consider either proposal in isolation from a full discussion of the draft ministerial code and other aspects of accountability.

Mr P Robinson: Parties have experience of going to the courts when they believe that there has been a breach of ministerial responsibility. This is not a new issue; it has a history. There is also a history of the courts requiring Ministers either to do certain things or suffer the consequences. If the ministerial code were part of the statute, there would be a mechanism that people could use.

However, I agree that the matter is tied up with other issues that the Committee has yet to discuss. If responsibilities were put on a statutory basis, people would have the right to seek judicial reviews.

Mr Ford: I almost thought that Peter was, on behalf of the DUP, withdrawing item 3 on the agenda.

Mr P Robinson: The purpose of the proposal at item 3 is dealt with by my proposal, which has already been passed.

Mr Ford: Nevertheless, Peter's proposal encompasses the issues around the draft ministerial code. Conor pointed out, quite rightly, that the Pledge of Office cannot be discussed without a discussion of the draft ministerial code. Whether I agree with Conor's take on proposal 4 is not the point; it is not relevant to discuss that proposal now.

The Chairman (Mr Wells): Do members wish to make any further comments? It seems that members are content not to deal with proposal 4 at this stage.

Mr P Robinson: There is also the issue of whether it is a ministerial Pledge of Office or a ministerial code.

The Chairman (Mr Wells): Yes, I noticed that. I am not quite certain. The difficulty is that Ian is not here.

Mr P Robinson: Members appear to be content that those issues can be considered alongside, and are consistent with, the proposal that has been agreed.

The Chairman (Mr Wells): The proposal is, in effect, withdrawn. It has not been dealt with.

Does the same view apply to agenda item 4?

Mr P Robinson: Is that one of the "such as" matters?

The Chairman (Mr Wells): It could be.

Mr P Robinson: It is probably in paragraph 70 or 71 of the —

Ms Lewsley: Law-and-order report.

The Chairman (Mr Wells): That report has been agreed. As the issue has been dealt with, I do not think that there is a need for debate.

Having got the preliminaries out of the way, we move on to the main part of the meeting: the initial

consideration of the draft report on institutional issues, which will be discussed in private session.

The Committee met in private session from 3.06 pm to 4.05 pm.

Adjourned at 4.05 pm.

COMMITTEE ON THE PREPARATION FOR GOVERNMENT

Friday 15 September 2006

Members in attendance for all or part of proceedings:

The Chairman, Mr Francie Molloy
Mr David Ford
Mr Derek Hussey
Ms Patricia Lewsley
Mr Kieran McCarthy
Mr Nelson McCausland
Mr Alan McFarland
Mr Philip McGuigan
Lord Morrow
Mr Dermot Nesbitt
Mr Edwin Poots
Mr Pat Ramsey
Ms Caitríona Ruane

The Committee met at 10.13 am.

(The Chairman (Mr Molloy) in the Chair.)

The Chairman (Mr Molloy): I remind Members to switch off their mobile phones, because they interfere with the recording. Are any new members present today? The SDLP's Pat Ramsey is deputising for Seán Farren.

Ms Lewsley: I am deputising for Mark Durkan.

Mr McGuigan: I am deputising for Conor Murphy.

Ms Ruane: I am deputising for either Michelle Gildernew or Martin McGuinness.

Mr McCausland: I am not sure for whom I am deputising.

Lord Morrow: You are deputising for Ian Paisley Jnr.

Mr Nesbitt: I am here on behalf of Alan McFarland, and Derek Hussey will be here on behalf of Danny Kennedy. David McNarry will not be present today.

Mr Ford: Ecstatic cheers.

The Chairman (Mr Molloy): Do members have any interests to declare?

Members indicated dissent.

Mr Ford: Chairman, I expect to be joined this morning by Kieran McCarthy, who will be deputising for Naomi Long. I must leave later, and at that point Kieran will replace me, as Naomi should be here by then.

Lord Morrow: That is very clear. *[Laughter.]*

Mr Ford: Clearer than Dermot generally is.

Mr Nesbitt: Chairman, as I mentioned at our first meeting, this need to state who is deputising for whom at every meeting is crazy.

The Chairman (Mr Molloy): It is just procedure.

Lord Morrow: Dermot, you are only a sub.

Mr Nesbitt: I know that I am only a sub.

The Chairman (Mr Molloy): There is an amendment to the minutes of 8 September 2006. On page 3, item 4 states that the:

“deliberations on the sub-group’s report would not be included in Hansard.”

That should read:

“deliberations on the report would not be included in Hansard.”

Ms Ruane: What page are we on?

The Chairman (Mr Molloy): We are looking at “Agenda item 2”, paragraph 4 of the draft minutes.

The Committee Clerk: It is on the third page.

Ms Ruane: I do not know where we are. The pages are not numbered.

10.15 am

The Chairman (Mr Molloy): We are taking the word “subgroup’s” out of the minute. “Agenda item 2”, paragraph 4 of the minutes reads:

“It was agreed that the Committee’s deliberations on the subgroup’s report”,

but it should just read *“deliberations on the report.”*

Lord Morrow: Can you take us through that again? I begin to think that I have not the right folder. I certainly cannot see that under item 4.

The Committee Clerk: It is on the third page of the minutes, “Agenda item 2”, in paragraph 4.

Lord Morrow: Are these pages numbered?

The Committee Clerk: No.

Ms Ruane: It is at paragraph 4, “Agenda item 2”.

Lord Morrow: “Agenda item 2”?

The Committee Clerk: Where it says “the Committee’s deliberations”, not “the subgroup’s deliberations”.

Lord Morrow: Thank you.

Mr Ford: I suggest a minor modification. Near the bottom of page 2, it is recorded that I left the meeting at 11.10 am, which is accurate. However, I left after the discussion on the minutes, so that should be recorded above paragraph 4, which we have been talking about. It was such fun that I wish to be recorded as having been here.

Lord Morrow: I take it that you are assuming no responsibility for them, is that right?

The Chairman (Mr Molloy): We will have your departure noted in the correct place. With those changes made, are the minutes agreed?

Members indicated assent.

The Chairman (Mr Molloy): We move on to matters arising. They include consideration of the invitation to a meeting with Monica McWilliams, the Northern Ireland Human Rights Commissioner. The revised list of dates and times is at tab 2 of your papers. It will help to agree a date today. The meeting can take place on Thursday 5 October or Friday 6 October. There is a problem with 6 October, in that on that day the PFG Committee will consider the 'Second Report of the Subgroup on the Economic Challenges facing Northern Ireland'.

The Committee Clerk: The subgroup is due to report on 4 October, so we will probably be looking at its report on that day.

Mr Nesbitt: What will the Committee will be doing on 6 October?

The Chairman (Mr Molloy): The economic subgroup's second report is to be considered, either in the morning or afternoon. It is a matter of balancing between the two.

Ms Ruane: Is the meeting urgent? Can we not meet on 19 October?

Ms Lewsley: I propose 5 October. Does that suit members?

Ms Ruane: I am not free on 5 October.

The Chairman (Mr Molloy): The 5 and the 19 October have been suggested.

Lord Morrow: The 5 October would be better.

Ms Ruane: The 5 October is difficult.

Ms Lewsley: The 6 October is out, so that leaves 19 October.

The Chairman (Mr Molloy): Is 19 October suitable?

Mr Ford: Unless the Prime Minister and Taoiseach invite some of us elsewhere, which is still possible.

Ms Lewsley: That is a problem in that week.

Mr Ford: The 19 October does not suit.

Lord Morrow: The letter from the Human Rights Commissioner suggests Thursday 5 October 9.30 am – 12.30 pm, with lunch from 12.30pm – 1.30 pm. Is that her proposal?

The Chairman (Mr Molloy): Yes.

Lord Morrow: She wants lunch from 12.30 pm – 1.30 pm?

The Chairman (Mr Molloy): Yes. That is what is being offered. The meeting will be outside this building, perhaps in a hotel, and the commission will provide lunch.

Ms Lewsley: You do not have to stay for lunch. That is optional.

Lord Morrow: I understand that.

The Committee Clerk: Or the meeting could be held in the afternoon and start with lunch.

Ms Lewsley: We can have an afternoon meeting, but that would be on 6 October, which is the day for the economic subgroup report.

The Chairman (Mr Molloy): That would make it difficult on that date, but it may be possible to have both on 6 October.

Mr Nesbitt: I am happy with either date. However, I am curious to know what the Human Rights Commission's view is on a symposium.

I would like some guidance on how the meeting will be structured before it takes place. Will the representatives of the Human Rights Commission make a presentation? Will they give it to us beforehand? Will we question them on their presentation? What format will it take?

The Chairman (Mr Molloy): I have no details. However, the suggestion is that discussion will be about a bill of rights. The Human Rights Commission representatives will make a presentation and then engage in general discussion with the political parties.

Mr Nesbitt: If they make a brief presentation, we can ask them to send it to the officials in advance so that we can see it.

The Chairman (Mr Molloy): We should ask them for as much information as possible before the meeting.

Ms Lewsley: I propose that the meeting take place on 5 October 2006. Caitríona has agreed to that. I worry that a meeting on 19 October might drift into the period of negotiations.

Ms Ruane: In light of that, we will work around 19 October.

Mr Nesbitt: I am concerned, not that we will drift into negotiations, but that the negotiations will drift.

The Chairman (Mr Molloy): Let us not get into the negotiations.

Do members agree with Patricia's suggestion of 5 October?

Members indicated assent.

The Chairman (Mr Molloy): The next part of this meeting is in closed session for consideration of the report.

The Committee met in private session from 10.20 am to 12.08 pm.

On resuming—

12.08 pm

The Chairman (Mr Molloy): Members have the two suggested motions for debate.

Mr McGuigan: Can we take a five-minute break to consider them?

The Chairman (Mr Molloy): We break for lunch at 12.20 pm.

Ms Lewsley: Can we break early for lunch?

Mr Nesbitt: There are two motions before the Committee. Which one has the same layout and wording as the one that we discussed last week?

The Committee Clerk: The second one. Last week, the Committee identified specific issues requiring resolution and further discussion in its report.

Mr Ford: We did not.

Mr Nesbitt: We had a motion before the Assembly on Monday 11 and Tuesday 12 September, and the wording, phrasing and format of the second one — *[Interruption.]*

The Committee Clerk: The motion on the economic subgroup's report was quite different because that report had specific recommendations. None of the PFG Committee reports contains specific recommendations. They contain either proposals agreed, proposals not agreed or issues identified for further discussion or resolution. There are two different sets of wordings because when the motions were drawn up we did not know whether this PFG Committee would identify issues for further resolution or discussion, which it has now decided not to do. Therefore the wording in the second motion would not cover the report. The first motion has a suggested wording.

Mr Nesbitt: What is the wording of the first motion?

The Committee Clerk: It is a suggested wording, but it does not reflect the motion for the economic subgroup's report, which makes specific recommendations.

Mr Nesbitt: None of those motions is the same as the economic subgroup's one.

The Committee Clerk: No.

The Chairman (Mr Molloy): We will break for lunch and resume at 12.45 pm.

The Committee was suspended at 12.11 pm.

On resuming —

12.47 pm

The Chairman (Mr Molloy): I remind members to switch off any mobile phones that may have been on over the lunch break because they interfere with the Hansard recording equipment.

Ms Ruane: Sinn Féin has agreed the content of the report but will not ratify it, because reports are being used as the basis for talking-shop debates. We will not participate in that sham for all the reasons that we have outlined. It is obvious from Ian Paisley's comments two days ago that the DUP has no notion of, or interest in, power sharing before 24 November. Therefore Sinn Féin will not ratify reports until it sees how they contribute to restoration.

If we are satisfied, at some point in the future, that the reports have such a contribution to make, we will revisit the matter. However, we are not prepared to take part in shams and at the moment will not support the report. We do not agree to its being published or to a motion going forward to the Secretary of State.

Mr McCarthy: I propose that we accept the first of the two motions that were presented to us for a plenary debate and forward that to the Secretary of State.

The Chairman (Mr Molloy): Caitriona, what do you mean by not ratifying the report?

Ms Ruane: Sinn Féin agrees with the content of the report but will not ratify it. We do not accept that the report be published or that it go forward to the Secretary of State, because it is not agreed.

Ms Lewsley: In that case, may I ask for a point of information? My understanding is that when members were asked at each stage of this report whether they agreed it, Sinn Féin said yes. Yet you are saying now that you do not agree the report.

Ms Ruane: No. In answer to your point of information, Sinn Féin agrees the content of the report, which is why I asked the Chairperson earlier whether the report would be ratified. We do not agree to its being ratified or published, nor do we agree to the motion.

Mr McGuigan: In essence, that means that the content of the report is a true and accurate reflection of what was discussed.

Lord Morrow: You can support it.

Mr McGuigan: Sinn Féin agrees that it is a true and accurate reflection of what was discussed. As Caitriona has clearly pointed out, we do not want the report to be ratified, published or used as the basis for a sham debate.

Ms Lewsley: I am sorry that Sinn Féin has taken that stance, particularly given the issues that have been discussed in the Committee. In my opening remarks at the beginning of this sequence of meetings, I said that

we had made history by getting all the political parties around one table. We have agreed on several issues — there were some on which we disagreed — but the amount of consensus that we reached was positive. Sinn Féin's stance now is a bit ironic, given that it was going to agree to a comprehensive agreement that referred to talking shops, a shadow Assembly and all the rest.

We have done a lot of work, and we are trying to move this matter forward so that we can hold a debate in the Chamber to show the public that political parties can work collectively and deliver for people on issues such as disability and poverty, but now Sinn Féin is reneging on its responsibility.

Ms Ruane: We welcome the discussions, which are important, but we should not claim that we are making history. We work with other parties in councils and in education and library boards, but we will not participate in sham debates or discussions, because we could hold those discussions anywhere. The institutions should be up and running. Who are the blocks to the restoration of the institutions? Who is their party leader?

Let us examine what the party leaders have said. Our party leader is clear that there are no blocks to restoration. Your party leader, Mr Ian Paisley —

Mr Poots: Speak through the Chair.

Ms Ruane: I am not finished. Your party leader —

Mr Poots: On a point of order, she should speak through the Chair.

Ms Ruane: Mr Ian Paisley, the party leader of Edwin, Nelson and Maurice, has said that there will be no deal before 24 November. The essential question is: who is blocking the deal? Who is wasting people's time?

Mr Poots: The IRA.

Ms Ruane: Patricia Lewsley mentioned Sinn Féin, but let us place the focus where it should be.

Mr Poots: The IRA does not know how to go away.

Lord Morrow: This is another turnaround by Sinn Féin. On the Business Committee, Sinn Féin said that, if the Committee on the Preparation for Government were established, it would be prepared to discuss and debate anything that emanated from it. However, now that the Committee's deliberations are ready for publication and ready for debate, Sinn Féin is saying, "No. Hide it away, and do not tell anyone about it".

She says that we are the sole blockers to the restoration of devolution, because of Dr Paisley's statement on Wednesday. However, I heard Dermot Nesbitt saying that his party would not go into Government, and I think that she heard that too, but has deliberately decided to ignore it for reasons best known to herself.

It is horrendous that members have given up a great deal of their time to attend the Committee meetings and have discussed all the relevant issues, only to be told that this report should not be debated in the Assembly. Why come here and waste your time if you feel that these matters have no life beyond a discussion? We highlighted areas where we sincerely feel that there can be no movement until a host of issues has been addressed, but you feel that that is not relevant in today's world, or relevant to the deadline of 24 November. The Secretary of State pulled that date out of the sky — we did not come up with it.

Sinn Féin has not signed up to policing, and it has no intention of doing so. We knew from day one that that party would not support the security forces and the police in their drive against all the shenanigans that have gone on in this country, because, often, Sinn Féin is part of them. Before you throw all your stones at us, take a look at what is happening in your own backyard, because you will find that there may be a problem there.

Mr McGuigan: I want to clarify a few points. Patricia mentioned debates and delivering for people. The truth is that the debates that have taken place in the Assembly Chamber are not delivering for people. The only way to deliver for people who want issues to be discussed and legislation to be passed is to get the institutions up and running as envisaged under the terms of the Good Friday Agreement. That is not happening at the moment.

Sinn Féin has said, at the Business Committee and at these Committee meetings, that if there were genuine issues and a genuine attempt to get the institutions up and running by 24 November, it would consider taking part in plenary sittings. As Caitríona has quite clearly outlined, the DUP has not made that genuine attempt, and, until that happens, Sinn Féin will not take part in plenaries.

Patricia might think that these debates are delivering for people, but they are not. The only way in which we can deliver for people is to have the Government, the institutions — including the all-Ireland institutions — up and running so that we can do the real work and put this Committee's work into action.

Mr McCausland: The comments from Caitríona Ruane were bizarre and disingenuous. It is clear that she has been sent here today to say no, and she has done that. It is an insult to the democratic process and to the other political parties who have given of their time and commitment to contribute to the discussions and to the production of a report.

If I were to speculate on the reasons that Sinn Féin has taken this action, my first suggestion would be that Sinn Féin cannot cope with equality, particularly in this case. It prefers that others be discriminated against to the advantage of its community, and, in particular,

Sinn Féin. It is disappointing that it cannot cope with equality, and that is one of the reasons that its members constantly say no to all these issues.

The party is probably unwilling to stand on the Floor of the Assembly and expose the cracks and the differences within the ranks that we have witnessed here on a number of issues. Mr McGuigan has been in some difficulty at times.

Lord Morrow: He has been in the vanguard.

Mr McCausland: Indeed, he has been very much to the fore of some of that confusion. There have been a couple of notable examples of that, which was interesting.

The key word is “delivery”. If the institutions or devolution are to be restored — or whatever we want to be restored — in Northern Ireland, there must be delivery. That means that republicans have to deliver what they were supposed to deliver years ago. That means delivering up the proceeds of all the criminality and getting to the same place as every other democratic party. That means becoming a truly democratic party that is not inextricably linked to criminality and gangsterism.

Furthermore, the Government have to deliver the equality that the people in this country are entitled to and that they have been denied for far too long. Cultural, community and educational equality are all important and must be delivered before we can start to get anywhere. I doubt whether they can be delivered by 24 November. Whether the deadline is 24 December or 24 January or 24 of any other month, the onus is on people to start delivering. We know that they must be delivered and simply sending Caitríona Ruane along today to say no is an insult.

Ms Lewsley: I am saddened because this issue has turned into a personal attack. It is misrepresentative, and it is an example of political grandstanding because Hansard is here to record this meeting for future reference.

To clarify a couple of points: when I talked to Philip about delivering for the people, I meant it in a political sense. People think that every MLA is sitting at home with their feet up, doing nothing. This was our opportunity to show people that we are serious about equality, human rights, victims and the disappeared, and so on. It was an opportunity to allow parties to put their views on record so that the public can see how each party felt about every issue and to let the public know that we have not been doing nothing all summer. It is a slap in the face for all those members — particularly those in your party, Philip — who gave up their time every Friday to contribute to the debate.

To respond to Caitríona, I replied to you today because you raised the issue. It is on record in Hansard that, for the past number of weeks, I have attacked the DUP and any other party that I think is blocking restoration.

That is on record. My party made a proposal asking both those parties to live up to their responsibilities. I would like Caitríona to clarify one point: is she telling me that Sinn Féin is denouncing the comprehensive agreement?

The Chairman (Mr Molloy): We will come back to that.

1.00 pm

Mr P Ramsey: With reference to the motion, the SDLP will support the proposal made by Mr McCarthy. This is my first time at the Committee, and it has been a learning curve. A hell of a lot of good work has been done recently on a huge range of subjects that would have caused major difficulties in the past. There would have been huge dissent on a number of areas: safeguards, a bill of rights, human rights, equality, good relations and the whole shared future aspect.

The public will be looking expectantly to see what the Assembly can do in this mode. The SDLP does not want to be in this mode. It wants to see a fully restored Government back in Northern Ireland, but in the absence of that, it will endeavour to do what it can to make a difference. To a certain extent Caitríona is right. We want to see whether the Secretary of State will take heed of the series of motions debated in the Assembly. However, I am disappointed with the hypocrisy. Sinn Féin signed up to an agreement to what would, in essence, be similar to a shadow Assembly — similar to what is happening at present. What has changed? Is it because so many secret were deals done at that time with the British Government that enabled it to sneak in the on-the-run legislation?

It is disappointing. “We can agree in principle to the report, but we will not ratify it.” That is nonsense. It is nonsense that Sinn Féin members are sitting on the Committee very productively and responsibly, participating on a range of issues that resulted in an executive summary and safeguards for equality and victims, but they will not debate it in the Chamber with the rest of us. That is what the people of Northern Ireland want.

I do not understand. Sinn Féin got a secret deal, and it even went into the Assembly Chamber and debated it, but it will not go in now to debate the fundamental difficulties of our society over the past 30 years. We have the gift to cure it by introducing legislation that will give people equality, fair employment, and safeguards, and make this society a better place.

I am not having a go at Sinn Féin but, like Patricia, I cannot understand why the minute that Hansard starts reporting proceedings there is a rant from Sinn Féin saying that it does not want this published now and that it will not agree to this document now because the Committee is in public sitting. There is something wrong, and only Sinn Féin can answer that.

The Chairman (Mr Molloy): The Committee can ask Hansard to leave if Members prefer. It is not about Hansard.

Ms Lewsley: It seems to be.

Mr Nesbitt: I do not agree with Hansard’s leaving. I will ask a question and if the answer is not immediate, I will make a comment. Sinn Féin said that it does not agree with the report being published or going forward. Does that mean that it does not go forward and it is not published?

Sinn Féin clearly said that it agreed with the report but it will not take it forward because debate on the report will be just a talking shop. However, Sinn Féin has no notion or interest in sharing power with unionists. Let me make one succinct comment, which is not to grandstand, as Patricia said. The president of Sinn Féin went to the Middle East 10 days ago, and his press statement was issued on 3 September. I do not have a copy with me because I did not know what Sinn Féin was going to say today. In that statement he referred to the principles of solving problems, which were transferable between the Middle East and here — although we are sitting here in an equality-based committee with human rights. One of the principles he mentioned was — and I quote him verbatim:

“respect for human rights and international law”.

If the party of which Mr Adams is president fully respected human rights and fully abided by international law, there would not be a blockage to devolution in Northern Ireland. I put the onus, fairly and squarely, on Sinn Féin and the Government because they acquiesce and accommodate Sinn Féin in its non-compliance with international human rights law.

In conclusion, had the Sinn Féin president, the members of that party and its associated organisation abided by his words, there would not be a problem today. Rather than a talking shop, there would be a functioning democratic institution in Northern Ireland. That is where the blame for the blockage lies.

Mr Poots: I do not want to pay much attention to what Caitríona Ruane said because everybody knows who has truly caused the blockage. It is not Ian Paisley, but “Slab” Murphy and his IRA colleagues, who now have the upper hand and are up to their eyeballs in criminality. No political settlement will be achieved until that criminality is dealt with and Sinn Féin signs up to the policing structures.

Can I confirm that the Committee agreed the report?

Ms Ruane: The content has been agreed.

Mr Poots: I want to ask the Clerks what the next step is once the report has been agreed.

Mr Nesbitt: I also want to ask that question.

The Chairman (Mr Molloy): There must be agreement on whether the report will be printed. I interrupted Caitríona — she wants to make a point about the executive summary. We must deal with certain issues about the report.

Mr Nesbitt: On a point of procedure, Mr Chairman. I understand that Sinn Féin members have agreed the report. However, they do not agree with its publication. If all parties have agreed the report, but all parties do not agree to its being published, does that mean that it will not be published?

The Chairman (Mr Molloy): There must be consensus on whether the report will be published.

Mr Nesbitt: Sinn Féin has, therefore, shifted its position, which it has now clarified.

During the debate on whether to agree the economic subgroup's report, Sinn Féin acquiesced, if only by silence, that the report be published. The report was agreed and published, despite Sinn Féin's non-attendance at the debate. Sinn Féin made it clear at its ardchomhairle that unless it was given directions about the way forward up until 24 November, it would reserve judgement as to whether it would participate in the Assembly debate. In the event, it did not participate. Now, it is ratcheting up that position: it agreed that the economic subgroup's report should be published; now it says that it disagrees with the publication of the PFG Committee's report. Let us be clear that that party is ratcheting up the ante.

Mr Poots: I want to finish asking my questions. I have not been given a clear response. It was my understanding that the report was agreed before lunch time and that, afterwards, we would proceed to discussion on the motion. There is no doubt that the report was agreed before lunch time. Let us be clear about that.

What step is taken after the report has been agreed? Do we need consensus for the report to be published? I thought that publication was a natural step taken thereafter and that no party could agree the content of the report but prevent its publication. Could you clarify that?

The Committee Clerk: I have no answer to that question. Before the Committee was suspended, I understood that it had agreed that the report be printed. The question was put and there was consensus.
[Interruption.]

The Chairman (Mr Molloy): Let the Committee Clerk answer the question.

The Committee Clerk: Once a report is ordered to be printed, the Committee normally discusses a motion for debate in plenary session, which then goes to the Business Committee. I understood that we were discussing the motion for debate.

Mr Poots: That is correct. We are discussing the motion. Therefore we cannot go back and undo this morning's work. It has already been agreed. I do not know whether these members have been involved before in democratic structures. When matters are agreed, it is impossible to undo them without a proper motion to rescind. I have heard no motion to rescind, and that motion to rescind would have to be agreed. The report is now agreed and publication will take place. Sinn Féin is free to table a motion to rescind that and stop the publication. It is free to do that; the Committee may agree or disagree. I suspect that it will disagree.

Mr Nesbitt: Exactly. I understand that the report is agreed, but does Sinn Féin not agree to its publication? Can I have an answer to that?

Ms Ruane: That is not the situation.

First, what I said was that Sinn Féin agrees the content of the report. Please let me finish, Dermot.

The Chairman (Mr Molloy): One at a time, please. If we are to have continuous interruptions there is no point in continuing.

Ms Ruane: I will not start until I have space to speak. Members will recall that when we began to discuss the Executive Summary, I asked whether the report would be put to us for ratification. I was cut off by the Chairperson and told: "We are dealing with this part of the report now" or words to that effect. We agree that the content of the report is an accurate reflection; however, Sinn Féin does not agree, ratify or agree to publication of the report.

I am not finished yet. Members will please bear with me.

Ms Lewsley: I have a point of information. I will be brief.

Ms Ruane: I will not give way. I wish to answer Ms Lewsley's comments.

The Chairman (Mr Molloy): Please continue, Ms Ruane.

Ms Ruane: As to Nelson's comments about insult to democracy, the greatest insult to democracy was when his party leader refused, on the Floor of the Assembly, to share power with Sinn Féin and the other parties. As to equality issues, Sinn Féin firmly put equality and human rights onto the agenda in the Good Friday Agreement along with other parties; it is a major concern for the party and will continue to be.

Sinn Féin is not afraid of debate with the DUP — we welcome it. The DUP is the one that runs away from debate; it is afraid to share platforms. I am not finished yet. I listened to you, Maurice, when you had your say.

Here we are, parliamentarians elected by the people, but there is no parliament. It is a joke, and it is wrong. Surely members want real power to change things.

As for Ms Lewsley's comments on delivering, we are not delivering here. Just because we have sat down to discussions does not mean that we are delivering. Her party leader talked of Wendy houses. That perception is accurate. Who decides what is discussed? Who decides what is changed? A foreign Prime Minister, who is not elected in any part of Ireland. For the record, and for the benefit of the SDLP, Sinn Féin's context is the entire Good Friday Agreement, not just the north of Ireland. Pat mentioned "Northern Ireland" – to use his terminology – but the context embraces the Assembly, the all-Ireland institutions, human rights and equality agendas and the British-Irish dimension.

If we really want democracy — the democracy that he spoke so lovingly about — let us get the institutions up and running and stop putting pretend blocks in the way. In case there is any confusion, we did not agree or ratify the report. We agreed the content of the report, but we did not have the opportunity to discuss the ratification of the report. That is the question that I asked before we discussed any of the other issues.

1.15 pm

Mr McGuigan: Ms Ruane has said a lot of what I intended to say. She rightly made the point that what we agreed this morning was the content of the report. We were interrupted, and she has now made the point that she intended to make earlier in the discussion. A few members have talked of people wanting to see MLAs engaged in debate. None of the people that I have talked to has said that; they want to see MLAs, in a serious manner and with serious authority, taking on and discussing the issues that are of concern to the people out there. Everybody knows the serious issues that face our society; I am not going to rehash them.

The SDLP has referred on a couple of occasions to some imaginary agreement that Sinn Féin has signed up to about a talking-shop Assembly. Sinn Féin has signed up to nothing but the Good Friday Agreement. We will not settle for anything less. We want to see that agreement implemented before 24 November, as everyone who is serious about this process should.

I agree that this Committee has done some good work over the summer. That is not what we are talking about. We want to see the good work that has been done implemented. It is not about MLAs debating for some sham reason to justify their jobs. Sham debates do not fool anybody out there. That may make MLAs think that they are doing the job, but it is not the job that they are meant to be doing. We were elected in the same way as everyone else. We want to do the serious job that we were elected to do.

Agreeing this report and allowing it to go forward to debate would be an insult to the people who voted for us. We can agree the content of the report. The serious job between now and 24 November is to ensure that the institutions are restored. As yet, we have seen no serious suggestion from the DUP that it is going to even try to get them restored. It is pointless to have debates between now and 24 November, unless we get some signal from the DUP that it is prepared to act along with the rest of us in restoring the institutions — and not just the institutions here in the North, but also the all-Ireland institutions that can make a difference to people's lives all over this island.

Ms Lewsley: Can I ask for some clarification? My understanding was that we were going through this report piece by piece. We went through the things that we agreed and the things that we did not agree. We went through the 40 points, or whatever it was, and we agreed them collectively. Then we agreed the conclusions and the executive summary. It was only at that stage that Caitríona Ruane raised this issue. Sinn Féin agreed the things that we agreed and the things that we did not agree, and it agreed the conclusions.

Lord Morrow: They did say that they were confused.

The Chairman (Mr Molloy): Let Patricia talk.

Ms Lewsley: It was only when we got to the executive summary that Caitríona asked whether we were ratifying the whole report, but we agreed it as we went along. Sinn Féin agreed it.

Ms Ruane: We did not agree it.

Ms Lewsley: You did. The Chairman asked for consensus, and there was consensus.

This beggars belief. Gerry Adams supported the comprehensive agreement provisions on institutional matters, which included a shadow Assembly. If that is not a talking shop, what is? That was on 7 December 2004, in a letter to the Taoiseach. I really do not want to get into this argument.

What Sinn Féin is now doing is vetoing an opportunity for young people, disabled people, older people and even those who want to see an increase in the status of the Irish language to hear what the parties collectively have said. I would have respected Sinn Féin more if it had said at the very beginning — nearly six weeks ago — that it was not prepared to take part in debate. That would have saved us all, including Sinn Féin's members, a lot of heartache and a lot of time.

Mr McGuigan: We have not taken part in any debates. Our public position on debates is quite clear. Patricia seems to be confused about what we were doing this morning, but I think that it is very clear. We were agreeing the content of the report. As Caitríona tried to say before lunch, we never at any stage agreed

what should happen with the report. We have no difficulty with agreeing that what is in this report is a true and accurate reflection —

Ms Lewsley: That is not what you said. When the Deputy Speaker asked for consensus on each part of the report, the parties around the table said: “Yes.” Sinn Féin did not say: “Sorry, we are not agreeing this report; we are agreeing that it is a true and accurate record.” Not once did it say that.

Mr McFarland: I apologise to the Committee for not being present this morning; I had an unbreakable engagement.

Ms Lewsley: On a point of information, Mr McFarland, could you tell me who he is now? He substituted for you earlier.

Mr McFarland: After lunch, I am me, and he is Danny Kennedy.

Mr Nesbitt: For the Hansard record, the “he” to whom Mr McFarland and Ms Lewsley refer is Dermot Nesbitt. *[Laughter.]*

The Chairman (Mr Molloy): Let us be serious.

Ms Lewsley: Sorry.

Mr Nesbitt: We need to be light-hearted sometimes, Chairman.

Lord Morrow: You are not allowed to be light-hearted.

The Chairman (Mr Molloy): Mr Nesbitt, your colleague is trying to speak.

Mr Nesbitt: I would not wish to stop him.

Mr McFarland: I have sat on the various formats of this Committee and have agreed the economic subgroup’s report and the policing and justice report. We are halfway through the institutions report, and things are going well. In reaching agreement on those reports, there has been a similar debate to this one. In the other formats of the Committee, and its subgroup, a system has evolved, which I suggest be used in this instance. It has taken quite a long time to develop, but it seems logical and effective.

The system is as follows. The Committee agrees that the report is an accurate record of what has been said. Given that it is an accurate report, it is published, as has happened in all other formats of the Committee. There has then been a discussion on a possible motion related to that report. Agreeing the report is completely unconnected to agreeing to a debate on a motion. Martin McGuinness and Peter Robinson have discussed this matter ad nauseam. The content of the motion is unconnected with anything that happens subsequently, but it reflects that a report has been written.

Previously, Sinn Féin has accepted reports as accurate records and agreed motions to go with those

reports. There have then been healthy discussions about whether there should be a debate on the motion, which have ended in disagreement. The motion has been referred to the Business Committee to decide whether there should be a debate.

In the two previous instances, I understand that the Business Committee has not been able to reach agreement. The motions have then been referred to the Secretary of State, and the debates have been held on his say-so. That seemed to be an extremely effective method of moving matters forward, while protecting everybody’s position. That allows us to have something to show for all the meetings since May, without disrupting Sinn Féin’s position on the Assembly.

I suggest that that system be used to agree this report. If we are agreed that the contents are correct, that is fine and the report will be printed. We would then discuss the detail of a motion, which is completely unconnected with whether there should or should not be a debate. If we agree a motion to go with the report, we can get on with scrapping with one another about whether there should be a debate in the Assembly.

I guarantee that this situation will be no different from that pertaining to any other report; there will not be agreement because Sinn Féin disagrees with having a debate in the Chamber. The motion would then be referred to the Business Committee, which would have a row about the motion and not agree it. As has been the case all summer, the motion would be referred to the Secretary of State. That system has been very effective and has worked well. Martin McGuinness, Peter Robinson and the rest of us have all been able to reach agreement.

I am worried that we have become confused as to how the PFG Committee, in all its formats, has dealt with this situation before.

Ms Ruane: I do not accept that this is a similar situation; there is a difference. Alan was not here this morning, but it is a matter of record that I asked the Chairperson for clarification as to whether we were ratifying the report. I was interrupted and was not permitted to raise that matter at that point. That is why we asked for an adjournment. We agree the content of the report, but we will not ratify it. Our reasons for that — in answer to Patricia — are that we came in good faith to try to get the institutions up and running. As Philip said, good work has been done. We had plenty of debate at different levels. Two days ago, Ian Paisley Snr said that there will be no agreement. Therefore if anyone is wasting people’s time, it is Ian Paisley, the leader of the Democratic Unionist Party.

The difference is that we have not agreed. A week ago, the DUP said that it wanted to get the institutions up and running, although there were criticisms about the time frame. However, when the leader of a party

speaks in such a categorical way, people take it that he speaks for the entire party.

In the past, the reports that we agreed have been used for talking-shop debates. Sinn Féin will not participate in such debates and will not agree to the ratification or the printing of the report. We will not ratify the reports until we see how they contribute to restoration. This is very different from other situations. That should clarify the matter.

Mr McCausland: The interview with Dr Paisley that Caitríona Ruane heard was obviously different from the one that I heard. My recollection is that, on coming out of 10 Downing Street, Dr Paisley said that he did not foresee the possibility of matters being put in order before 24 November 2006. That is not the categorical “No; never” that Caitríona Ruane suggests. He simply said it as he saw it at the time. Many share that view, because delivery is needed on so many issues, particularly criminality and equality, that it would be almost impossible to complete work on them by 24 November.

For those reasons, Dr Paisley’s assessment of the position was reasonable and accurate. That assessment is now being twisted and perverted by Sinn Féin to justify its position, and to get itself off the hook. Sinn Féin wants to be the party to say no but does not want to take the flak for it, so it blames everyone else. Caitríona Ruane has obviously been given the difficult task of justifying Sinn Féin’s position.

We looked at item 4 on the agenda, “Motion for Debate of Report”. If I am at item 4 on an agenda, I have passed item 3. That is simple, plain arithmetic. It was like that when I was at school and when I was teaching, and it has not changed: by the time you reach four, you have passed three. Caitríona Ruane may not have understood that.

She may have been inept in how she handled the matter. At one point, Dermot wanted to raise a matter at a later stage only to be told that it should have been done earlier. I am emphatic that people on the other side said: “No, you cannot.”

The problem for Caitríona Ruane is that she left it too late. She was inept. When you get to four, you have passed three. We are at item 4, so let us stick to that, because item 3 is finalised and finished.

The Chairman (Mr Molloy): Caitríona did make an intervention. I asked, perhaps wrongly, whether the issue concerned the executive summary, as regards the debate, and I said that the issue around the motion would come up later. I accept that we should, perhaps, have listened to that intervention at the time, but the issue was the debate. We do not have agreement on the printing and publishing of the report.

Ms Lewsley: Could I ask for a point of information?

The Chairman (Mr Molloy): Dermot has been trying to speak for some time.

Ms Ruane: Can a comment be withdrawn? I have just been called inept. I do not like that, and it is a breach —

Lord Morrow: You called me a corner boy.

Ms Ruane: No, I did not, actually.

Lord Morrow: You did.

Ms Ruane: No.

Lord Morrow: There you go again.

Ms Ruane: I want that comment to be withdrawn.

Mr McCausland: The sensitivity of Caitríona Ruane knows no bounds.

Ms Ruane: Could I have clarification from the officials on withdrawing remarks?

The Chairman (Mr Molloy): We have been trying to keep to appropriate language.

Ms Ruane: Can we have clarification on that? I have asked for the comment to be withdrawn, please.

Lord Morrow: Mr Chairman, you did not say anything to Caitríona Ruane when she called me a corner boy.

The Chairman (Mr Molloy): You did not make a complaint about that.

Lord Morrow: Yes I did.

The Chairman (Mr Molloy): I did not realise that you had.

Lord Morrow: Yes I did.

Ms Ruane: I would like some clarification.

Lord Morrow: She would know more about corner boys than anyone else.

The Chairman (Mr Molloy): Can I take members’ views that both comments are not appropriate for this discussion?

Members indicated assent.

1.30 pm

Mr Nesbitt: That was a fascinating debate on the nuances of this matter. I will go through matters again so that I can understand where we are.

I said that Sinn Féin agreed the report; Sinn Féin qualified that by saying that it agreed the content of the report. Sinn Féin is playing with words. I agree that Caitríona said at the outset that she would not ratify the report. As I understand it, ratification is a legal term. For example, if a Minister signs a report at some body, it will be ratified — or endorsed — by his Parliament. Therefore, he is acting on behalf of his party.

That procedure does not apply here. We have agreed a report and we expect that those here are speaking, and acting, on behalf of their parties. By agreeing the contents of the report, those members are, in the same breath, ratifying it. There is no separate procedure.

The real essence of the play on words by Sinn Féin is encapsulated by the words of Philip McGuigan, who said:

“we never at any stage agreed what should happen with the report.”

Sinn Féin’s problem is not with the report; it is with what happens to the report. That is what he said, and I wrote it down verbatim as he said it. If Sinn Féin does not agree to the report being published or moving forward, can it still be published and move forward? I ask that question because the report has been agreed.

The Chairman (Mr Molloy): I have said that consensus is required.

Mr Nesbitt: Therefore, if we need consensus — with Sinn Féin not agreeing to the report’s publication — the report will not be published and will not go forward.

I come back to the point that I made at the outset. Sinn Féin is upping the ante today. Previously, the ‘Report on the Economic Challenges Facing Northern Ireland’ was agreed, published, and went forward for debate. Sinn Féin has said that it will not participate in Assembly debates. Sinn Féin is upping the ante today — and it is disgraceful — by saying that it wants no one else to participate in the debate. Sinn Féin is trying to block a debate in the Assembly because of what would happen if the report went forward.

You have upped the ante, Sinn Féin — that is what you have done.

Ms Ruane: There is no Assembly, Dermot.

The Chairman (Mr Molloy): Let Dermot finish.

Ms Ruane: Sorry, Mr Chairperson.

Mr Nesbitt: There is an Assembly; whether it has executive, legislative or administrative powers is a different matter. Caitríona is correct in saying that this report is different from others. Of course, you are treating it differently — you are upping the ante. I have said that three or four times. Do you deny that? There is silence.

Ms Lewsley: I want some clarification following Dermot’s comments. If there is consensus to agree the content of the report, what is the difference between that and ratifying the report?

The Chairman (Mr Molloy): The report moves to being printed. That is the next stage.

Ms Lewsley: I would have assumed that, once the content of the report was agreed, it would be published automatically. The content has been agreed.

Mr Nesbitt: Sinn Féin members are playing with words when they speak of ratification. Sinn Féin is trying to block the report and to block a debate in the Assembly; it is upping the ante.

Ms Lewsley: Sinn Féin is creating a veto.

Mr McGuigan: People are obviously not listening to what Caitríona and I are saying. Ian Paisley and the DUP upped the ante. That is the reality. We have been coming here in good faith for the past six or seven weeks, because we thought that other parties could possibly be genuine about trying to restore devolution and the institutions. As Caitríona said, it was not Sinn Féin that upped the ante, but the DUP. That party said publicly several times that it has no interest in reaching agreement by 24 November. As Nelson said, if there is no agreement by 24 November, the institutions will be closed. That is the reality.

Mr Nesbitt: Will Philip take a question?

Mr McGuigan: I want to answer your first question. You wrote down what I said about what should happen to the report. I said clearly several times, as did Caitríona, that we agreed this morning that what was in the report was a true and accurate reflection of the weeks of discussion. We can talk about playing with words, but we have agreed that the report is a true reflection. However, we do not agree that the report should be published and neither do we agree that it should be used for the purpose of a sham debate that many people here want to hold merely to justify their jobs.

We do a great disservice to those who elected us by having such nonsense debates on important issues.

Ms Lewsley: I am glad that you spoke of a nonsense debate on the status of the Irish language. Thank you.

Mr McGuigan: No.

Ms Lewsley: That is what you said. You said that it was a “nonsense debate”.

The Chairman (Mr Molloy): One at a time, please, members.

Mr McGuigan: If that is what I said, I chose the wrong words. People here have used the wrong words in many contexts, and they have not been pulled up for it. I am saying that the debates are nonsense: the topics, however, are not nonsense. We show great disrespect to the topics in the debates — and to the people who elected us — by justifying our taking part in the debates of an Assembly that has absolutely no power. We would do our electorate, and serious and important issues — the Irish language; equality; victims; and survivors — a much greater service by not addressing them in the Hain Assembly, Patricia.

The only way to address them is through the institutions of the Good Friday Agreement.

Mr Nesbitt: My question has not been answered. I noted what Dr Paisley said, but I put it on record today that the DUP is not the blockage: the party that I represent would not sit in Government today with Sinn Féin either. I put it to Sinn Féin for the fifth time: you have upped the ante. You have not participated in the debates so far, so you are now trying to ensure that no one participates in any debate. Are you upping the ante?

Lord Morrow: It is a dictatorship.

Ms Ruane: Philip answered your question, but I will answer it again: the DUP has upped the ante. It sounds as if you are speaking for the DUP.

Mr Nesbitt: I am speaking for the Ulster Unionist Party.

Ms Ruane: That is all right. We are very clear about the comments that Ian Paisley made. Sinn Féin is here in good faith; Ian Paisley has upped the ante. Perhaps members of his party differ from his opinion, because they are now trying to rewrite and revise what he said in order to justify it; however, it is obvious that they are uncomfortable with their leader's remarks.

Lord Morrow: No, we are not.

Ms Ruane: We have made our position clear and we are not upping the ante. We are not participating in sham Assembly debates, and we will not pretend that everything in the garden is all right when it is not. We want the institutions up and running and we are here to discuss how that can be done. When we feel that there is a serious attempt at getting the institutions restored, we will review our position and will consider the report and how we take it forward. At the moment, however, we do not believe that, in the light of what Ian Paisley said, real discussions are taking place.

Mr Nesbitt: I have listened to the explanation of your decision today. What has changed from the criteria that you listed for not participating in sham Assembly debates? The debate last Monday was, in your eyes, a sham debate, but you did not stop it. If the motion on this report goes forward to plenary, it will still be a sham debate. What is the difference?

Ms Ruane: Past reports have been used to create sham debates, but we must look at the situation in the light of what Dr Paisley said.

We will not be party to that or allow reports to create sham debates. We have to get real, and the DUP has to get real. You cannot have the party leader saying one thing, and Nelson McCausland rewriting and misinterpreting what he said.

Mr P Ramsey: We all need to get real. Surely we are not going to spend another two hours on this matter. Sinn Féin is now saying — correct me if I am

wrong — that because of something Ian Paisley said outside Downing Street, it is fundamentally changing its position on debates. Patricia is right: not only is Sinn Féin vetoing the debate, it is vetoing the right of all political parties to debate the issues that we have discussed. Sinn Féin was happy enough with Assembly Members meeting to discuss industrial derating, the economy and planning.

Would Sinn Féin have delivered the shadow Assembly that it signed up to under the terms of the comprehensive agreement? It has not answered that question. Gerry Adams wrote a letter to the Taoiseach, and an article in 'The Irish Times' confirmed that Mr Adams had signed up to a shadow Assembly. What is the difference? That was a Hain Assembly too.

There are people who are anticipating the outcomes of Assembly debates, whether or not Philip or Caitríona want to accept that. Those are the facts of life. There is huge anticipation out there for this Assembly to kick in. We want to know whether the Secretary of State will take heed of the debates out of which emerges a true consensus of public opinion.

I do not know why Sinn Féin has spent four or five weeks deliberating on this whole range of subjects — human rights; civil rights; and equality. The only issue that it challenged in two hours this morning was the status of the Irish language. Sinn Féin agreed fundamentally and entirely with all of the matters that had been agreed and those that had not. There is something badly wrong.

Philip and Caitríona, are you now saying that you want to stop other political parties from discussing equality, human rights and the future for victims in Northern Ireland? That is what you are saying.

Mr Nesbitt: That is right.

Mr McGuigan: Our position with regard to debates in the Assembly has not changed.

Mr Nesbitt: It has.

Mr McGuigan: Tell me how it has. It has not.

Mr Nesbitt: I will tell you if you give me the time. Before today, you permitted debates to take place without your participation. Your position today is to not allow any —

The Chairman (Mr Molloy): Dermot, I asked Philip to answer one question.

Mr McGuigan: Sinn Féin's position has always been that it would not engage in sham debates. A number of such debates have taken place in the Assembly Chamber, and Sinn Féin has not taken part in those. We have always said — and this is a matter of public record — that if there were a genuine attempt to get the institutions up and running, and a debate would contribute to that, we would consider taking part. That

has been our position since the Hain Assembly was set up, and it has not changed one iota.

We have seen — and are increasingly seeing — that there is no genuine attempt on the part of others to get the institutions up and running. These debates are playing no serious part in preparing for Government, which is the purpose of this Committee. How can we prepare for Government when one party is saying that it has no inclination to engage and to form the institutions?

Our position has not changed. It is clear. I will repeat and repeat what we said earlier: we are happy enough with the report's contents as a true reflection of proceedings, but we see no point in taking the report any further, and certainly not to the stage of a sham debate in the Assembly. That in no way diminishes the importance of the points that are discussed in the report. We take all of those issues very seriously.

Ms Lewsley: Is there any point in our going round in circles on this argument? Are you telling us that, even though we have agreed the content of this report, unless it is ratified in its totality, it cannot move forward?

The Chairman (Mr Molloy): We have no agreement, at this stage, for the report to go to print. That is where we are stopped at this time. I take some responsibility for cutting off the debate earlier. That is where we are at present.

1.45 pm

Lord Morrow: Caitríona Ruane said that the DUP members were trying to rewrite what Dr Paisley said. We most certainly are not. We emphatically agree with everything that Dr Paisley said when he spoke outside Downing Street. Caitríona Ruane and company do not like having the spotlight directed on them. They now want to ensure that no debate takes place, because their argument will not stand up to scrutiny in the light of day. Furthermore, if they are so annoyed about what Dr Paisley said outside Downing Street and if they are so confident about their position, why do they do not come to the Assembly and debate the point, take him on and cross-examine him?

The fact remains that Sinn Féin is not confident in its position. It is not even confident about the issues that its members discussed in this room. Sinn Féin does not even want matters that it allegedly holds dear to be implemented — issues such as the Irish language. Sinn Féin now says that they should not be debated. That is quite extraordinary. However, when Sinn Féin deprives every other political party that disagrees with it of debate, I know exactly where it is coming from.

Ms Lewsley: May I propose that the report goes to print?

Mr McFarland: Sinn Féin has made it crystal clear, beyond any shadow of a doubt, that it is not prepared

to agree to the report being printed, to a motion or even to a debate.

It seems fairly pointless to continue today, because unless Sinn Féin has a Damascene conversion, we will get nowhere. As we would merely be going round in circles for however much longer, I suggest that we call a halt.

Mr McCarthy: What has been said in the last couple of minutes is exactly what frustrates me. What I have heard from Sinn Féin is diabolical, because it denies everyone else the right to a debate. The debate on the economic report that took place on the Floor of the Assembly was important. The economic subgroup met again yesterday, and the leaders of industry who attended to give evidence said how valued and welcome that report was in the attempt to progress the economic future of Northern Ireland. That is important, and the same would apply to this Committee, should we continue. It is a shame that Sinn Féin, or any party, has a veto over progress.

The Chairman (Mr Molloy): I put to the Committee Patricia's proposal that the report be printed. Do we have consensus?

Members indicated dissent.

Mr Nesbitt: On a point of procedure, has such a proposal ever been put to a Committee before?

The Chairman (Mr Molloy): Yes, it has.

Mr Nesbitt: The proposal that a report be published?

Ms Lewsley: Is there any procedure that allows for a proposal to defer the matter to the Business Committee?

The Chairman (Mr Molloy): No.

Ms Lewsley: OK. I just thought that I would ask.

The Chairman (Mr Molloy): We can take this no further at this time.

Ms Lewsley: It is a waste of time. Unfortunately, we have all wasted our time.

The Chairman (Mr Molloy): All we can do is adjourn the meeting, on the basis that no further progress can be made.

Adjourned at 1.48 pm.

COMMITTEE ON THE PREPARATION FOR GOVERNMENT

Monday 18 September 2006
(Morning Session)

Members in attendance for all or part of proceedings:

The Chairman, Mr Jim Wells
Mr Alex Attwood
Mr Fred Cobain
Mr David Ford
Ms Michelle Gildernew
Mr William Hay
Mrs Dolores Kelly
Mr Gerry Kelly
Mr Danny Kennedy
Mrs Naomi Long
Mr Kieran McCarthy
Mr Alan McFarland
Mr Martin McGuinness
Mr Alban Maginness
Mr Ian Paisley Jnr
Mr Peter Weir
Observing: Mr Francie Molloy

Witnesses:

Rt Hon Peter Hain MP	} The Secretary of State for Northern Ireland
Ms Hilary Jackson	
Mr Nick Perry	} Northern Ireland Office

The Committee met at 9.48 am.

(The Chairman (Mr Wells) in the Chair.)

The Chairman (Mr Wells): This is obviously an extremely important meeting, and we must ensure that we get our tactics and protocol right — I mean your tactics, not mine.

The meeting will finish at 11.30 am. It is absolutely vital that mobile phones be switched off. You might be tempted to text your press agent with some scoop that you have just heard, but please do not leave them on, even in silent mode, because we would run the risk of losing some of the Secretary of State's comments, or, even more importantly, some of your own questions.

Everyone has been here before. Have you been here, William?

Mr Hay: Yes.

The Chairman (Mr Wells): Therefore, no declarations of interest are required regarding membership of the

Policing Board or District Policing Partnerships. The entire Policing Board is here, from what I can see.

The purpose of this morning's meeting is obviously the question-and-answer session with the Secretary of State. Members should have details of who is batting first. The DUP will lead off with question one, and the subsequent order is based on party strength. The order of supplementaries for question one will be: Sinn Féin, UUP, SDLP and Alliance.

Sinn Féin will lead on question two, but to be fair, we will then reverse the sequence. Therefore the Alliance Party will be second, followed by the SDLP, the UUPAG (Ulster Unionist Party Assembly Group) and the DUP. In other words, the Alliance Party will ask the first supplementary question on the second topic.

Mr Ford: What about the UUP's designation?

The Chairman (Mr Wells): It is the UUP. It is written down here as UUPAG, but we will scrub that out.

The UUP will ask the third question, and the SDLP will ask the first supplementary question to that, and so on. Simply arranging the order according to party strength for the entire meeting could create difficulties in that the Alliance Party, or even the SDLP, would get chopped each time. This is an attempt to ensure that every party leads on one question and has at least one chance to ask the first supplementary question.

Does everybody understand that?

A Member: No.

The Chairman (Mr Wells): The idea is that no party will be left to the end without having had a chance to ask a question at all.

It is up to the parties to decide who asks their first question. Who will ask the DUP's first question?

Mr Paisley Jnr: I will.

The Chairman (Mr Wells): Who will ask Sinn Féin's first question?

Mr M McGuinness: I will.

The Chairman (Mr Wells): Who will ask the Ulster Unionist Party's first question?

Mr McFarland: I will.

The Chairman (Mr Wells): Who will be the SDLP's lead?

Mr A Maginness: I will.

The Chairman (Mr Wells): Who will ask the Alliance Party's first question?

Mrs Long: I will.

Mr Ford: I have to leave to go to a funeral, so Kieran McCarthy will replace me after the first half hour.

The Chairman (Mr Wells): I simply need to know who to call next.

Mr McFarland: Other parties raised some of the issues about which we will talk today. Can I be reminded of the major piece of information that the Secretary of State needs to tell us about the appointment of the Police Ombudsman?

The Chairman (Mr Wells): That was a DUP question. Do we know what we are trying to establish with that?

Mr Kennedy: I think the issue was whether the Executive or the Assembly would ratify the appointment.

Mr Paisley Jnr: It involved the qualification of the person holding the office of ombudsman and whether it was in line with Dr Maurice Hayes's recommendation.

Mr McFarland: It concerned judges, and so forth.

Mr Paisley Jnr: Or persons of that standing.

The Chairman (Mr Wells): Members will be aware of the main issues that were raised: the politics of policing; the Glenties speech; army powers post-normalisation; and fifty-fifty recruitment.

The national security and intelligence issue deals with the demarcation between ordinary crime and matters of national security, responsibility of the PSNI for national security matters, accountability arrangements for MI5; and Regulation of the Investigatory Powers Act 2000 (RIPA).

Policing structures is a UUP topic, and it deals with the appointment of the Police Ombudsman and the Policing Board.

The SDLP raised justice issues, and that covers community restorative justice and preemptory challenge in the Diplock courts.

The Alliance Party will lead on criminality and paramilitarism. That topic includes building a lawful society, paramilitary links with organised crime, and the role of political parties in influencing paramilitary organisations.

Mr McFarland: Will parties ask both questions together in each of their slots?

The Chairman (Mr Wells): Yes, they will have only one opportunity to ask both their questions.

Mr McFarland: Therefore we will ask the questions together and the Secretary of State will answer them together.

The Chairman (Mr Wells): The difficulty will be in sticking to the 18 minutes that have been allocated for each section. I will alert members when 17 minutes have passed. We will have to be pretty ruthless, other-

wise the Alliance Party will not get the chance to put its question, which would be unfair. That is the danger that we face if we run over.

Mrs Long: Chairman, if you keep stressing that, members will run over their time. *[Laughter.]*

The Chairman (Mr Wells): That would be unfair to the Alliance Party.

Do members feel that we should introduce ourselves to the Secretary of State, or do we assume that he knows everybody in the room?

Mr Cobain: Does he know you, Chairman?

The Chairman (Mr Wells): Yes, he does.

Mr McFarland: Chairman, the Secretary of State set up this Committee and this Assembly, and presumably, having spent all summer closely monitoring every word that we have said, he will therefore know exactly who everyone is.

Mr Kennedy: Does he have access to the Internet?

The Chairman (Mr Wells): Has anybody not met the Secretary of State?

Mr Paisley Jnr: I hope that he will not fall asleep on us today.

Mr Kennedy: Allegedly.

Mr G Kelly: Will the Secretary of State make opening remarks? After the DUP asks the first question, will he respond, or are we going to ask all of the questions at once?

The Chairman (Mr Wells): The Secretary of State will make two statements. He will make a brief opening statement, and I understand that he also has an important announcement to make at the end. That might encourage members to stay. Once the last question has been dealt with, he will take a few minutes to say something that will be announced publicly after this meeting so, whatever it is, you will hear it here first.

Mr Kennedy: The drama.

Mr G Kelly: The dates for Scotland.

The Chairman (Mr Wells): If it is the dates for Scotland, it will not be such a coup after all; we have all heard them this morning.

Please do not stand up to ask questions. Members may wish to stand in deference to the Secretary of State, but the microphones are at knee level, so if you stand, you will not be heard.

Secretary of State, you are extremely welcome to the thirty-third meeting of the Committee on the Preparation for Government. I also welcome Ms Hilary Jackson and Mr Nick Perry, who will no doubt be assisting you as the meeting proceeds. We aim to finish at about 11.30 am.

Secretary of State, I understand that you have some opening remarks, and that you would like to make a short statement at the end. Do you need to be introduced to any of the members? I am sure that you have met most of them.

The Secretary of State for Northern Ireland (Mr Hain): They are all very familiar.

The Chairman (Mr Wells): I will call members by name to ask their questions. That may remind the Secretary of State of some members that he may not have met as often as he would have liked.

We have gained a little time through your early arrival, Secretary of State, which is much appreciated. I invite you to proceed with your opening remarks.

Mr Hain: I wish to make a few very brief opening remarks. The purpose of this meeting is for members to question me, rather than for me to deliver a speech. I am grateful, as I think everyone is, for the work that the Committee on the Preparation for Government has done over the last few months. The Committee started out amid great difficulties, but subsequently has done much extremely good, purposeful work. The Hansard reports and Committee reports are proof of that.

I am in the process of preparing legislation on policing and justice, and a Bill will be introduced into Parliament around the time of the Queen's Speech in mid-November. I have paid close attention to the deliberations of the Committee and to areas where it has agreed and where it has not.

I wish to say something about the process over the coming weeks. We are going to have an important summit session at St Andrews in Scotland between 11 and 13 October. I am aware of the concerns that parties have expressed about the cost of that, etc, but it is the only way of concentrating attention and getting people really focused on the task ahead, namely to promote agreement in time for the deadline of 24 November. Without being belligerent about it, I repeat that that deadline is in statute and will not be moved.

That is really all I want to say at this stage, Mr Chairman. I look forward to questions from members.

The Chairman (Mr Wells): Thank you, Secretary of State. The first set of questions is to do with the politics of policing.

Mr Paisley Jnr: Secretary of State, you are very welcome to the Committee. I am glad that after some misunderstanding and prevarication the Secretary of State has come here. That is welcome, and it is useful for us to have the chance to question him on some of these issues.

With regard to the politics of policing, the Secretary of State will be aware that when the Prime Minister spoke to the Northern Ireland Affairs Committee on 4

July, he said that people could not pick and choose when it came to the rule of law and support for policing. Yet the Secretary of State's speech to the MacGill summer school at about the same time appeared to have a slightly different logic and emphasis, which caused great concern to the unionist community.

10.00 am

He said then that Sinn Féin must be brought to a position in which its members can distinguish:

"between 'constitutional' endorsement of the structures of policing, and support for the practical service of policing".

Such a choice does not exist. I hope that he accepts that we cannot allow a party that aspires to be in the Government to choose which parts of the law-and-order process it will decide to endorse and which parts it will not. It is either this way or no way, and it is important that the Government make that clear. A party that aspires to be in the Government would not be allowed to take an à la carte approach in its support for policing and the structures of law and order in any other part of the United Kingdom for which the Secretary of State has responsibility. I hope that he will take this opportunity to clarify the dichotomy between his words and those of the Prime Minister.

My colleagues have other questions in this area and, in particular, on fifty-fifty recruitment to the police, but I would like the Secretary of State to answer that point first.

Mr Hain: First of all, I do not understand the member's references to prevarication and misunderstanding about my appearance before the Committee. It was a matter of getting a diary date that suited the Committee and suited me, and I was happy to do that at the earliest opportunity, which is today. I am not prevaricating or misunderstanding anything.

What I sought to do at the MacGill summer school lecture at Glenties in Donegal was to recognise that republicanism has a long history of a particular stance towards policing that is exercised under the jurisdiction of a British Secretary of State. That is to recognise a political reality: not to approve or disapprove of it; but to say that that is part of Northern Ireland's history. I was absolutely uncompromising about the fact that there has to be respect for the rule of law and co-operation with policing.

I notice that the Sinn Féin president, Gerry Adams, said in an interview on television yesterday that he is comfortable with people from republican communities and republicans themselves co-operating with the police and reporting crime to the police. That needs to go much further. There must be full co-operation with the police. I have never hidden that. There needs to be respect for the rule of law — especially on the part of

any party that aspires to office. It might become an absolutely essential precondition in some part of the process or another that a party, Sinn Féin in this case, signs up to the Policing Board and undertakes to join tomorrow. I do not think that that should be a stumbling block at this stage. What is imperative, and it would be indefensible not to have it, is co-operation with the police and respect for the rule of law. There is no disagreement between anybody and what the Prime Minister said.

Mr Paisley Jnr: Does the Secretary of State not think that there is no legitimate excuse for not supporting law and order and policing in Northern Ireland —

Mr Hain: Yes.

Mr Paisley Jnr: — and that no reward will be given to a party that refuses to endorse those structures when it decides to catch up with everybody else and endorse them? There can be no reward for that.

Mr Hain: I do not know what the member means by reward. Every party, and in this instance we are talking about Sinn Féin exclusively, needs to co-operate with the police and sign up to the rule of law. Of course there can be no compromise on that.

Mr M McGuinness: I welcome the Secretary of State's attendance today and I welcome his announcement that the two Governments have confirmed a date for the forthcoming talks in Scotland. Whatever the merits of the location or cost of those talks, Sinn Féin has been pressing the two Governments for some time to set out a plan of action that would see the Good Friday Agreement implemented in full.

Sinn Féin is approaching the coming period in a positive fashion. However, we believe that the onus for ensuring progress rests with the two Governments. If it becomes clear that not all of the parties will commit to inclusive institutions, the Governments really must set out a schedule for delivering in full on all other aspects of the Good Friday Agreement.

On the specific issue of policing, Sinn Féin is firmly of the view that there must be an end, once and for all, to political policing, which has been a feature of this state since Ireland was partitioned.

The nationalist experience of policing has been entirely negative. We have seen systematic repression, human rights abuses, collusion and manipulation of loyalist death squads by a police force that was the armed wing of a sectarian state. So-called national security has been used to turn policing and the entire judicial system into weapons of state repression. We need an end to political policing. We need policing that is democratic, accountable, representative and free from political control. We believe that central to achieving that is the transfer —

The Chairman (Mr Wells): Mr McGuinness, please come to the question.

Mr M McGuinness: I should be allowed as much time as Ian Paisley Jnr, but I am coming to the question.

We believe that the transfer of power to locally elected politicians is central to all of this. We argued for — and secured — British legislation to enable that to happen, but we also need fully functioning political institutions. Therefore, this Committee needs to hear from Mr Hain, as British Secretary of State, what the British Government strategy for achieving all of that really amounts to.

Mr Hain: First, whatever people say about the past, I do not accept that the experience of the nationalist community today is entirely repressive, as the member claimed. I do not know whether he is suggesting that that remains the case so far as the PSNI is concerned.

The PSNI is now widely respected right across the world as a police force that seeks to police all communities impartially. More and more Catholics are joining the Police Service of Northern Ireland — up to more than 20% now from just 8% eight years ago. That trend is continuing. In that respect, I do not accept that the PSNI is anything other than a force that has cross-community support. Increasingly, even in areas such as south Armagh, where there was traditionally a hostile relationship between the police and local residents, there is increasing acceptance of policing.

So far as the process over the coming weeks is concerned, I am very clear, as I said earlier, that the deadline of 24 November is absolute. I hope that the parties will agree to take their responsibilities to share the power that they were elected to discharge in an Executive. I hope that there is agreement on that. If there is not, it will be very disappointing to the people of Northern Ireland, who want Members to do their jobs on their behalf. However, I cannot force anyone to agree and would not attempt to. I just think that it would be a greatly missed opportunity.

If that opportunity is missed, of course, we must dissolve the Assembly. We all know that, after dissolution, getting the Assembly back up and running will take very many years — an average of about 10 years if one looks at the process over the decades and the generations. I do not think that we want to go there, with everything in Northern Ireland so far looking positive in every respect except the politics. However, the work that the Committee has done has been very encouraging, and it is time for the politics to catch up.

The Chairman (Mr Wells): You may respond very briefly, Mr McGuinness.

Mr M McGuinness: It is very important that we all move forward on the basis of trying to achieve success

at the talks in Scotland and the restoration of the institutions by 24 November.

Sinn Féin has made legitimate requests vis-à-vis moving completion forward. All of the parties in this room agree in principle that powers should be transferred from London to a locally elected and accountable administration. Does the Secretary of State accept that all parties have a responsibility to assist each other in trying to achieve completion in the time frame?

Mr Hain: The Prime Minister, my predecessors and I committed the Government to legislation providing for the devolution of policing and justice, and we have delivered on that commitment. Exactly when it is implemented is still to be negotiated, and I do not want to put a time frame of days or weeks on it. However, I understand why it is important to achieve the devolution of policing and justice, and it can be achieved when there is agreement.

In the meantime, there is no real excuse or reason, given the way that policing has changed under the PSNI, for there not to be full and practical co-operation on a daily basis with the way in which the police do their jobs, in solving crimes from rape to burglary and joyriding. All those things affect our communities in Northern Ireland perhaps more than they did in the past, in a sense that becoming more normal has, unfortunately, meant importing some of the “normal” behaviour of urban areas in other parts of the United Kingdom.

Mr McFarland: I too welcome the Secretary of State. Gerry Adams made an interesting speech yesterday in which he said that Sinn Féin was ready to support policing when the Government had met their obligations. What does the Secretary of State understand those obligations to be?

Mr Hain: I shall have to let Gerry speak for himself. In respect of the negotiations of some years ago, we have met our obligation to deliver onto the statute book the provision to devolve policing and justice, which has been a long-standing SDLP and Sinn Féin demand. As I said earlier, that process still has to be implemented, and the Committee has had a chance to look at and comment upon a big consultation document. The Committee has done a lot of good and interesting work. There are, of course, areas of disagreement, but there is a lot of agreement as well.

We have met our obligations with regard to legislating for this provision. Its implementation is a matter for political agreement in the Assembly.

Mr McFarland: Could the Secretary of State confirm that there are no outstanding obligations of which he is aware that prevent Sinn Féin accepting policing?

Mr Hain: Sinn Féin will speak for itself, and, doubtless, Martin and Gerry Kelly will do that. As far as I am concerned, from a British Government point of view, we have put the devolution of policing and justice provisions on the statute book. In any event, Sinn Féin should co-operate with the police at the most basic level, at a community level. There is no longer any reason not to do that, whatever reasons there might or might not have been in the past.

It remains for the provisions for the devolution of policing and justice to be implemented, and that requires cross-community consent in the Assembly. If meeting our obligations includes the implementing phase, I cannot force the Assembly to do anything — whatever people say about me and my dictatorial powers. That is a matter for Northern Ireland politicians to decide.

Mr Attwood: Secretary of State, you are welcome. The Secretary of State is correct that some progress has been made in the Committee on the Preparation for Government. There has been some useful cross-party agreement on this element of —

Mr Hain: More than I would have expected.

Mr Attwood: Our view is that the difficulties are still greater than the achievements; there were no particular achievements. I refer to the fact that the Committee agreed unanimously that some issues should be taken forward on an all-party inclusive basis and not as one party to one Government.

10.15 am

On the politics of policing, David Hanson said at the weekend that, if the 24 November deadline were not met, it could be a “long time” before there is an Assembly like the previous one. Earlier, the Secretary of State said that history shows that it takes perhaps 10 years to get round to setting up an Assembly. Therefore, if we are working within such a time frame, it may take up to 10 years for policing and justice to be devolved.

Given that, the SDLP finds it difficult to believe that the British Government’s position is that, during that time and in the absence of restoration, it is sufficient for any party — Sinn Féin, the SDLP or any unionist party — to have a relationship with the police on the ground, given that that relationship will be the height of any policing commitment for one, two, four, six, or perhaps even 10, years.

The British Government have said that they understand the problems of one party with the devolution of justice and policing. However, endless difficulties will be created if, pending the restoration of an Assembly — which could take up to 10 years — the only requirement of that party is to have a relationship with the police on the ground. That will have serious consequences on the integrity of policing and on wider public confidence over a long, never mind a short,

time. Consequently, the British Government must very quickly revisit that approach. If they adopt that approach over a longer time, we will all live to regret it.

My second point is that —

The Chairman (Mr Wells): Alex, are these questions?

Mr Attwood: That was a question; I am asking the Secretary of State to respond.

I welcome the British Government saying that there should be full co-operation with the police. The Secretary of State cited events in the summer and the words from one party over the weekend as examples of co-operation. However, people ask what full co-operation means. In the Robert McCartney murder inquiry, we saw that it did not mean a great deal. So-called arm's-length co-operation with the police, either through the Police Ombudsman or through solicitors or even directly with the police did not lead to any useful information being provided. While the Secretary of State is right to call for full co-operation and assistance, there does not seem to be compelling evidence that one party wishes for or intends to support that.

The Chairman (Mr Wells): Alex, will you come to your question please?

Mr Attwood: Does the Secretary of State really believe that the words “full co-operation” are what we need to hear? Is it not better that the British Government adopt an approach where all parties are judged by whether they advise people to join the police, whether they unambiguously advise people to co-operate with the police and by the fact that they place no impediment in the way of any individual who participates in policing accountability structures?

Mr Hain: First, in mentioning 10 years, I was merely giving an example of the history of the various attempts to get this place up and running. I am not making a prediction about what will happen if we do not succeed by midnight on 24 November; I am simply saying that the historical picture has not been encouraging. That is why it is absolutely imperative that we get a deal by 24 November.

I do not want Stormont to close down; I want politicians to do the jobs for which they have been elected. Members have mandates, but they are not discharging the responsibilities that go with those mandates. I do not have a mandate here, but I have responsibilities that I must discharge. It would be much better if elected politicians, such as those present, discharged those responsibilities.

Therefore, I am not making a prediction about 10 years; I am simply quoting the historical experience and pointing out that once the Assembly is dissolved — which will obviously happen at some point after 24 November — the option to close down the place is a

pretty serious one. Indeed, that would mean not merely suspension or dissolution.

If policing and justice are to be devolved, institutions to which to devolve them must exist, otherwise it cannot be done. I found the Committee's idea of a single justice Department interesting; however, the existence of institutions is a prerequisite. The absence of the complete devolution of policing and justice must not become a reason for any party's not co-operating with the police. I have been very encouraged by the events of recent months. For example, before 12 March there was contact between senior Sinn Féin representatives and senior PSNI officers. That contact has continued over the most peaceful and successful marching season that we have had for nearly 40 years. That shows that a step change is going on. I want to see that encouraged and deepened so that we can then clear the issue out of the way.

However, I hope to get devolution up and running by 24 November and have the deal done by then. I hope that the devolution of policing and justice can happen as quickly as possible thereafter, once there is agreement in the Assembly.

Mr Ford: On behalf of the Alliance Party, I welcome the Secretary of State and his team. There are great concerns across the community at the prospect of policing being placed in the hands of local politicians. Do the Government recognise the limitations of all the models that were previously proposed for the devolution of policing and justice? Will the Secretary of State accept that it is only through effective collective responsibility in an Executive that real assurances can be provided to the whole community?

Mr Hain: My interpretation of David's point is that we need an inclusive power-sharing Executive and a functioning Assembly to maintain the confidence that policing will be subject to local democratic control as opposed to being administered by a direct rule Secretary of State. For the devolution of policing and justice to work effectively, we need an inclusive power-sharing Executive. I agree with David, if that is what he is suggesting.

Mr Ford: It depends on the definition of “inclusive” and “power-sharing”, as opposed to the silo system that we had in the previous Executive.

Mr Hain: I see. I hope that there will be an inclusive power-sharing Executive that operates in the way in which coalition politics — if I may use that comparison, although I realise that it is not exact — works elsewhere, including, at the moment, in the Republic of Ireland. Parties of different aspirations and policies there who are enemies during elections work collectively on behalf of the people whom they govern.

The Chairman (Mr Wells): The next issue to which you have been alerted, Secretary of State, is

national security and intelligence. Mr Kelly of Sinn Féin will ask the lead-off question, to be followed by the UUP.

Mr G Kelly: The Secretary of State will not be surprised to hear that Sinn Féin has publicly opposed MI5 primacy in national security: we want a lessening of, not an increase in, involvement in that arena. Our concern is shared by, among others, the Police Ombudsman, the Oversight Commissioner, the SDLP and, indeed, the Irish Government. There is concern about the definition and scope of British national security, an arena into which the Serious Organised Crime Agency comes.

Is it true that MI5 primacy was decided a full year before the Secretary of State's immediate predecessor, Paul Murphy, announced it? I ask that because it would mean that that decision was made around the time of the Leeds Castle talks, yet it was not raised with any of the parties at the time.

Will a member of the PSNI be accountable to the Police Ombudsman, the Policing Board and whatever Minister is in post, no matter where that PSNI member might work, including the regional intelligence cells?

The Committee raised the issue of protocols. Do protocols between the PSNI and MI5 exist? If so, why were they not supplied to the Committee when it requested them? Who will define the interface between "ordinary" crime and national security issues? How will such decision-making be made transparent and accountable?

Mr Hain: With your permission, Chairman, I will deal with that series of important issues and Mr Kelly may come back to me if I miss any.

First, I am not in a position to confirm exactly when the final decision was taken. It was being discussed and considered at the time that Mr Kelly mentions, although the final decision was not taken until much more recently. Today's world is one of al-Qaeda terrorism: the events in London in July 2005; the attempt to bring down airliners between London and the United States that was averted with a series of arrests in August 2006; and also the arrest and prosecution of an individual with those affiliations in Belfast a year or two ago. In that context, the idea that national security can somehow not be applied universally across all parts of the United Kingdom is untenable.

I understand Sinn Féin's political aspirations and those of the SDLP in terms of Northern Ireland becoming constitutionally part of a single island rather than part of the United Kingdom. That is a matter, under the Good Friday Agreement, for the people of Northern Ireland. In the meantime, until any such decision is taken, we have a responsibility to exercise national security functions right across every part of the UK. The idea of a national security no-go area for

MI5 as regards the defence of the United Kingdom, particularly against terrorist attacks of the kind that I described, is unacceptable. That is the reason.

The PSNI will have operational responsibility for any arrests, investigations or inquiries that result from activity carried out by the Security Service. I should have thought — particularly since policing and justice will be devolved in the future — that that would bring comfort to nationalists and republicans who have concerns about the matter. The practical effect of any work by the Security Service will be under the PSNI's jurisdiction, which itself will be accountable to a power-sharing Executive, in respect of non-national security matters, through the Chief Constable.

Mr G Kelly: The core, if I may say so, is what you have missed; it is all about accountability. Despite years of negotiations to have accountability mechanisms set up, we now have a situation in which the accountability of MI5 — which does not have a good reputation as regards collusion — Special Branch, and so on is unclear. Where is the guarantee for accountability? I asked whether PSNI members working in any area were entirely accountable for all their actions, through the established accountability mechanisms such as the Police Ombudsman, the Policing Board, and any future Minister in the Executive.

Mr Hain: I do not think that there will be any weakening of accountability over the switch in primacy. For example, I do not think that the Policing Board will receive any less information on police involvement in national security operations than it does currently. When Sinn Féin members take their places on the Policing Board, as I hope they will, in due course, they will be privy to that as well.

That is because the Chief Constable's main accountability in national security matters is, and always has been, to the Secretary of State rather than to the Policing Board. That position will remain. I assume that Mr Kelly was referring to the situation of previous years, but unlike then, the Security Service is now subject to a great deal of accountability. It has been established under statute and is properly accountable. The Intelligence and Security Committee in the House of Commons, which is chaired by my predecessor, is subject to accountability, and various other commissioners maintain detailed oversight of the Security Service's operations.

10.30 am

Mrs Long: My question is based on the strong perception that, at the very least, republican activity has historically been treated as a threat to the state while loyalist paramilitary activity has been treated as a criminal issue. Given the differentiation between national security issues and regular policing activities, are the Government concerned that the actions of loyalist paramilitaries could be handled differently to

those of republican paramilitaries? Are they concerned that that differentiation would confirm that perception?

Due to the blurring of criminal and paramilitary activities, how do the Government see the role of the Serious Organised Crime Agency (SOCA) in relation to paramilitary activity in Northern Ireland?

Mr Hain: Mrs Long is quite right to refer to the blurring of criminal and paramilitary activities. Loyalist groups have effectively switched their activities from paramilitarism in its traditional quasi-political sense, if I may put it that way, to gangsterism.

The leaders of the Ulster Political Research Group (UPRG), about which I will say something at the end of the session, have done some impressive work and have shown leadership in that work. They, and indeed, the PUP, are trying to pull loyalist groups and their representatives away from criminality. Those groups have not focused on paramilitary activity alone, which is pretty well closed down, but on criminality. Indeed, recent UDA behaviour reflects those attempts.

Mrs Long is correct to say that there is an overlap between paramilitarism and criminality in some loyalist groups. That is also true for dissident republican groups such as the Continuity IRA (CIRA) and the Real IRA (RIRA). We must keep a careful eye on that. The PSNI carries out the practical, on-the-ground activity that emanates from its own work or from the Security Service's surveillance, therefore in all its operations it will be accountable to a justice Minister and to the Policing Board.

Mr Attwood: I shall ask an important question, Secretary of State. In the event of MI5 gaining primacy for national security, will the British Government's standard be that all information — not merely all relevant or essential information — gathered by MI5 in the North will be shared with the PSNI?

Mr Hain: I must stress that the Chief Constable and his senior officers are fully involved in the development of the model that will be implemented and that any procedural activities will have their full agreement and co-operation. Arrangements are being developed and tested by the PSNI and the Security Service to ensure mutual visibility of serious crime and national security intelligence investigations.

My point is that the Chief Constable is not being dragooned into this; he fully supports the Government's position. I do not want to sound unreasonable, but the fact that primacy for national security rests with MI5 is not negotiable. That is something that the Government have decided, because it is a question of putting in place arrangements, which would include any incoming Executive, that build maximum confidence.

Mr Attwood: Although the Chief Constable may accept British Government's decision, if he is not

satisfied about how those arrangements will operate, he will say so. Therefore, I ask the Chief Constable again — sorry, the Secretary of State —

Mr M McGuinness: Are you confused? Do you think that you are at a meeting of the Policing Board?

Mr Attwood: That political policing thing got through to me again.

Will all information be shared with the PSNI in this new order? That is a straightforward question, and therefore merits a straightforward yes or no answer. Given that the Secretary of State has executive responsibility for this matter, I do not want an answer that outlines the current process but one that tells me whether he will work, and MI5 will work, on the principle that all information will be shared with the PSNI.

If that is to be not the case, the nationalist community, and, I believe, the unionist community also, will be concerned to learn that, after all the good work over the past four or five years to create policing architecture that complies with best international standards as regards intelligence gathering and management, the British Government have decided that the PSNI cannot access all national-security information on the North.

Mr Hain: What I can say is that the arrangements that are currently being agreed between the Chief Constable and his senior officers and the security service are proceeding, and I think that they will satisfy the PSNI and members of the Policing Board. My officials and I are kept closely informed about those arrangements. That is not a yes or no answer to Mr Attwood's question, because I do not think that a yes or no answer can be given.

Mr Attwood: As the Minister responsible, has the Secretary of State instructed MI5 to operate on that principle when it comes to discussions with the PSNI?

Mr Hain: They are working together, so they do not need an instruction from me.

Mr McFarland: The Secretary of State will be aware that, after the beginning of the Iraq war, there was great concern about the effectiveness of MI6, for example. Concern has been expressed on the Policing Board and elsewhere that, under the new system, MI5 may suppress any intelligence that it receives, were it to interfere with the peace process. There is concern that London may put it to the Director General of MI5 that it would be most unhelpful for a particular piece of information to get out at a particular time.

The protocols that are put in place must be extremely robust in order to get around that. Does the Secretary of State see a substantially increased role for the Intelligence and Security Committee? At present, although it exists, it tends to focus on whether money has been spent wisely or whether the buildings are

right. It tends not to be able to get its teeth into the serious issues, such as whether intelligence is being used properly. Given the seriousness of the issue of national security now, does the Secretary of State see the Intelligence and Security Committee's role being increased, allowing it to properly oversee both MI5 and MI6 in future?

Mr Hain: We shall just have to watch developments. That Committee is relatively new and is free to develop whatever role it wishes. However, it has oversight of the Security Service's operations throughout the United Kingdom, and, in the case of MI6, it has oversight of matters abroad. However, I do not think that I can properly go into any more detail.

Mr Paisley Jnr: It should be put on the record that many people in Northern Ireland welcome the fact the security services have performed their principal duty of protecting property and saving people's lives from those who blew up courts, murdered people and destroyed businesses. It has been placed on the record that there is a great deal of gratitude in Northern Ireland for the fact that the security services have done a very difficult job in a very difficult situation. It is a nonsense for some people to beat their chests and claim that they want a say in national security when they are so linked to the terrorist network.

It is essential that structures are in place in order for there to be proper accountability. I am sure that the Secretary of State can tell us whether the structures that will be put in place in the coming months and years will be the same as the structures that our fellow citizens in Wales, Scotland and England enjoy.

If those structures and standards were the same, we could take some comfort from the fact that Northern Ireland is treated in the same way as other regions. In the past, some of the problems have perhaps arisen because Northern Ireland has been treated differently. Getting fair standards and structures across the United Kingdom is critical.

The other issue is accountability. I suggest that one way to address accountability would be through the House of Commons Intelligence and Security Committee, which the Secretary of State mentioned. A Welsh MP chairs that Committee, and its members include English and Scottish MPs. However, there is no Northern Ireland representation. The Secretary of State should consider suggesting at Cabinet level that Northern Ireland MPs should have representation on that Committee. That would ensure accountability at national level, where it is ultimately required.

Mr Hain: On the latter point, that is a question for Parliament, not for me. The first question about Wales, Scotland and England was important. In respect of the security services, the same standards will apply.

The Chairman (Mr Wells): The next set of questions is about policing structures. The Ulster Unionist Party will take the lead — I believe that Alan McFarland will begin — followed by the SDLP.

Mr McFarland: My first question concerns the appointment of the Police Ombudsman. The Secretary of State will be aware that the Hayes Report recommended that that post be filled by a retired senior judge, or someone of similar standing, with a clear knowledge of legal procedures. What selection criteria does the Secretary of State see being introduced when the post is re-advertised next year?

My second question concerns the Policing Board. The Secretary of State will be aware that there has been interference with the Policing Board, changing its structure from 11 politicians and 10 independent members to eight politicians with the balance made up of independent members. When the Assembly gets up and running, 11 MLAs will serve on a policing Committee and 10 MLAs will sit on the Policing Board. If the Assembly gets up and running, how will that relationship develop?

Mr Hain: If the Assembly gets up and running, the Policing Board will have to be reconstituted. The procedure is very clear: the d'Hondt formula would apply.

As for the current composition, I agreed to the reconstitution of the board's membership when I thought that legitimate pressure was being put on me to say that the composition did not reflect the outcome of the 2003 Northern Ireland Assembly election. As Sinn Féin had made it clear that it would not take up its positions on the board — which was regrettable — I decided that there had to be community balance. Therefore, rather than redistributing the membership among the parties that were taking their positions, I decided to maintain community balance by appointing more independent members.

The board is working well. Its members are doing a good job. There was some initial concern, especially from the UUP, which I fully understand, but there was no hidden agenda. I took the decision to maintain community balance.

The Police Ombudsman's term of office runs out in November 2007; the post is a seven-year, fixed-term appointment. Obviously, if a power-sharing Executive is up and running by then — and I hope that it will be — it will be possible, following devolution of policing and justice, for the Police Ombudsman to be appointed by a Northern Ireland Minister for policing or by the First Minister and the Deputy First Minister acting jointly. Alternatively, responsibility for the appointment could remain with the Prime Minister and the Secretary of State. That is yet to be decided.

The Assembly should give the next appointment process urgent consideration, given that it can take up to nine months to complete.

10.45 am

Mrs D Kelly: I am sure that the Secretary of State will be relieved to learn that, in the report on law-and-order issues that is to be presented to the Assembly tomorrow, all parties agreed that there should be no change in the composition of the Northern Ireland Policing Board. The SDLP welcomes the comments made by the Secretary of State to the Police Federation for Northern Ireland endorsing the Police Ombudsman for Northern Ireland's office. Does he agree with the SDLP that the appointment next autumn of the Police Ombudsman should not be subject to a vote in the Assembly? Does he also agree that, with the devolution of justice and policing powers, there should be no encroachment on the powers, independence and authority of the Policing Board and the district policing partnerships?

Mr Hain: The answer to both those questions is "yes". It is important that the Ombudsman — or Ombudsperson — is seen to be independent of political manipulation or partisan choice. I have said to the Police Federation that Nuala O'Loan has done an excellent job — I am grateful for Mrs Kelly's comments in that regard. Mrs O'Loan has shown great integrity and independence and has sometimes done things that are uncomfortable for Governments as well as everyone else. She is due to report on the McCord case and will doubtless show her customary independence, integrity and vigilance in the pursuit of the truth in that terrible case. The report may be extremely uncomfortable for the British state — if I may use that term — and its current representative, even though those appalling events took place some years ago. The proof of the pudding is in the eating, and Mrs O'Loan has shown much courage.

Mr McCarthy: The Secretary of State will be aware that the Alliance Party had serious concerns about fifty-fifty recruitment to the Police Service of Northern Ireland (PSNI). Do the Government recognise the fact that the stark distinction made between Catholics and non-Catholics in fifty-fifty recruitment makes it more difficult to attract ethnic minorities to the Police Service and to ensure that the PSNI is fully representative of the community as a whole, including the diversity in the Catholic and Protestant traditions? I understand that advertisements for PSNI recruitment are now being placed worldwide in various languages.

Mr Hain: The PSNI is working hard to try to attract more members of the ethnic minority community. As Mr McCarthy rightly implies, Northern Ireland is rapidly becoming a more diverse region than has

traditionally been the case. In recent generations in Great Britain, large ethnic minority communities have developed and become familiar in England, and also in parts of Scotland and Wales. Ethnic minority communities are a relatively new phenomenon in Northern Ireland, so we must keep an eye on this issue.

However, the main issue has been to make the PSNI more representative of the historical community divide in Northern Ireland. The PSNI is on its way to achieving that; Catholic representation now stands at 20%, and that percentage is climbing, month by month and year by year.

Mr McCarthy: As I understand it, a recent PSNI recruitment advertisement was placed worldwide in order to encourage people from ethnic minorities to join. Is the Secretary of State happy that that measure should help?

Mr Hain: I am happy about that. The Chief Constable is aware of, and anxious about, the ethnic minority community situation, and we will do what we can about it. That issue must be addressed in a way that also maintains the increased Catholic representation, because the priority is to re-balance the composition of the PSNI in that regard.

Mr McCarthy: Thank you very much.

Mr Weir: Secretary of State, the DUP has wider concerns about fifty-fifty recruitment to the PSNI; perhaps we can discuss that issue later. Many people in the unionist community do not share the glowing references to the Police Ombudsman.

Mr Hain: I acknowledge that as well.

Mr Weir: I did not think otherwise.

It is worrying that a report at the weekend suggested that the leader of Sinn Féin had indicated that he would seek his party's support for policing once the Government had fulfilled promises that they had made to Sinn Féin. Can the Secretary of State indicate whether the British Government made promises to Sinn Féin that remain unfulfilled? Can he give us an assurance with regard to policing structures and any other policing matters that no changes will be made simply to accommodate one party so that it will join the rest of us on a level playing field with regard to policing?

Mr Hain: I cannot speak for the Sinn Féin president. Perhaps Sinn Féin representatives can assist me. I do not believe that he would want me to speak for him.

The big commitment that the Government agreed to with Sinn Féin, the Irish Government and others who were involved in the talks process was that legislation would be introduced that would devolve policing and justice matters. We have honoured that commitment. However, that legislation has not yet been implemented.

I cannot force the devolution of policing and justice on institutions that do not exist; even when they do exist, I cannot do that without consent. That is possibly what Gerry Adams had in mind. As far as I am concerned, with regard to the bigger picture, the British Government have honoured their commitment to introduce the legislation that provides for the devolution of policing and justice. That legislation is on the statute book.

Mr Weir: Can the Secretary of State give a reassurance that no changes will be made to policing and its structures simply to accommodate one party and to allow it to come on board with the other parties that have always operated on a level playing field?

Mr Hain: I am not aware of any proposal to change the structures of policing.

Mr Weir: I ask for reassurance that no changes will be made.

Mr Hain: I am not aware of any demand for changes. There are outstanding differences and a disagreement on national security matters, which is a matter of concern for the SDLP. That has been mentioned today. I am not aware of any other structural issues. Perhaps a member can assist me with that.

Mr M McGuinness: I can assist the Secretary of State. The agreement that Sinn Féin made with the British Government concerns more than simply the introduction of legislation on the transfer of powers. It is about the transfer of powers to a locally elected and accountable Administration. That raises the question of what must be done if that is not achieved. I have already said that Sinn Féin wants there to be success. As the talks in Scotland approach, Sinn Féin hopes that all parties will recognise the need to assist one another in order to bring about a resolution of all our difficulties. Sinn Féin recognises that unionists have difficulties, and it is determined to tackle those issues. However, those powers must be transferred to a locally elected Administration — with a First Minister, a Deputy First Minister and an Executive that includes a Minister for justice.

In a context in which that transfer has occurred, and there is a working relationship between a British Secretary of State, a Minister for justice, possibly the PSNI and the Policing Board, and with regard to their respective powers, will the Minister for policing have the power to ban the purchase of plastic bullets, Tasers and CS spray?

Mr Hain: I believe so, unless I am corrected by my chief securocrats during the week. The Chief Constable and the Policing Board would be the agencies that would determine that. Their recommendations would guide a justice Minister. As Secretary of State, I do not envisage that I would have a direct veto on any decision that might be taken.

Mr M McGuinness: At that stage, the Secretary of State will probably not have a veto because by then he will either be Deputy Prime Minister or deputy leader of the Labour Party. He would effectively be out of the loop. It would be a matter for the Minister for justice, the PSNI Chief Constable and the Policing Board.

Mr Hain: It is, essentially, an operational matter. I am aware of sensitivities in the nationalist community.

I acknowledge and understand the concern that the member's party has regularly expressed on those issues. However, the Chief Constable has an operational responsibility to protect members of the PSNI. At the moment, he feels that it is necessary to have that capability, and I support him in that. As the situation normalises — and I am confident that it will, given a very good marching season and dialogue of a kind that has never happened before — the Policing Board and the Chief Constable may both take the view that it is no longer necessary.

Once devolution of policing and justice has taken place, it will become a matter for the Policing Board, the Chief Constable and the Minister for policing and justice. Were there a functioning Assembly, Members could of course raise these issues and discuss them with the Chief Constable and no doubt question him about it.

The Chairman (Mr Wells): Thank you to members for bringing us back on schedule for the next set of questions on justice issues.

Mr A Maginness: At the conference of the Police Federation for Northern Ireland, the Secretary of State sought to reassure policemen — and the public at large — that protocols relating to community restorative justice (CRJ) had been significantly strengthened. Community restorative justice has caused considerable unease throughout the nationalist and unionist communities, and is of particular concern to the SDLP.

My party has examined the protocols, and undeniably there have been improvements. However, first, where direct communication with the police remains undefined, the protocols do not give the absolute reassurance that we want. Secondly, the complaints system is not truly independent, and does not have the powers that are required to conduct thorough and independent investigations. They are not on a statutory basis. Thirdly, there is no supervision of most community restorative justice work, namely the non-criminal work. The protocols do not cover that aspect of the work. That is worrying. I ask the Secretary of State for further reassurance on those protocols, and assurance that community restorative justice will work closely and effectively with the PSNI.

Mr Hain: I am happy to do that in general terms, and I can be more specific. I understand the concerns, criticisms and fears that the SDLP has expressed about

the initial proposals for CRJ. It is unusual for Government Ministers to do this, but we admitted, on publishing the second tranche of proposals for a fresh period of consultation, that we had not got it right first time around. We came clean on that.

As I have said previously, that was in an unscripted remark, not in the text of my speech to the Police Federation, so members might not have picked that up. However, I am happy to put it on the record before this Committee today. If we do not get it right, we will not do it.

That is to say, if we cannot come up with protocols and arrangements for community restorative justice that command widespread support — though not necessarily universal support for every dot and comma in schemes' arrangements — we will not proceed with guidelines and official recognition of CRJ schemes. There are CRJ schemes in operation; the intention has been to bring them under the umbrella of proper regulation, so that autonomous CRJ schemes will not operate in communities in an unsupervised way.

I will remind the Committee of the changes we have made. First, we have removed the provision for schemes to report offences to the PSNI through a third party. That emphasises the centrality of the police in the way that the schemes operate. I want to stress that.

The police are central to the most successful schemes — for instance, the alternative scheme which, I am pleased to say, is being continued following its recent financial difficulties. I have seen a CRJ scheme operating effectively, with the full involvement of the police, in a loyalist area.

11.00 am

Secondly, we have established arrangements for a panel comprising representatives from the relevant statutory bodies to determine the suitability of individuals to work in posts governed by the protocol. That panel will be permitted to consider such available information as criminal records.

Thirdly, an independent complaints mechanism for victims and offenders was established at the suggestion of the Probation Board for Northern Ireland (PBNI).

Fourthly, a new protocol has been introduced which sets exacting standards that schemes must meet to achieve accreditation. It will take the form of a rigorous, regular and unannounced inspection regime undertaken by the Criminal Justice Inspectorate.

Those changes should make clear — if it was not already — that the police will be working hand in glove with CRJ schemes and that they will have to comply with the rule of law. The proposals for CRJ came from an independent criminal justice review; they are not part of some backroom deal.

Mr Cobain: The CRJ schemes offer huge potential for people living in working-class areas whose lives are blighted by antisocial behaviour, and much has been talked about some of those schemes. I can only speak from the unionist perspective, but the CRJ schemes have been a tremendous success, and those people involved with them are willing to work with the police. As the Secretary of State said, co-operation with the police is at the centre of the schemes' consultations. I welcome the additional protocols, because unless communities are willing to accept these schemes, they will not work. I, therefore, accept any strengthening of the protocols.

I mentioned to the Secretary of State before that schemes that are willing to sign up to the protocols are being discriminated against because other schemes are not willing to do so. I press him again today to re-examine those schemes that are willing to sign up to the protocols and grant that they are free to apply for some financial help to allow them to continue the good work that they are doing in these areas.

Participation in the CRJ schemes is voluntary. Some people have the idea that those who want to join the schemes are somehow intimidated into doing so. However, it is a voluntary arrangement between the victims and perpetrators, and it brings about a way of re-engaging communities in dealing with these schemes. Will the Secretary of State reinforce his previous comment that there are schemes, in some areas, in which the participants are willing to engage with the police — in fact, they make police central to their scheme — and to adhere to all the protocols.

Mr Hain: I do not know that praise from a Secretary of State for any MLA helps his career, but I want to acknowledge the work that Fred Cobain has done in many parts of Belfast in CRJ. He is right: the schemes that are willing to sign up in full to the protocols will require funding, and we want to look at that sympathetically. There are no funds or resource budgets earmarked for CRJ schemes that will comply with the guidelines when they are eventually finalised. However, we will — if possible — want to assist the valuable work that is being done in many of these communities and with which Mr Cobain is well acquainted.

Mr G Kelly: There are many myths around the concept of CRJ. Does the Secretary of State accept that the concept and practice of restorative justice is a non-violent mediation of neighbourhood disputes? In nationalist terms, it has been on the go since 1999. Does he also accept that the furore from those who have no involvement in restorative justice is based entirely around the issue of Government funding? CRJ is a voluntary process, and people have been working their hearts out on such processes for years.

I do not mean it as a criticism of alternative schemes that co-operate with the PSNI, but I would dispute what the Secretary of State has said about such schemes being the best example. In fact, I can tell him from my own experience that the amount of work that CRJ schemes have taken away from MLAs and councillors is massive. Does he accept that Lord Clyde, the previous Justice Oversight Commissioner, agreed that restorative justice was necessary and was working and that the Criminal Justice Inspectorate agreed with that.

There have been many attacks on this process, but it is about voluntary participation — no one can be forced into a mediation process. All the discussion and worry comes from those who have had no involvement in dealing with the issues that afflict communities, and they are based entirely on whether people get funding. However, people have been working on this process for years without funding.

I welcome the ending of the Diplock courts, but there is deep concern over the proposal to do away with the defence's right to peremptory challenges of jurors. Jury trials have not been used here for over a generation, and it would be the wrong step to take. It would undermine the jury process, especially when it is only being reintroduced into the criminal justice system.

Mr Hain: First, at the risk of agreeing too much with some of my questioners, the picture that Mr Kelly painted was a fair and historically accurate one, except perhaps that it is essential for any community restorative scheme to co-operate with the police. Such schemes work best when they co-operate with the police, and that is perhaps the only point on which I would differ with the member.

We are proposing legislation on peremptory challenge, which will be published in the middle of November. When the suggested clauses have been drafted, I hope to be able to share them with the relevant Committee members, assuming that we have a process that is serious about preparing for Government and only on that assumption. That will establish a principle: rather than a presumption in favour of non-jury trial, which is what Diplock courts have been about, there will be a presumption in favour of jury trial. However, the DPP will have the ability, subject to evidence and intelligence information that he has received, to decide that certain cases would be better sitting without a jury to avoid the risk of intimidation and to ensure the safe pursuit of justice.

We propose to introduce a system in which the selection of juries is more random — by number, rather than by name. The abolition of peremptory challenge, which is the defence's right to get jurors stood down, would avoid the danger of packing juries. That is why we are proposing it.

Mr Hay: I want to return to some of the policing issues before moving on to talk briefly about restorative justice.

Mr Hain: I am sorry to interrupt, but I have one further point. The number of non-jury trials has reduced massively over the years. Last year, there were fewer than 50 such trials; I think that there were about 47. I stand to be corrected on the record, but the figure is in that order and compares to hundreds that used to be held every year. Therefore, jury trial is, effectively, increasingly becoming the norm in Northern Ireland.

Mr Hay: The Secretary of State mentioned that some parties are making policing a deal-breaker in relation to future talks. The DUP considers policing, justice and law and order as real deal-breakers in relation to future talks and an Assembly being set up, and it will lay down a marker to that effect. I do not believe that the Secretary of State could ever envisage any other Assembly in the United Kingdom incorporating people who had not signed up to law and order. I am interested to hear his point of view on that, before an Assembly is set up. It is important to know that everyone who signs up to a future Assembly has also signed up to law and order.

As a member of the Policing Board, I always felt that, from the outset, it was left out of the loop in relation to restorative justice in Northern Ireland. Board members felt that the Government seemed to be talking to everyone else but us. As soon as we realised that, we managed to gain a platform with Government on the restorative justice issues that we felt strongly about. The Policing Board managed to persuade the Government to support it on some of the issues about which it was deeply concerned: that restorative justice schemes must involve the police directly and on issues relating to their funding. I continually raise those issues as a Policing Board member.

Some restorative justice schemes have worked reasonably well and have all the protocols in place. I want to hear the Secretary of State's views on the fact that those organisations that have agreed protocols with Government and comply with them nevertheless think that they may not be funded. However, other restorative justice schemes receive funding despite not having protocols. The sooner that that anomaly is resolved, the better for everyone, so that we can all move on.

The question uppermost in everyone's minds in relation to the changes to be made to Diplock courts in Northern Ireland relates to immunity: under the new arrangements, will no offences committed by, or on behalf of, paramilitary organisations ever be tried by a jury?

Mr Hain: I can give an absolute assurance that non-jury trials are overwhelmingly designed for cases with a

paramilitary dimension. Such cases may involve acts of serious, organised crime committed by ex-paramilitaries or people involved in paramilitary activity. I am thinking, for example, of dissident republicans or loyalist groups at the moment. There is no question about that; it is precisely why the Government will still make provision for non-jury trials in that limited, and declining, number of cases.

Mr Hay mentioned policing and justice, and I fully understand why those issues are so important to the DUP: they are important to me and to everyone in Northern Ireland, but we should be talking about deal makers rather than deal-breakers. However, if Mr Hay wants me to repeat, before him, that every party, and certainly those holding ministerial office, should sign up to policing and respect for the rule of law, I am happy to reaffirm that principle, as I have done in the past.

CRJ funding is important. It is precisely because the Government wanted to get the guidelines right that we have pursued the issue, so that despite the controversy and some of the false starts for which we were responsible — and we did not get it right first time round — bodies could have protocols and comply with them, but not yet be allocated budgets. However, if they were to continue to apply their protocols, they could be eligible for public funds.

It is valuable work, as both Gerry Kelly and Fred Cobain said earlier.

If we can support that with public funding, that would be very good.

11.15 am

Mrs Long: We wish to associate ourselves with the earlier comments, particularly in relation to the need for the full integration of community restorative justice schemes into the wider justice system, and also for full co-operative working with the police. We also recognise the value that such schemes, properly regulated, can add to the local community.

However, reference has been made during this morning's conversation to neighbourhood disputes and antisocial behaviour, which do not always fall strictly within the realm of criminality. How do the Government propose to regulate community restorative justice projects with respect to non-criminal activities? The line between criminal and non-criminal acts can be blurred, and the overall performance and conduct of organisations that deliver CRJ can impact on their credibility as justice agencies in that particular realm.

Mr Hain: Those who have had more direct experience than I have will agree or disagree, but probably agree, that part of the objective of CRJ schemes is to decriminalise society; it is to try to stop youngsters engaging in antisocial behaviour such as joyriding or rowdiness, which is particularly threatening to older

people, rather than putting them on the escalator that leads to the courts and to their getting a record. The idea is to get mediation at a community level to avoid that outcome. That is the right thing to do.

The Chairman (Mr Wells): We now come to the fifth and final topic, which is criminality and paramilitarism. We have only nine minutes to finish off the session, as the Secretary of State has to leave at 11.30 am. I am conscious that Ms Gildernew and Mr Kennedy have not yet asked questions, so I hope that they will get an opportunity in this final round.

Mrs Long: Communities have concerns not just about inter-communal violence, which has been a hallmark of our troubles here, but also intra-communal violence, through which paramilitaries set themselves up as judge, jury and executioner. Will the Secretary of State explain the Government's justification for continuing to use a different set of standards for assessing whether a paramilitary organisation is on ceasefire, when the benchmarks for assessing involvement in paramilitary activity were set out in paragraph 13 of the Joint Declaration and subsequently developed by the Independent Monitoring Commission (IMC)?

Mr Hain: Could you be a bit more specific about what lies behind your question?

Mrs Long: Whenever loyalist paramilitaries attack people in loyalist communities or republican paramilitaries attack people in republican communities, the Government have not deemed those attacks to be a breach of the ceasefire. However, if that violence is against people from the opposite community, it is deemed to be a breach of the ceasefire. There seems to be something inherently sectarian and unjust in that approach.

Mr Hain: I would need to look at the specifics to establish exactly what has been going on, but we do rely a great deal on the Independent Monitoring Commission to guide us on these matters. We take close note and interest, and, based on the recommendations of the Chief Constable, we take decisions in that respect.

Mrs Long: Would it be the Secretary of State's view that, if the Independent Monitoring Commission determines that paramilitary groups are in breach of paragraph 13 of the Joint Declaration, that would be enough to establish that they are no longer on ceasefire?

Mr Hain: The IMC has covered that eventuality in nearly all of its reports. We are due another in a couple of weeks. That report will be important as it will form the backdrop to the session in Scotland, then to the negotiations and, it is hoped, to a deal being done by 24 November.

We are guided by the IMC on these, and other, matters. The IMC is not made up of Government Ministers, nor does it have to make decisions, but it provides valuable guidance.

Mr Paisley Jnr: I want to ask the Secretary of State about paramilitary links with organised crime and the role of the political parties in influencing those paramilitary organisations. I wish to stress this point — I do not want to labour it, but I want to make it very clear that these issues are deal-breakers. If we do not resolve these issues there cannot be a deal by 24 November. Although people may want to be optimistic, we have to be realistic about where we actually are.

Does the Secretary of State agree that Sinn Féin still has considerable distance to travel on the issue of political links to paramilitary crime? I think of our most recent news bulletin; 11 police officers hospitalised, and a Sinn Féin representative on the radio this morning practically justifying those attacks on police officers.

In June/July of this year, a senior IRA man was convicted of extorting £300,000. Despite the fact that the evidence was overwhelming, a Sinn Féin MLA questioned the bona fides of that case. A senior and prominent Sinn Féin member, also a member of the community restorative justice scheme, witnessed a very serious beating and refused to give that evidence to the police.

The Secretary of State will also be aware of the Organised Crime Task Force (OCTF) report that was published in late June 2006, which stated that the IRA structures have evolved from an efficient and effective terrorist organisation into a lucrative criminal empire. Does the Secretary of State accept that those structures must be removed as they are the scaffolding for a criminal empire of money making and money laundering that must cease urgently?

Mr Hain: We should be guided on these matters by the IMC and pretty well nobody else, quite frankly.

Mr Paisley Jnr: What about the Organised Crime Task Force, which the Secretary of State's Minister chairs?

Mr Hain: I am saying that the IMC should be the key and definitive group that reports and makes an overall assessment of what is going on. It is independent. I do not know what will be in the report that is to be published on 4 October, but the IMC's tenth report states:

"We have found signs that PIRA continues to seek to stop criminal activity by its members and to prevent them from engaging in it."

The report made it clear that it is important to realise that that represents a total cultural change within PIRA, which the IMC believes will take some time to complete.

I think that I am right to say that there have been now been six IMC reports since the IRA's historic statement of 28 July 2005, which ended the armed campaign and committed the organisation to exclusively peaceful and democratic methods. In each successive IMC report since then, the IMC has noted an improvement in the situation with regard to criminality. The leadership has been publicly very clear on this matter, as has the leadership of Sinn Féin.

Mr Paisley Jnr: The Secretary of State will be aware that the IMC is not universally praised, embraced or accepted by every party. Although its reports may be of interest to us all, they are not the touchstone reports in all of this, and it is important to bear that in mind. Last night —

The Chairman (Mr Wells): I am going to have to stop you, Mr Paisley, and move on to Mr Kennedy.

Mr Paisley Jnr: Everyone else has had a supplementary question.

The Chairman (Mr Wells): Ian, I am stopping you.

Mr Paisley Jnr: Last night was hardly an endorsement of a cultural change in Sinn Féin's attitude to policing in society.

Mr Hain: I will respond briefly, Chairman.

We do not have a picture of perfection — I am not suggesting that. If the member wants a picture of perfection in Northern Ireland, he will have to wait until he is a very old man. I do not think that Northern Ireland can wait, but there has been an absolute sea change. Sinn Féin has often criticised the IMC. I just cannot believe that the member really is saying that the DUP does not support the independence and integrity of the IMC.

The Chairman (Mr Wells): There is only time to hear from two members who have not yet had a chance to speak: Mr Kennedy and Ms Gildernew.

Mr Kennedy: Thank you, Chairman, for your consideration of me.

Notwithstanding the IMC reports, what measures will the Government and the Secretary of State — the senior Government representative in Northern Ireland — undertake to deal with the ongoing and serious issue of paramilitary links to organised crime to increase public confidence, given that many unionists challenge the Secretary of State's assertion that elements within the Provisional IRA have stopped criminal activity?

Mr Hain: It is not my assertion; it is the IMC's categorical report.

Mr Kennedy: Did the Secretary of State not endorse that report in glowing terms?

Mr Hain: I have always, in my own words, reflected what the IMC says. As Secretary of State, it would not be responsible for me to give my independent assessment. I have put into my own words what the IMC said, and I have just quoted a statement in which the IMC makes it clear — and doubtless that will be the case in its early October report — that there is not a perfect situation, given the history of Northern Ireland and its emergence from conflict, bitterness, war and all the rest. The IRA leadership and Sinn Féin have made clear decisions because people do not want criminal activity, and it would be astonishing if, overnight — as the IMC report states — individuals were not doing things for their own private gain.

At some point unionism needs to recognise that Northern Ireland has been absolutely and completely transformed and that that process is deepening all the time, week by week, month by month and year by year. There have been bad regressions of the kind that Ian Paisley Jnr pointed out over the weekend, but the picture shows a total transformation. Members could keep searching for perfection to the end of their days, and they would probably never find it, but by doing so they would miss the opportunity that exists for Northern Ireland's self-government to work, with all the possibilities and potential that that offers. That would be very sad.

Mr Kennedy: Are you contemplating any measures to increase the powers of the Assets Recovery Agency (ARA) or any change in its conditions?

Mr Hain: The recently established Organised Crime Task Force (OCTF) is energetically and vigilantly pursuing ex-paramilitary groups, dissident republicans and some loyalists groups that continue their paramilitary involvement in criminal activity and serious crime. The ARA, working in concert with its opposite number across the border, is doing the same. Big operations have been launched over the past year, and that will continue. Be in no doubt: we will not compromise on rooting out criminal activity from wherever it comes, and especially if it has any paramilitary association.

Ms Gildernew: How can Mr Hain be confident that criminal activity, up to and including murder through collusion, will be properly pursued, given that no prosecutions have yet been brought as a result of the Stevens Inquiry? He mentioned the McCord case earlier. Will he elaborate on what is happening with that case?

Mr Hain: I want to see prosecutions resulting from the investigation. The Historical Enquiries Team is contributing to this, and the Chief Constable is taking it forward. I want to see prosecutions in all those cases where that is possible. I do not know what will be in the Ombudsman's report, but if, as a result of that report, evidence is brought that would sustain a prosecution, a

prosecution should follow. The McCord case is an appalling case and an appalling stain on the history of Northern Ireland.

Mr A Maginness: The Secretary of State has said that Northern Ireland has been transformed in terms of paramilitarism, and that is true up to a point. However, loyalist paramilitarism remains a residual and stubborn problem. It is the most active form of paramilitarism here, and it has in many ways descended further into covert criminality. That is surely the most pressing problem in relation to criminality and paramilitarism that remains here.

Mr Hain: The most serious danger at the moment — as we saw with the attempt to explode a 250 lb bomb in Lurgan — comes from RIRA and CIRA, the dissident republicans. However, loyalist gangsterism is also very serious.

11.30 am

Mr Chairman, as I am due to make an announcement within a few hours, may I take this opportunity to inform members of the Committee as a courtesy? I have been working very closely with loyalist community representatives, especially in the UPRG, who want to take their organisations and communities forward to comply with the rule of law and to emerge from the bad position in which they have been.

They are still, to a large extent, involved in criminality and paramilitary activity.

The UPRG has proposed a conflict transformation initiative, which would aim to turn loyalist communities away from the influence of paramilitaries and criminality. Later today, I will announce that under the supervision and administration of Farset Youth and Community Development Ltd, which is a well-established and respected community organisation, the Government will make a limited amount of funding available for six months in order to employ project workers who will undertake that important work.

When the leaders of the UPRG approach the Secretary of State to say that they want to move forward into a new Northern Ireland without the mire of criminality, gangsterism and paramilitarism, that must be considered a positive sign. They have told me that since the IRA has ceased its paramilitary activity, there is no point in the UDA and associated individuals being engaged in the kind of activities that they have been engaged in, past and present. That is an encouraging sign. I want to support their emergence from conflict.

The Chairman (Mr Wells): Thank you, Secretary of State, for answering the various questions that were posed to you. You are aware that the Assembly will debate the PFG Committee's report tomorrow and on Wednesday. I am sure that you will pay close attention

to matters that Members raise. Mr Molloy will escort you out of the Senate Chamber. We are grateful to you for your time. On your next visit, we must address the matter of the chairs, which must have intimidated all those concerned.

Mr Hain: I am grateful for the meeting and consider it valuable. My Ministers and I are at the Committee's disposal — perhaps not on a daily or weekly basis, but when the Committee feels that dialogue should take place. I wish the Committee the best of luck in its work and in the plenaries. I want to thank the Chairmen, you and Francie Molloy, for the leadership that you have shown to the PFG Committee.

The Chairman (Mr Wells): It is 11.32 am. The timing has been good, despite the efforts of certain individuals to grandstand. I do not want to name anybody in particular, although there were some clever attempts to turn one question into four and to make certain statements. Nevertheless, we got through the meeting on time. Everyone was equally guilty, so I do not believe that there will be any repercussions.

I thought that it was best that when the Secretary of State arrived, we made maximum use of his time and did not delay with preliminaries. We shall go through the Committee members now. We are at full strength. The Ulster Unionists are represented by Mr Kennedy, Mr McFarland and Mr Cobain.

Mr McFarland: Mr Cobain represented Mr McNarry.

The Chairman (Mr Wells): The DUP are represented by Mr Paisley Jnr, Mr Hay on behalf of Lord Morrow, and Mr Weir on behalf of Willie McCrea.

Mrs Long: David Ford was present but had to leave for a funeral. Kieran McCarthy is here in his place.

Mr G Kelly: Ms Gildernew, Mr McGuinness and I are present.

Mr A Maginness: Mr Attwood, Mrs Kelly and I are present on behalf of Mark Durkan, Seán Farren and Alasdair McDonnell.

The Chairman (Mr Wells): Somebody had to draw the short straw.

Members' questions were extremely relevant: no waffle or extraneous material was included. I was grateful that I did not need to call anybody to order with regard to material. Perhaps timing was a problem, although the material was fine.

I want to mention a couple of issues. The minutes of the meeting on 13 September were signed off and will be included in a report. Committee protocol is that members note those minutes when we table a report. The next meeting of the Committee on strand one matters is today at 2.30 pm. We are halfway through

the report, which we want to complete at that meeting. There will be an overlap for some members who are involved in that.

There is no further business. I want to thank members for their co-operation in making that such a smooth session.

Adjourned at 11.36 am.

COMMITTEE ON THE PREPARATION FOR GOVERNMENT

Monday 18 September 2006
(Afternoon Session)

Members in attendance for all or part of proceedings:

The Chairman, Mr Jim Wells
Mr P J Bradley
Dr Seán Farren
Mr Danny Kennedy
Mrs Naomi Long
Mr Kieran McCarthy
Dr William McCrea
Mr Alan McFarland
Mr Conor Murphy
Mr John O'Dowd
Mr Ian Paisley Jnr
Mr Peter Robinson
Observing: Mr Francie Molloy

The Committee met at 2.33 pm.

(The Chairman (Mr Wells) in the Chair.)

The Chairman (Mr Wells): I remind Members to switch off their mobile phones. Can we make a note of the members who are attending?

Dr McCrea: I am standing in for Ian Paisley Jnr.

Mr P Robinson: I am standing in for Lord Morrow.

Mr McFarland: I am expecting Mr McGimpsey to stand in for Mr McNarry, but I am not sure when he will arrive.

Mrs Long: Kieran McCarthy is replacing David Ford.

Mr P J Bradley: I am standing in for Mark Durkan.

The Chairman (Mr Wells): Will a third SDLP member be present?

Mr P J Bradley: I do not think so. There might not even be two of us present.

Mr Murphy: I am standing in for Martin McGuinness. There will be no other Sinn Féin representatives.

The Chairman (Mr Wells): The minutes of the meeting that was held on 13 September are among members' papers.

Mr Kennedy: Reference is made to the term "UUPAG", but the Speaker has ruled out the use of that term.

Mr P Robinson: Just because the Speaker does not recognise it does not stop Mr Kennedy from doing so.

The Chairman (Mr Wells): Do you wish to participate as the UUUP from now on?

Mr McFarland: No, we do not.

The Chairman (Mr Wells): I am sorry; the UUP?

Mr McFarland: We have no option. The Speaker has ruled that for the purposes of the Assembly, the UUPAG does not exist. We have had to revert to what we were previously.

The Chairman (Mr Wells): The Committee will accept that protocol from now on.

The next item on the agenda is consideration of the draft report on institutional issues. The Committee shall continue in private session but will go into public session when it agrees the report.

The Committee met in private session from 2.36 pm to 5.52 pm.

On resuming —

5.52 pm

The Chairman (Mr Wells): I chaired the last meeting of the economic subgroup, when it discussed its report, and we ran into a problem with the quorum. One member left the subgroup during the evidence session, and that meant that the subgroup had to stop taking evidence.

The subgroup has asked permission from the PFG Committee to reduce the quorum to five members, with a requirement for one member from each party to be present. That would be a much more manageable way to deal with the situation. The demands on members' time attending plenary and other meetings makes it harder to keep to the quorum. However, if the subgroup was to have five members present, but those members did not represent every party, it would not have a quorum. Are members content with the suggested change?

Mr Murphy: The five members would consist of one member from each party.

The Chairman (Mr Wells): Are members content?

Members indicated assent.

The Chairman (Mr Wells): The Committee has received a letter from the Speaker and I would like to put it on the agenda for the meeting on Monday week. The letter states:

"At a meeting of the Business Committee on 14 September, there was agreement, by four of the five parties represented, to a proposal that the PFG should be asked to address the issue of the forthcoming budget for Northern Ireland (an announcement on which is expected in December) and to bring forward plans to allow the Assembly to debate budgetary issues at an early date."

I admire the Speaker's optimism.

The Committee has been asked to look at budgetary issues and to make recommendations. There are two ways to deal with that: the PFG Committee could deal it with, or it could be referred to the Subgroup on the Economic Challenges facing Northern Ireland. Another option would be to agree to not get involved at all.

Mr McFarland: The Budget is an entirely different issue. The Committee was set up to scope the issues of devolution, and it is coming to a logical conclusion with its reports going forward to the talks in October. The economic subgroup was set up to look at the specific issues of the economic challenges facing Northern Ireland. The Committee should have a debate on the issue. It has been asked to operate as a Committee of the Assembly to examine the Budget, as the Executive might have done, presumably with a view to either agreeing or not agreeing the Budget so that the Government could implement it in March or April 2007.

That is a different issue, and members may need to consult with their parties outside this forum, and have some discussion as to where the PFG Committee goes after it has finished its work.

The Chairman (Mr Wells): Mr McFarland, are you saying that the issue should not be discussed in this Committee or in the economic subgroup?

Mr McFarland: No. There is some neuralgia about what this Committee is or is not doing. It was set up for a specific purpose. If the Secretary of State changed the Committee's remit to examine the Budget, would all parties sit round the table in good faith and examine the Budget with a view to debating it in the Assembly, and its going forward into the Programme for Government? If the parties are not prepared to do that, sitting closeted in here two or three times a week for another three months with no end result, because members are still playing with it, would be quite ambitious for the Committee.

Mrs Long: It does not fit with the remit of the economic subgroup. That would mean discussing the Budget, rather than impediments to the economy, and that is slightly different. This issue was raised at several Committee meetings and there was concern that if there were to be devolution in November, any Administration would be lumbered with a Budget that was already fairly far developed and would, therefore, constrain any future Executive.

This is a matter that individual parties should take forward, rather than one on which this Committee should necessarily reach consensus.

The Chairman (Mr Wells): I was not present at that meeting of the Business Committee. I would love to know what was behind that suggestion.

Mr Murphy: I am loath to say that the proposal was not that well thought out, but it was simply thrown into the melting pot, without notice. I am not sure what detailed consideration of budgetary issues would involve. Most people feel that what has happened is that rather than being ruled out by the Business Committee, which is not really the vehicle for considering that type of matter, it was decided to let the PFG Committee have its view on the Budget. We will not rush into that, because it involves a significant departure from the sort of work in which the PFG Committee has been engaged. I do not wish to be critical of the Member who introduced the proposal, but I am not sure that its implications were carefully thought through.

Dr Farren: The Budget would certainly require urgent discussion if the imminence of restoration was such that we would find ourselves having to finalise it. During the period of devolution, the final budgetary discussions took place in December, and I assume that the timetable remains the same, although it is currently up to the Minister to sign off on the Budget without

any public discussion. I do not consider restoration to be likely at the moment, unless there is a rush of excitement to the head.

The Chairman (Mr Wells): It is difficult to see how a PFG Committee could exist in December. By then, either there will either be full-blooded devolution, which means no PFG Committee, or we will be standing, as do many others, in the queue at our local social security offices. I cannot see how this proposal was thought through.

Dr Farren: PFG would then stand for Programme for Government.

Mr McFarland: Absolutely, yes.

The Chairman (Mr Wells): What do members feel? Will we simply report back to the Business Committee that budgetary issues should be taken forward by the parties, rather than by this Committee?

Mr McFarland: At the start of the summer, we discussed whether there was any merit in considering different aspects of a Programme for Government, and the word around the room was that that was a matter for the Executive. Parties need to discuss budgetary issues.

Mrs Long: It is not a matter for this Committee.

The Chairman (Mr Wells): Do we agree that it is not a matter for this Committee?

Mr Murphy: Simply note that.

The Chairman (Mr Wells): Is there consensus that we simply note that and take it no further?

Members indicated assent.

The Chairman (Mr Wells): There is one further technical issue. The equality strand of this Committee met on Friday and has no plans to meet again. There is a set of minutes from that meeting of 15 September that must be ratified because there are no further meetings. Are members content that, as no date has been set for further meetings, we must simply accept that there is no mechanism to agree those minutes?

Mr P Robinson: I am sure that there is a mechanism.

The Chairman (Mr Wells): Yes, I was going to ask whether there is a situation by which the two Chairmen can sign off the minutes or bring them back here.

Mr P Robinson: That group does not meet as a separate entity; it meets as a strand of the PFG Committee, so we must agree its minutes.

Mr McFarland: That is why I said to you earlier, Chairman, that if it is the will of that strand of the PFG Committee to produce a final draft of its report, in the same way that we will produce a final draft of our report, at least that would result in something for

members to consider, even though the report will be issued only to the members of the Committee.

The Chairman (Mr Wells): The minutes can be handed out here or tabled for consideration.

Mr Murphy: The difficulty in agreeing the minutes now is that I was not at the meeting.

Mr Paisley Jnr: I have to leave, which affects the quorum.

Adjourned at 6.01 pm.

COMMITTEE ON THE PREPARATION FOR GOVERNMENT

Monday 25 September 2006

Members in attendance for all or part of proceedings:

The Chairman, Mr Francie Molloy
Dr Seán Farren
Mr David Ford
Mr Danny Kennedy
Ms Patricia Lewsley
Mr Kieran McCarthy
Dr William McCrea
Mr Alan McFarland
Mr Michael McGimpsey
Mr Conor Murphy
Mr John O'Dowd
Mr Ian Paisley Jnr
Mr Peter Robinson

The Committee met at 2.01 pm.

(The Chairman (Mr Molloy) in the Chair.)

The Chairman (Mr Molloy): Before I begin the meeting, I draw members' attention to the sudden death of our fellow Assembly Member Michael Ferguson. Michael had attended the Preparation for Government (PFG) Committee dealing with rights, safeguards, equality and victims. Michael had been recovering from cancer, and it is thought that he had a heart attack in the early hours of this morning. Are members agreeable to the PFG Committee sending a letter of condolences to his family?

Dr Farren: I think that we should.

Members indicated assent.

The Chairman (Mr Molloy): I remind members to switch off their mobile phones for the benefit of Hansard. Are any new members present today?

Ms Lewsley: I am here on behalf of Mark Durkan.

Mr O'Dowd: I am here on behalf of Michelle Gildernew.

Mr McCarthy: I am here on behalf of Naomi Long.

Mr McFarland: Michael McGimpsey is here on behalf of David McNarry.

Mr P Robinson: I am not sure for whom I am deputising. I will see who the other two members are, and then I will have a better idea for whom I am substituting.

The Chairman (Mr Molloy): You are here for somebody, anyway.

Mr Ford: Can it be put on the record that Peter is not sure?

Mr P Robinson: I am it.

Ms Lewsley: He does not know who he is.

The Chairman (Mr Molloy): The first three items of business on the agenda are to agree three sets of minutes. Are members content with the draft minutes of 18 September?

Mr Ford: My apology has not been recorded under "Apologies". I was not at the meeting, but I presume that an apology was made on my behalf, and that it was noted that Kieran McCarthy attended in my place.

The Chairman (Mr Molloy): Are members content?

Members indicated assent.

The Chairman (Mr Molloy): The next set of minutes to be agreed is that of the meeting of the PFG Committee dealing with rights, safeguards, equality and victims on 15 September.

Mr Kennedy: The minutes still refer to the Ulster Unionist Party Assembly Group (UUPAG), which is an error of description, according to the Speaker's ruling.

The Chairman (Mr Molloy): Are members content with the draft minutes of 15 September?

Members indicated assent.

The Chairman (Mr Molloy): The final set of minutes to be agreed is the draft minutes of the meeting of the PFG Committee dealing with law and order on 18 September, which was attended by the Secretary of State. Are members agreed?

Members indicated assent.

The Chairman (Mr Molloy): The next part of the meeting, which is the further consideration of the draft report on institutional issues, will be held in private.

The Committee met in private session from 2.05 pm until 2.43 pm.

On resuming —

2.43 pm

The Chairman (Mr Molloy): I thank all members who took part in this format of the PFG Committee for their co-operation with Jim Wells and me as the Chairmen.

The next item on the agenda is “Any other business”. Representatives of the PFG Committee have agreed to attend a symposium hosted by the Northern Ireland Human Rights Commission on 5 October, from 9.30 am to 12.30 am, which will be the Committee’s next task at this stage.

Mr McFarland: I understood that the Secretary of State had tasked the Committee with producing a ministerial code in October. What progress was made on that? It is on the Secretary of State’s list of the Committee’s duties.

The Chairman (Mr Molloy): The work plan says that one of the Committee’s roles in October is to:

“conclude discussions and finalise a draft Programme for Government and draft Ministerial Code.”

However, there was an earlier decision that the Committee could not draw up a draft Programme for Government.

Mr McFarland: I was not talking about the Programme for Government, but the ministerial code, and whether the Committee is expected to continue working to produce that or whether it will ignore the fact that it has been asked to do that.

The Chairman (Mr Molloy): If the Committee feels that it must fulfil that role —

Mr McFarland: The Committee could broach the ministerial code after the talks, because it may be discussed during those. It might be sensible to examine whether we need to do that afterwards.

The Chairman (Mr Molloy): That has come up in earlier discussions. We concluded that there was no point in considering that in advance of the talks.

Mr McFarland: I am simply acknowledging the fact that that was —

The Chairman (Mr Molloy): The Committee will return to that issue later, if appropriate. However, the Secretary of State will give some direction on that point.

As there is no other business, the meeting is adjourned. Thank you.

Adjourned at 2.45 pm.

COMMITTEE ON THE PREPARATION FOR GOVERNMENT

room — I am sure that they will not be too disappointed to hear that. Researchers are welcome to stay, although none is here at present.

The Committee met in private session from 10.07 am to 10.37 am.

Friday 6 October 2006

Members in attendance for all or part of proceedings:

The Chairman, Mr Jim Wells
Mr Wilson Clyde
Ms Patricia Lewsley
Mr Fra McCann
Mr Alan McFarland
Mr David McNarry
Mr Alban Maginness
Mr John O'Dowd
Mr Peter Robinson

The Committee met at 10.05 am.

(The Chairman (Mr Wells) in the Chair.)

The Chairman (Mr Wells): I remind members that the quorum is seven. Therefore should any member leave the meeting, we will have to stop proceedings immediately.

I now turn to apologies and deputies. Mr Robinson, whom are you representing?

Mr P Robinson: Do you mean for whom am I substituting?

The Chairman (Mr Wells): We will make you Lord Morrow. Is Mr Clyde to arrive later?

Mr P Robinson: Yes; if he arrives, he will represent Willie McCrea.

Mr McFarland: Mr Kennedy sends his apologies.

Ms Lewsley: I am here on behalf of Mark Durkan.

Mr A Maginness: I am here on behalf of Seán Farren.

Mr O'Dowd: Mr McCann and I are representing Conor Murphy and Martin McGuinness.

The Chairman (Mr Wells): I have received apologies from the Alliance Party. I have received no other apologies.

I now turn to the minutes of the meeting of 26 September, which have been circulated to members. Do members have comments or corrections? Are members content that they are an accurate record of the proceedings?

Members indicated assent.

The Chairman (Mr Wells): We will move to the report of the Subgroup on the Economic Challenges facing Northern Ireland. This part of the meeting will be held in private, so I ask Hansard staff to leave the

On resuming —

10.37 am

The Chairman (Mr Wells): We have one other issue.

Six or seven members of the PFG Committee, and myself as Chairman, met the Human Rights Commission yesterday in their Belfast headquarters. Prof McWilliams and a large number of her commissioners attended the meeting, which PFG members found useful. There was a discussion about the progress of the Bill of Rights, and we had some input as regards what we felt it should include.

It was unanimously agreed that the meeting went well, and it was suggested that the PFG Committee should meet the Human Rights Commission again on 5 December. It is entirely up to us whether we meet them again or not.

Alban and Patricia were there. Alan, were you there?

Mr McFarland: No. It was Dermot and Sir Reg.

The Chairman (Mr Wells): What is your view on that, Alban?

Mr A Maginness: It was a very good meeting, and everybody was content with it. The suggestion that we meet again on 5 December — providing of course that the Committee is still in existence — received unanimous support from the parties that were there. It is an eminently sensible proposal and we should endorse it.

The Chairman (Mr Wells): It is unlikely that there will still be a PFG Committee on 5 December. It is even less likely that we could accept an invitation to go to Virginia in the spring of 2007. I cannot see how the PFG Committee could be in existence in the spring of 2007 to go anywhere, for obvious reasons.

Mr P Robinson: I am content that members are now coming to the view that we will still be preparing for Government in December.

The Chairman (Mr Wells): Are members content that we go ahead with the arrangements for the meeting on 5 December with the strong caveat that it is subject to developments? If that is not the case, then presumably individual parties will take up the invitation and send their spokespeople.

Members indicated assent.

The Chairman (Mr Wells): I must say that we were extremely well treated yesterday. The catering facilities were excellent, and I recommend visiting the Human Rights Commission if you are looking for a good lunch. It was suggested that I write to thank the Commission for their hospitality.

Members indicated assent.

The Chairman (Mr Wells): Are there any other matters that members wish to raise?

Mr O'Dowd: Both the economic subgroup and this Committee are scheduled to meet on Monday.

Mr McNarry: The economic subgroup is due to meet on Monday afternoon at 2.00 pm.

Mr O'Dowd: Sinn Féin is having difficulty with getting personnel to attend that meeting. It is involved in the preparations for St Andrews, as are other parties. It requests, therefore, that the meeting be postponed.

Mr McNarry: Witnesses have been invited to give evidence to that meeting. However, as Sinn Féin does not subscribe to printing the report, its presence will not be missed.

The Chairman (Mr Wells): The Alliance Party also has a problem with that date. Next week will be difficult for everyone. We have managed to get to this stage without much difficulty, but holding meetings next week may be practically impossible. What is the DUP's position regarding next week?

Mr P Robinson: We are meeting the archbishop on Monday morning.

The Chairman (Mr Wells): That meeting may run beyond 2.00 pm.

Mr McNarry: I accept what John O'Dowd has said, but perhaps cognisance could be given to a possible delay to the deadline of 23 October, as we lose all of next week.

The Committee Clerk: Alan has already said that there could be difficulty with meeting the deadline, depending on when the Economic Research Institute of Northern Ireland (ERINI) research comes through. He anticipated that the subgroup may approach the PFG Committee to request an extension to the deadline.

Mr McNarry: There are many educational issues involved.

Mr P Robinson: I am concerned about who will field the team if the meeting proceeds? However, I would not be unhappy if members wish to skip on this meeting.

Mr McFarland: Can we agree to extend the deadline by a week?

The Committee Clerk: Our next meeting was due to take place on 25 October.

The Chairman (Mr Wells): Are members content to extend the deadline to 30 October and to postpone the meeting of 25 October to some time in November?

Members indicated assent.

The Chairman (Mr Wells): The economic subgroup meeting on Monday has been cancelled.

As there is no other business, the meeting is adjourned.

Adjourned at 10.43 am.

COMMITTEE ON THE PREPARATION FOR GOVERNMENT

Tuesday 17 October 2006

Members in attendance for all or part of proceedings:

The Chairman, Mr Francie Molloy
Mrs Diane Dodds
Dr Seán Farren
Mr David Ford
Mrs Dolores Kelly
Mr Danny Kennedy
Mrs Naomi Long
Mr Alan McFarland
Mr Michael McGimpsey
Mr Alban Maginness
Mr Conor Murphy
Mr John O'Dowd
Mr Ian Paisley Jnr
Mr Peter Robinson
Ms Caitriona Ruane
Observing: Mr Jim Wells

The Committee met at 4.18 pm.

(The Chairman (Mr Molloy) in the Chair.)

The Chairman (Mr Molloy): Let us begin. I remind members to switch off their mobile phones, as they interfere with the recording system. A Hansard report of this meeting will be produced.

There has been a request that officials from the Northern Ireland Office (NIO) be allowed to attend the meeting; they are waiting outside. The Committee needs to agree that those officials can attend the meeting. NIO officials attend meetings of the Business Committee.

Mr Kennedy: Who requested that NIO officials be allowed to attend the meeting? Was it the NIO or the Secretary of State?

The Chairman (Mr Molloy): The understanding of the Clerks is that some of the parties requested that NIO officials attend this meeting, as they attend meetings of the Business Committee.

Mr Kennedy: Is anyone prepared to admit to that?

Dr Farren: There was some discussion during the talks in Scotland about the Government's availability for meetings via their officials. We have now come to the point of deciding whether they necessarily have to sit in on meetings. The SDLP has no objection: officials will read the Hansard report anyway. What they can read, they can hear as well.

Mr P Robinson: The DUP has no objection either. I assume that the NIO officials want to hear the nuance of our discussions here for drafting purposes should legislative changes arise.

Mr McFarland: I would like to enquire about the status of the Committee. Until we went to St Andrews, the Committee was on a scoping exercise and was producing reports that would go forward to the talks — and that was done. The Committee parked some issues for decision at St Andrews. However, due to one thing and another, time was not available to take those decisions. We are now post-St Andrews, and we have the St Andrews Agreement. If we are to move forward, this Committee should take decisions on those issues. What is the point of the Committee if it cannot take decisions and deal with the items that were parked?

The Chairman (Mr Molloy): Before I call anyone else to speak, I would like to refer to the Secretary of State's direction to the Speaker on Saturday:

"A number of the parties have indicated that they wish to discuss the changes to institutions annex in the PfG. I am happy to facilitate this and to receive any representations by the 31 October."

That is his direction for today's meeting.

Mr P Robinson: There is only one change. The Preparation for Government Committee is as it always has been, with one exception, which the Secretary of State indicates in his letter. He wants a clearer picture of the respective strengths of each party as regards voting on issues.

Before, there was a consensual approach: no party's views were expressed unless all parties agreed. The Secretary of State is now saying that the relevant strengths of the parties in the Assembly are to be reflected in any decisions taken.

Dr Farren: It seems that we are taking two issues together. Having NIO officials present at our meetings may be linked to the decision that we take on voting. Alan's point is pertinent: if the Committee is to take decisions, we will have to agree on whether our parties will be bound by them. The Committee may want to consider whether that requires a formal vote.

We need clarification on whether the Committee has moved from scoping into decision making. If we move to the latter, we will bind ourselves to accepting the recommendations that are endorsed — under whatever formula. Perhaps we need to clarify those issues, and the presence, or otherwise, of NIO officials may be determined by the decisions that we make.

Mrs Long: The Alliance Party has no objections to NIO officials being present. If one reads carefully what the Secretary of State has written, it becomes clear that there is a difference between what is written and how it is being portrayed. He is saying that votes — as

opposed to decisions — will be taken in this Committee, and the Government have only agreed to consider the outcome: they have not committed themselves to implementing decisions.

I suspect that, using the system that we operated before, if decisions or votes were unanimous, the Government would be unlikely to oppose them. However, we should not make any presumptions about the role of the Committee and whether it would be making decisions or simply taking votes to record the various party outcomes.

Mr Murphy: Three issues are being dealt with here. Sinn Féin is relaxed about the NIO officials attending the meeting. They attend the Business Committee meetings, and if they feel that they have a function to fulfil here, that is well and good.

In relation to how the Committee carries out its business, Sinn Féin has always been prepared to resolve any outstanding issues around this table, and it is prepared to do so again.

I have serious reservations about the proposed voting arrangements. The implication is that the annexes contain suggestions or proposed legislative changes that would alter the Good Friday Agreement. If the Committee were to vote according to the respective strengths of the parties in the Assembly, that would essentially mean majority rule. I would have to question how the Secretary of State could consider views on alterations to the Good Friday Agreement on the basis of a voting system that does not even have the safeguards of the Good Friday Agreement.

Where did he get the notion that the voting system of the Committee needed to change? It is a pity that we do not have more clarity on that, because Sinn Féin has not discussed it with either the Secretary of State or with any other official of the British Government. I have strong reservations about any attempt to change it. If this is, as Peter Robinson suggests, simply a matter of getting a clearer view of how people feel on an issue, the NIO officials present can record in their own notes the strength of the parties' feelings.

This specifically refers to voting, and it would have very serious implications for the agreement if matters could be discussed here that would impact on the British Government's proposed legislative changes. I am concerned that our discussions here would be represented on the basis of a majority vote, which is not part of the Good Friday Agreement. We are considering a proposition to alter the Good Friday Agreement, and the safeguards in the agreement would be disregarded. That is a very serious situation and I record, in the strongest terms, Sinn Féin's opposition to changing the voting arrangements in the Committee.

The Chairman (Mr Molloy): Can I separate the two issues? Do members agree to the NIO officials

attending the meeting? They could be part of the further discussions.

Mr P Robinson: Who wants to come in?

The Chairman (Mr Molloy): Hilary Jackson.

Mr P Robinson: Just one?

The Chairman (Mr Molloy): It may not be the same person every time, but Hilary Jackson is here today.

Dr Farren: Are they to have observer status?

The Chairman (Mr Molloy): Yes. The Committee could decide at any time in future, if there were objections, that the officials should not attend. Do members agree?

The Committee Clerk: Clare Salters and Hilary Jackson are the NIO officials.

Mr McFarland: Chairman, have we lost the light somewhere?

The Chairman (Mr Molloy): The room seems to be dark.

Mr Kennedy: It is the dark days.

Mr Ford: Only in your corner.

Mr McFarland: Can we turn the light on?

Mr Paisley Jnr: Alan has admitted that he is in the dark.

Mr McFarland: We need some light over the DUP to brighten their lives a bit.

Mr Paisley Jnr: Get that into Hansard.

Mr Murphy: Put them in the spotlight.

The Chairman (Mr Molloy): I thought that there was already a halo there.

Mr P Robinson: We are bright-eyed and bushy-tailed, I assure you.

Mr Kennedy: Lighten our darkness, we beseech thee.

The Chairman (Mr Molloy): Do members agree to NIO officials attending the meeting?

Members indicated assent.

The Chairman (Mr Molloy): Do members have any questions?

Mr P Robinson: How did we reach that agreement? Did each of the parties vote on it?

The Chairman (Mr Molloy): Nobody disagreed. We will move to the substantive part of the meeting.

4.30 pm

Mr McFarland: Chairman, we have raised three issues, one of which you have dealt with already. The second concerned what the Committee thinks it is doing, and the third dealt with the voting system that the Committee should use hereafter.

My understanding is that the proposed system is the same as that which the Business Committee used during the previous Assembly to decide fundamental matters. All that will be referred to the Secretary of State anyway, so I do not see the difficulty.

Mr Ford: In response to Conor Murphy's points, the voting arrangements were discussed at a meeting in St Andrews that some of us attended with the Secretary of State. Conor was probably in a meeting with either the Prime Minister or the Taoiseach at the time; various things happened at the one time. We discussed the Committee's inability to agree several matters when complete unanimity was required. The point that the Alliance Party made to the Secretary of State was that recording the opinions of parties would allow him to test on the basis of sufficient consent. I remind Alan McFarland that that is not how the Business Committee voted; it operated on a head count of party strengths.

The Secretary of State in his letter says that he is "minded to accept" an arrangement that is rather closer to the Business Committee's operations than what I thought he and his officials agreed to when we put the proposal. I have no doubt that anything that is unanimously agreed in the Committee will weigh heavily with the Secretary of State, and anything that is agreed by four parties, even if the Alliance Party dissented, will have the same effect. The issue is how the strength of opinion is tested, not whether this Committee is passing majoritarian votes. Applying the principle of sufficient consent takes into account the rules that have been used in talks since 1996.

The Chairman (Mr Molloy): The Secretary of State says in his letter that he is "minded to accept" the party-strength arrangement. The Committee operates on consensus, so it must decide whether to accept that position or continue with the current mechanism. That is my interpretation of the letter.

Dr Farren: At the risk of simplifying the issue, Hansard records parties' views when the Committee reaches the point at which recommendations are to be endorsed or not. Although the minutes record that consensus was not reached, Hansard tells us clearly whether the parties expressed their agreement, as is their usual practice. Therefore I cannot see any great difficulty with the Secretary of State's noting levels of agreement or disagreement. If that is clear in the record, let us not get too hung up on the technicalities of whether we vote in the manner in which the Secretary of State seems to want us to.

Mr P Robinson: Is it not sufficient for us to say that there was or was not consensus on an issue? If there is no consensus, should we not simply record those parties that supported and those that opposed a proposition? We will not take final decisions in this Committee.

Mr Murphy: That is recorded in Hansard. The fact that two NIO officials are now present at these meetings means that decisions will be recorded twice. The situation in the Business Committee is somewhat different; we are discussing what could be legislative amendments to the Good Friday Agreement, but the Business Committee discusses what should be debated in the Assembly the following week.

This discussion is much more significant; therefore any voting processes on issues would also be much more important. If we are to alter the Good Friday Agreement, my party is certainly not prepared to contemplate going back to a voting system that is based on majority rule and which does not even have the safeguards that were built into the agreement in the first place.

However, recording how people felt on an issue is another matter. That does not require any change to the Committee's voting arrangements; it simply requires a change to how matters are recorded. As Seán pointed out, the discussions are already available in Hansard. The NIO officials can make whatever notes they wish, but voting arrangements are not required.

The Secretary of State's letter is explicit. Not only is he "minded to" change the voting arrangements, but he suggests how they should be changed and that people should vote on their respective party strengths.

That is about voting: it is about the weight of votes and how many they count for when cast. That is about straightforward voting in the Committee. My party will not accept changes to the way that voting takes place in the Committee.

Mr Ford: The logical follow-through to Conor's remarks is that the Committee should write to the Secretary of State and ask what he meant by that phrase. I agree with Conor that it seems as though the Secretary of State wants there to be a majority voting system, which does not reflect the discussion that some members had when the issue arose earlier. Perhaps discussions with others went down that route.

I am slightly bothered that decisions are not always clear in Hansard. The words "Members indicated assent" do not clarify which members did so. It may be necessary for individuals to say whether their party gives its assent or not, so that Hansard can record that full statement.

The Chairman (Mr Molloy): Perhaps the issue can be resolved so that the Committee will retain its voting arrangements, but that the minutes will record the extent of assent and dissent on proposals.

Mr Ford: That is fair enough.

The Chairman (Mr Molloy): That will clarify which members gave their assent. Is it acceptable to

everyone that the Committee will retain its present voting system?

Dr Farren: I do not believe that clarification has been given on the point that Alan raised with regard to the mode.

The Chairman (Mr Molloy): First, I want to confirm the Committee's decision on its voting system.

Dr Farren: Of course, Mr Chairman. I apologise.

The Chairman (Mr Molloy): Is the Committee agreed that it will retain its current system of consensus, but that the minutes will state which parties gave their consent and which did not?

Members indicated assent.

The Chairman (Mr Molloy): Seán, did you wish to raise an issue?

Dr Farren: I apologise, Mr Chairman, for jumping ahead of you. We have not clarified the mode in which the Committee will operate. Perhaps that is not necessary, except to acknowledge that in the wake of the St Andrews Agreement there is greater urgency and a need for greater clarity and precision in the recommendations that we make. That may answer Alan's query about whether the Committee is in scoping or negotiation mode. Perhaps we do not need to provide the clarification that he sought initially.

Mr Paisley Jnr: Nice try.

Mr P Robinson: No change of mode is outlined in the Secretary of State's direction. The Preparation for Government Committee will continue to do exactly what it was set up to do — to prepare for Government. Seán is correct: the timetable that has been put forward by the Government suggests that the Committee must consider how it does business in accordance with the timescale that requires the Committee to explore any matter that has a legislative impact. There is a series of other preparation for Government matters that can be addressed after 10 November. The Government need details of legislative changes before that date.

Mr Murphy: During its first couple of weeks the Committee debated what work it would undertake. During the past month or six weeks, it has slipped into a groove and has undertaken more work than was achieved in the first couple of weeks when it debated what its remit should be. I am unsure whether we should define a new mode or just get down to work. If the Committee is content just to get down to work, I am content that the mode stay as it is.

The Chairman (Mr Molloy): Are we agreed?

Members indicated assent.

The Chairman (Mr Molloy): We must consider the minutes of the meeting of 6 October. Are members agreed on the contents of the draft minutes?

Members indicated assent.

The Chairman (Mr Molloy): There is also the matter of the Secretary of State's letter. As we have largely dealt with that already, we shall return to the arrangements for the institutions and the future work programme. A table of the work plan has been handed out.

The work plan represents the Committee Clerk's best guess as to the issues arising from the St Andrews Agreement and the work that needs to be carried out by the Committee on the Preparation for Government. The agreement in its entirety may be dealt with in other meetings or formats.

Have members had time to peruse the work plan? Are there other issues that should be included?

Mr Murphy: It is difficult to give a complete response to the plan, as members have just received it.

Both Governments have produced a paper on the Preparation for Government Committee's work on institutional issues; the parties have not yet signed up to that paper, as they wish to consult on it first. The work plan for that format of the Committee should reflect what is contained in the Governments' paper. If we stray beyond the bounds of that, the documents on which parties are already consulting will change. If the Committee is to assist in those consultations, it is important that the work programme accurately reflects what is contained in those documents.

The Chairman (Mr Molloy): Perhaps I should clarify: the work plan is based on the St Andrews Agreement. There may be other issues in the agreement that members feel that the Preparation for Government Committee could deal with.

Mr P Robinson: Can we be clear? Some members seem to have an imperfect understanding of the St Andrews Agreement. Paragraph 8 of annex A to the St Andrews Agreement states that the Government will consider any further matters that the Committee discusses and supports for legislative purposes. It is not the case that if an issue is not mentioned in the St Andrews Agreement it cannot be discussed now. There is scope for other matters to be considered, if we can agree to do so.

Mr Murphy: If I am reading the same agreement, it states that the Government will consider the outcome of further Preparation for Government Committee discussions on policing and the rule of law. Members may wish to link that with institutional issues, and we have never refused to discuss any aspect of such issues. It will take some weeks for parties to consult on the St Andrews Agreement, and introducing new issues would create confusion when devising a work programme. I would be happier if the work programme reflected the contents of the current document.

Mr McFarland: The Committee worked hard all summer and identified all the issues that members felt needed to be resolved before we return to Government. Some matters were resolved; others were parked for further discussion in Scotland.

If the issues that were parked are contained in annex A, that is fair enough. However, it is worth checking whether any issues that the Committee had agreed should be dealt with fell between the stools amid the furore of drafting and redrafting in Scotland. It would be a pity if matters that parties felt were vital to effective and efficient government were dropped simply because they had not been addressed in Scotland.

I suggest that the Committee revisits the areas that were parked — perhaps the team of officials have already done so — to confirm that none of the key issues that the Committee identified as requiring resolution in Scotland has fallen between the stools and not made it into annex A.

4.45 pm

Mr P Robinson: I wish to make it clear that the reason that some matters do not appear in the St Andrews Agreement is not because parties forgot about them in Scotland — they may well have raised them — but because it is not their paper. The parties did not write that paper and, therefore, it does not address all the issues that they raised. The two Governments produced that paper, and just because they have left out an issue does not mean that it is any less pressing for us.

Mr McFarland: I was agreeing with that point. Clearly, there are issues that both this Committee and the two Governments have identified, but we should also deal with the areas that the Committee has identified, but which the two Governments have not. The Committee wanted those issues to be resolved, and perhaps it should now focus on them.

Mr P Robinson: I am content with the proposal in those terms, but not in the terms that Mr McFarland previously set out, which suggested that some issues were not included in the agreement because people had somehow forgotten to raise them. The main issue that I will raise today was raised at St Andrews.

The Chairman (Mr Molloy): Are members content with the work programme at this stage?

Mr P Robinson: There are other issues that the DUP believes should be discussed. A couple of issues will have to be faced by whoever is going to prepare legislation, so I will deal with those first.

The first issue is the exclusion mechanism. That simply will not work because the exclusion of either of the two largest parties would result in gridlock — there would be no way of electing a new First Minister and Deputy First Minister. The requirement would be that

any decision taken by the First Minister and the Deputy First Minister must ultimately have support in the Assembly. I am not sure that that would be the case. The exclusion of large parties would present problems. That is not a major issue, but we must ensure that there would be not be gridlock should a major party be excluded.

I am not quite sure how the matter of the nomination of a First Minister and a Deputy First Minister will end up on 24 November, but there is an assumption that the individuals identified as First Minister and Deputy First Minister on 24 November will be the same on 26 March, and that the two main parties will remain the same. That may not be the case. The last opinion poll that I saw showed that the gap between the Ulster Unionist Party and the DUP was widening and that the DUP was maintaining its strength. That poll also showed that the SDLP had overtaken Sinn Féin and that the Alliance Party — it will be glad to hear — had some additional support.

Traditionally, Sinn Féin fares better in elections than in opinion polls, so that may not be an issue. However, it is conceivable, at least in theory, that in an election the DUP and Sinn Féin may not emerge as the two largest parties from the two separate designations. We are still not quite clear about the procedure for the identification of the First Minister and the Deputy First Minister on 24 November, but a situation could arise whereby the First Minister and the Deputy First Minister identified on that date would not reflect the results of any election held before 26 March. I am simply raising issues that must be taken into account.

The Pledge of Office has been referred to, but there was a further pledge that my party considered important. We all come from very different backgrounds and there has been a very long period of division within our community. It is important that we have a pledge that shows that the first duty of members of an Executive is to consider the interests of the people of Northern Ireland — a type of “Northern Ireland first” pledge.

We can discuss the terms of a future pledge at a later stage. However, we need to indicate that we have a common purpose, and I do not think that that is reflected in the existing Pledge of Office.

One further matter, which my party has raised consistently and which I have raised in this Committee, is that of the permanent or otherwise mandatory coalition. My party recognises — and I have stated this in the Assembly — that that sort of arrangement can be justified in emergency circumstances. However, none of us should consider that this system should survive for all time. There has to be scope for evolution towards a more democratic process of governing Northern

Ireland. That is not reflected in anything that I have seen thus far. We cannot allow that to go unchallenged.

Those are our key issues. The issue of sanctions still stands. We all come with a lack of trust in the intentions and goodwill of others. We all look over our shoulders in these circumstances. All of us harbour suspicions that others will breach the terms of any agreement that is reached. We need to know, in terms more specific than the Government have laid out thus far, what will happen if people default. Those terms must inspire confidence rather than admit doubts about the future. People must know that if things go wrong, there is a process to ensure stability in the Province.

Mr McFarland: I worry that we may become confused. The Committee had an evolving system whereby members tackled issues together. We had common experience of those issues. Everyone knew what the issues were because we had discussed them ad nauseam, we had parked them and they are all logged in Hansard. Peter has revisited some of those issues and the arguments around them are fairly well known. However, other arguments are new, and, with certain aspects, Peter has taken new angles. In order for everyone to have a clear take on them, and before we take decisions on them, we must tease them out and test them to be clear about what the proposals are and how they will work.

The Secretary of State has provided a paper on the Pledge of Office. Where is the Committee with this? He referred the paper to us today. Will it be dealt with in due course, or down the line, or are we expected to deal with it as a priority?

The Chairman (Mr Molloy): The Secretary of State has not contacted the Committee about that paper. He merely issued a press statement. At no time – and not at the earlier meeting – were we told either that the meeting would not happen or that the issue of the Pledge of Office had been referred to the Committee.

Mr McFarland: Peter raised the issue of the Pledge of Office. Perhaps those who were in discussion about it today could enlighten the rest of us on what progress has been made. There are perhaps solutions to that problem. As those who were in the first Assembly know, transitional arrangements for a Pledge of Office are set out at paragraph 35 in the original agreement, and, in Hansard, it is shown that, at the time, the First Minister Designate and the Deputy First Minister Designate took a transitional Pledge of Office when the Assembly sat in Castle Buildings. I have copies of Hansard here for those who want to see that. There is form on this issue. If there is a requirement for the Pledge of Office to be taken before 24 November, a template is available that may get us over that hurdle. Can the Committee be updated on all that? It has caused a furore all morning.

Dr Farren: Since its inception, the practice in the Committee on the Preparation for Government has been for parties to be at liberty to raise any issues of concern. I thought that the four outstanding issues that require urgent resolution, and to which we have frequently referred, are those at page 6 of the completed Report on Institutional Issues.

However, a range of other issues has been thrown into the debate. It is good to go round the table and hear the issues that parties think need to be resolved, but if we continue with that exercise, where will we be with respect to the four issues that were identified as requiring clear resolution? The Pledge of Office has emerged as an issue on which resolution is required, and there was general agreement — at one stage — that it be amended to include a clause on upholding the rule of law. As far as I know, that is as much agreement as was reached on that issue.

I seek clarification from the parties, including the SDLP, on their position on the issues that go beyond those on which resolution was originally sought. There is the potential for at least some of those to be resolved as a result of what emerged from St Andrews, but others remain to be addressed. It seems that we are drawing up a new agenda, and I doubt that we will be able to address those issues satisfactorily in the time available to us.

Mr Murphy: I share some of Seán's concerns. There is a time factor relating to 31 October and the legislative amendments, and I assume that that will be the first area of work to which we will direct ourselves. Although it is useful to list the issues that are ahead of us, we should concentrate more on a detailed or time-factored programme of work that specifies the issues that must be dealt with within a particular time frame. If the Committee on the Preparation for Government wants, at least, to try to seek some form of consensus on some of those issues and to relay it to whoever is drafting the legislation, Sinn Féin will attempt to do that with consideration for the time frame allocated. Failure to do that could result in our getting into circular discussions that might introduce new elements or angles to previous discussions. If members want to try to achieve consensus on issues that will amend the legislation, they have until 31 October to do so. Therefore, discussions on some of the other issues should be delayed until beyond that date.

The Chairman (Mr Molloy): Alan asked about the outcome of the discussions on the Pledge of Office. Can anyone clarify what was said?

Mr P Robinson: What is the significance of 31 October?

The Chairman (Mr Molloy): The Secretary of State has given 31 October as the date by which parties must make any representations to him on changes to

the institutions. That is contained in the letter from the Secretary of State dated 13 October 2006.

Mr McFarland would like clarification on what was said in earlier discussions about the Pledge of Office.

Mr P Robinson: There is an issue there. The St Andrews Agreement was not explicit or well defined in some areas, and we must be clear as to what the language means. We are past the days of constructive ambiguity; there must be certainty. That will do away with any confusion over what something means, and we will avoid a collision down the line over what some parties understand and the information that others think that they have been given. I do not blame any party round this table for that misunderstanding. My gripe on this issue is with the Government.

The position, as we understand it, is that there must be movement on a number of issues within defined periods of time. We need delivery on those issues, and we will not go back on the commitments that we have made. We are seeking a period of time in which to clarify with the Government the meaning of some of the terminology in the St Andrews Agreement and to have a clear understanding that everyone else has made the same interpretation. We do not want there to be any sleight of hand; we want to be sure that everyone is reading from the same sheet of paper.

5.00 pm

Mr Murphy: The obvious way to avoid communication difficulties is to cut out the middleman. With all due respect to the NIO, if it relays understandings between us, it could put its own slant on certain things.

Sinn Féin has always been prepared to discuss all these issues. We are quite satisfied with what has come out of the discussions at St Andrews in relation to a Pledge of Office. We are also satisfied that the commitment to exclusively peaceful means, and all other terms in the Pledge of Office contained in the Good Friday Agreement, are quite sufficient. However, the most direct way to resolve problems with parties understanding what each other says is through direct, face-to-face dialogue, rather than relying on people in the NIO to communicate between us.

The Chairman (Mr Molloy): The other issue is at what stage the Pledge of Office is required to be taken, whether on 24 November or in March?

Mr P Robinson: That is an issue. It will depend on the nature of the event that will take place on 24 November, and we are not clear on that.

Mrs Long: We are in danger of getting into substantive discussion on one issue — in this instance raised by the DUP — contained in the work plan. Clearly, there are a number of issues that must be addressed. Rather than deal with that substantive point in great detail, it

would be better to check that all parties feel that the work plan covers their issues as well.

We are supposed to consider not only issues discussed by the Preparation for Government Committee before its reports were produced, but issues arising from the St Andrews Agreement. Moreover, members may wish to add other issues to the work plan. If we can agree the work plan, we can get down to substantive discussion on issues such as the Pledge of Office, its wording and when it will be taken.

Mr McFarland: Chairman, let us remind ourselves: the Committee produced views that required resolution, and colleagues have already said that the St Andrews Agreement is between the two Governments. I suggest that we try to resolve the outstanding issues in the Committee's report. If those issues happen to coincide with those arising from the St Andrews Agreement, that will be great; if they do not, we will, at least, have dealt with the issues that we have identified as requiring further consideration before we fire up Government again.

Mrs Long: The Secretary of State's direction stated that one task of this Committee is to discuss the changes in the institutions detailed in annex A to the St Andrews Agreement. There is no question that we can simply go back to discussing previous issues. The principle has been accepted that part of the direction is to discuss the issues in the St Andrews Agreement. A circular argument will get us nowhere. Members will wish to raise those issues anyway, and, as Seán Farren said, the custom has been that if members want to raise issues, they can do so.

Mr McFarland: Chairman, with the best will in the world, I understood that all parties around this table — except, perhaps, the Alliance Party — agreed to consult their members before beginning discussions on these issues. I presume that the Alliance Party intends to do the same. For us to come here and discuss —

Mrs Long: On what basis did you exclude us from your initial statement, Alan?

Mr McFarland: You are trying to discuss these matters now, ahead of the parties discussing them with their colleagues.

Mrs Long: No, we are simply saying that if members wish to place issues on the agenda, they should be allowed to do so.

The Chairman (Mr Molloy): Members should address their comments through the Chair.

Mr McFarland: My point is that we would like to have discussions with our colleagues and take them through the issues before the Preparation for Government Committee begins detailed discussions on the St Andrews Agreement. It is a chicken-and-egg situation, and it must be dealt with.

Mr Ford: The timing of that is impossible, given that this Committee is expected to finish its work by 31 October, and parties are expected to respond to the Secretary of State by 10 November.

The logic is that the parties come to the Committee to seek to clarify, modify or amend the St Andrews Agreement. They can then recommend to their members how they propose to deal with the St Andrews Agreement in order to be able to respond to the Government 10 days later. I cannot see how parties could do the detailed work internally at first and then come back to the Committee to discuss it seriously.

Mr P Robinson: We could analyse that one to death instead of dealing with the issues. What Naomi said seems sensible: there are clear institutional issues to discuss arising from the St Andrews Agreement. There is no prohibition on parties getting agreement on other issues. I have no difficulty with anybody raising an issue and indicating whether I agree. That allows us to determine internally, and allows the Secretary of State to see from our deliberations, the measure of support that there is for other propositions. At this stage, we do not want to have day-long debates on any issue; we want to have some assessment of the amount of support that there is for a variety of issues — inside and outside of the St Andrews Agreement.

Dr Farren: We are trying to come up with a work plan but not doing it very effectively. We have our own agreements and disagreements arising out of the work done up to the time that this report was compiled. We have now the various annexes, particularly annex A, of the St Andrews Agreement. Can we not take annex A, for example, and work through it and, insofar as we can, relate it to our own agreements and disagreements? It should not be too difficult to cross-reference, and, in a sense, that will lead to some kind of an outcome — the levels of agreement or disagreement with respect to what St Andrews proposes. That should help us to form the basis of any report that would go to the Secretary of State; it will also inform our discussions with our own parties, and, therefore, the response that the parties will make separately. However, we must have a work plan. The bones of it are there in the matrix that has been provided. It seems to me that annex A, taken together with our own report, should enable us to get through most of the issues. If parties want to add to all that that implies, they are, of course, free to raise issues that they consider important.

The Chairman (Mr Molloy): Do we want to break up into the three groupings that we had before? Do we want to have a separate meeting on policing and justice, for example? The parties could then bring in the members who deal with that issue.

Dr Farren: It may be helpful to do so.

Mr O'Dowd: I suggest that we take the work plan away. The parties received the St Andrews Agreement late on Friday evening. They returned over the weekend and now they are dealing with it through their party structures. Each party has its own mechanisms to go through; therefore, I would prefer that the document is taken away and that we reconvene this meeting as soon as is possible. That will allow the parties to give a more comprehensive response to the way forward and to the role that this Committee will play in that. I am concerned that the parties are being asked to report back by 31 October or 10 November through the Preparation for Government Committee instead of going through the channels to the two Governments. I suggest that we take the report away and come back in a number of days.

The Chairman (Mr Molloy): Some of the institutional issues have been agreed without the mechanisms being put in place. Those can be moved fairly quickly without major controversy. There are some issues on which the parties will have to consult further. If we do as we did in the past and deal with the issues that can be dealt with, set aside the ones that require further discussion and come back to them later, we can start to make conclusions. We do not want long reports or reams of documents; we want to reach conclusions in the shortest time possible. Apart from the work in this Committee, the parties have other work to do with regard to the consultation. We can do something like John has suggested and set aside the next meeting to deal with preparation for Government and the issues that have been highlighted by the Committee Clerks.

If members want to add further issues, as Peter has done, the Committee Clerks will take account of those, and we shall deal with those matters at the next meeting. Is that a way forward?

Members indicated assent.

Mr Ford: I have one other point to make, Chairman. The St Andrews Agreement is not the entire show. We are aware of various other promises that have been made and of letters and documents that have been circulated to some parties and not to others. If this Committee is to have a comprehensive discussion, it is essential, in order to know from where we are starting, that we ask the Government for copies of all the additional papers that were circulated to one or more of the parties over the past few days.

The Chairman (Mr Molloy): OK, members, hoke through your pockets.

Mr Ford: My suggestion was that the Committee specifically request the additional papers from the Secretary of State.

The Chairman (Mr Molloy): Do members agree that that would be a useful discussion ?

Members indicated assent.

Mr P Robinson: Yes, that would be useful.

Dr Farren: Peter would like to see the side deals that we have made.

The Chairman (Mr Molloy): Can we set a date for the next meeting of the Committee on the Preparation for Government? How regularly does the Committee wish to meet, and how soon?

Mr O'Dowd: If, at the next meeting, parties were to be allowed to examine the workload ahead of them, they could decide how often they wish for the Committee to meet. Today is Tuesday, so parties may wish to meet to examine the workload this Friday or next Monday, whichever suits.

Dr Farren: Friday morning would suit.

The Chairman (Mr Molloy): We are working to a fairly tight schedule. Do you suggest that we meet on Friday morning, Dr Farren?

Dr Farren: We should not go beyond this week.

The Chairman (Mr Molloy): Are parties agreed that we shall meet on Friday morning?

Mr P Robinson: I have a breakfast meeting on Friday morning, so as long as the Committee meets later in the morning, I do not mind.

Dr Farren: To allow you to have your breakfast.

Mr McFarland: Is 10.00 am too early?

Mr P Robinson: Yes, that would be too early.

Dr Farren: That is a long breakfast.

Mr P Robinson: Part of the consultation process involves speaking to people.

Mr O'Dowd: Friday morning may cause problems for some of our delegates. Would it be possible to meet on Friday afternoon?

Mrs Long: Friday afternoon would be better for me.

The Chairman (Mr Molloy): Are members agreed that we shall meet at 2.00 pm on Friday afternoon?

Members indicated assent.

Dr Farren: What issues shall we be dealing with on Friday? Would it be possible to have advance notice of the agenda? Otherwise, we run the risk of —

The Chairman (Mr Molloy): I suggest that, at least initially, we go through the work plan. Parties may wish to set aside some issues in that plan. If we could get through the first page on Friday, that would at least be a start.

The Committee Clerks will cross-reference the work plan with our report to determine the issues that will require further consultation.

Mr McFarland: For those who wish to refresh themselves with the interim Pledge of Office for the First Minister and the Deputy First Minister, it is contained in a Hansard report from 1998.

The Chairman (Mr Molloy): Thank you. The meeting is closed.

Adjourned at 5.13 pm.

COMMITTEE ON THE PREPARATION FOR GOVERNMENT

Monday 23 October 2006

Members in attendance for all or part of proceedings:

The Chairman, Mr Francie Molloy
Mr P J Bradley
Mrs Diane Dodds
Dr Seán Farren
Mr David Ford
Mr Danny Kennedy
Mr Kieran McCarthy
Mr Alan McFarland
Mr Alban Maginness
Lord Morrow
Mr Conor Murphy
Mr John O'Dowd
Mr Edwin Poots
Ms Caitríona Ruane

The Committee met at 2.07 pm.

(The Chairman (Mr Molloy) in the Chair.)

The Chairman (Mr Molloy): I remind members to switch off their mobile phones, which can disrupt the recording system. We shall begin with apologies. Who is standing in for whom?

Mr Murphy: John O'Dowd and Caitríona Ruane are standing in for Martin McGuinness and Michelle Gildernew.

Mr P J Bradley: I am here in place of Mark Durkan.

Mr Ford: Kieran McCarthy is standing in for Naomi Long.

Mr McFarland: I hope that Michael McGimpsey will shortly be here in place of David McNarry.

Lord Morrow: Edwin Poots is standing in for Ian Paisley Jnr, and Diane Dodds is here in place of William McCrea.

The Chairman (Mr Molloy): Are members content with the draft minutes of our meeting of 17 October?

Members indicated assent.

The Chairman (Mr Molloy): We move to matters arising. We have sent a letter to the Secretary of State about letters and documents that were given to parties at St Andrews. We have not yet received a reply.

Dr Farren: For the record, we agreed to meet last Friday. I heard nothing other than that the meeting had been postponed. Was there any particular reason for that postponement?

The Chairman (Mr Molloy): I believe that the DUP could not put forward any representatives. Is that correct?

Lord Morrow: I was not aware of that meeting.

The Chairman (Mr Molloy): The meeting was postponed because the DUP could not attend that day.

Lord Morrow: There is potential for some confusion, because we have two Committees whose names can be abbreviated to PFG. One is in the making, and this one is up and running. This Committee still appears to have life in it. Is this PFG I, and the other PFG II?

The Chairman (Mr Molloy): Perhaps we are better sticking to the principle that this is the Committee on the Preparation for Government, and the other is the Programme for Government Committee. Perhaps we should use full titles instead of shortened names.

Mr Kennedy: P1 and P2?

Mr McFarland: "Prog" and "Prep" — P1 and P2.

Mr A Maginness: Can we remember which is which?

The Chairman (Mr Molloy): The Subgroup on the Economic Challenges facing Northern Ireland is also part of the Preparation for Government Committee.

Dr Farren: I do not wish to make an issue of this, but Friday was not the first time when the largest party in the Assembly could not field a team. It seems rather strange that members do not know on a Tuesday whether they can or cannot field a team on a Friday. The rest of us seem to be able to do that. Diaries had to be rearranged. For whatever reason, I did not learn about the postponement until I received on Friday morning the draft minutes and papers, which stated that the next meeting was to be on Monday. I then telephoned to find out what had happened.

I do not wish to overstate my own case of being discommoded, but I expect parties to try to honour their commitments.

The Chairman (Mr Molloy): There was probably a certain amount of confusion last week.

Lord Morrow: There certainly was. I know nothing about that.

The Chairman (Mr Molloy): We set the meeting for Friday evening because everyone was working out arrangements. Through holding no meetings, we lost the rest of last week. It is important, given the short timescale within which we are working, that we try to get full attendance when possible.

Lord Morrow: We should move away from depending on the press to tell us whether meetings are happening or not.

Dr Farren: We told ourselves.

Lord Morrow: I was not told, and I am a member of the Committee.

Dr Farren: It is his party's business to inform him, not ours.

The Chairman (Mr Molloy): Were parties told that the meeting was postponed?

The Committee Clerk: We telephoned the party offices to rearrange Friday's meeting for today.

The Chairman (Mr Molloy): There are no other matters arising.

Members have been provided with a future work programme, which includes a table of issues in annex A to the St Andrews Agreement. The Committee Clerks have put together a draft programme of work, and it is for the Committee to decide whether we can work within that. The schedule is fairly hectic, but it has to be if we are to meet the deadline of 31 October that has been set. The Secretary of State requires information on that date as to what matters require legislation so that that can be dealt with before 10 November.

Mrs D Dodds: Perhaps we will come to this matter later, but it seems to me that the draft work programme gives us three and a half days to consider some extremely important issues. The Committee should seek clarification on why we have been set a deadline of 30 October when the parties have been told that their responses to the St Andrews proposals are due on 10 November. If parties respond by that date, that allows sufficient time to frame any legislation that may be required before 24 November. This is a very condensed and heavy programme of work, and I am not sure that the deadline of 30 October is realistic. That deadline is not in keeping with the deadline that the Secretary of State has set the parties, which is 10 November. If a deadline of 10 November allows sufficient time to frame legislation, surely we could have more time to consider the issues.

The Chairman (Mr Molloy): There are two issues, of which legislation is one. There are also unresolved matters that the Secretary of State wishes to take up with the parties before 10 November. The deadline is actually 31 October. After that, the Secretary of State will want to talk to the parties individually about the matters that are not resolved around this table. The reason for the 31 October deadline is more to do with that than with legislation.

Mr Murphy: There are probably two processes going on. The parties will give their responses on annex A to the St Andrews Agreement, the other annexes, and anything else that requires legislation. The purpose of our going through these matters is to see whether there is a different consensus in the Committee on any issue from what is already proposed in annex A. Having spent several months going

through all these matters, I would be surprised if any new consensus were to emerge on any particular issue. However, that may happen, if we tease out some matters. I understand the reason for that approach.

2.15 pm

We are not here to discuss those issues in detail and give our party's official response: we are here to see whether we can reach consensus on something that is contrary to what has been proposed. That would then be relayed back to the people drafting the legislation in time for inclusion.

At the risk of making the workload even heavier, Sinn Féin has a major conference all day tomorrow and will, therefore, have great difficulty attending a meeting of the Preparation for Government Committee. The Committee has already discussed the issues listed on the agenda for Wednesday 25 October. I do not sense that there are any real issues, although some require more detail than others. However, I am not sure whether that needs to be recorded here. I suggest that the agendas for Tuesday and Wednesday be combined for a single meeting on Wednesday.

Some issues, such as the repeal of the Northern Ireland Act 2000 and community designation, have been allocated a half day according to the draft work programme. For instance, we have already discussed community designation, and only a further five-minute discussion is needed to determine whether views have changed. I know that the Alliance Party has particular views on community designation.

Mr Ford: At least Conor has learnt that.

Mr Murphy: All parties have made their views known, and we have reached whatever consensus, or lack of consensus, that we can on those issues. Days are being filled with issues that will not take that long to discuss, unless we are prepared to re-examine and rehash them all entirely.

I am merely flagging that Sinn Féin has a serious difficulty all day tomorrow and trying to suggest a way in which to deal with all the issues this week without disrupting the agenda.

Mr McFarland: Conor is right. I thought that the Committee had stashed away some of the issues that are being listed for discussion. For example, I thought that we had agreed that the Committee of the Centre be put on a statutory footing — end of story. However, that issue has been given a chunk of time. I understood that the First Minister and the Deputy First Minister would discuss the functions of the Office of the First Minister and the Deputy First Minister (OFMDFM) after restoration.

There are some fairly major issues: discussion on the ministerial code may take longer than a day, if we ever get around to it. There is also the question of

whether parties will try to sort out issues in a round-table format or intend to do so in bilateral discussions with the Government. It would be useful to know where the parties stand on that, because there is no point in us beavering away all day to discover that people cannot, or will not, agree amendments.

The Chairman (Mr Molloy): I would have thought that a number of issues that the Preparation for Government Committee have discussed could be marked as agreed or otherwise, and decisions taken on them quickly. There are a number of key issues, such as the ministerial code, on which the Committee must spend some time. We should, therefore, not scrub the other issues but make decisions on them. In cases in which a decision has already been made, that decision should be confirmed, or otherwise. If there is no change, let us not spend hours having the same debates.

Mr Ford: You have given an accurate summary, Chairman. I largely agree with Conor that there is no point in rehashing things. However, without trying to reopen last week's discussion on the Secretary of State's letter, there is an issue in that we will now be recording parties' opinions on proposals as opposed to merely recording total consensus or otherwise. Parties may want to get issues back on the agenda in order to record the strength of opinion on them. However, that does not mean that we need to rehash the entire discussion.

The Chairman (Mr Molloy): We can lengthen our discussion on that matter. However, that would reduce the time we have to discuss other issues today. To do the latter may be more productive.

Mr Murphy: I mentioned Sinn Féin's difficulty in attending a Preparation for Government Committee meeting tomorrow. I proposed trying to resolve that problem by condensing the programmes for Tuesday and Wednesday into one day. It may be possible for someone from Sinn Féin to attend tomorrow afternoon, but it would be a severe stretch.

The Chairman (Mr Molloy): Are there any other views on collapsing the two days into one? Is everyone happy to meet all day on Wednesday?

Members indicated assent.

The Chairman (Mr Molloy): We will have full attendance on Wednesday.

We propose to start at 10.00 am on Wednesday morning and work through until 4.00 pm. That is the initial stage, but what about the rest of the work programme? Will we set the number of days on which the Committee should sit between now and next week?

Lord Morrow: Mr Chairman, should we not be hearing soon from the Secretary of State about the letters and documents given to the parties at St Andrews? I suspect that that will have some influence on the speed

of the Committee. However, perhaps the Secretary of State does not see it that way. Someone should telephone him.

The Chairman (Mr Molloy): The Committee Clerk will talk to his office. Some NIO officials are here today, and they will convey the urgency of the situation to the Secretary of State.

Are members OK to meet all day on Thursday 26 October?

Dr Farren: This week?

The Chairman (Mr Molloy): Yes, this week.

Lord Morrow: Should we not just stay overnight?

The Chairman (Mr Molloy): That is another idea. Is everyone happy to meet on Thursday?

Members indicated assent.

Ms Ruane: Is that for the day and the night, or just the day?

The Chairman (Mr Molloy): At this stage, it is just the day. We will see what is left after that when we plan for the following week. We can at least pencil in Monday 30 October.

Mr McFarland: Was Friday 27 October mentioned?

The Chairman (Mr Molloy): No. We will have Friday off — unless anyone wants to stay overnight. We will meet on Wednesday and Thursday.

Mr McFarland: Last week we touched on the unresolved policing and justice issues, and there was talk of dividing the Preparation for Government Committee into different groups, as we did before. Has that suggestion gone to the wall, or where are we at with it?

The Chairman (Mr Molloy): No. I assumed that that was agreed last week. Those issues are not being dealt with in this Committee.

Mr McFarland: Yes, but those issues do not feature in any of our planning. Logically, they would feature in meetings of the "Wednesday team".

The Chairman (Mr Molloy): We are basically dealing with institutional issues. However, if a particular day should be set aside for this Committee to discuss law-and-order issues, we would need to discuss that and look for party representatives on policing and justice to attend.

Mr McFarland: Is it the intention to park law-and-order issues until after the Assembly gets up and running again? Someone somewhere must have given some thought to the outstanding issues in our law-and-order issues report. What thought has been given, and what are those thoughts?

The Chairman (Mr Molloy): The thinking is that we should deal with the institutional issues this week and policing and justice matters next week.

Mr McFarland: Therefore, they do not fall into the 31 October deadline for the Secretary of State to legislate on them?

The Chairman (Mr Molloy): We are dealing with the institutional issues in annex A. If there are issues that we need to bring to this Committee on policing and justice, we should do so. It is within the remit of this Committee to look at that; it falls within the remit of preparation for government.

Dr Farren: On a completely different issue, it was reported to our Assembly group this morning that the date for the promised meeting with the Chancellor following the St Andrews deal has been identified as Wednesday week, and that all parties will be represented at the same meeting. If that meeting is to have an effect we need to all sing from the same hymn sheet; otherwise, we will be divided and, therefore, conquered. Is it this Committee's responsibility at least to alert itself to that need and see what might be done between now and the meeting? Otherwise, the meeting is likely to be unproductive, or certainly less productive, than it should be. It would be useful if the parties met — perhaps informally — and tossed the agenda around, so that at least some common understandings could be reached. It could be done formally in this Committee, since it has been responsible for the work that has been going on.

Mr McFarland: Would it not follow that the economic subgroup, which contains each party's experts on the subject, would wish to have some sort of discussion?

The other question is how to get up to speed. It would be useful if the Department of Finance and Personnel could ensure that the subgroup has a grasp of the latest thinking before it approaches the Treasury. Otherwise, it may be blind to some of the issues that it might have to consider when getting an agreed package or agreeing what such a package should contain.

The Chairman (Mr Molloy): When will that meeting be held and what will its make-up be? Will Gordon Brown meet the parties individually?

Mr Murphy: He will meet the parties, as far as I know.

Mr McFarland: It will be a round-table meeting.

Dr Farren: He will meet the parties collectively. The personnel involved will be those who are most au fait with the issues. I am not suggesting that it will be the people who were nominated to the Preparation for Government Committee. It is up to the parties to decide who will be present.

The subgroup meets on Thursday of this week, and it might usefully take up the issue. The meeting is only 10 days away, and it is critical, if we are serious, that there be a concerted voice. If not, it will just be an exchange of views rather than a real attempt to achieve something collectively.

Mr Murphy: I agree with Seán that every effort should be made to get as common a platform as possible for that meeting. The economic subgroup has been talking about this and other economic issues. A job of work was done to assist the discussions at St Andrews, and this is a development from that meeting, so they are the people who should take it forward.

Thursday is a bit far away, and I am not sure that the subgroup can be convened any earlier. If the subgroup has done enough groundwork and can crunch down on the issues, the parties may reach a common view. There has been some convergence of views on a peace dividend or economic package to underpin the restoration of the institutions, and it would be a missed opportunity if we cannot take advantage of that in the meeting with Gordon Brown. There is an expectation on the British Government side that we will come with our act together and with a common set of demands, and every effort should be made to facilitate that.

Mr Ford: When I was talking to Sean Neeson earlier, we assumed that preparations for meeting the Chancellor would form a large part of the subgroup's discussions on Thursday. It is unfortunate that it is meeting at the same time as this Committee, and therefore there will be no overlapping membership. Given that the subgroup has done the bulk of the work, it is logical that it should prepare for the meeting with the Chancellor and that it should build on the work that has already been done through consensus.

I am not sure whether the subgroup's Committee Clerk and his team are yet aware that the Committee thinks that that should be the priority for Thursday's meeting.

The Chairman (Mr Molloy): Perhaps after this meeting we should communicate the view to the Committee Clerk that the subgroup should meet before Thursday to prepare for the meeting with the Chancellor.

I also thought that what was being proposed was more a part of the work of the Programme for Government Committee.

Mr Ford: We cannot set it back.

Mr Murphy: The Programme for Government Committee has not got off the ground yet, and that meeting is scheduled for Wednesday 1 November. Given that the economic subgroup has done a substantial amount of work in that area, perhaps we should try to get whatever it can put together in advance of that meeting.

2.30 pm

The Chairman (Mr Molloy): Priority will go back to the subgroup, which will be asked to take it from there. This Committee will meet again on Thursday, which will give us an opportunity to tidy that up.

Alan, the issues that you wanted to raise on the Policing Board and other policing, justice and law-and-order issues have been listed for us to come back to. However, there are also issues with regard to rights, safeguards, equality and victims. Those will be part of the next stage of the programme.

Mr McFarland: Are we going to run out of time for this? If this Committee were to do this in a serious manner, it would fire off what it had done before, which, on Mondays, was institutions. There are no issues on rights and safeguards that need to be resolved, but there are on policing and justice. Logically, therefore, those matters should run side by side, because time is limited. As it is, this Committee will be right up against it. By the time that we start discussing the ministerial code in detail, it will probably be back into Wednesday.

The question is whether to consider those issues later. Perhaps it does not matter whether we make decisions on policing and justice issues, because they are not as critical. One could argue that that might need to wait until after a Sinn Féin Ard-Fheis or for 18 months or two years — however long it is before those matters are devolved. However, those issues were identified in the report and they remain unsolved. The question is whether there is a will to solve them now, or whether we are content to leave them until later, in which case it is not vital that we run parallel with those matters.

The Chairman (Mr Molloy): Annex A outlines the institutional issues on which the Committee on the Preparation for Government has been directed to give a response by 10 November.

Mr McFarland: I understand that. However, we had a different team working on Wednesdays on policing and justice. Do we want them running in parallel with the team that deals with institutions, or are we content to do them in succession?

The Chairman (Mr Molloy): Perhaps we should set a date for the team on law-and-order issues to meet. That will give them an opportunity to pull their views together beforehand. Does that seem sensible?

A number of members will be absent from Wednesday's meeting because it coincides with the meeting with the Chancellor. However, would it not be possible to kick off discussion on law-and-order issues prior to that?

Mr McFarland: Chairman, I seem to be a lone voice in the wilderness. I am content for that to sit as no one else seems to be exercised by the matter. Let us leave the issue and deal with it further down the line.

The Chairman (Mr Molloy): Is there consensus on that?

Mr O'Dowd: On Alan's being a voice in the wilderness or on his proposal?

The Chairman (Mr Molloy): Does anyone want there to be a meeting before that date?

Members indicated dissent.

The Chairman (Mr Molloy): We do not have consensus on that. You and I were voices in the wilderness, Alan.

Mr McFarland: Mañana.

The Chairman (Mr Molloy): We have a paper on the ministerial code. Members will be getting copies, which will give us something to read.

Mr Murphy: Are we dealing with the ministerial code per se or with the references in the annex for which legislation is proposed? One topic would require an hour's discussion; the other a week. If this Committee's priority is to deal with what is contained in annex A with regard to the ministerial code, it is helpful to have copies in front of us. However, I am not sure that we need to trawl our way through the entire code, but rather discuss our attitudes towards it.

The Chairman (Mr Molloy): What needs legislation?

Mr Murphy: The issues for which the British Government have proposed to legislate. Whether they need to be legislated for is another view. If we started to discuss those issues, we could be here for some time.

Dr Farren: I agree with Conor Murphy. We should discuss annex A, because at least one party has identified that it would like the issues in it to be somehow enshrined in legislation. If we agree to any issues in annex A and there are implications for the rest of the code as a result, they will be picked up and the necessary changes will be suggested to the Committee. Therefore we should go through annex A, which is what we set ourselves to do last week, rather than go through the whole draft ministerial code. That is what I understood Conor to be suggesting.

Mr McFarland: Where do we stand with the required task that the Secretary of State gave to this Committee of agreeing a ministerial code by the end of October? Has it been moved on?

The Chairman (Mr Molloy): There is no referral on that. At this stage, the referral relates to annex A.

Mr McFarland: Has the Secretary of State's original requirement for the Committee on the Preparation for Government to report on the draft ministerial code and to agree it by the end of October fallen by the wayside?

Mr Murphy: My understanding was that all references to a new ministerial code would be agreed by the Executive and presented, post-restoration, to the Assembly by the First Minister and the Deputy First Minister.

Mr McFarland: Is that in the St Andrews Agreement?

Mr Murphy: That has been the case from the beginning. Certain clauses in the draft ministerial code would be legislated for, but an agreed ministerial code would be discussed by the Executive and proposed to the Assembly by the First Minister and the Deputy First Minister.

Mr McFarland: I understand that, but the Secretary of State originally tasked the Committee on the Preparation for Government with producing a ministerial code by the end of October.

Mr Murphy: That was not my understanding.

The Chairman (Mr Molloy): That was the original task.

Mr McFarland: The original task was to produce a draft ministerial code by the end of October.

Mr Murphy: That was ambitious.

Dr Farren: That was based on restoration occurring by 24 November, but that date has slipped to 26 March.

Mr Murphy: The clear passage for the draft ministerial code was to have it adopted post-restoration.

The Chairman (Mr Molloy): We will now proceed with discussing annex A.

Mr McFarland: Perhaps I am being dozy, but can you remind us what papers we are discussing?

The Chairman (Mr Molloy): We are discussing the provisions in the draft ministerial code that are to be placed on a statutory basis. That document, which is in the form of a table, has just been handed out. Members have also been given the draft ministerial code for reference. We went through it line by line, and it was bulky.

Mr McFarland: Are we discussing all or most parts of section 1 of the draft ministerial code? Does section 1 go straight into the Pledge of Office?

The Chairman (Mr Molloy): Section 1 remains unchanged.

Mr McFarland: On our programme, amendments to the Pledge of Office will be considered on Wednesday.

Mr Murphy: That is contrary to the programme that we have just adopted.

Mr McFarland: We are confused.

Mr Murphy: According to the programme, we are dealing with paragraphs 2 to 5 and paragraphs 16 to 18 of annex A of the St Andrews Agreement.

The Committee Clerk: Paragraph 2 of annex A of the St Andrews Agreement relates to the ministerial code.

Mr Murphy: Amendments to the Pledge of Office are not included in that, but they are included in the paper that has just been handed out.

Dr Farren: We should ignore those for the moment.

The Chairman (Mr Molloy): Do members wish to stick with the ministerial code at this stage?

Mr Murphy: If we stick to the agreed work programme, we will deal with paragraphs 2 to 5 and paragraphs 16 to 18.

The Chairman (Mr Molloy): OK, I am in members' hands.

Dr Farren: Can we be clear about which paper is under discussion?

The Committee Clerk: The table that has just been handed out.

Dr Farren: So it is the paper that has just been distributed?

Mr McFarland: No. Everybody stop, nobody move. Let us get a grip on this; we shall return to the draft work programme for Monday 23 October, and we will deal with the ministerial code, which falls under paragraphs 2 to 5 and 16 to 18 of annex A to the St Andrews Agreement. Is everybody happy with that so far?

If we turn to the St Andrews Agreement, we will see what those amendments are. As Conor has just said, they contradict the piece of paper that has just been handed out. If we start with that piece of paper, we will never get anywhere.

The Chairman (Mr Molloy): I am being told to tell you to put away the paper that has just been handed out.

So which paper are we working off?

The Committee Clerk: We were working off the draft programme and the St Andrews Agreement.

Mr Kennedy: The encouraging thing is that the public will be able to read about this shambles.

The Chairman (Mr Molloy): It has already been agreed that we will turn to paragraph 2 of annex A to the St Andrews Agreement, which deals with the ministerial code. Does everyone have a copy of the St Andrews Agreement? What does it actually say about the ministerial code? Paragraphs 2 and 3 deal with what the Governments believe needs to be included in legislation. Are we agreed that what is included in that separate piece of paper is part and parcel of what we want?

Dr Farren: If we are talking about paragraphs 2 and 3, the code places a duty on Ministers to act in accordance with the accountability provisions. Is that what we are talking about?

The Chairman (Mr Molloy): We are discussing paragraphs 2 and 3 of annex A to the St Andrews Agreement.

Dr Farren: The first bullet point states:

“Discussion of and agreement on issues which cut across ministerial responsibilities”.

Will we be discussing those bullet points?

The Chairman (Mr Molloy): We are discussing paragraphs 2 and 3 of annex A of the St Andrews Agreement.

Dr Farren: We have a strong objection to the inclusion of the code in statute — and I underline the word “statute” — but not to the inclusion of such requirements in a code. We believe that a statutory ministerial code would create a degree of unworkability. It would create the potential to have recourse to the law on issues and requirements by which it is plainly necessary that Ministers should abide. Those matters are not enshrined in law in other places, where similar codes operate.

The argument seems to be that we are so dissimilar that these provisions must be enshrined in law. However, if there is a requirement in the Pledge of Office to abide by the ministerial code, putting the precise details of the code, such as those listed in this document, into law would create the potential for recourse to the law. It would be tantamount to creating a lawyers’ charter, rather than a set of operational rules that, common sense dictates, Ministers should respect and by which, under the Pledge of Office, Ministers would be required to abide. My party does not agree that those details should be enshrined in statute; that position may prevent further discussion.

2.45 pm

Mr Murphy: The ministerial code, ministerial accountability and all those issues were raised as part of the review of the Good Friday Agreement in 2002. Sinn Féin’s approach is premised on the line in paragraph 2 of annex A, which reads:

“executive authority in their areas of responsibility as defined in the Agreement”.

It is important to outline that.

The issues set out in paragraphs 2 and 3 of annex A were matters of practice in the previous Executive, some of which were abused, particularly by the First Minister, resulting in recourse to the courts. The First Minister was found to be acting unlawfully, but continued to act in that fashion. Whether these proposals increase the likelihood of recourse to the courts, time

will tell; but recourse to the law was already available in respect of those matters.

The key factor is that ministerial authority is the same as it was under the Good Friday Agreement. Areas where collective decisions are required to be taken by the Executive are outlined in the agreement itself and in the ministerial code under the last Executive. This proposal would place them on the statute books. In Sinn Féin’s view, that would not substantially alter the position outlined in the agreement. Seán’s point is that, under these proposals, it will be more likely that Ministers will end up in court over those issues. The regrettable experience of the last Executive was that Ministers ended up in court over how the ministerial code was applied.

Mr McFarland: The problem in the previous Assembly was that there was no ministerial code; it evolved through custom and practice over its duration. The draft ministerial code contained in appendix 6 of the Committee on the Preparation for Government’s report represents a distillation of custom and best practice from that period. Therefore, there is, for the first time, a ministerial code that provides guidance as to how Ministers should operate. Recourse to the courts is available at any stage should one object to anything that the Executive does.

My party has difficulty with several aspects of this issue. If there are a ministerial code and a Pledge of Office, it is unclear why any aspect of those should end up being the subject of court proceedings. Parties will have a tendency to interfere with each others’ ministerial positions, and safeguards are required. However, if those safeguards result in gridlock, with parties constantly trying to outmanoeuvre other parties’ Ministers by bringing them before the Assembly or to court, it bodes ill for how we do business.

We certainly need a ministerial code and a robust Pledge of Office. A Minister may be taken to court at any stage if a party feels that he or she is not adhering to the ministerial code or the Pledge of Office.

The Chairman (Mr Molloy): A ministerial code was agreed in January 2000, and it was agreed that it would be reviewed every six months.

Mr McFarland: That did not come before the Assembly, although it was due to be debated just after suspension.

Mr Murphy: It was not shared with the Assembly.

Dr Farren: Suspension got in the way.

Mr McFarland: The ministerial code did not exist in any practical form other than that of the document on which the Executive were working. As members know from their work in the Committee on the Preparation for Government, substantial amendments and improvements have been made to the ministerial

code. We have a state-of-the-art set of ministerial codes, which — if put before the Assembly and agreed — would provide substantial safeguards over those that existed in the first Assembly.

Mr Ford: I have sympathy with Seán Farren on the need not to have something so entrenched in legislation that it causes considerable difficulty if there is a wish to amend it. However, that is not the same as saying that we get away from the possibility that the courts might decide how the code applies. If the code is backed up by statute in any sense, it will always be possible for people to resort to the law if they wish to take action.

As long as we are working on the basis of a mandatory coalition in which four parties represented here expect to participate, that is how people will probably react to one another. Unless members propose that we move towards a voluntary coalition, it is inevitable that we will be faced with the potential of legal action in relation to the ministerial code.

Dr Farren: We will be faced with that anyway, will we not? The option of a judicial review will always be there.

Mr Poots: I am a little perplexed at the SDLP's position, and I would like one of its representatives to expand on it and explain the logic and reason behind its suggestions. We have heard that that party is opposed to the statute, but we have not heard any reason for that. There are many statutes, concerning a range of elements relating to the operation of the previous Assembly, with which the SDLP was happy.

Mr A Maginness: The more that is put into the statute, the greater likelihood there is of people using that in order to litigate on issues that ought to be resolved politically. That is the problem. In other words, one will have Government by writ rather than by wit — a political wit by which problems are resolved through common sense and understanding. I agree that elements of the code should be put into statutory form, but not the whole shebang.

Mr Poots: I thank Alban for explaining that he wants to put the genie back in the bottle. Has he not heard about the judicial reviews against the appointment of the Interim Commissioner for Victims, the planning permission for the John Lewis store and the decision on water charging? Those have already happened.

Dr Farren: None of those matters requires that we have a ministerial code enshrined in law from A to Z. The opportunity for a judicial review already exists, and the SDLP is not opposed to a ministerial code. We operated for a time — as has been stated — within custom and practice. There was not time to bring the ministerial code before the Assembly, but the SDLP approved the code that is before the Committee today. I see no reason why we cannot continue — more or less — with the ministerial code as it stands.

We have reached only the second part of the paper that we are discussing, and we have not said whether the remainder of the proposals for inclusion in statute are acceptable or unacceptable. I do not see any strong reason that the elements in the discussion paper should be in statute. I have mentioned that to some of our NIO Ministers, and they have said that they would not recommend that any of that be applied in the Mother of Parliaments. We can be humble because it is not required there.

I am not sure why it is particularly required here.

Mr Poots: That muddies the waters even further. We are prepared to put everything into statute, but the member is not prepared to accept those two paragraphs.

Dr Farren: I did not say —

The Chairman (Mr Molloy): The Committee on the Preparation for Government had originally agreed to identify the elements that needed to be agreed. So far, we do not have agreement on the proposals on paragraphs 2 and 3 of annex A.

Mr Poots: We do not have agreement on their being included in the Pledge of Office; we have not yet reached that stage of discussion.

The Chairman (Mr Molloy): We are still dealing with the ministerial code; we are not dealing with the Pledge of Office.

Mr Murphy: There is no proposal to include either of those matters in the Pledge of Office.

The Chairman (Mr Molloy): We are talking about the ministerial code.

I think that we should move on, as we do not have agreement.

In keeping with the minutes of last week, we should indicate where we do not have agreement so that the Secretary of State can get a measure of the disagreement on a topic. Who is in favour of the measure?

Mr McFarland: Chairman, can you remind us of the proposal — that the ministerial code be put into statute — so that we are in no doubt about what we are voting on?

The Chairman (Mr Molloy): We are voting on paragraphs 2 and 3 and the issues listed therein.

Mr Murphy: Sinn Féin would not argue in favour of including paragraphs 2 and 3 in legislation. That said, however, we are relaxed about them, as they are already custom and practice: indeed, people have gone to court concerning the ministerial code. What would prompt people to go to court is misbehaviour in the Executive — although we hope that when a new Executive is up and running, there will be no misbehaviour. I am not swayed by the argument that putting the ministerial code into statute will make it

more or less likely that people will resort to the courts. Sinn Féin did not seek to have a ministerial code included in legislation, but we are relaxed about paragraphs 2 and 3.

Mr Kennedy: Are you for or against the proposal?

Mr Murphy: The proposal is phrased in such a way that it almost seems as though someone was arguing that paragraphs 2 and 3 should be included in legislation. However, Sinn Féin is relaxed on the matter. There is not consensus that paragraphs 2 and 3 should be included in legislation. Hansard has recorded our views on the matter; therefore I am not sure that we need to take a formal vote.

The Chairman (Mr Molloy): We agreed last week that we would record the measure of disagreement in the Committee on the Preparation for Government on issues.

Mr Kennedy: It appears, Chairman, that there is a new designation: for, against, and relaxed.

Lord Morrow: David, would you be happy with the designation “relaxed” instead of “others”?

Mr Ford: Chairman, for Maurice’s benefit, I am happy to remain “united community”, but I am relaxed about it.

The Chairman (Mr Molloy): Who is against the proposal?

Mr McFarland: Mr Chairman, can we have clarification yet again? Is the proposal to put the ministerial code into statute?

The Chairman (Mr Molloy): The proposal is to put elements of the code into statute. Are members content with the proposal?

Members indicated dissent.

The Chairman (Mr Molloy): We come to paragraph 4, which states:

“The Code will also provide for the discussion of and agreement on any issue which is significant or controversial”.

Does that require changes to legislation? Is this Committee relaxed on that matter?

[Laughter.]

3.00 pm

Mr McFarland: What was the question?

The Chairman (Mr Molloy): I asked whether the Committee was relaxed about paragraph 4.

Lord Morrow: We could dance around the words “significant or controversial” for as long as we liked; what is significant or controversial for one person may not be for another.

Mr McFarland: I am slightly confused. Does the ministerial code not already include the provisions contained in paragraph 4?

Mr Murphy: It does, but the code is not in statute. This meeting is designed to ascertain whether the code should be enshrined in statute.

Mr McFarland: Are we saying that we can agree that the ministerial code does not need to be enshrined in statute?

Mr Murphy: No.

The Chairman (Mr Molloy): Would it be easier to state the elements in the code that need to be put in statute rather than to go through what does not need to be included?

Mr McFarland: That would clarify what we are voting on.

The Chairman (Mr Molloy): We will go through all the issues, but it does not seem to me that they should all be enshrined in statute. However, members have identified some elements that need to be included. Perhaps this task would be easier if we found out what those elements are.

Mr Murphy: I presumed that our function was to give our views on the issues that are outlined in annex A. We have already talked about paragraphs 2 and 3 of annex A, and the proposition is that paragraph 4 be included in legislation. People are simply giving their views as to whether and why they think that that is a good or a bad idea.

Mr McFarland: That is not what paragraph 4 is about. It says:

“The Code will also provide for”

various matters. That means that those matters will be in the ministerial code. We probably do not object to their being in the code, but the question is whether the code needs to be enshrined in statute.

Mr Murphy: The broad proposition is to enshrine in statute the elements of the code in paragraphs 2, 3 and 4.

Mr McFarland: Are those the only provisions that will be made statutory?

Dr Farren: Unless we agree others.

Mr Murphy: There are also some matters in paragraphs 16 to 18 of annex A that relate to the North/South Ministerial Council (NSMC) and the British-Irish Council (BIC).

Dr Farren: For clarity, if we did not agree that paragraph 3 should be put on a statutory footing, am I right to say that paragraph 4 should not be enshrined in statute either? Paragraph 4 seems to be contingent on

the decision that the Committee took on paragraph 3. Paragraph 4 states:

“The Code will also provide for the discussion of and agreement on any issue which is significant or controversial”,

and paragraph 4(a) discusses matters that are “clearly outside” the remit of other areas. That deals with particular kinds of issues, not only those that are “significant or controversial”.

The Chairman (Mr Molloy): The issue is whether there is consensus in the Committee about those matters.

Dr Farren: I agree. We may end up with them being enshrined in statute.

The Chairman (Mr Molloy): Paragraph 3 could, in theory, be ruled out; however, the Secretary of State wants the Committee to give an opinion on each paragraph.

Dr Farren: The SDLP view is that paragraph 4, particularly paragraph 4(b), is an open door that could be seen to override the executive authority of Ministers, because it gives the First Minister and the Deputy First Minister complete discretion to agree on what should be brought to the Executive. Therefore, if Conor Murphy were a Minister, and the First Minister and the Deputy First Minister agreed that they regarded as controversial something that he did not, they can bring that matter to the Executive’s attention. It is an arbitrary and open-door provision that is not necessarily required to be put in statute. It seems odd that something such as that would be based in statute. The SDLP objects to paragraph 4.

The Chairman (Mr Molloy): The words “significant or controversial” may apply to just paragraphs 4(a) and 4(b) — and Seán stated that the SDLP opposes paragraph 4(b) — but, as Maurice has said, everyone’s interpretation of what is significant and controversial is different.

Mr Murphy: Any issue could be described as “significant or controversial”, down to the choice of coffee to buy for the restaurant downstairs. The “significant or controversial” provision in paragraph 4 is not a stand-alone clause as I read it; it must be matched up with either 4(a) or 4(b) as well.

I appreciate what Dr Farren says when he states that the SDLP would not be prepared to take the post of First Minister or Deputy First Minister in an Executive if people were minded to abuse those two offices or that office collectively. The First Minister and the Deputy First Minister agree the agenda for Executive discussion anyway. I imagine that the Executive would want to discuss collectively anything that was clearly outside the scope of the agreed Programme for Government. There are safeguards in the requirement for both the First Minister and the Deputy First

Minister to agree anything else that Members feel should be brought to the attention of the Executive.

Dr Farren: I would have no objection if the First Minister and the Deputy First Minister were to agree that something was controversial and needed discussion and were to bring it to the Executive. However, to enshrine it in statute is to determine that anything that the First Minister and the Deputy First Minister considered controversial could be brought to the Executive. Therefore, there would be no recourse to the Executive discussing what is or is not controversial. If the First Minister and the Deputy First Minister were to decide that something is “significant or controversial”, the law would back them up.

That is the point. They may decide one week that something is serious and should be brought to the Executive. That is in the normal course of events in any organisation: when something comes to one’s attention, although someone else may have direct responsibility for it, if one wants to bring it to a committee’s attention, that is fine. However, to make it legally binding that matters must be brought to the Executive and that nothing can be said about whether those matters should be brought to their attention is to go too far with legal requirements.

The normal cut and thrust should allow for open discussion without there being a need to underpin paragraph 4 with a legal provision. Essentially, it is the legal provision, not the right to bring issues that the First Minister and the Deputy First Minister think are controversial to the attention of the Executive, to which I object.

Mr McFarland: If Martin McGuinness and Ian Paisley take an anti to Minister Farren here, they can target him.

Lord Morrow: Why not Minister McFarland?

Mr McFarland: Minister Kennedy, or whoever. The point is that the First Minister and the Deputy First Minister will not target their own Ministers but Ulster Unionist and SDLP Ministers. This provision is daft.

Mr Ford: The UUP is taking its seats in the Executive, then?

Lord Morrow: Chairman, I do not lay the blame for this at anyone’s door, but this document from the Office of the First Minister and the Deputy First Minister (OFMDFM) was handed to us a mere few minutes ago. I detect a degree of nervousness about the whole thing. It might have been better if all the parties had had at least 24 hours’ notice of this so that they could have discussed it with their colleagues or taken a steer. That might not have resolved every issue, but it would have brought a degree of clarity and swiftness to proceedings. If we are to go through this document line by line, and it looks as if we are doing so, the 24

November deadline will not be met — not this year anyway.

Mr Murphy: We have had the agenda for a couple of days and have known what issues would arise. It clearly indicates that we are to discuss paragraphs 2 to 5 and 16 to 18 today. Sinn Féin came here to do business on that basis.

Alan and Seán are operating on the basis that a First Minister and a Deputy First Minister will abuse their powers. There is not only a ministerial code but a code of conduct. Regrettably, it was the experience in the previous Executive that the First Minister abused his power. It is my firm understanding that if Sinn Féin should end up holding the position of Deputy First Minister, it would not be in the business of abusing powers, targeting Ministers or targeting parties.

Targeting individuals or their parties is not a solid basis on which to enter collective Government and to go forward. If many of those elements were included in a ministerial code and if there were reference in legislation to people following the ministerial code, there would be recourse to law in all these issues. I am not convinced that to enshrine paragraph 4 in statute makes it more likely that there would be recourse to law. Hounding and haranguing individuals through the Executive by measures such as this is not a firm basis on which to go forward.

Lord Morrow: Is the previous speaker telling us that the practices that happened under the Assembly's Minister of Education and Minister of Health, Social Services and Public Safety are now stopped and will not be repeated? Is he giving that guarantee?

Mr Murphy: Maurice clearly does not understand what we are talking about.

Lord Morrow: No, I do not.

Mr Murphy: I will explain it to you. We are talking about provision in the ministerial code for discussion and agreement on any controversial issue that is clearly outside the scope of the agreed Programme for Government or which the First Minister and the Deputy First Minister agree should be brought to the Executive. We are not talking about ministerial decisions that were taken in the previous Executive.

Lord Morrow: We are talking about abuse; you used the word "abused".

Mr Murphy: If you read the Good Friday Agreement and the basis on which you enter a power-sharing Executive — although perhaps you intend to tell us today that you will not enter such an Executive, in which case you would save us a great deal of time; however, we are operating on the basis that we might be moving forward — you will see that Ministers have authority in their own Executive positions. Cross-

cutting and other matters require collective decision-making in the Executive.

There is an additional clause about issues that are clearly outside the scope of the Programme for Government, which anyone would think that a collective Executive would want to discuss, or that the First Minister and the Deputy First Minister agree should be brought to the Executive. That is what we are discussing, not individual decisions taken by Ministers on their own authority, which, in my view, remains unchanged from the time of the previous Executive.

Mr Kennedy: We are trying to decide whether paragraph 4 should become a statutory provision, and it is clear that there will not be consensus on that. I suggest that we register the views of the parties and move to the next matter for consideration.

The Chairman (Mr Molloy): That is probably the best way. Who is against the inclusion of paragraph 4? I see that the SDLP and the UUP are against that.

Members indicated dissent.

The Chairman (Mr Molloy): We come now to paragraph 5.

Dr Farren: You will be happy to hear that I am in favour of paragraph 5, Chairman.

Mr McFarland: This has nothing to do with statutory provision, has it?

Mr Poots: Dr Farren said "never, never, never" to the first three proposals, but not to the fourth.

The Chairman (Mr Molloy): Are we agreed on paragraph 5?

Mrs D Dodds: At the last meeting that I attended of the Preparation for Government Committee, some issues — the minutes that we received today reflect this — that are not in the St Andrews Agreement were raised for consideration for inclusion in a ministerial code. When should the Committee examine those issues? Will we merely record strictly yes and no answers to the provisions in the St Andrews Agreement? Peter Robinson tabled issues that the DUP regards as very important to the ministerial code. However, they are not reflected in the St Andrews Agreement or in any of the papers that we have received today.

The Committee Clerk: The table in the future work programme, which has the column headings "St Andrews Agreement Annex A", "Changes required to legislation?" and "Note of previous agreements in PfG about these issues", sets out under the third column issues that the Committee discussed and agreed on each of those matters. The Committee needs to decide what it wants to do about those.

Mrs D Dodds: Several issues that Peter Robinson tabled at the previous meeting are not reflected in any of the papers.

The Committee Clerk: That is because this is a note of previous agreements in the Preparation for Government Committee; Mr Robinson tabled issues that he wanted to discuss.

3.15 pm

Mrs D Dodds: I understand that. However, issues that are important to the DUP were also raised for discussion, but they are not reflected in the Committee papers. Before we move to paragraphs 16 to 18, we should clarify where those issues are and when the Preparation for Government Committee will deal with them.

The Chairman (Mr Molloy): Those issues may affect some of the paragraphs.

Dr Farren: Do you mean the list in the Committee's report of items that were not agreed?

Mr McFarland: No. At the previous meeting, Peter introduced the idea that Ministers should sign up to putting "Northern Ireland first" and to other items that feed into the process. I do not know whether those issues have been written down.

Dr Farren: We must have a record of those.

Mrs D Dodds: I do not see them in any of the papers that we have in front of us, confusing as the amount of paperwork is.

The Chairman (Mr Molloy): The only place in which they would be recorded is the Hansard report, because they were not put forward as proposals at the meeting of the Committee on 17 October. Peter raised issues, which I assumed would be then raised by the DUP in these discussions at the appropriate times.

Mrs D Dodds: They were raised also for discussion in this forum, and not simply by the parties.

The Chairman (Mr Molloy): Yes.

Dr Farren: Issues such as?

Mr McFarland: When the Committee discusses the Pledge of Office on Wednesday, Peter — if he is present — will want to raise a further amendment to include a requirement that Ministers sign up to putting "Northern Ireland first". I presume that the other issues will be raised in turn as we reach them.

The Committee Clerk: Mr Robinson raised issues that related specifically to gaps that were found. For example, if the First Minister's or Deputy First Minister's parties were excluded, there would be a "freeze" situation, as there would be no way in which to nominate another First Minister and Deputy First Minister. Peter raised a couple of issues like that in areas in which he saw problems with the constitutional arrangements.

We did not pick up that he wanted those issues tabled for discussion in the Preparation for Government

Committee. He said that other matters would have to be looked at. However, we have not included any of them in members' papers as we understood that they were to be raised separately because they were constitutional or legislative issues rather than issues to be raised in the Preparation for Government Committee.

The Chairman has already said that any other issues will have to be tabled for discussion in the Preparation for Government Committee.

The Chairman (Mr Molloy): The issues that Peter raised last week will have been recorded in Hansard. We should factor those back into the discussions so that the Preparation for Government Committee can deal with them. If parties want to raise other matters, they should write to the Committee Clerks, so that those issues can be tabled for discussion by the Committee at the appropriate time.

Mrs D Dodds: Can that be done for the next meeting on Wednesday? Peter raised very important issues, such as a Minister acting in the interests of "Northern Ireland first" and Ministers signing up to the rule of law.

The Chairman (Mr Molloy): Are both for inclusion in the Pledge of Office?

Mrs D Dodds: They could also be in the ministerial code. The issues were tabled for discussion, and they should be raised. They are not reflected in the Committee papers.

The Chairman (Mr Molloy): They will certainly be included for discussion.

Mr Murphy: For reasons of accuracy, the issues were not tabled for discussion. They were flagged as issues — and everyone is entitled to raise issues. In fact, my recollection is that the DUP did not flag the issue around the rule of law and the Pledge of Office. I do not think that there has been any objection to issues being tabled for discussion.

We have talked long and hard at these meetings, and our views are recorded. We do not expect the Committee Clerks to listen out for items that they may have to record for future discussion. If other issues need to be discussed, members should table them clearly for discussion rather than hope that they will be picked up and turned into a piece of paper.

The Chairman (Mr Molloy): Peter raised a longer-term issue concerning the structure of the Administration, and that requires further discussion. We will pick up on the issues raised. However, I repeat that if parties want items put on the agenda, they should send a paper to the Committee Clerks. It is open for parties to raise issues that relate to sections in the ministerial code or the Pledge of Office.

Mr Poots: To correct the last member who spoke, Chairman, in case he missed it, parties do not need to flag the rule of law as an issue, because paragraph 8 of annex A deals with it, and this Committee must also deal with part of it.

Mr Murphy: If Edwin checks Hansard, he will find that Peter Robinson raised a number of other issues that he thought should be incorporated in the Pledge of Office — the rule of law was not one of them. Peter Robinson talked about his “Northern Ireland first” clause. My memory does not serve me as to the rest, but it was quite clear that he did not raise the rule of law as an issue. It is open for Peter Robinson — or any member of the DUP or any other party — to come back on any of those issues. I make that point in the interests of accuracy.

Mr Poots: If the member reads paragraph 8 of annex A to the St Andrews Agreement, he will find that it states:

“Before the Government legislates on the pledge of office it will consider the outcome of further Preparation for Government Committee discussions on policing and the rule of law.”

The member will not need to flag that issue, because we will have to address it.

The Chairman (Mr Molloy): We will address different paragraphs as we work through the annex. We are at paragraph 5 at present, which deals with the ministerial code. Is there complete agreement on that?

Members indicated assent.

The Chairman (Mr Molloy): We move on to paragraphs 16 to 18 of annex A. Are members agreed?

Mr Poots: Agreed to what?

Dr Farren: Take it easy.

Lord Morrow: Paragraphs 16 to 18.

The Chairman (Mr Molloy): Do members have any comments?

Mr McFarland: A myth has been peddled for some time that the NSMC and BIC were not accountable bodies. I draw members’ attention to section 52 of the Northern Ireland Act 1998, which clearly sets out the rules relating to those bodies. That is all tied down in the draft ministerial code. During the previous Assembly, there was not a single incident where any member was unaccountable on North/South or east-west issues. It is not at all clear why we are busy trying to include aspects that will hinder the smooth working of something that was working extremely well. The custom and practice is in the ministerial code, and parties do not need to mess around with it further by enshrining it in law.

Lord Morrow: Would that be because the BIC seldom, if ever, met?

Mr McFarland: I believe that the BIC met twice, but there was never an occasion when it went astray. The NSMC met regularly, and on no occasion did anything untoward take place.

Lord Morrow: I clearly remember my party leader asking about this very issue in the Chamber, and the then Speaker ruled that he was out of order. The Speaker told him that he had no right to ask anything — or anything political — about the North/South Ministerial Council.

Mr Poots: Will Mr McFarland confirm that, in meetings of the NSMC, he is happy with a Minister from a political party in this jurisdiction to meet a Minister from the same political party in another jurisdiction? Is he also happy with the possibility that they could agree a way forward on a particular issue to which the Assembly has no recourse?

Mr Kennedy: That circumstance would not arise.

Mr McFarland: It would not arise because the rules of the game for the NSMC are absolutely clear: Ministers are nominated by the First Minister and the Deputy First Minister for certain things, and they are always accompanied by a Minister from another jurisdiction. I cannot stop Peter Robinson going to Kerry and having a private natter with somebody, but the Executive certainly would not sanction that. The rules of the game concern issues that are sanctioned, and those are Executive issues. Currently, that is tied up in the draft ministerial code and in legislation. It is not at all clear why the Executive’s role in the preparation for NSMC and BIC meetings, and attendance at those meetings, is being raised, because nothing untoward happened on any occasion during the previous Assembly.

Dr Farren: I draw members’ attention to section 52 in part V of the Northern Ireland Act 1998, and to subsequent sections.

Section 54 deals with the British-Irish Intergovernmental Conference (BIIC), and section 52 with the North/South Ministerial Council and the British-Irish Council. Section 52(5) states:

“The First Minister and the deputy First Minister acting jointly shall, as far in advance of each meeting of either Council as is reasonably practicable, give to the Executive Committee and to the Assembly the following information in relation to the meeting—

- (a) the date;*
- (b) the agenda; and*
- (c) nominations made under subsection (1) for the purposes of the meeting.”*

Subsection (6) continues:

“A Minister or junior Minister who participates in the meeting of either Council by reason of a nomination under this section shall, as soon as reasonably practicable after the meeting, make a report—

(a) to the Executive Committee; and

(b) to the Assembly.”

And so on. I fail to see what is required here in addition to what is already prescribed by law, and I think that the recommendations in paragraphs 16 to 18 are redundant.

Mr Poots: I am astonished that the Ulster Unionist Party would seek to ensure that we do not make those bodies more accountable than they currently are, on the basis of “We have not experienced problems, so we will never experience problems.” That party does not seem to realise that a train could be coming down the track some day with no mechanism to stop it. I am amazed that the Ulster Unionist Party is taking that line. That the NSMC and the BIC should be accountable is surely something that everyone would want. The Assembly and the Executive should also be able to control individual Ministers and their fiefdoms. Last time around, we had Ministers taking decisions, particularly on education, that the Ulster Unionist Party was appalled by, yet it seems to be happy enough to allow those kinds of decisions to be taken in the NSMC.

Mr Kennedy: Was that a North/South Ministerial —

Mr McFarland: Can we kill these canards once and for all? Minister de Brún was able to do what she did because, between November 1999 and March or April 2000, there was no Programme for Government. No one was signed up to anything. That was unfortunate, but those were the circumstances at the time. Martin McGuinness was able to do what he did because, in a fit of pique as he walked out the door, he signed off on the review of post-primary education. If the Assembly had not been suspended, Martin McGuinness would not have been able to do that, because he would have required authority from the Assembly and money to do what he did. Those are two examples that keep being hoisted —

Lord Morrow: But he did do it.

The Chairman (Mr Molloy): One at a time.

Mr McFarland: It happened in one case because there was no Programme for Government, and in the other case because there was no Assembly to stop it. I repeat: on no occasion was there any difficulty with the smooth working of the legislation.

Lord Morrow: But he did do it.

Mr McFarland: There is legislation for North/South arrangements here. On no occasion was there a hiccup with a Minister. It was all played absolutely properly, and to be busy trying to legislate for unfore-

seen events that we do not have a clue about is really confusing.

Lord Morrow: Mr McFarland is saying that we should wait until something happens before we legislate. Is that right?

Mr McFarland: We do not know what will happen. What are we going to legislate for? The legislation is already in place.

Lord Morrow: Did Martin McGuinness not do what he did? Did he do it or not?

Mr McFarland: Only because, Mr Chairman, there was no Assembly.

The Chairman (Mr Molloy): We are here to deal with North/South and east-west issues.

Mr Kennedy: In respect of strand two and strand three — the NSMC and the BIC — we are satisfied that the current mechanisms will work as they have done in the past. That is what we are saying. We are not discussing strand one issues, on which, apparently, others are focusing.

Mr Poots: To be absolutely clear, the Ulster Unionists are opposed to strengthening accountability on strand two and strand three issues.

Mr Kennedy: I can tell you that we are probably more opposed to extending North/South ministerial co-operation than the DUP appears to be.

Mr Poots: You started it.

Mr Kennedy: Therefore, you will continue it and expand it.

Mr Poots: The legislation —

Mr Kennedy: We feel that the current legislation deals with the matter.

Mr Murphy: The question is whether paragraphs 16 and 17 provide more accountability or tie up Ministers in any way that existing legislation did not. If the DUP wants cover for entering into those processes, the answer is that they do not. The key sentence is in paragraph 17:

“Notwithstanding the lead Minister’s executive authority in his/her area of responsibility as defined in the Agreement”.

That means that the executive authority, as defined under the Good Friday Agreement, does not change.

3.30 pm

Those two paragraphs do not make any difference, and Seán Farren made the point that they are redundant. Those areas were covered in the ministerial code and legislation. The necessity to legislate for them here is probably a moot point. They do not substantially alter

what was the practice in legislation or the principles of the Good Friday Agreement.

The difficulty with the way in which the Committee has gone about this is that parties are either for or against. Paragraphs 16 and 17 make no impact; it is not worth voting for or against them because they do not alter what already exists. Therefore, Sinn Féin's view is that there is absolutely no necessity to include them. They do not strengthen or make more difficult the arrangements relating to NSMC and BIC.

The only difficulties in relation to NSMC are addressed in paragraph 18 and concern the entitlement to attend. However, that does not alter in any way the accountability mechanisms for NSMC or BIC.

The Chairman (Mr Molloy): Are there any other comments?

Dr Farren: If the Committee is simply taking what is already there and putting it into the ministerial code, there is not a great deal to be gained one way or the other. Given that Part V of the Northern Ireland Act 1998 is already law, I see no difficulty with including it in the ministerial code.

However, if the DUP is effectively seeking something other than what is here, it must be specific with respect to the 1998 legislation, rather than pretending that the provisions do not already exist: they do exist.

Mr Poots: The DUP is content, because that issue is linked to the previous paragraphs that were discussed. Should an individual Minister wish to go down a particular route to which the rest of the Executive, or a significant number of other parties within the Executive was opposed, there is now a means of resolving that. Previously, those Ministers could carry on and do as they wished without another party being able to stop a particular activity.

Mr McFarland: That is nonsense.

Mr Poots: It is not nonsense.

Mr McFarland: It is nonsense.

The Chairman (Mr Molloy): Alan —

Mr McFarland: Chairman, in essence there is a Programme for Government agreed by the Executive and all Ministers. A Pledge of Office and a code of conduct state that all Ministers must abide by the decisions of the Executive and the Programme for Government. Therefore, it is utter nonsense that Ministers could rush off and do their own thing. I outlined the two occasions on which that happened. I explained why it happened and how it cannot happen again because of the safeguards in the ministerial code that were introduced during the first Assembly.

To try to introduce legislation and make changes on grounds that are neither reasonable nor logical does

not make any sense, other than allowing the DUP to claim, as a cover for going into Government with Sinn Féin, that it has made great changes.

The Chairman (Mr Molloy): Is there another issue along those lines? Paragraph 18 of annex A concerns the attendance at meetings of the NSMC and BIC, as opposed to the Executive's role in preparation for NSMC and BIC meetings, which is covered in paragraphs 16 and 17.

Mr Murphy: Paragraph 18 is different. Paragraphs 16 and 17 detail the information that should be shared or the input that the Executive should have into decisions taken at the NSMC. Paragraph 18 concerns attendance at NSMC and BIC. It deals with the removal of a section of the 1998 Act that was abused under the last Executive and the tightening up of the procedure relating to attendance.

The Chairman (Mr Molloy): Therefore, you are saying that paragraphs 16 and 17 should be taken separately from paragraph 18.

Mr Murphy: For the record, this dispute is essentially between the two unionist parties. However, there were more than two controversial decisions, decisions with which Sinn Féin disagreed. I can think of some Department for Social Development (DSD) decisions, but we disagreed with other decisions taken by other Ministers. Executive authority in all of those things is specific and remains as defined in the terms of the Good Friday Agreement. All of these enhanced accountability mechanisms were already in the ministerial code, and I do not see any difference with what happened previously, other than to put some of them in statute.

Mr Poots: I am happy enough that others do not see the differences, and I am happy enough to point it out to the public. If the members in this room do not understand it, we will be able to demonstrate to the public, with a degree of clarity, what the differences are and take the public's view.

Mr Kennedy: We will enjoy reading the press release.

The Chairman (Mr Molloy): Should paragraph 16 be included or not?

Members indicated dissent.

Mr Murphy: There is a difficulty with this proposition of supporting or not supporting issues. Sinn Féin's views on the issues it agreed are recorded in Hansard. We have expressed the view that there is no need for this. There is the question of whether the British Government decide to include it and whether we go into the trenches over it. However, we certainly never argued for these measures to go in because we believe that there are sufficient accountability mechanisms for the North/South issues, and these

amendments do not alter them; they just repeat what is already there.

Mr Kennedy: You are still relaxed.

Mr Murphy: I am even more relaxed. On those grounds it is a moot argument as to whether you agree for it to go in or not: they are already covered.

The Chairman (Mr Molloy): I will ask the question in another way. Is there a need for them or not?

Mr Murphy: That can be taken as an abstention, if you like.

The Chairman (Mr Molloy): OK. I am just trying to confirm the answers.

Mr Murphy: I appreciate your difficulty.

The Chairman (Mr Molloy): Can we record those against including paragraph 16? The SDLP and the Ulster Unionist Party. Sinn Féin is relaxed.

Mr Murphy: We are relaxed. The Alliance Party is relaxed as well. We are relaxing together.

Mr Ford: I did not say that.

The Chairman (Mr Molloy): We move on to paragraph 17.

Mr Kennedy: It will be the same argument again.

The Chairman (Mr Molloy): Who is against the inclusion of paragraph 17? The Ulster Unionist Party and the SDLP: Sinn Féin is relaxed.

We move on to paragraph 18, which refers to attendance at the NSMC and the BIC. Who is against its inclusion?

Mr McFarland: The Ulster Unionist Party believes that the current system for the authority for this, which comes from the First Minister and the Deputy First Minister, seems perfectly adequate. If we are now saying that everybody can go, regardless of whether they are the First Minister or the Deputy First Minister, we would be changing the practice dramatically.

Mr Murphy: The Good Friday agreement said that “the appropriate Minister” should attend. Paragraph 18 talks about the Minister with the lead departmental interest, which is essentially the same thing. The difficulty is that the previous First Minister decided to take it upon himself to decide who was appropriate and who was not. This would close down what was an abuse of the First Minister’s power — even though Alan or Danny might try to defend it or argue round it. The last time he decided not to send certain people along to the North/South Ministerial Council was not because the issues being discussed were their departmental responsibility, but because the First Minister had a political difficulty with the party attached. This removes that point of abuse and reaffirms what the

agreement intended — and a High Court judge also agreed.

The person entitled to attend the meeting is the person with departmental interest, and that is quite clear. If there are issues where there is a dispute over that, it is up to First Minister and Deputy First Minister to adjudicate, which again is correct. However, in 90% of the cases where NSMC or BIC meetings were happening, it was quite clear who had the lead departmental interest from either side, and those people were entitled to attend. Paragraph 18 makes that clearer and removes the possibility of the abuse of the process that happened in the previous Executive.

Dr Farren: We do not think that a Minister’s refusal should impede the work of the NSMC. There are plenty of opportunities to discuss papers and proposals to be discussed at the meetings. If there were strong objections to any of the issues to be discussed, that would be the opportunity to discuss them and possibly prevent any discussion on matters where no agreement had been reached.

However, we should not provide for a Minister simply to refuse to go and, therefore, impede the work that would otherwise go ahead. The abuse that could arise should not be allowed, even in potentia, and there is a requirement on the First Minister and the Deputy First Minister to nominate in the absence, or failure, of a Minister to discharge what would normally be their responsibilities with regard to the NSMC.

Mr Ford: I comment on the final sentence of paragraph 18 of annex A of the St Andrews Agreement, and regret the ongoing petty sectarianism which assumes that Ministers fall into one designation or another. At the point in time when Alliance Party Ministers are involved, I will be delighted to see how the appropriate person to “match up” is interpreted.

Mr Murphy: Bob McCartney.

Mr Ford: He will refuse office.

The Chairman (Mr Molloy): Are there any objections to the inclusion of paragraph 18? Ulster Unionists?

Mr McFarland: Everyone else is relaxed.

The Chairman (Mr Molloy): The DUP objects.

Mr Kennedy: No. You are for it.

The Chairman (Mr Molloy): No? I am sorry. The Ulster Unionists are opposed.

Mr Poots: It is like an auction here.

Mr Kennedy: Are we the only ones against?

The Chairman (Mr Molloy): Yes.

Mr Kennedy: That will be another press release.

The Chairman (Mr Molloy): We have covered what we were to cover today. On Wednesday we will be dealing with paragraphs 6 to 15. If members wish to raise any additional items not covered in those paragraphs, they should inform the Committee Clerks by tomorrow. We will then examine table four, which details issues not covered by the St Andrews Agreement and which require legislation.

Mr Poots: Is there any other business?

The Chairman (Mr Molloy): There is a letter from the Consumer Council. All parties should have a copy. Perhaps members would like a few moments to read it.

Mr McFarland: We are in institutional format here, Mr Chairman. This matter would seem to lend itself to the far-famed “P1”, the Programme for Government Committee, which may well wish to address the issue of water reform in any future Programme for Government. It is hard to see how the item fits into discussions on institutions or policing and justice.

The Chairman (Mr Molloy): The Consumer Council contacted me in my role as Chairman. Its view is that there is no time to talk to the Programme for Government Committee, because if legislation is forced through in the near future, it would be very difficult for an Assembly, even through its Programme for Government, to deal with the matter.

That is why the Council is so concerned to talk to this Committee. It is asking this Committee to recommend to the Secretary of State that the legislation should be held back. Last week’s judicial review held up another stage in the legislation’s passage.

Mr Kennedy: Was it the case that there was an indication that the Government had withdrawn its current legislative proposal pending the outcome of the judicial review?

The Chairman (Mr Molloy): It is only delayed because of some other difficulties. It could still go ahead in November.

Mr Kennedy: It appears to be more an issue for the Programme for Government Committee. There is an economic background to the issue, so technically we could refer it to the Subgroup on the Economic Challenges facing Northern Ireland.

The Chairman (Mr Molloy): The Consumer Council has written to the subgroup. However, its main concern was the time factor.

Mr A Maginness: The request is for the Consumer Council to address the Committee on the Preparation for Government in some shape or form. It would be useful to hear from the Council. It has done a tremendous amount of work with regard to the issue of water charges, and brought a judicial review that has forced the Government to change its parliamentary timetable.

Originally, the Government said in open court that the parliamentary timetable was immutable. Now, they have accepted that it is subject to change.

The debate on the issue is scheduled to take place in the House of Lords during the week. The new session of Parliament begins on 15 November. Any discussion of the issue in Parliament will, therefore, take place after that. The date of 15 November is a notional one: it is simply the date of the commencement of the next session of Parliament. The debate could take place much later than November.

3.45 pm

Certainly, the Consumer Council has brought the Government round to accepting that the judicial review should be heard before any parliamentary debate takes place. That does not mean, however, that any legislation will be altered or removed. I am a little disturbed that, throughout its submission, the Consumer Council talks about amending the proposed legislation. There is no way that the legislation can be amended as it stands. I believe that the Consumer Council accepts that and is not misled in that sense; but the only way to amend the legislation is to take it away from Parliament, rethink it and propose a new Order in Council. The effect of that would be to scrap the current legislation and move on. The problem from the Government’s point of view is that that would create a gap with regard to finances. If they do that, they must put the matter before the new Assembly and new Executive whenever they meet.

At St Andrews, the Government made it clear that they would keep the issue and see it through; they would not give it to the Assembly. It is a major issue for the Government and for us as politicians. It is important that — in whatever shape or form it takes place — the Consumer Council be given a hearing because of its expertise in the matter and its proposal of and leading role in the judicial review. The Consumer Council should receive an early hearing from the Committee, which will be useful because the issue could potentially come before the new Assembly and Executive.

Mr Ford: I agree with Alban that the issue must be examined in some detail. However, I am not sure what the correct forum is. Some of us have heard from the Consumer Council in different ways. I wonder whether, in the absence of the Programme for Government Committee, the appropriate body to deal with the issue is not the Subgroup on the Economic Challenges facing Northern Ireland. It has been doing more detailed work in that area and may be able to go into the matter in some measure. In view of next week’s meeting with the Chancellor, it might be more relevant to the subgroup than to the Committee on the Preparation for Government, which is currently focused on institutional rather than financial matters.

The Chairman (Mr Molloy): The issue is that the subgroup has concluded taking evidence.

Mr Ford: I appreciate that, Chairman. However, I suggest that in the context of the subgroup's consideration of the matter, it should be asked in its meeting this week or even earlier to meet the Consumer Council in preparing for the meeting with the Chancellor on Wednesday 1 November.

Water charges will have a significant bearing on any economic package. I am not trying to brush the Consumer Council away from this Committee, but it would be more logical for the council to meet the economic challenges subgroup, as it examines financial matters.

Mr McFarland: Has the Secretary of State given any indication of a timetable for the Programme for Government Committee?

The Chairman (Mr Molloy): The Speaker has received a direction that it will meet this week, but there is no work programme yet.

Mr McFarland: If the Programme for Government Committee meets this week, its first challenge may be to consider water charges. If it cannot consider that issue, presumably the subgroup can.

The Chairman (Mr Molloy): My only concern is that, as the Programme for Government Committee formulates its work programme, the issue will be delayed, but the Consumer Council has indicated that this is an urgent issue that requires a response from the Programme for Government Committee.

Mr McFarland: If party leaders sit on the Programme for Government Committee, and the Executive will deal with such issues eventually, that Committee is a more powerful forum for the Consumer Council to address than our illustrious colleagues on the subgroup. However, if party leaders wish to hold off such matters until the Assembly is restored or whenever they agree, that would seem to be —

The Chairman (Mr Molloy): As David said, the issue of water charges should be included in the submission to the Chancellor, because if the issue will be delayed —

Mr Poots: Alban seems happy to operate by writ rather than wit on this matter. We support the issue's being passed to the economic challenges subgroup. However, if the Programme for Government Committee gets up and running and wishes to take over the issue, that would be fine. However, it is important that the Consumer Council should be given a positive hearing.

Mr Ford: Edwin does not contradict my point. The Committee on the Preparation for Government could ask the subgroup to meet the Consumer Council on or before Thursday, but we cannot speculate on whether a

Programme for Government Committee will meet some time in the next fortnight.

Mr Murphy: The Consumer Council's submission does not seem to have requested a meeting or an opportunity to give evidence to any Committee.

The Committee Clerk: There is no request for a hearing in the written submission, but request was sent by email.

Mr Murphy: Could this Committee forward that request to the subgroup for consideration?

Mr Ford: It should be more than consideration; this Committee should request that the subgroup deal with the issue.

The Chairman (Mr Molloy): Is there consensus to pass the Consumer Council's request to the subgroup and ask it to report back to the Committee on the Preparation for Government on Monday? This Committee could still recommend that the matter be discussed during the meeting with the Chancellor.

Members indicated assent.

The Chairman (Mr Molloy): Do members have any other business?

Mr Kennedy: I do not know whether other members are encountering this problem. Committee agendas are being sent by registered post, which requires someone to be at the address to sign for them. That has proved inconvenient for me, as there is not always someone to sign for the post, which means that it must be collected from the local sorting office. Is there another solution? I am happy for agendas to be sent by first-class post, rather than having to sign for them.

The Chairman (Mr Molloy): I have the same problem. The problem with ordinary post is the speed of delivery. The matter should perhaps be raised with the Business Committee.

Mr Kennedy: If mail was sent by first-class post directly to members' houses rather than to their pigeonholes and then to the post office, that would be better.

The Committee Clerk: Members have made various arrangements: some members have instructed that their papers are left only in their pigeonholes; some have papers delivered to their party offices; some have them sent to their home addresses. We will do whatever individual members request.

The Chairman (Mr Molloy): If members have any problems, they can speak to the Committee Clerk.

The Committee will meet again on Wednesday morning.

Adjourned at 3.54 pm.

COMMITTEE ON THE PREPARATION FOR GOVERNMENT

Wednesday 25 October 2006

Members in attendance for all or part of proceedings:

The Chairman, Mr Wells
Mrs Diane Dodds
Dr Seán Farren
Mr David Ford
Mrs Carmel Hanna
Mr Danny Kennedy
Mr Kieran McCarthy
Mr Alan McFarland
Mr David McNarry
Mr Alban Maginness
Mr Conor Murphy
Mr John O'Dowd
Mr Edwin Poots
Mr Peter Robinson
Ms Caitriona Ruane

The Committee met at 10.09 am.

(The Chairman (Mr Wells) in the Chair.)

The Chairman (Mr Wells): Good morning. Members should ensure that all mobile phones are switched off. Today's meeting will continue until 4 pm, and we will break for lunch as usual at 12.20 pm.

I will go through the roll to determine who is attending.

Mr P Robinson: Edwin Poots and I are attending in place of Lord Morrow and Dr William McCrea.

The Chairman (Mr Wells): Do you expect a third representative to arrive?

Mr P Robinson: We are always open to surprises.

Mr McFarland: Danny Kennedy is due shortly. Unfortunately, I have to go to another meeting, but I return before lunch. Mr McNarry is representing himself.

Mr McCarthy: I am here in place of Naomi Long. David Ford will be here shortly, but I have to leave at 11.30 am.

Dr Farren: I am here as myself.

Mrs Hanna: I think that I am here in place of the party leader, Mark Durkan.

Mr A Maginness: I am here in place of Alasdair McDonnell.

The Chairman (Mr Wells): I welcome you, Carmel. I understand that this is your first meeting of

the Committee. You must have done something wrong over the past few weeks to have this inflicted on you.

Mrs Hanna: Thank you very much. You are right; I must have done something wrong.

Mr Murphy: I am here as myself, and John O'Dowd is here to replace Martin McGuinness. Caitriona Ruane will possibly arrive later.

The Chairman (Mr Wells): It was agreed that representatives from the NIO could observe the Committee's proceedings, and two gentlemen from the NIO are here. The Office of the First Minister and the Deputy First Minister (OFMDFM) has also requested an opportunity to observe the meeting, and a lady from that office is waiting for our decision. Do members have any views on that?

Mr O'Dowd: It is getting crowded in here.

Mr McCarthy: Bring her in.

The Chairman (Mr Wells): Staff from OFMDFM will be working on any legislation that we suggest, so they may find it useful to pick up the nuances of what we are trying to say. Is everyone happy enough?

Dr Farren: Is there any risk that the observers' benches will be full?

The Chairman (Mr Wells): We will have a problem with accommodation — meetings of this Committee are becoming the hottest ticket in town.

The minutes of the meeting of 23 October will now be distributed. It may be useful for members to read the minutes, and particularly the way in which each party's views have been recorded. We did not reach consensus very often at the previous meeting, which is why we have had to adopt a new mechanism.

It is also important to ask whether the minutes are an accurate reflection of each party's decisions.

Mr P Robinson: Edwin and I cannot answer that, as neither of us was present at the previous meeting. I am sure that our representatives, being sensible people, made the right decision.

Dr Farren: I wonder whether that is what they told Mr Robinson.

Mr P Robinson: I have total trust in them.

The Chairman (Mr Wells): Of those who were here —

Mr McFarland: The second paragraph of item 5 of the draft minutes says that we supported the proposal that paragraphs 2 and 3 of annex A of the St Andrews Agreement be enshrined in statute. However, that is not the case. The SDLP and my party objected, and I thought that the Alliance Party and Sinn Féin did not vote at all.

Mr McCarthy: We were relaxed about it.

Mr McFarland: Sinn Féin and the Alliance Party used the word “relaxed”. My party and the SDLP said that the Alliance Party should not be relaxed, and the DUP said that it should. Therefore, the information in that paragraph is not necessarily correct. In respect of paragraph 3 of item 5 of the draft minutes, the Alliance Party can speak for itself, but I thought that it and Sinn Féin were relaxed about that matter also. The draft minutes state that the Alliance Party and the DUP supported the proposal.

10.15 am

My next question concerns Hansard. The Hansard report is fairly critical. Members spend all day in the Chamber, and the report of that day’s plenary is available the following morning. Members can then read what was said during the previous day’s debates. Given that the work of this Committee is fairly critical, I do not understand why Hansard reports cannot be ready one day after our meetings. If the reports can be made available for plenary sessions, what is the difficulty in them being available for meetings of this Committee? Given that all parties — one of which does not appear in the Chamber at all — attend meetings of this Committee, one could argue that, at the minute, this Committee’s work is more important than plenary debates. If the Hansard report were available the day after Committee meetings, the problem of knowing who voted, and how they voted, would be solved.

The Chairman (Mr Wells): I understand that the Hansard report of Monday’s meeting will be available today.

Mr McFarland: I understand that. However, the Hansard report is made available the morning after a plenary debate, and Members who were in the Chamber on that day can read who said what.

The work of this Committee is fairly critical. The Committee’s previous meeting was on Monday — 48 hours ago — and if the Hansard report of that meeting were available, potential difficulties could be solved. In my view, the minutes are not correct, and the Hansard report would show that. Without Hansard, we are all trying to remember which vote we are talking about and who said what and when.

Dr Farren: That is why we should delay approving the minutes until tomorrow.

The Chairman (Mr Wells): That is a reasonable point. Members are committing themselves without being clear as to what exactly was decided. To make certain that there are no difficulties, at the end of each vote today we will check exactly what members believe that they have voted for or against, or what they are content with.

The Business Committee’s procedure on voting is quite good. For the Speaker’s benefit, the Deputy

Clerk summarises how each person voted at the end of each vote. Members who are members of the Business Committee will have seen that procedure in action and will know that it works quite well. We will make certain that members leave the room today being very clear about the decisions that have been made. Therefore, as a result of those valid concerns, we will not make any decision on the minutes.

The next item on the agenda is matters arising. It was agreed that we would remind the Northern Ireland Office that we requested copies of the various additional papers that have been circulated to one or more parties during and since the discussions at St Andrews. We have not yet received anything from the Northern Ireland Office —

Mr Ford: Have we not received even an acknowledgement? That is not in keeping with the NIO’s customary efficiency.

The Chairman (Mr Wells): A deluge of documents has not come our way; in fact, we have not received anything. However, we can ask, but that will not guarantee that the papers will be forthcoming.

Mr Ford: Given that the NIO has given us an extremely tight deadline to work to, could we request that it at least gives us the courtesy of a reply? I have no great faith that it will answer our request in the affirmative, but it would be helpful if we could at least have a negative response. That would establish that we all know where we stand.

The Chairman (Mr Wells): Representatives from the NIO are here, busily writing as we speak, so no doubt they will convey that message.

Mr Ford: I am not sure whether they are necessarily writing a reply to give to you before the conclusion of this morning’s session.

The Chairman (Mr Wells): I would be surprised if we got all the documentation that we have asked for.

Mr Ford: Oh ye of little faith, as Danny Kennedy would say in these circumstances.

The Chairman (Mr Wells): I am just reminding members that that instruction has been complied with.

Members will recall that it was decided at the first meeting of this Committee that if parties wished to include any issues for discussion that were not listed in the various agenda, their suggestions should be with us by 24 October, which was yesterday. As yet, no party has submitted any documents to the Clerks.

Mr P Robinson: Is that on additional matters for discussion?

The Chairman (Mr Wells): Yes.

Mr P Robinson: I raised additional matters, so I presume they are on the list.

I know that Sinn Féin gets ultra-sensitive when this issue is raised, but we should face up to potential breaches of the terms of any agreement or any default of legislative requirements. The Government made general comments on that in paragraph 11 of the St Andrews Agreement, along the lines that they will make sure that those parties — and not others — are punished.

We should face up to the issue and see if there is a way through it. It is not an easy issue to resolve; however, we would be failing in our duty if we did not consider the matters that might come under the heading of “sanction”, to use a shorthand term, although that might not be appreciated by everybody. Whether or not we get agreement, we should talk around the issue to find out where everybody stands and what might be possible.

The Chairman (Mr Wells): There is an opportunity to raise that in today’s discussions. Having checked the Hansard report, Mr Robinson, you clearly outlined several issues that you felt should be included. We were expecting a formal note to ask that those issues be pursued. That note would need to be submitted today, so there is still an opportunity.

Mr P Robinson: I am telling you. You can take a formal note —

The Chairman (Mr Wells): We reached a decision that parties would submit papers on that today.

Mr P Robinson: And, as always, they can do so if they wish. I have told you what the issues are, and you can take them or not.

The Chairman (Mr Wells): We will take those issues at the appropriate time in the discussion. Does anyone else want to come in on that issue?

Mr Ford: I assumed that the issues mentioned in the work plan drafted by Committee staff did not need to be mentioned, as they would inevitably arise during the discussions. As we seem to have enough pieces of paper floating around from everywhere but the NIO, I thought that we could be spared a few more.

The Chairman (Mr Wells): The Hansard report of the meeting on Monday 23 October will be available at lunch time today, so there may be an opportunity to agree the minutes of that meeting later.

There are issues in Preparation for Government Committee reports that are not covered by the St Andrews Agreement; many of them are non-controversial. Alan, in particular, has regularly raised these matters, but unfortunately he is not here. This is very much his hobby horse. Do we want to discuss these issues in his absence or come back to them later?

Mr P Robinson: Not if Alan will raise those issues when he returns; we will have to go over the same territory again.

Mr Kennedy: It might be helpful to defer that discussion until the afternoon session. I am available until early afternoon.

The Chairman (Mr Wells): Are members happy to wait until Alan gets back?

Mr P Robinson: I think that we can contain ourselves.

The Chairman (Mr Wells): We come now to the main part of the meeting, which is the discussion on paragraphs 6 to 15 of annex A to the St Andrews Agreement. At the previous meeting, the discussion was thrown open, and we did not ask any one party to take the lead or for a brief introduction from each party. Paragraph 6 of annex A deals with “Assembly referrals for Executive review”. We need to consider whether the proposals for such referrals contained in the Northern Ireland Act 1998 need to be amended. Who would like to lead off on that issue?

Mr Murphy: I will kick off, as nobody else will. We do not support this mechanism. There is already a mechanism in the Good Friday Agreement for a petition of concern, whereby a matter is brought before the Assembly for a vote. Any 30 Members can sign a petition of concern, which requires that a cross-community vote be taken on any issue that has not already been specified as requiring a cross-community vote.

It seems that the purpose of this proposal is simply to delay a ministerial decision for up to two weeks. It puts added pressure on the Speaker make a decision. The protocol adopted by the previous Assembly was that, if 30 Members signed a petition of concern, the Speaker would consider that to be evidence that a matter was serious enough.

It is quite possible that that procedure would be adopted again if such a mechanism were agreed and put into legislation. The proposal in paragraph 6 makes clear that only matters covered by the ministerial code would require a collective decision by the Executive, and those matters are already agreed under the terms of the code. Some members think that the proposal gives the Assembly some additional ability to overturn ministerial decisions, but it would not. Under the current constitution of the Assembly, only one party has more than 30 Members. The Assembly would therefore leave itself open to a process whereby Members can try to frustrate or mess about with ministerial decisions and cause delays for two weeks. Basically, Members could make nuisances of themselves. That is not a requirement.

There is a provision for securing cross-community voting on any issue that is brought before the Assembly.

The proposal in paragraph 6 will not interfere with matters that are not already covered by the ministerial code — it will not make them subject to a ministerial or a collective decision, unless that is so required by the ministerial code. Therefore, the only purpose of this proposal is to delay ministerial decisions. The Assembly can call a debate and air its views on any decision taken by a Minister. This proposal will merely serve to delay a ministerial decision; it is just a messing mechanism that has been included at the request of one party with the ability to exercise that mechanism when it sees fit.

Mr P Robinson: That is a bit of an elitist view — almost a military view, one might say: the officer class knows best, and the serfs below can never see something that the officer class might not see. The proposal in paragraph 6 of annex A is effectively a democratic control where Assembly Members are given a role. Surely any Executive worthy of their salt would not be embarrassed at the possibility that a Member might refer an issue back to them. I hope that the mechanism would be used very occasionally, if at all, but it is a safety net. It gives the Assembly the ability to democratically send back a matter to the Executive should something get through the system that concerns Members. It gives the Assembly to ability to tell the Executive that they may have missed something and that an issue should be reconsidered. The proposal does not seem to be an unreasonable provision, and it is certainly not a delaying mechanism.

Why would any Member insert a proposal simply for the purpose of simply delaying a decision if that Member would be part of the Government that would be delayed by that proposal? It is a nonsense. This mechanism is a safety net that would be used very sparingly in the appropriate circumstances — in other words, when it becomes absolutely essential and when Members feel that an issue has slipped through the Executive's net. There is no reason to get excited or worried about this matter. The mechanism would have to be used in that context, and as rarely as possible.

Mr Kennedy: We will not go to the stake on this issue. The measure would presumably be available on a cross-party basis, so that any 30 Members could express their concerns about an issue. We will not object to it.

Dr Farren: Far be it from us to think that any party would dare to abuse such a mechanism were it to be enshrined in law. I have made the distinction several times between matters provided for in Standing Orders and those in the ministerial code itself. Obviously, this provision would not be provided for in the ministerial code, although a Minister who ignored a referral by 30 Members — or any significant number, be that fewer than 30 — would do so at his or her peril. However, enshrining matters in law goes beyond what is really

necessary, which is the distinction that the SDLP has made. What happens during periods of recess? What happens to decisions that may have to be taken urgently in the interim? Would those decisions stand? Of course, the overriding consequence of enshrining matters in law is that people outside the Assembly can interfere, through the law, in essentially political matters.

They have the right to seek judicial review of decisions, of course. However, this goes beyond what the judicial review process adequately provides for. My party sees no reason why the suggestions made here need to be legally underwritten.

10.30 am

Mr Ford: There seem to be two possible interpretations of this. The Sinn Féin interpretation is that it is a recipe for delay, which would be taken advantage of by those who would wish to mess about. The DUP interpretation is that it provides an opportunity for the legislature to ask the Executive to look again at issues.

My party would like to see much more collectivity in the Executive than we have seen previously or are likely to see. We believe that there are significant advantages in enabling the Assembly to ask the Executive to look at matters on a collective basis. If the Executive have in fact considered matters on a collective basis, no party would seek to mess about, because Members would merely be trying, as Back-Benchers, to overturn decisions endorsed by their party leadership within the Executive. On the other hand, where the Executive have not taken as full a view as they might have done, it is not unreasonable that the Assembly should have the opportunity, if only on an occasional basis, to ask for matters to be reconsidered.

Clearly there are problems around the timing, which Seán Farren has highlighted. A ministerial decision taken in the last week before the summer recess would not be considered until about two and a half months later. Nonetheless, the fundamental principle is that this is one way of underpinning collectivity. While, unlike Danny, I certainly would not die in a ditch for the precise form of wording that is there, the principle is of merit and we ought to retain it in some form.

Mr P Robinson: Members are getting themselves excited needlessly. If anyone's purpose is to delay, the ability to do so exists within the Executive. This mechanism is not needed to create delay; it only makes sense as a safety net for us all. Should some measure get through or be passed without us all being aware of it, this allows for referral. Delay is not an issue here.

I assume that Members have read the qualifications that are set out here to ensure that the mechanism is not used in a vexatious way. In the sort of instance that David raised, the Speaker would have some control. In

those circumstances he or she would be acutely aware and particularly sensitive.

Mr Murphy: Members have had their say, and we are unlikely to convince one another of our opposing views.

With respect to the Speaker's filtering role, the practice in the last Assembly was that, where 30 Members signed a petition of concern, that became an issue of importance, and the Speaker was obliged to follow through. The DUP had petitions of concern that were active for practically the entire existence of the last Assembly. There may be mechanisms for discussion within the Executive, but in Sinn Féin's view, and given the practice of the DUP in the last Assembly, this proposal is about Back-Benchers having their bite at decisions made by Ministers of other parties — probably Sinn Féin, in particular — whose decisions they dislike by virtue of the identities of the people taking them. As to the point that the Assembly should be able to express its democratic view on issues, the Assembly has the ability to debate any decision that a Minister takes. The Minister is obliged to attend and explain himself or herself, and the Assembly can have its say.

I am not confident that this mechanism would be used sparingly, given the experience of the last Assembly and the regular use of the petition of concern mechanism by the DUP and other anti-agreement elements.

Dr Farren: I ask the DUP: if there were a provision in the ministerial code that required the Executive to respond to a petition organised by a significant number of Members of the Assembly, why would it be necessary to have that requirement enshrined in law?

Would it not be foolish of an Executive to ignore a petition of concern raised in that manner and brought to their attention by as many as 15 or 20 Members, as I said earlier? Would there not be pressure on the Executive due to the composition of the 15 Members who expressed concern? If those 15 Members were from a single party, their party colleague on the Executive would say that his colleagues were on his back and that they must do something to address the issue. Why enshrine the requirement in law and risk facing some of the consequences that I attempted to summarise earlier?

Mr P Robinson: That is fairly obvious. Lawmakers do not assume that Governments will always act sensibly, logically or accurately. I have two things to say. First, in relation to what happened last time round, if the DUP has the desire to wreck a new Assembly, it will wreck it; it certainly does not need this mechanism to do so. If the largest party decides to wreck an Assembly, I assure you that it will be wrecked.

If the agreement on which we are negotiating — and which is capable of getting the support of all the major parties and, I hope, all of the Members — is not capable of working and functioning, nothing will. So the Preparation for Government Committee must look at the legislation that we are putting forward on the basis of its being supported and accepted as a way forward.

Secondly, there is an issue about the automatic delays that are brought about when 30 Members sign a petition of concern and a matter has to be returned to the Executive regardless of the Speaker's wishes. The example cited is what happened in the last Assembly when the legislation did not give the Speaker any discretion on the issue. If 30 Members signed a petition of concern, a delay was automatic. Under this draft provision, it is clear that the Speaker does have the discretion. That distinction is being used to ensure that the provision would not be used in a vexatious way.

However, we are clearly not going to get consensus.

Mr Murphy: If the largest party on either side wants to wreck the Assembly, it can do so. However, if the largest party on one side intends to go into the Executive having shown to its members and its support-base that it can call to heel other parties present, this is a device through which it can publicly show or give evidence that at least it has the ability to call Ministers back and, if nothing else, delay decisions for two weeks. That is the DUP's intent. If the DUP wanted to wreck a future Assembly, they could do so. However, if its members wanted to show that they could regularly pull all the Ministers in to review their decisions, this device would allow it to do so.

In one sense the draft provision enables the DUP to say that the new Assembly is a different animal from the previous Assembly, one in which Ministers can be pulled in at the same time as operating in a functioning Executive. That is Sinn Féin's objection.

Mr P Robinson: We are going round in circles again, but I must respond to that. Any provision that is put down can be used by any 30 Members. If one party decided to abuse the provision merely to flex its own muscles and to force Ministers to toe the line, it will probably have more Ministers to be pulled into line than any other party. Why would anybody go down that road? It is a nonsense.

A difficulty in any new organisation is that people will examine the new rules and look at how they can be abused. However, the new rules provide a safety net. The ability of Members to call an Executive to account is a democratic requirement that, in any other democratic chamber, would be the norm.

Due to the peculiar system prevailing here, there is a view that there is an elite Executive, that no one should say anything to them and that they should be given free rein to do whatever they want. Members must be

given a role. Parties must trust their MLAs. I trust the Members of my party, and I am sad that some parties are worried about their whipping arrangements.

The Chairman (Mr Wells): I detect that we will not reach consensus on the proposal relating to paragraph 6 of annex A. Bearing in mind the points that were raised this morning, we must double-check people's views. Unless I am terribly wrong, Sinn Féin is opposed.

Mr Murphy: Absolutely.

The Chairman (Mr Wells): The SDLP is also opposed. The Alliance Party —

Mr Ford: The Alliance Party broadly supports the principle, subject to qualifications, as Hansard will record.

The Chairman (Mr Wells): What about the Ulster Unionists?

Mr Kennedy: The UUP is “in abstentia”, as it were.

The Chairman (Mr Wells): What is the DUP's position?

Mr P Robinson: We are not sitting on the fence; we are in favour of democracy.

The Chairman (Mr Wells): Members seem content that we have given the issue as much of an airing as we can.

Although there is no doubt on this occasion as to the parties' positions, I suggest that the Clerk reads them out, just to be clear.

The Committee Clerk: Sinn Féin opposes, the SDLP opposes, the Alliance Party broadly agrees with qualifications, the UUP abstains, and the DUP is for the amendment proposed in paragraph 6 of annex A.

The Chairman (Mr Wells): Members have unanimously agreed to disagree.

We move on to paragraph 7. Paragraphs 7 and 8 both deal with the Pledge of Office. I am in the hands of members as to whether to take those separately or combine them into one topic for discussion. I have no strong views and merely want to know what members feel is the best way forward. Are there any thoughts on that? There would be two separate decision-making stages, but we could discuss them jointly. I propose that we take the two together and wait to hear if there is any dissension.

Members indicated assent.

The Chairman (Mr Wells): Paragraph 7 states that:

“Reflecting the Pledge of Office, Ministers would be required to act in accordance with any relevant decisions of the Executive and the Assembly.”

Are there any thoughts on that proposal?

Mr P Robinson: It is a fairly straightforward provision that simply brings in section 52(3) of the Northern Ireland Act 1998 dealing with the North/South and east/west structures, which states that:

“a Minister or junior Minister shall act in accordance with any decisions of the Assembly or Executive Committee which are relevant”.

Paragraph 7 expands that to its logical conclusion. There is no issue with that.

The Chairman (Mr Wells): If there is no issue with paragraph 7, we can move on to discuss paragraph 8. Does anyone have strong feelings on paragraph 7?

Dr Farren: Yes. I will take the second part of paragraph 7 first. The Committee must carefully consider what is meant by binding Ministers to what are described as “relevant decisions” of the Assembly. Does it mean that Ministers would be bound by motions put before the Assembly, such as one that proposed to give everyone a free lunch on a Monday and would perhaps require the Minister for Social Development to ensure that it was implemented? What are we talking about? I am afraid that I cannot see a Government in any part of the world operating under that kind of provision.

Mr P Robinson: Are you serious? That is what Governments in every part of the world do. They are all subject to the will of their parliamentary assemblies.

Dr Farren: On budgetary matters and on matters where there is —

Mr P Robinson: On every matter. That is democracy.

Dr Farren: Come on, Peter. Be serious. Are you seriously suggesting that the early-day motions passed in the House of Commons are binding?

Mr P Robinson: Early-day motions are not passed. They are simply put on the agenda —

10.45 am

Dr Farren: Those motions that came before the Assembly offering people this, that and the other, with no regard for budgetary considerations, are not the kind that you could possibly bind Ministers to exercise their responsibility to implement.

Mr P Robinson: The member is talking about the irresponsibility of parties that grandstand and pretend that they are interested in certain subjects, knowing that such legislation cannot be enacted. The discipline of having the final say on such matters is a requirement of any parliamentary Assembly. There is nothing unusual about that. It is the role of every Parliament, and it will be up to the SDLP and the DUP to ensure that when Members are tabling, or voting on, motions, the party whipping systems are such that Members do not make requests that the Executive cannot deliver. That is democracy.

Dr Farren: I see the issue quite differently, because I can detect provision for irresponsibility of which parties could take advantage. Therefore, I do not see why we should enshrine that kind of provision in law.

The Chairman (Mr Wells): To clarify, are you referring to the “Executive and/or the Assembly”, as stated in paragraph 7 of annex A to the St Andrews Agreement?

Dr Farren: I said that I was speaking to the second part of the proposal.

Mr P Robinson: Therefore, although this elite group would be capable of binding anybody, the plebs in the Assembly would not be trusted at all. Is that what the member is getting at?

Dr Farren: Sorry?

Mr P Robinson: I am saying that the member seems to be taking the elitist view that the Executive can do no wrong and that they alone are to be trusted and relied on, but that the Assembly should have no democratic controls over them.

Dr Farren: No, not at all.

As I do not want this discussion to develop into a two-way conversation, I will defer to Mr Murphy.

Mr Murphy: The provision that is set out in paragraph 7 of annex A to the St Andrews Agreement is similar to and more in line with the Pledge of Office in annex A to strand one of the Good Friday Agreement, which obliges Members:

“to act in accordance with, all decisions of the Executive Committee and Assembly;”.

The Pledge of Office in the St Andrews Agreement obliges Members:

“to act in accordance with any relevant decisions.”

If a Member were to table a madcap motion, a provision in the St Andrews Agreement allows for either one side or the other — or both — to collect 30 signatures and invoke a petition of concern. I do not have a difficulty with that: it reflects the provision that exists in the Good Friday Agreement. It might qualify as slightly more appropriate, in that the relevance of decisions will be dependent on the sort of decisions that require collective decision-making under the ministerial code. Therefore, I do not have a difficulty with that provision.

The Chairman (Mr Wells): May I check whether that applies to both the Assembly and the Executive?

Mr Murphy: Annex A to strand one of the Good Friday Agreement refers to both:

“all decisions of the Executive Committee and the Assembly.”

The Chairman (Mr Wells): We may have to split the vote, because I think that while Seán is perfectly happy with the Executive, he is not happy with the Assembly.

Mr P Robinson: Seán is against the Belfast Agreement.

The Chairman (Mr Wells): Seán, I am not 100% certain, are you against the Executive, the Assembly, or both?

Dr Farren: Sorry?

The Chairman (Mr Wells): In other words, paragraph 7 of annex A to the St Andrews Agreement states that:

“Ministers would be required to act in accordance with any relevant decisions of the Executive and/or Assembly.”

Is the member saying that he is happy to act in accordance with Executive decisions but not Assembly decisions?

Dr Farren: I am happy with Executive decisions, but I am raising questions about the nature of decisions in the Assembly.

Mr Ford: Not surprisingly, in its efforts to enhance collectivity, the Alliance Party believes that all motions should be bound by Executive decisions. The Assembly’s problem lies in deciding which decisions are relevant. Given the looseness with which no-day-named motions were debated in the past, it would be a problem if Ministers were to feel constrained by decisions taken by a small number of Members late in the afternoon. However, the party Whips need to ensure that those decisions do not happen in that way.

I presume that a relevant decision is taken —

Mr P Robinson: Decisions that are relevant to each Minister’s Department, if that is what paragraph 7 means.

Mr Ford: If that is all that it means, it becomes a rather interesting issue for the Whips of Executive parties. Speaking as someone whose party is not likely to be in the Executive as it is in its current form, it is no bad thing to keep them on their toes.

Mr Kennedy: I largely agree with Mr Ford, which will worry everybody —

[Laughter].

Mr Ford: Especially David Ford.

Mr Kennedy: The emphasis on the word “relevant” is important and should be outlined in proper detail. During the previous Assembly, there were opportunities late on some afternoons to create a Santa’s wish list, and we all experienced that. Parties might find it problematical to address that issue in any relevant way.

The Chairman (Mr Wells): Before we move on to participation in the North/South Ministerial Council (NSMC) and the British-Irish Council (BIC), do members have any other points to make on that aspect of the Pledge of Office? Similar arguments will no doubt apply to our discussion on the NSMC and BIC, but we can come back to those when we progress to voting. Paragraph 8 of annex A of the St Andrews Agreement states that the Pledge of Office:

“would require that Ministers would participate fully in the Executive and NSMC/BIC, and would observe the joint nature of the office of First Minister and Deputy First Minister.”

What do members feel about that?

Mr Murphy: Sinn Féin supports that recommendation.

The Chairman (Mr Wells): Does the DUP support that?

Mr P Robinson: We feel that it is unnecessary.

The Chairman (Mr Wells): The Ulster Unionist Party?

Mr Murphy: They are unnecessary as well.

Mr Kennedy: The UUP will give its own view, if that is all right.

Mr Murphy: I am talking about the party, not its view.

Mr Kennedy: We shall see.

The rule of law is important and needs to be incorporated into the Pledge of Office. If that happens, the UUP will be content.

The Chairman (Mr Wells): Four parties are content. Will the DUP expand on its view that the provisions of paragraph 8 are unnecessary?

Mr P Robinson: The Pledge of Office itself will require Ministers to participate fully in the Executive — the law will ensure that. I recall that the North/South matter came to the courts, and a determination was made that there could not be an avoidance — as the First Minister sought — of such responsibilities.

I am not getting excited about this at all. If there is an agreement that the Democratic Unionist Party can endorse, it will play a full part in all its working arrangements. From the DUP's point of view, those provisions are unnecessary because we will already be fulfilling them. That is effectively why I am saying that those provisions are unnecessary. We will not support an agreement, if an agreement is eventually supported, only to be unprepared to work it in all its aspects.

Mr Kennedy: In the UUP's view, it is critical that we have some discussion on the final sentence in paragraph 8 of annex A, which states:

“Before the Government legislates on the pledge of office it will consider the outcome of further Preparation for Government Committee discussions on policing and the rule of law.”

I do not think that there have yet been sufficient discussions to nail down the issue of the rule of law. It would be important to at least engage in those discussions and see where that is taking us or how it is going to be dealt with in the Committee. There was a brief discussion of policing and law issues on Monday, but no timetable or conclusion was reached on how the Committee would deal with it.

The Chairman (Mr Wells): The difficulty, Danny, as you know, is that we are under a very tight deadline of the end of this month, and if we are going to have those discussions, we are going to have to have them today.

Mr Kennedy: We are prepared for that, but —

The Chairman (Mr Wells): It seems a shock to the system to have to sit down now and deal with these issues without prior warning, but we must.

Mr Kennedy: Gird your loins.

Mr Poots: Chairman, the re-establishment of any Executive will hinge on this issue. We can talk about everything else, but the rule of law is the one issue on which the Assembly will either stand or fall.

Mr McNarry: The UUP has raised the issue because of its singular importance. Would it be helpful to have a timetable? From the unionist perspective, I think that it would be very helpful. Unionists are beginning to understand the mechanisms that Sinn Féin requires to give it the cover that it needs on giving its support to the police. However, this issue is important now, particularly given the wording. Does Sinn Féin agree that it would be helpful to unionists in particular if timescales were given from which the public could at least determine or deduce good faith and good intentions? There is no timescale, and it would be very helpful if Sinn Féin could give one; it would be very constructive to this discussion.

Mr Murphy: First, to correct David's impression, we are not looking for mechanisms to give us cover. There is a timescale to take a decision in relation to these matters. There are matters to be resolved in the interim, and they are not resolved yet. The timescale set out in the St Andrews Agreement is that the restoration of the institutions must happen by 26 March 2007. I am not responsible for either bringing a proposition to our ardchomhairle or having the ardchomhairle decide whether and when an Ard-Fheis is called. That is the process that needs to take place, because the party decides democratically whether to go with this. The timescales are set out in the St Andrews

Agreement; both Governments are aiming towards 26 March 2007.

Mr McNarry: I am grateful; my choice of word was “cover”, but the Member’s choice is better if it is going to lead to a decision. It is precisely on that point that it is imperative that there be a decision. However, the timescale clearly cannot point to the date that the Member said, otherwise we can wrap this up because we cannot really go any further with it and it should be held in abeyance, which is not in the spirit of things as I understand them. All I can do at this stage is to impress on the Member that there is a genuine need to know what Sinn Féin’s timescale is. It would be very useful to the process if that were forthcoming. I can only ask and make that point to the Member to perhaps reflect on what he has just said and see if there could be an improved timescale or a more open and transparent timescale that would not complicate matters for Sinn Féin or its structures or procedures but would help this process.

Mr Murphy: I am not sure where the confusion lies, because that is the timescale that people are working to. I hope that it can be achieved. There are matters to be progressed, and there are matters in relation to certainty as to where we are going with all of this that will become clearer by the end of November.

11.00 am

The member talks about an air of expectation or understanding. We had an understanding that we were to have a Programme for Government Committee meeting last week. We certainly hope that meeting can take place soon. There is a timescale to resolve these issues, and there is a clear understanding about what needs to happen. Our party has a democratic process that we must go through; I cannot take a decision that will pre-empt that. I am not responsible for the mechanics of working that out either. That is the broad time frame in which we are working, and our intention is to succeed within that time frame.

Mr McNarry: I appreciate that, Chairman. The issue has been raised because it is important from the unionist perspective and, with all due respect, previous assurances from Sinn Féin have not been worth anything to unionists.

Mr Murphy: The member can seek an assurance from me now.

Mr McNarry: If the member can give me an assurance now, fine. If not, could he reflect on the assurance and come back to me?

Mr Murphy: That is contradictory. If an assurance is not worth anything, why is the member seeking one? The assurance will be when this process is concluded.

Mr McNarry: I said “previous assurances”.

Mr Murphy: I assure the member that Sinn Féin will deal with assurances as best as it possibly can, and we intend to get a positive outcome. That is my assurance.

Mr McNarry: All that we need is a timescale; that would be helpful.

The Chairman (Mr Wells): The next members to speak are Seán Farren and Edwin Poots.

Dr Farren: I am not sure where this discussion is taking us in relation to the matters before us. Either we pledge ourselves to upholding policing and the rule of law — or the rule of law however it is phrased — when the Executive is formed or we do not.

Mr McNarry: It is a bit too late then, Seán.

Dr Farren: There will hardly be an Executive if issues in respect of supporting policing and the rule of law are reneged upon. That is outside the current remit of this Committee. Interesting as it may be to get precise dates for when agreement will happen, we are, I assume, talking about the Pledge of Office.

The Chairman (Mr Wells): We are not talking about the timetable; we are talking about the content.

Dr Farren: We are talking about the content of the Pledge of Office. Members will recall the previous discussions on the Pledge of Office during our meetings in the summer. It was generally agreed, without any dissent, that wording would be found for the Pledge of Office that would commit Ministers to upholding the rule of law. All that we are trying to do is to formally agree that such wording should be incorporated into the Pledge of Office. Do I now hear disagreement to that commitment? The Pledge of Office will be taken in the future; it will be taken tomorrow.

Mr Kennedy: My original point is that part of paragraph 8 of annex A that states:

“Before the Government legislates on the pledge of office it will consider the outcome of further Preparation for Government Committee discussions on policing and the rule of law.”

We have not had those discussions, and, however difficult it is, we need to have those discussions because it is the elephant in the room.

Mr Poots: As regards where Sinn Féin is currently coming from and the timescale to which it is operating, I can see that it will create a difficulty for itself with timetabling. A nomination process for the First Minister and Deputy First Minister designate will take place before 26 March 2007, as set out in the St Andrew’s Agreement. That nomination process will consider the Pledge of Office. Sinn Féin will not, I assume, want to leave its nominee without the support of the party. That indicates that Sinn Féin will not nominate a Deputy First Minister designate prior to

that date but will let the situation run on to 24 or 26 March 2007, therefore leaving its nominee in considerable difficulty.

Mr P Robinson: There are a couple of points that I genuinely do not understand about this. Sinn Féin must take a decision before 10 November to indicate its acceptance of the principles of the St Andrews Agreement. That of itself is a decision to accept paragraph 6 of that agreement on support for the police.

Either the body that takes that decision has authority to give that approval, or it has not; if it has, surely that same level of authority must allow a Member who is designated to be a Minister to take a pledge to the very same effect that he or she would have accepted in order to pass the test before 10 November. That is the issue that I have difficulty with.

The matter for unionists is this: we recognise that many people in this room do not trust us, and those people recognise that we do not trust them. On that basis, there must be some certainty about each step that is taken in any process. The core of the St Andrews Agreement was the “twin pillars”, as the Secretary of State described them. The first is the Democratic Unionist Party’s acceptance of power-sharing; the second is Sinn Féin’s support for policing, the courts and the rule of law.

Therefore, the essential element is that nobody moves ahead in the process. For instance, Ian Paisley cannot be expected to give his endorsement to his end of the agreement and hope that somewhere down the line — and nobody can timetable this for us at present — the Ard-Fheis will meet and consider its part of the agreement. Dr Paisley would be a fool if he were to do that. Those decisions must be brought along together. Unless we have an answer to Danny’s question about the timetable for the decision-making process within Sinn Féin, we cannot really timetable or co-ordinate what will happen on 24 November.

It is not that the DUP is being difficult; it is a case of ensuring that everything is in place when it is supposed to be, and that one person is not ahead of the field.

Mr Murphy: I anticipate that the Sinn Féin ardchomhairle will be in a position to respond — as it was asked to — by 10 November. A decision on policing requires the support of the party, which is the Ard-Fheis. I am not responsible for logistics.

The Chairman (Mr Wells): Could you explain the difference between those two?

Mr Murphy: The ardchomhairle is the party executive, which is a group of about 50 people; the Ard-Fheis is the entire membership of the party. I appreciate that there are other sizeable parties here, but Sinn Féin stretches from here to Kerry, and calling the

party together is quite a significant undertaking. I anticipate that the ardchomhairle will be in a position to respond to the St Andrews document by 10 November. An Ard-Fheis is necessary to take the decision on policing; it is the only body that can take that decision in a democratic party.

Mr P Robinson: The decision on policing is contained in the St Andrews Agreement. Is Mr Murphy saying, therefore, that the ardchomhairle will take a decision to proceed before 10 November and notify the Government of its intent, but will not give approval to the section on policing in the St Andrews Agreement?

Mr Murphy: I am saying that the ardchomhairle will be in a position to respond to the St Andrews document, and that is what is required of it. If Mr Robinson was not clear about the way that it would pan out — and it appears from the DUP’s non-attendance at the Programme for Government meeting that his party is not clear — whatever understandings that the DUP had from the British Government obviously did not follow through for it. Sinn Féin has always been clear.

The big difficulty is that although we are having this discussion through the Chair, the DUP would probably have a much clearer position on how Sinn Féin processes these matters if it had direct discussions with Sinn Féin, rather than relying on the British Government to give their interpretation of what Sinn Féin intends to do, and us relying on the British Government for their interpretation of what the DUP intends to do.

Mr Kennedy: If press reports are to be believed — and they are not always to be believed — Mr Murphy is showing an attractive modesty this morning.

Mr Murphy, along with Martin Ferris and Mary Lou McDonald, has been appointed by the ardchomhairle to conduct the consultation. It would be very helpful if he could tell us, modesty aside, when he expects the consultation exercise to report and in what detail, unless that is a closed area to the rest of us.

Mr Murphy: We will conduct an exhaustive consultation covering the island’s 32 counties. I anticipate that the ardchomhairle will respond to the document by 10 November. Consultation will go on beyond that, but, initially, it is to allow the ardchomhairle to make its response. Those who attend the ardchomhairle are mandated by various sections of the party.

Mr Kennedy: Presumably, the ardchomhairle will say whether it is prepared to recommend the calling of an Ard-Fheis.

Mr Murphy: I cannot pre-empt what the ardchomhairle will say; it is like the Ulster Unionist Council in that respect.

Mr Kennedy: I cannot pre-empt what the Ulster Unionist Council will say either.

Mr Murphy: The ardchomhairle will be in a position to respond by 10 November.

Mr McNarry: We still have our block booking of the Ulster Hall; if you need a slot, I am sure that we can oblige.

Mr P Robinson: The Democratic Unionist Party is clear about the processes. Let no one be in any doubt: what is required is in the St Andrews Agreement, which was set out by the Government. Paragraph 10 of the St Andrews Agreement states that parties need to confirm their acceptance of the implementation of the agreement by 10 November. That acceptance will include paragraph 6 of the agreement, which calls for the full endorsement of the criminal justice system and of the Police Service of Northern Ireland.

How can the ardchomhairle confirm its acceptance of the agreement, but only the Ard-Fheis can make any change to Sinn Féin's stance on policing? Should we discount what is said before 10 November?

Mr Murphy: Let me draw Peter's attention to annex D, which is the "Timetable for Implementation of the St Andrews Agreement". The first paragraph asks parties to respond by 10 November. The DUP has already scuppered the Programme for Government Committee meeting on 17 October, at which parties were to be represented at leadership level. The DUP is clear that the agreement that was reached at St Andrews is that of the two Governments, and I presume that the DUP intends to respond to the agreement by 10 November, as do we.

Lest anyone be in any doubt, we intend to make all the elements of the St Andrews Agreement work; we are not attempting to resile from any element of it. It is a pity that the Programme for Government Committee did not meet last week; party leaders sitting around the same table, talking about working on a Programme for Government would have sent a powerful signal. We intend to make the St Andrews Agreement work; if others want to poke through the entrails, I will respond to them where I can. However, Sinn Féin's response requires decision-making in the party, and I cannot pre-empt such decisions.

Mr P Robinson: This issue is not subject to anything in the ether or in the bottom drawer of party leaders; it is in the St Andrews Agreement. Annex D is simply a timetable for the ease of lazy journalists. Paragraph 10 of the agreement is very clear: what is needed is acceptance of the agreement, not a response to it, so that we can move to the next step. Acceptance must include the terms of the agreement. How can one accept the St Andrews Agreement as the basis for moving forward if one is not prepared to accept paragraph 6?

If Sinn Féin does not accept paragraph 6 of annex A to the St Andrews Agreement before 10 November, everything will move months down the road until the Ard-Fheis makes that decision. I accept that parties have their own procedures — some more awkward than others — and some parties take longer than others to convene. I am not quibbling about whether extra weeks or months are required. I am merely saying that no one party should be asked to jump before another. Everyone must be certain that they are heading in the same direction and that the timetable ensures that the decision makers determine with certainty that they take the decisions that matter so that we can move to the next stage.

11.15 am

The Chairman (Mr Wells): I am conscious that the SDLP and the Alliance Party have not been heavily involved in this debate. Do they wish to contribute?

Dr Farren: In order not to repeat what I said a moment ago, we are discussing the Pledge of Office and I understand that a response must be given by 10 November of the parties' intention to honour and accept all the commitments in the St Andrews Agreement.

The Chairman (Mr Wells): I have given parties some latitude, because the NIO will reflect on the discussions. However, Dr Farren is correct: we are discussing the content of the Pledge of Office, not timetables, conferences or the Ard-Fheis.

Dr Farren: Presumably the NIO will reflect not only on the Pledge of Office, but on everything else in the St Andrews Agreement. If we muster our collective wisdom on this issue, can we say that we accept that the wording in the Pledge of Office should contain something along the lines of that which we assented to during our discussions about upholding the rule of law? Am I mistaken, or is that the main issue concerning the Pledge of Office?

The Chairman (Mr Wells): In a previous report, the Committee on the Preparation for Government decided in principle that such wording would be included. Do members wish to get down to the nitty-gritty of devising a Pledge of Office or suggesting the wording for it, or do they simply wish to continue with the view that support for policing and the criminal justice system should be included in it?

Mr P Robinson: If the Pledge of Office is to be accepted, it must be consistent with the terms laid down in the St Andrews Agreement. I do not think that Members will want less or more in the Pledge of Office, but it must be consistent. The St Andrews Agreement is not a legal document; therefore, it must be drafted and put into the appropriate language. That is the weight that people would expect to be attached to it.

The Chairman (Mr Wells): Are members content with the phraseology that the Pledge of Office must be consistent, rather than going any further and tying down the exact wording of it? It is a useful proposal, but are members content with it?

Mr Murphy: No, members are not content with it. We are being asked whether we agree with the contents of paragraph 8 of annex A to the St Andrews Agreement. We are not being asked whether we agree to a discussion that has not happened: we are being asked to agree with the clauses concerning attendance at meetings and the joint nature of the Office of the First Minister and the Deputy First Minister. We are broadly in favour of that. However, other issues concerning further elements of a Pledge of Office, such as law and order, putting Northern Ireland first, or other issues that are exercising the DUP, need to be discussed. We are not content to prescribe those issues before they are properly discussed.

The Chairman (Mr Wells): It is more than that, because paragraph 8 of annex A to the St Andrews Agreement states that HM Government:

“consider the outcome of further Preparation for Government Committee discussions on policing and the rule of law.”

Mr Murphy: Let us have those discussions.

The Chairman (Mr Wells): That is what we are doing.

Mr Murphy: I have seen no proposition to recommend wording about policing matters and the rule of law for inclusion in a Pledge of Office; if there were, I might reach a conclusion on it.

If members want to set aside time to develop that discussion, that is fair enough. However, today we are to discuss paragraph 8 of annex A to the St Andrews Agreement, which is specific on some areas of the Pledge of Office and less specific about any further discussions on other areas about which members feel exercised. Although time should be set aside to draw some conclusions on the Pledge of Office, I have seen nothing so far that leads me to any particular conclusion.

The Chairman (Mr Wells): The difficulty is timetabling. The Committee must have this issue tied down by 31 October. Time is just not on our side. However, I agree that we must deal with the Pledge of Office.

Mr Murphy: Of course we can discuss the Pledge of Office. The British Government are facilitating discussions on what the parties would like included in an amended Pledge of Office. We can have a parallel discussion in this Committee if we want to, but, as far as I am aware, Peter Hain has been exercising himself in this matter for the past number of days. If members

think that discussions in this Committee can contribute to the Government's process, that is well and good, and I am willing to take part. However, bearing in mind that there are other issues to be dealt with, if our discussions would merely lead us down a lengthy sidetrack, we should move on.

Mr O'Dowd: It is also worth remembering, Chairman, that the deadline to which the parties are working is 10 November. The Committee's end date of 31 October may have been set for a while, but 10 November is the closing date for party consultation.

The Chairman (Mr Wells): The Committee had no choice in that date.

Mr O'Dowd: The Committee does have a choice. The parties that are members of the Committee have a choice.

The Chairman (Mr Wells): The Secretary of State has advised that the Committee's discussions must be completed by 31 October.

Mr Murphy: If the parties reach any consensual views that are different to what is in the St Andrews Agreement, the Government will reflect that in their future plans. However, the Committee's task is to discuss the content of the agreement to determine what level of consensus can be reached. I do not know whether we will achieve consensus on any additional elements that could be included in the Pledge of Office. If members want to, we can discuss that issue for a couple of days, but I do not know that we will reach consensus.

Mr Ford: Like Seán Farren, I have listened while the decision-making structures and timetables of two or three parties were discussed. Now that we seem to have reached a point where we could discuss the potential issues that might be covered in the amended Pledge of Office, particularly support for the rule of law, we seem to be running away. Whatever discussions the Secretary of State may or may not hold, it would surely be more beneficial if the Committee could agree some broad principles for the amended Pledge of Office, even though I suspect that we would not agree its wording. If members want to get into that discussion, I have some suggestions that I would like to make, but it appears that Conor believes that we should not bother.

Mr Murphy: My reservations are based on the Committee's deadline of 31 October. My understanding is that if the Committee reaches any consensus on the matters in annex A to the St Andrews Agreement that is contrary to what is contained within it, the British Government will consider that when drafting the relevant legislation. I do not see the Committee reaching consensus on any of the Pledge of Office issues. We could have a lengthy discussion, but if we are to operate to the time frame that we agreed on Monday, the likelihood of reaching consensus is remote.

Mr Ford: Paragraph 8 of annex A states that the Government:

“will consider the outcome of further Preparation for Government Committee discussions.”

On that basis, should this Committee not at least endeavour to reach consensus?

The Chairman (Mr Wells): Quite a few members wish to speak.

Mr Kennedy: From what Conor Murphy has said, it appears that the real action is taking place elsewhere, in meetings with the Secretary of State. That raises the question of what we are all doing here. Why are we wasting our time giving cover to those allegedly private meetings? We need to address the issues that have been indicated, and:

“the Government will consider the outcome of further Preparation for Government Committee discussions on policing and the rule of law”.

The place for those discussions is here. However difficult a conversation it might be, the Ulster Unionist Party is happy to have those discussions in this Committee. I seriously object to any suggestion that the real action is happening in another place with the Secretary of State.

Mr P Robinson: In the St Andrews Agreement, the Secretary of State has indicated that he will:

“consider the outcome of further Preparation for Government Committee discussions on policing and the rule of law.”

We have had such a discussion, and it does not appear that we will get agreement. I simply want to state the view of my party that a Pledge of Office on policing and the rule of law must be consistent with paragraph 6 of the St Andrews Agreement, which requires Ministers to support policing and to encourage others to support policing, the courts and the rule of law. That is where we stand, and I hope that it is where everybody else will stand eventually.

Dr Farren: Chairman, I am always puzzled by the extent to which other parties, particularly Sinn Féin, seem to prefer meeting the British Government directly rather than directly dealing with fellow Irish men and women around this table. It should not be beyond our wit to arrive at a general agreement to include a commitment to upholding the rule of law in the Pledge of Office. The details of what is meant by the rule of law are for a different debate.

The Pledge of Office, as I understand it, is not to contain details but general commitments that Ministers make to the requirements of their office. I would have thought that we could agree the necessary language, given the general agreement that I thought that we had reached on this issue in the middle of August.

The Chairman (Mr Wells): That is in line with what Mr Robinson said. I am happy to take a separate proposal on the issue. We must get parties to make decisions on several matters. Equally, however, if a member or party wishes to make a proposal, I am more than happy to take it. I remind members of the issues on which we must take decisions: that Ministers be required to act in accordance with the relevant decisions of the Executive, accountability being split between the Executive and the Assembly; that Ministers be required to act in accordance with relevant decisions of the Assembly; that Ministers participate fully in the Executive, the North/South Ministerial Council and the British-Irish Council; and that Ministers will observe the joint nature of the Office of the First Minister and the Deputy First Minister.

Annex A also states that the Pledge of Office should reflect the outcome of the Preparation for Government Committee’s discussions on policing and the rule of law. That is a very difficult issue, as we have not really reached agreement on those matters. Is it worth trying to get the first few issues out of the way and then return to policing?

Dr Farren: Yes.

The Chairman (Mr Wells): First, paragraph 7 states:

“Ministers would be required to act in accordance with any relevant decisions of the Executive”.

What are the views of the five parties on that?

Mr Murphy: The Good Friday Agreement already stipulates that.

The Chairman (Mr Wells): Sinn Féin is therefore saying yes. The Alliance Party said yes. The SDLP —

Dr Farren: The SDLP is very relaxed.

Mr P Robinson: Loosen your tie, then.

The Chairman (Mr Wells): Is that consensus?

Mr P Robinson: The DUP said yes. *[Laughter.]*

Mr Kennedy: We have reached a historic point — or is it hysterical?

Dr Farren: We are happy to retain what is in annex A to strand one of the Good Friday Agreement.

The Chairman (Mr Wells): Is that a yes, Seán?

Dr Farren: I try not to eat my words too often.

[Laughter.]

The Chairman (Mr Wells): We are taking that as consensus.

Dr Farren: OK.

Mr P Robinson: Bank it and rush on to the next issue.

The Chairman (Mr Wells): How does the Committee feel about the statement in paragraph 7 of

the St Andrews Agreement that Ministers would be required to act in accordance with any relevant decisions of the Assembly?

Mr P Robinson: I think that we all accept it.

The Chairman (Mr Wells): I think that Séan made a distinction between the two documents.

Dr Farren: I did. If the member would care to go back to annex A of the Good Friday Agreement —

Mr P Robinson: He is still hanging loose.

Dr Farren: It is the bible that we are often accused of not wanting to see changed.

The Chairman (Mr Wells): Is there consensus that Ministers would be required —

Mr Kennedy: We will abstain from that. Are you referring to paragraph 7 of annex A?

The Chairman (Mr Wells): Yes.

Mr Kennedy: We will abstain from that — just to make it awkward for other members.

Mr P Robinson: So much for parliamentary democracy.

11.30 am

The Chairman (Mr Wells): Paragraph 8 of annex A to the St Andrews Agreement states that:

“Ministers would participate fully in the Executive and NSMC/BIC, and would observe the joint nature of the office of First Minister and Deputy First Minister”.

What are members’ views on that?

Mr P Robinson: I am as relaxed about it as Alban is.

Dr Farren: We will accept it.

The Chairman (Mr Wells): What are Sinn Féin’s views?

Mr Murphy: We support it.

The Chairman (Mr Wells): That means that there is consensus on that paragraph.

Members indicated assent.

The Chairman (Mr Wells): That gets all of paragraph 7 and a portion of paragraph 8 out of the way. David had a suggestion, John had a view on it, and Peter had an idea as to how we could square this quite difficult circle. Members may wish to suggest a wording on those on which we can agree. At the minute, paragraph 8 merely states that the Pledge of Office should reflect the outcome of the Committee’s discussions on policing and the rule of law. Frankly, that is —

Mr Murphy: That is someone’s proposition: it is not the wording that is actually in the annex.

The Chairman (Mr Wells): There is actually —

Mr Murphy: Paragraph 8 says that the Government will:

“consider the outcome of further Preparation for Government Committee discussions on policing and the rule of law.”

It does not say that the Pledge of Office should reflect the outcome of discussions.

The Chairman (Mr Wells): I do not really know what the problem is that we have to consider at the minute, because we have not really reached any sort of consensus or agreement on it.

Mr Murphy: That is fair enough, but we need to be accurate in what we are saying about what the outcome of this process will be.

The Chairman (Mr Wells): Obviously, the aim is to reach a common position on the matter; however, I do not think that that will happen.

Dr Farren: Can we reflect on this point and come back to it later if a precise wording occurs to us?

Mr P Robinson: I am a bit worried about making the precise wording an issue. No matter what we do, draftsmen will turn it into the language of a Bill. We are probably safer giving the general sense that it has to be consistent with —

Dr Farren: Did we not already do that in the August debates?

Mr P Robinson: Yes, except that the voting was not such that we clearly identified who was voting.

Dr Farren: No dissent was expressed.

Mr P Robinson: It was.

Dr Farren: Was it?

Mr P Robinson: I do not think that Sinn Féin signed up for policing and the rule of law at that stage. However, it may wish to do so today.

Mr Murphy: I do not recall giving consent in August to any proposition on this matter. However, I am happy to discuss it and to try to find agreement on it. To correct what Séan said earlier, I do not have a preference for discussing and resolving this with the British Government. Other parties came here with the express purpose of merely scoping the issues and not negotiating on them. The Secretary of State has discussed that with parties. I would prefer it if the action were decided on by this Committee, but that is not the reality.

We are quite happy to discuss those issues here, make propositions and take them back to our party to get its views. The only reason why I suggested moving on was that we have a tight timescale to work to, and I do not anticipate getting a consensus at this meeting on

some wording that is to be contained in a Pledge of Office.

Mr Poots: Can we scope out whether there is agreement on paragraphs 5 and 6?

Mr Ford: Clearly, there are issues about the Pledge of Office. It was said earlier that it is one of the twin pillars around which the agreement will be advanced, if it is advanced at all. Given the sensitivities and the timetables of the parties in general, and Sinn Féin in particular, the question is whether we can agree that there are broad principles of what is likely to be appropriate for inclusion in the Pledge of Office, subject to all other matters being agreed satisfactorily. I do not know whether that would allow Sinn Féin members to make progress on the matter with the remaining Committee members.

I would have thought that paragraph 6 of the main part of the agreement was a good point from which to start a discussion. The issue is whether members are prepared to discuss the possibility that that is a point at which that they will arrive in the future, even though they cannot commit to it today.

The Chairman (Mr Wells): That is similar to Mr Poots' suggestion.

Mr Ford: Yes, it is similar to what Edwin said.

Dr Farren: Paragraph 82(e) of the Committee's 'Report on Institutional Issues' says that:

"It was agreed that ... A requirement or commitment to uphold the rule of law."

What does that mean? There is a footnote: "Official Report 14 August 2006 paragraph 2464-2590."

The Chairman (Mr Wells): It actually says that it was agreed that "Further consideration be given" to that issue. It was one of the many issues that were parked in the huge multi-storey car park.

Dr Farren: I appreciate that. However, in the context of that discussion, if there was no intention that we would commit ourselves to the rule of law then that should have been stated.

Mr Murphy: It is quite a leap from saying that we shall have further discussion on a requirement to uphold the rule of law, to saying that that means that there should be a clause in the Pledge of Office. Sinn Féin has always been, and still is, prepared to discuss those issues. However, there is quite a leap from one discussion to the other.

The Chairman (Mr Wells): Is there any merit in having a discussion of paragraphs 5 and 6 of annex A the St Andrews Agreement in order to agree or disagree on whether they represent the best way forward?

Both the Alliance Party and Edwin — *[Interruption.]*

Mr Poots: My colleague will have to resign.

The Chairman (Mr Wells): That would indicate to me that someone's mobile phone is switched on.

Mr Kennedy: The Chairman is not a bit slow.

[Laughter.]

The Chairman (Mr Wells): That is a capital offence in this Committee.

Mr Poots: He is not upholding the rule of law.

The Chairman (Mr Wells): Are parties content that paragraphs 5 and 6 reflect their views on the issue? Several parties have indicated that they wish to tie down what various members feel about those paragraphs. Perhaps there could be consensus on that.

Mr Murphy: Chairman, do you now want to leap from the agreed programme of work on clauses and go back into the document that represents the two Governments' views of how they want matters to go forward? We agreed a work programme on Monday — and I appreciate that you were not in the Chair at that meeting. We specified the various clauses and paragraphs that we would deal with. We laid those out. If you want to change the course of the meeting and go back into the two Governments' view of how matters should go forward and discuss that — "scope them out", as I believe Edwin Poots suggested — that is fair enough. I am content to go along with that, but we must be clear about it.

The Chairman (Mr Wells): You would be entirely correct if it were not also included that the NIO and Her Majesty's Government are going to consider our discussions on policing and the rule of law. That is why we are having the discussion. We are not just dealing with the mechanics.

Mr Murphy: There is a format of this Committee that deals specifically with those matters. I am content for those matters to be discussed, whether by us or by the other format. However, when I read that, I assumed that it meant that there would be an attempt to pull together that format of the Committee to deal with other outstanding issues as well, including the time frame for transfer of powers; the model by which those powers would be transferred; and outstanding policing and justice issues.

The Chairman (Mr Wells): In an ideal world, the matter would be referred to the policing and justice format of the Preparation for Government Committee. It would then go off and spend days discussing the matter. One problem with the date of 31 October is that the legislation must be drafted. We must give some indication to Government as to what is required. They need that by the end of October. We do not have the luxury of sending the matter off to our policing experts.

There is obviously a reluctance to discuss the matter in detail. However, everyone agrees that it is a crucial issue. This is the only opportunity that we will have to discuss it before the end of the month.

Mr Kennedy: Chairman, is it not perfectly possible for the format of the Preparation for Government Committee that deals with policing and justice issues to convene in advance of 31 October?

The Chairman (Mr Wells): It would probably have to be this Friday.

Mr P Robinson: Have I missed something? Sinn Féin has told us that it cannot take decisions on policing, courts and the rule of law unless certain structures inside the party have taken decisions. We can dance around that for as long as we like, but will it change anything? We can pull up Committees and Subgroups, but it will not change anything.

My concern — and it is now a greater concern than when I came into the room — is that I am no longer sure what decision the Sinn Féin ardchomhairle is going to take before 10 November. If it is not a decision that endorses the St Andrews Agreement as the way forward and, therefore, acknowledges the police, why should the rest of us endorse it if that party is not going to?

Mr O'Dowd: Mr Chairman, may I ask the DUP to tell us what decision its party executive is going to take before 10 November? Of course, it cannot tell us. They tell us that they are consulting with their party members. We are in consultation with our members, as are the UUP, the SDLP and the Alliance Party. The Secretary of State may have set a target of 31 October, but it is not in the St Andrews Agreement. If he wanted 31 October as a deadline, it should have been included.

The DUP cannot tell us what decision its party executive is going to reach in relation to the St Andrews Agreement before 10 November. We cannot tell them what decision our party is going to reach before 10 November.

The Chairman (Mr Wells): The point is this; if that is the case, is there any merit whatsoever in forming the policing and justice —

Mr P Robinson: I have not been clearly understood, or made myself clear enough. The issue is not whether there is a decision to be taken today, or by the executives of Sinn Féin or the DUP — or the other parties, lest they think that they can stay out of this loop.

Let us be very clear. We are not talking about the ability to take a decision before 10 November. It is whether the decision taken on 10 November by both parties is one that is going to include the terms of the St Andrews Agreement, those terms being the basis for moving forward.

I have been told today that the only people who can take a decision in relation to policing are the Ard-Fheis. The indications are that the Ard-Fheis is not going to meet before 10 November, so how do we get a decision on the terms of the St Andrews Agreement if the Ard-Fheis is not going to meet, with it being the only occasion on which a decision on policing can be taken? That is what I am asking.

The Chairman (Mr Wells): Perhaps it would be helpful, Mr Murphy, if you could give us a timetable, because there are dates — *[Laughter.]*

Mr Murphy: Bring back Francie Molloy.

Mr Kennedy: You will, you will, you will.

The Chairman (Mr Wells): I am not trying to get —

Mr Murphy: I know you are not trying to do anything.

Mr McNarry: You should have asked that question two hours ago.

Mr Murphy: I am not involved in deciding what the logistics are. It was always clear that the Ard-Fheis would take the decisions in relation to our attitude to supporting policing arrangements. I anticipate that the ardchomhairle will be in a position — as is required under annex D — to respond to the propositions contained in the St Andrews Agreement by 10 November. That is how I see things panning out.

We have undertaken a period of consultation, as have other parties, and we are trying to do that as speedily and as exhaustively as possible. That is the way forward within our party structures.

Mr Poots: Where Mr O'Dowd appeared to be confused was that the rest of us will probably be in a position by 10 November to give a yea or nay. We are guessing that Sinn Féin can only give a qualified yea or nay, because the ardchomhairle may have met while the Ard-Fheis may not. To that extent, how strong is that? It comes back to the point that if we have a discussion on policing and the rule of law, and if certain matters are agreed and the Government proceeds with legislation, is Sinn Féin going to leave their nominee exposed on that date, when he or she is saying yes to policing before the Ard-Fheis has given its approval?

Dr Farren: May I pose a question to Conor Murphy? Like everyone here present, I respect the stages through which a party has to go. Does that preclude Sinn Féin from saying now that a Pledge of Office taken in the future should contain a commitment to uphold the rule of law? At this stage, can it not say that a pledge would contain such a phrase?

I fully appreciate and respect that there are certain decision-making processes to be gone through, but this is a pledge for the future, not for today.

11.45 pm

The Pledge of Office should contain a commitment, among others, to uphold the rule of law. If a person cannot answer yes to that, the discussion not only on this issue but on many others is almost redundant. How can parties commit themselves to a Pledge of Office, a ministerial code or indeed anything that is enshrined in law, if they say that they have to go through their processes before they will make any kind of commitment? Debate could not take place until after those decisions had been made.

Mr Murphy: Our party is considering these matters. It was proposed that the commitment to justice and the rule of law be considered further by this Committee, and that is reflected in the document. If, as Séan said, there is a proposal to include such a commitment in the Pledge of Office, Sinn Féin will consider it when it is made. Sinn Féin is considering how those commitments can be reflected.

Mr McNarry: I have read annex D of the St Andrews Agreement, yet having heard what has been said this morning, I wonder whether the Government misunderstood, were mistaken or were misled about the significance of consulting the “Sinn Féin Ard Comhairle”.

The significance of consulting the ardchomhairle is not being borne out by what we are hearing in the Committee, which is that the outcome will depend on the Ard-Fheis. The process in annex D is that the ardchomhairle will be consulted — there is no mention of an Ard-Fheis. If the Government misunderstood or misread the process — or were misled — then none of us has fully understood the ardchomhairle’s importance to the outcome.

It is now the timetable of the Ard-Fheis that is desperately being sought. Can the Government do anything about this, given that annex D belongs to them? When one reads the annex, it seems that the ardchomhairle has to respond by 10 November. I do not want to be too inquisitive, but the question is pertinent: how will Sinn Féin respond through the ardchomhairle on 10 November other than by saying — and I hope that I am interpreting correctly what you said — that it has had its ardchomhairle and will be having its Ard-Fheis?

Mr Murphy: That is a matter for the ardchomhairle. Some of your questions on understandings would be better posed to the British Government. For at least two or three years — certainly since 2004 — the process by which Sinn Féin would take a decision on policing matters has been clear: the ardchomhairle would agree to a suggestion from the party president and put a proposal to an Ard-Fheis.

I do not know why confusion should arise now. People either read the St Andrews Agreement in

Scotland or they did not. It reflects what we have been saying over the years: the ardchomhairle would convene an Ard-Fheis.

Mr McNarry: I do not know what was said to lead the Government to insert in the St Andrews Agreement that the ardchomhairle would be responding by 10 November.

Mr Murphy: Perhaps you should ask them.

Mr McNarry: Sinn Féin might have said to the Government: “Hang on, this is not right”, and tabled an amendment to say that the process is different.

The Chairman (Mr Wells): David, I would like to correct you.

Mr Murphy: Mr McNarry would be better putting his questions to the Government, as I do not think that anyone who has been dealing with Sinn Féin during this process has been unclear about how our party would take a decision on this matter.

The Chairman (Mr Wells): David, the wording is:

“Ard Comhairle and other appropriate party bodies”.

It is important when you are quoting that phrase that you quote it in its entirety.

Mr McNarry: That could be interpreted. My party is not mentioned. Who do we consult? Do we consult through the DUP Assembly group or do we consult through the Sinn Féin ardchomhairle? Perhaps “other appropriate party bodies” could refer to my party, the SDLP and the Alliance Party, because we are “other appropriate party bodies”, and very significant ones.

Mr Murphy: That is what I presume that means.

The Chairman (Mr Wells): Ms Ruane has been waiting for quite a while to get in.

Mr McNarry: Are we at least agreed on that?

Mr Murphy: We agree that we have the same interpretation. You should perhaps ask the authors of the document. On coming out of St Andrews I heard all the parties — particularly the DUP — stress that this was the Governments’ document, and not theirs. Therefore, if there are questions of interpretation, either we speculate about the meaning or the British and the Irish Governments tell us their understanding, because they drafted it.

The Chairman (Mr Wells): Ms Ruane.

Ms Ruane: You have my permission to use my first name. I know that you use it in other situations.

Chairperson, Edwin raised a question, which I presume was meant seriously, or at least I shall take it seriously. Sinn Féin takes very seriously its consultation with its members all over this island, and we are going to great lengths to make sure that every

single party member is part of that. We will not pre-empt the discussions. As John said, 10 November is the date to which we are operating. You need to respect our processes, as we respect your consultation with your community.

Mr P Robinson: Let me make it clear. The DUP is going through a consultation process, and I suspect that all of the parties, if they have any sense, are doing the same. I recognise that some parties will take longer to do that than will others. That is why I am not fixated about any timetable that the Secretary of State might set.

I want to ensure that whatever timetable is there will get the right decisions, with the right degree of consultation and understanding within the parties as to where we are going. I am not fixated about the timetable, and if timetables need to shift to take account of the realities of the situation, then so be it.

I say again that this document is the product of the two Governments: it is not in the ownership of the DUP or any other political party. All political parties will have had their input to it. I certainly had never read it before I was handed it at the plenary session at St Andrews. I knew what some parts of it would contain, because we had been involved in negotiations on those. However, there were other elements that I had never seen before, and therefore the DUP is in no way bound by them. We are responding to the Governments' document. That is why we have the difficulty: because the Governments' understanding of various parties' positions was either imperfect, or imperfectly translated into the agreement.

In the last three quarters of an hour, we have seen the issues that led to the DUP's saying, "Hold on a second. Let us not end up with what you did with the Belfast Agreement and its constructive ambiguity. Let everyone be absolutely certain where they stand on the issues. We will have no fuzziness about the matter: everyone needs to know exactly what is expected of them and what they intend to do." It is in the interests of the process as a whole that everyone knows where they are going with it, and it is clear, and has become more clear today, that the authority will not be vested in Sinn Féin's ardchomhairle to take the decision to give support to the police, as is required by the terms of the St Andrews Agreement.

If that is the case, then clearly, before we can move to the next stage, some Sinn Féin body — I believe it is the Ard-Fheis — will have to give that authority. That is why the process is currently logjammed. I do not blame any of the parties around this table, because it is not their document, but to move forward we must ensure that one element, or one party, does not move ahead of the others. We must ensure that everyone is in a position to move forward, and if that means waiting for the Ard-Fheis to meet and take the decision, so be

it. However, it is not beyond the organisational capability of Sinn Féin to call an Ard-Fheis. It is not that far down the road, from Kerry to wherever, to gather people together.

Dr Farren: You have been there.

Mr P Robinson: I have been to many parts of the Republic of Ireland, and I have been made very welcome wherever I go.

[Laughter.]

Mr Kennedy: You might want to think about that.

Mr McNarry: Mr Wells was not very welcome in Dundalk.

Mr P Robinson: I am confident that Sinn Féin could call a meeting of the Ard-Fheis even before 10 November, if it had the desire to do so. However, let us be clear that it is necessary to know with certainty everyone's position in the process.

The Chairman (Mr Wells): Danny, a last comment and then we need to draw this together.

Mr Kennedy: It appears that parties that were directly involved in negotiations at St Andrews, either with Government or with each other, did not nail down issues, and, as a result, the agreement seems to be unravelling before our very eyes.

The Chairman (Mr Wells): We have had a reasonable discussion. All that paragraph 8 of annex A asks us to do is to commit ourselves to agreeing that the Pledge of Office should reflect:

"the outcome of further Preparation for Government Committee discussions on policing and the rule of law."

The NIO, or Her Majesty's Government, will note our discussions.

Mr Poots: What is the outcome?

The Chairman (Mr Wells): The outcome is that we have not reached agreement. That is quite clear.

Mr McNarry: We are waiting to hear what the Kerry branch of the DUP has to say on this consultation.

[Laughter.]

Mr Poots: Chairman, I am not sure that we have not reached agreement. No objections have been raised to paragraphs 5 and 6 under "Policing and the rule of law".

The Chairman (Mr Wells): I am waiting for someone to propose something on which we might vote.

Mr Murphy: Did Mr Poots say that we object to paragraphs 5 and 6 of the agreement? Are we all at the same meeting, Chairman? I asked whether we were entering into a discussion on paragraphs 5 and 6 of the agreement, contrary to the agreed work programme to discuss annex A issues, and you said that the discussion

would take in a broad view of the entire agreement. We have neither objected to nor accepted any paragraphs in the main section of the St Andrews Agreement.

Mr Poots: That is what I just said: I did not hear anybody object to paragraphs 5 or 6. Can we assume that there is consensus that paragraphs 5 and 6 be used as a template?

Ms Ruane: Edwin, you obviously did not hear the answer to your question.

Mr Murphy: If you put a proposal, we will tell you whether there is consensus.

The Chairman (Mr Wells): Have you a proposal, Mr Poots?

Mr Poots: I propose that paragraphs 5 and 6 be used as a template.

The Chairman (Mr Wells): For the Pledge of Office?

Mr Poots: Yes.

The Chairman (Mr Wells): Are there any comments on that proposal?

Mr Murphy: There is no consensus on that proposal. We are content to discuss the issue, but we will not enter into any formula in advance of a proper conclusion to these discussions.

The Chairman (Mr Wells): Do members wish to make any other comments?

Mr Ford: Is Conor saying that Sinn Féin is not even prepared to consider paragraphs 5 and 6 of the agreement to be an appropriate starting point for such discussions?

Mr Murphy: I am saying that, around this table, we have not reached an appropriate starting point. Until we arrive at one, I will not box my party in by accepting a particular formula. We have not even reached in Committee the point at which we can accept that such a commitment should form part of the Pledge of Office. A general proposal was made in August that we consider the matter further. We have moved from that to trying to find a text for a Pledge of Office before we have even managed to consider how that commitment would be expressed.

Mr Ford: Some of us were trying to find some general principles for the Pledge of Office as opposed to drawing up the text of the Pledge of Office.

The Chairman (Mr Wells): We do not have consensus on Mr Poots's proposal. Do we want to vote on it in order to collect parties' views on it?

The DUP is obviously happy with its proposal. Do the Ulster Unionists support the proposal?

Mr Kennedy: We would support it.

Mr Ford: I am happy enough with it, if that is the consensus.

The Chairman (Mr Wells): Does the SDLP support the proposal?

Dr Farren: We do not necessarily need to refer to the specific paragraphs. Our proposal would be that a Pledge of Office should contain a commitment to uphold the rule of law.

The Chairman (Mr Wells): That proposal is along the same lines as Mr Poots's but uses slightly different wording.

Dr Farren: That is what I am saying on behalf of the SDLP.

The Chairman (Mr Wells): We shall vote on Edwin's proposal and then take a vote on the SDLP's proposal.

Mr Poots: All that I am saying is that paragraphs 5 and 6 of the agreement should be used as a starting point or template for the Pledge of Office.

Mr Kennedy: Chairman, is it not a difficulty that the St Andrews Agreement is all duck or no dinner? Parties cannot cherry-pick it.

The UUP has no objection at all. We would support paragraphs 5 and 6 being used as a template —

The Chairman (Mr Wells): Danny, can we just go through the mechanics and gather the votes?

Mr Kennedy: The difficulty is that if we begin to go down the line of taking further proposals, I am more attracted to Seán Farren's proposal, which is more specific on the general principles.

The Chairman (Mr Wells): I accept that, but once a proposal is made I am bound to collect views on it. If Seán's is a separate proposal, we can discuss that after.

Mr P Robinson: Can some of us agree that there should be a Pledge of Office that commits Ministers to support the police, the courts and the rule of law?

The Chairman (Mr Wells): Does that differ greatly from your proposal, Seán?

Dr Farren: I would prefer the word "policing" rather than the term "the police". Who are "the police"?

The Chairman (Mr Wells): Can we wait a moment? Although I know what the view is, I must officially take the view of Sinn Féin on Edwin Poots's initial proposal.

12.00 noon

Mr Murphy: We agreed in August that there should be further discussion about how such a commitment would be expressed. We are now at the stage where, before we have even agreed Seán's proposition that such a commitment should be a matter for the Pledge

of Office, we are starting to narrow down the discussion on what the basis of such a Pledge of Office should be. It is putting the cart before the horse.

The Chairman (Mr Wells): So you are against the proposal?

Mr Murphy: Well —

The Chairman (Mr Wells): I take it, Seán, that you are against this proposal but wish to make another proposal.

Dr Farren: I wish to make a separate proposal.

The Chairman (Mr Wells): We have collected the votes. The Clerk will reiterate the parties' positions.

The Committee Clerk: The DUP, the UUP and the Alliance Party said yes. Sinn Féin and the SDLP said no.

Dr Farren: The SDLP is abstaining; we are not saying no.

Mr Kennedy: Relaxed.

Mr P Robinson: Is Sinn Féin saying no or abstaining?

Mr Murphy: Sinn Féin is saying no to paragraphs 5 and 6 as the basis of something, when we have not even agreed how a commitment should be carried forward and we are being asked to agree the basis for that particular proposition.

Mr Kennedy: Whither St Andrews now?

Mr P Robinson: That would be a reason to abstain and not to —

The Chairman (Mr Wells): Sinn Féin is saying no, and it has been logged as such.

There is not a huge degree of difference between Seán's proposal and Peter's; however, we will take them separately.

Mr P Robinson: My proposal is consistent with Edwin's.

The Chairman (Mr Wells): We will deal only with Seán's proposal. The proposal is that the Pledge of Office should contain a commitment to uphold the rule of law.

Mr McNarry: Did you not mention policing?

Dr Farren: No, I was commenting on what Peter said. My proposal is that the Pledge of Office should contain a commitment to uphold the rule of law. That is a statement of principle, not the precise wording that may find its way into the Pledge of Office to reflect that commitment.

The Chairman (Mr Wells): It is pretty clear what Seán is getting at. Can we collect votes on that proposal? What is the DUP's position?

Mr P Robinson: The proposal is not sufficient.

The Chairman (Mr Wells): Is that a no or an abstention?

Mr P Robinson: I am not against a pledge to uphold the rule of law in the Pledge of Office, but we also want clearly identified support for the police and the courts to be included, as does the St Andrews Agreement.

The Chairman (Mr Wells): Is that an abstention or a no?

Mr P Robinson: It is not enough, is what it is. The Secretary of State is eager to find out the Committee's comments. That is the Democratic Unionist Party's comment.

Mr Ford: Is that a no dressed up as a yes or a yes dressed up as a no, Peter?

Mr P Robinson: It is part of the issue, so it is partly a yes, but it is not sufficient.

Mr Poots: The discussion was on policing and the rule of law, so Seán has got one of those.

Dr Farren: The phrase "rule of law" is a fairly general concept that embraces policing, the courts and the rule of law. How far do we go in spelling out each concept in the Pledge of Office? I do not see the distinctions between policing and the courts, and the rule of law.

Mr Kennedy: We share the concerns of others that the proposal is not comprehensive enough. While we can support that element of it, we are not completely satisfied that it would deal comprehensively with the issue.

The Chairman (Mr Wells): That is very similar to the DUP's comment.

Dr Farren: We may get there eventually.

Mr Ford: Seán has acknowledged that the wording of his proposal will not be the final wording of the Pledge of Office. However, I am quite happy to endorse it as a statement of principle.

Mr McNarry: He has not.

Mr Kennedy: As long as HM Government do not think that it is the final wording.

Mr Ford: Neither Seán nor the only member who supports his proposal thinks that the proposal will be the final wording. As neither he nor I think that it is a full statement, but merely a statement of general principle, presumably the Government will get the message.

Mr McNarry: Could you say "including policing"?

Dr Farren: Then you would have to say "including, including, including", and so on.

Mr P Robinson: The PSNI and the RUC GC —

Dr Farren: The harbour police and the airport police.

The Chairman (Mr Wells): After this proposal, Mr McNarry, you can put forward your own proposal and beef it up accordingly.

Mr P Robinson: — and the B Specials. *[Laughter.]*

The Chairman (Mr Wells): The SDLP will, of course, say yes to Seán's proposal. What about Sinn Féin?

Mr Murphy: Pending the conclusion of the discussion, we abstain on this proposition.

The Chairman (Mr Wells): We do not have consensus. Let us read the votes.

The Committee Clerk: The SDLP said yes; Sinn Féin abstained; the Alliance Party endorsed it as a statement of principle; the DUP felt that it was not sufficient; and the UUP believed that it was not comprehensive enough.

The Chairman (Mr Wells): Having reached that stage, the only way forward is for another party to make a proposal. Otherwise, we must accept that the NIO will take note of the Hansard report of our discussion and come to its own conclusions.

If there are no other proposals, we will move on to discuss paragraph 9 of annex A, which deals with the appointment of Ministers in the Executive. We must consider the content of the paragraph and decide whether the Northern Ireland Act 1998 needs to be amended to reflect our views. Who wishes to lead the discussion on paragraph 9?

Mr Ford: I will, if no one else wants to.

Although the Alliance Party does not believe that the joint election of the First Minister and the Deputy First Minister actually guaranteed any joint action by the two Ministers when in office, we have grave concerns about any proposal to remove such elements of joint operation as applied in 1998 and simply hand nominations over to party nominating officers.

Mr Murphy: From the discussions at St Andrews, I understand that a number of parties support this proposition. I have a number of questions. Sinn Féin's position is that the election process for the First Minister and the Deputy First Minister should remain as it was under the terms of the Good Friday Agreement.

Several questions arise from the proposition in paragraph 9 of annex A. Under the previous arrangements, any Member could have been nominated as First Minister, with the success of the nomination depending on whether the Member secured sufficient support within the Assembly. It was not specified from which party or designation the Member had to come, merely that they must have the support of the majority of both designations and a majority of the Assembly as a whole. Under this proposal, it appears that the only Member who can ever secure the nomination for First

Minister would be from the largest party in the largest designation. That poses some questions.

There may well be a degree of settling down, particularly within the unionist designation, but at one stage in the previous Assembly there were seven different unionist parties, some of which were clearly larger than others. Theoretically, if those numbers had been spread fairly evenly throughout the unionist designation, under this proposal a party within the second designation that was larger than any within the unionist designation would not have been entitled to nominate someone for the post of First Minister. The nomination could only come from the largest designation, regardless of the particular party make-up in that designation. This proposition does not take account of party size at all; it takes account only of designation.

Some may argue that, in order to secure the support of both designations, such a proposition could be the outcome. However, allowing Members to decide who they want as First Minister and Deputy First Minister is different from enshrining in legislation that the First Minister must for evermore come from a certain designation and that the Deputy First Minister must for evermore come from another designation. Those are questions for those who support this proposition. Is it a *de facto* recognition that, regardless of party size in any particular designation, the First Minister must always come from the largest designation in the Assembly?

Mr P Robinson: I am getting a bit weary of this issue; we have discussed it half a dozen times in past meetings of this Committee. I doubt that anybody will have changed views, nor do I expect that they will do so on hearing me again today.

I am not one of those who believe that a mandatory system is the best thing for Northern Ireland, but it seems to be the only system with which we can proceed at this time because it is the only one on which there is sufficient consensus. One cannot say that we must have a mandatory system and then suggest that we insert a voluntary mechanism into it. A voluntary mechanism will not work unless it is based on having in Government those with whom one is voluntarily prepared to share Government.

The Committee must choose: do we want a mandatory coalition or a voluntary one? If we want a mandatory coalition, we cannot expect to have an element of choice. It must be a system with some automaticity. That is why this provision is necessary.

I hope to convince Members that it is beneficial that there should be some requirement on the institutional review Committee to morph the institutions over time from this restrictive and undemocratic system of mandatory coalition towards something more democratic and voluntary. I recognise that there must be some settling in before people will be comfortable with

voluntary coalition. However, there should be recognition that we want to move forward. This proposal is necessary because of the system that the rest of you want to have.

Mr Ford: Will you please amend that reference to “the rest of you”, Peter?

Mr P Robinson: I thought that your party also supported the Belfast Agreement; maybe not.

Mr Ford: Our position was quite clear from the day the Belfast Agreement was signed.

Mr P Robinson: I welcome converts, from wherever they come — all the more as time goes on.

Mr Ford: We welcome you.

Mr P Robinson: The mandatory system can only be temporary; we must progress to democratic norms, and the sooner we do so the better. Provision should be made for that evolution.

Dr Farren: The arguments around this issue have been well rehearsed during earlier discussions. Despite the allegations, Peter has a point about the inconsistency of a voluntary element within what he describes as a mandatory Executive. As the SDLP has said in previous discussions, there are particular characteristics, and status, associated with the offices of First Minister and Deputy First Minister that led to the voting procedure being included in the provisions for their assuming office. We stand by those arguments.

Our preference is to retain what was provided for in the Good Friday Agreement and enshrined in the legislation that arose from it. It appears unlikely that we will be able to retain that. We have discussed this issue with the DUP and others, and it will be with reluctance that we accept anything other than what was prescribed in the Good Friday Agreement.

One or two points should be made about these proposals. What happens if either the first or second largest party in the respective designations declines to participate in the Executive? Will the legislation provide for other parties to nominate? That point is related to what Conor said.

As to the nomination of other Ministers, if the First Minister and the Deputy First Minister are elected without a vote, they are essentially being elected in accordance with the d’Hondt principle. The d’Hondt run should commence with those posts and not wait for the nomination of subsequent Ministers. That needs to be considered.

The SDLP preference is to not move away from what already exists, and I have queries about the consequences of moving to what is proposed here.

The Chairman (Mr Wells): Any other thoughts on this issue?

Mr Kennedy: Our concern is the move from the endorsement by the Assembly of the newly formed Executive by virtue of a vote in the Chamber. That change would presumably suit parties such as the DUP. It would mean that the DUP members would not have to raise their hands for a Member that they did not particularly like and with whom they happened to be sharing Government.

Mr P Robinson: Except their own members.

Mr Kennedy: There is that potential. Therefore, the Ulster Unionist Party believes that that change would not be welcome.

12.15 pm

The Chairman (Mr Wells): I am sure that we will reach consensus on the next proposal: lunch is outside. I do not think that we will conclude this issue before lunch.

Mr P Robinson: Or after it, unless it is a very good lunch.

The Chairman (Mr Wells): Other members wish to speak.

Mr Ford: It seems clear, from what members are saying, that several proposals might come forward. I suspect that that will lead to a lengthy discussion.

The Chairman (Mr Wells): In that case, it is better to adjourn now and return to those proposals after lunch.

Mr P Robinson: There is another snagging issue. Seán has raised one — the “what ifs?” — that, I assume, the NIO will consider.

The other issue is that, under the Northern Ireland Act 1998, there is a procedure for exclusion. The legislation would have to be amended to allow for those circumstances as well. If the largest party in the largest designation, or the largest party in the second largest designation, were to be the excluded party, it should be only those eligible, rather than the nominating officer for one of those two parties.

The Chairman (Mr Wells): We will have a discussion on that after lunch. We will return at 1.00 pm.

The Committee was suspended at 12.17 pm.

On resuming —

1.03 pm

The Chairman (Mr Wells): I remind members that the quorum is seven, and eight members are here now. Therefore, if anyone needs to go, be careful not to leave the Committee in difficulties.

The Committee was discussing paragraph 9 of annex A to the St Andrews Agreement, which looks at “Appointment of Ministers in the Executive.”

When we broke for lunch, Peter was setting the scene about the exclusion mechanism, and we return to that now. No formal proposals have yet been tabled, and I invite members to consider doing so. Members who wish to speak should give me their names in order that we can continue the discussion after Mr Robinson has spoken.

Mr P Robinson: Before lunch, I was not talking about the exclusion mechanism but about a consequence of exclusion. The Northern Ireland Act 1998 allows for exclusion under certain circumstances. I was pointing out a consequence of combining the 1998 Act and the appointment mechanism contained in paragraph 9 of annex A to the St Andrews Agreement. If a Minister were excluded from the main party in either the largest or second largest designation, it would mean that no mechanism would be in place to elect a replacement.

The Chairman (Mr Wells): Because the nominating officer would be coming from —

Mr P Robinson: Unless the nominating officer for the largest party in one of those designations appointed somebody from a different party, which is unlikely.

Mr Ford: Surely the rules specify that one can only nominate from one’s own party.

Mr P Robinson: Therefore, it would not work. There would be gridlock in those circumstances.

Mr McFarland: If a party were excluded, presumably the next party in line would become the largest party in that designation.

Mr P Robinson: No. The excluded party would not be thrown out of the Assembly. It would be excluded from the Executive, but it would still be the largest party from that designation in the Assembly, which is what we are dealing with here — the largest eligible party. My point requires only a one-word change.

Mr McFarland: If the largest party were excluded, then presumably, it would be impossible to govern at that stage —

Mr P Robinson: No.

Mr McFarland: — under the current rules.

Mr P Robinson: Why?

Mr McFarland: Because the First Minister has to come from the largest party and the largest designation. If that party were excluded, then, under the current law, one could not govern.

Mr P Robinson: I think we are getting there, Mr Chairman. That is the point that I raised. That is why it has to be the largest eligible party in each of the designations.

Mr McFarland: So you are talking about the second-largest party in the largest designation nominating the First Minister?

Mr P Robinson: Or nominating the Deputy First Minister, depending which designation it is, if other representatives have been made ineligible.

Dr Farren: Without commenting substantively on the issue, a problem has been identified. Peter said before lunch that the point that I made was not unrelated to this one.

We need advice as to how such provisions would be covered in legislation. We are not talking about going outside the 1998 Act, we are talking about exclusion as provided for in the agreement, and reflected therefore in the provisions of the 1998 Act, and the consequences of adopting the amendments suggested here. The same consequences would arise if we did not adopt the amendments suggested.

Mr P Robinson: The problem then would probably be even greater, because under existing provision one would require a cross-community vote, and one of those larger parties would be able to block it.

Mr Murphy: The existing arrangements allow for a degree of negotiation and flexibility in arrangements if Sinn Féin Members were proposed and elected as First Minister or Deputy First Minister. This proposition departs from the d’Hondt process, which characterises the nomination process for the rest of the Executive. The d’Hondt process relies on the largest parties; this amendment relies on the largest designations, and that is a departure.

If one particular designation — be it unionist, nationalist or other — were equally split among a number of parties, then the proposition would be that the First Minister would come from a relatively small party. It is a possibility. However, this proposal departs from the d’Hondt process. D’Hondt deals with the largest parties, and the process of nomination is in relation to party strength. This proposal deals with a process of nomination relating to designation rather than party strength.

The Chairman (Mr Wells): Any other comments?

How should we proceed with that?

Mr P Robinson: We should get rid of the whole system and have a voluntary coalition instead.

The Chairman (Mr Wells): Is that a proposal?

Mr P Robinson: I believe that I have proposed that before.

Mr Ford: We have never formally recorded votes on that particular proposal.

Dr Farren: Given what have been identified as consequential problems, I am certain that I am not in a position to say yea or nay to what is proposed in paragraph 9. I prefaced my remarks earlier by saying that our preference was to stick with what we have. However, if we must move, we would need to explore the consequences of that beyond the change itself. It seems that there is a nest of consequences that have not been anticipated.

Mr McFarland: The UUP's position — recorded for the fifty-fifth time — is that the current system is fine. The only reason that it is changing is because DUP members do not wish to vote for Martin McGuinness.

Mr Murphy: That is a good point.

Mr P Robinson: Does Mr McFarland's party?

Mr McFarland: The present system is fine. The Office of the First Minister and the Deputy First Minister is a joint office, and if the DUP wants to go into Government with another party, its members must have the courage of their convictions and put their hands up to vote.

Mr Poots: Does that mean that the UUP is opposed to voluntary coalition?

Mr P Robinson: I understood that that was the very issue; perhaps Alan was out of the room when we discussed it. The DUP does not support a mandatory coalition. However, if there is to be such a coalition, all parts of it should be mandatory. We want a voluntary coalition in which a party can choose its Government partners. If a party is in the process of choosing those partners, its members will put up their hands to vote for them. However, if that party does not choose them, why should its members vote for them?

The Chairman (Mr Wells): We will not reach consensus on that. I seem to have said that quite often today. We could ask the NIO to tell us the legislative consequences of what has just been suggested.

Mr P Robinson: In case the NIO has missed them, all that we are doing is pointing out some of the consequences that it will have to deal with and what it will have to draft for.

The Chairman (Mr Wells): As there have not been any proposals on the issue, how do members wish to proceed?

Mr P Robinson: We should note the consequences.

Dr Farren: Does the member mean all change?

Mr P Robinson: We should note them.

Mr Ford: I propose that the Committee recommends that there is no change to the method of electing the First Minister and the Deputy First Minister. At least, we will hear five views on that.

The Chairman (Mr Wells): Can we hear some views on Mr Ford's proposal? We will start from the other direction. What are Sinn Féin's views on that?

Mr Murphy: Sinn Féin supports it. The discussion is, essentially, whether we are for or against what is proposed in paragraph 9, which proposes to change the method of election. My party is against paragraph 9 and, therefore, supports no change.

The Chairman (Mr Wells): What does the SDLP think?

Dr Farren: No change.

The Chairman (Mr Wells): Obviously, the Alliance Party supports no change. What are the views of the Ulster Unionists and the DUP?

Mr P Robinson: The DUP agrees with what is proposed in paragraph 9.

Mr Ford: Given that the DUP — and Peter in particular — has spoken of its reservations about my proposal and mandatory coalition, I propose that if the provisions of paragraph 9 are to take effect at all, they should do so for two Assembly terms at the most.

The Chairman (Mr Wells): Are you referring to paragraph 9?

Mr Ford: Yes. If it appears that the change that is proposed in paragraph 9 is likely, the Committee should state that it believes that it should apply for not more than two Assembly terms.

The Chairman (Mr Wells): Perhaps the DUP wants to speak about that.

Mr P Robinson: If the proposal is that we should move to a voluntary coalition within two Assembly terms —

Mr Murphy: Only one party out of five supporting a voluntary coalition is an interesting view of democracy. The Alliance Party's view is that a voluntary coalition is likely to happen anyway, and that, again, is an interesting view of democracy. However, paragraph 9 contains a reference to reconsideration. That might happen sooner, especially if the NIO ignores the views of four parties and accepts that of one. Paragraph 9 contains a provision to reconsider the idea within two Assembly terms — which has been proposed — or even sooner.

Mr Ford: That is why I said that.

Mr P Robinson: That is fundamental. If we accept that the whole system is built on the requirement for

cross-community support, perhaps that system should be examined. If that is a strange form of democracy, we should change the system. A cross-community vote is required for any change, whether it takes place now or in an Assembly. That will have the impact that everybody is complaining about: the DUP will have a veto. Equally, under present arithmetic, Sinn Féin will have a veto.

If we want to get away from that system and get down to pure democracy, let us do it.

1.15 pm

Ms Ruane: If this discussion has finished, I wish to make a point about language.

The Chairman (Mr Wells): This discussion has not finished, but you may make your point.

Ms Ruane: Gender equality is one of our duties under section 75 of the Northern Ireland Act 1998. Therefore, we should not use terms such as “he” in paragraphs 6 and 9 of annex A to the St Andrews Agreement. In paragraphs 17 and 18, “his/her” is used. I suggest that we use “he/she” in paragraphs 6 and 9 of annex A.

The Chairman (Mr Wells): Are members content?

Mr P Robinson: No. That is not the language that is used in legislation. It does not matter what we suggest, because, when the agreement is legislated on, it will be put into draftsmen’s language in accordance with United Kingdom law.

The Chairman (Mr Wells): That means that “he” will be used, and an explanatory note will be inserted to clarify that “he” means “he/she”.

Mr P Robinson: A way in which to avoid the issue completely is to refer to the position rather than to a person’s gender. The legislators will do it their way; therefore, there is no point in members trying to write the legislation.

Ms Ruane: Perhaps we need draftspersons rather than draftsmen to draft the legislation. I do not accept what the member is saying. Section 75 of the 1998 Act, as a part of human rights and equality legislation, lists gender as one of the nine grounds on which equality of opportunity should be promoted. If it is so difficult to change, why is “his/her” used in paragraphs 16 and 17? I suggest that we change paragraphs 6 and 9 of annex A to “he/she”.

Mr P Robinson: What are we changing, Mr Chairman? Are we changing the St Andrews Agreement?

Ms Ruane: No, we are changing language that is discriminatory.

Mr P Robinson: Are we talking about doing that in the St Andrews Agreement?

The Chairman (Mr Wells): Yes.

Mr P Robinson: It is not our document to change.

The Chairman (Mr Wells): There are two ways in which to deal with this issue.

Mr P Robinson: Is that the only amendment that Sinn Féin wishes to make to the St Andrews Agreement?

The Chairman (Mr Wells): I suspect not.

Ms Ruane: The member should not belittle gender and equality. I want my view to be considered.

The Chairman (Mr Wells): If that is a proposal, I shall take it.

Mr McFarland: Presumably, NIO representatives will read the proposal in Hansard and reflect on it. It is the NIO’s wording — it has nothing to do with the Committee.

The Chairman (Mr Wells): Do members wish to vote formally on the proposal, or do they simply want to note it? NIO representatives will read that one member has raised it as a matter of concern.

Ms Ruane: I will formally propose it.

The Chairman (Mr Wells): The rules are simple: if one member makes a proposal, the Committee always allows the proposal to be voted on. Sinn Féin is obviously in favour. Is the SDLP in favour?

Dr Farren: The SDLP is in favour of gender-free language, except where gendered terms are required.

The Chairman (Mr Wells): Is that a yes or a no?

Dr Farren: In cases in which it is necessary to refer to men or women specifically, “he/she” would not be appropriate.

Mr McFarland: I am unclear as to what the issue is. According to our work programme, we have been tasked to consider issues in the St Andrews Agreement. We are not here to dissect the language used in it.

The Chairman (Mr Wells): In June, which seems like an eternity ago, we decided that if a party or member makes a proposal, he or she has the right to have it voted on — no matter what that proposal is.

Mr McFarland: Yes, but the proposal must relate to the business in hand. I could propose that the Committee buy me a Ferrari.

Ms Ruane: With respect, the proposal does concern the business in hand. It is an equality issue.

Mr McFarland: It is an issue for the NIO to address.

Mr P Robinson: I am encouraged, Chairman. Alan should relax, as the only proposal that Sinn Féin wishes to make to the St Andrews Agreement concerns gender specifics.

Mr Murphy: We do not wish to be ahead of our consultation.

Mr P Robinson: You may also have to consult on that issue.

Mr Murphy: It is party policy for matters to be gender-proofed. We have no difficulty with that, but, as with the rest of the political content, we would not like to be ahead of our consultation.

The Chairman (Mr Wells): Unfortunately, or fortunately, we must proceed to a vote, because it has been requested. To be fair to everyone, we must continue down that route. Even though Dr Farren responded, I have still been unable to tease out the SDLP's view on the matter.

Mr Poots: Is it relaxed?

Dr Farren: I made our position clear: we are in favour of using gender-free language, except where gender-specific terms are necessary.

Mr Ford: The Alliance Party agrees with the Ard-Fheis of Sinn Féin that we should use gender-free language. I do not think that we will persuade the NIO of that, but we should at least use gender-free language ourselves.

The Chairman (Mr Wells): The NIO representatives will read the comments in Hansard.

Mr McFarland: The UUP has taken Peter's advice, and we are relaxed.

The Chairman (Mr Wells): What is the DUP's opinion?

Mr P Robinson: The St Andrews Agreement is not our document. The DUP does not intend to do anything to it other than comment on it after our party consultation has concluded.

If other parties are content with the St Andrews Agreement, with minor exceptions, so be it.

The Chairman (Mr Wells): Is that an abstention?
[Laughter.]

Mr P Robinson: The DUP does not want to change the St Andrews Agreement: it is not ours to change.

The Chairman (Mr Wells): May we have a summary of the decision that has been made?
[Laughter.]

Ms Ruane: Thanks, brothers.

The Committee Clerk: Sinn Féin said yes; the SDLP, I think, said yes; the Alliance Party said yes; the UUP is relaxed about the issue; and the DUP said that the St Andrews Agreement is not its to change.

Mr P Robinson: The Northern Ireland Act 1998 is written in the same way; it uses the word "he".

Mr Poots: Including section 75.

Ms Ruane: We are working on that, Peter.

Mr P Robinson: No doubt, therefore, that is the language that the draftsmen will use.

Mr Murphy: Rome was not built in a day.

The Chairman (Mr Wells): Having digressed slightly, we come back to Mr Ford's proposal, which is the only other proposal that has been made. It states that, if implemented, the measures in paragraph 9 should take effect for two Assembly terms.

Mr Ford: Two Assembly terms at most.

The Chairman (Mr Wells): Does anyone wish to comment on that?

Mr McFarland: The Committee has discussed this issue before. It is logical for the Assembly to seek to operate through a voluntary coalition; that is where we should be heading. Indeed, over the summer, we discussed this at length, covering many pages of Hansard reports over many days. It is an aspiration that we should seek to achieve. However, it is clear that the necessary confidence does not yet exist in the community, and, pending the arrival of that confidence, we are stuck with the safeguards that are in place. If, six months into devolved government, we were to achieve the necessary confidence, that would be wonderful; but we should not stick arbitrary deadlines on issues that will, in the end, depend on the degree of confidence between the two communities represented in the Assembly. The change should happen when the necessary confidence exists. That may be in six months; it may be in 10 years.

Mr P Robinson: Could we throw a bone in David's direction and agree that —

Mr Ford: What generous new colleagues on Antrim Borough Council. Go on.

Mr P Robinson: — within two terms the institutional review Committee should decide on the issue? Of course, its decision would be based on the voting system and, therefore, parties would have nothing to fear.

Mr Murphy: Much as I disagree with paragraph 9 of annex A, my objection to David's proposal is that if the two Governments accept paragraph 9, in defiance of the wishes of the four parties, the issue would be for the institutional review Committee to consider. The committee might merely decide that it cannot agree on paragraph 9 or that it will do nothing about it. However, such a provision is contained in paragraph 9 of annex A and, therefore, David's proposal seems to be superfluous. If David's proposal is agreed, and Sinn Féin hopes that it will not be, there already exists a mechanism to deal with timing. The change could be agreed in two months, or it could be agreed after two Assembly terms. Therefore I do not see the need for an additional mechanism.

Dr Farren: The cynical side of me sees headlines around this issue. The institutional review Committee would take on board issues that are brought to it, and if parties feel very strongly about timing, even though we might all learn to love one another in the first term, let alone the second, and decide that — politically speaking — we might want to stay together in intimate embrace, the matter may never come before the institutional review Committee. However, if parties want it to come before that Committee, it will.

The Chairman (Mr Wells): Mr Ford, having listened to those contributions, how do you feel about your proposal?

Mr Ford: It appears that, although both sides agree with the aspiration, parties are resisting anything specific. Putting a timetable to our aspiration would make it more than an aspiration that we will be good someday. There is merit in including a specific timetable.

The Chairman (Mr Wells): Do you wish to make your proposal formally?

Mr Ford: Yes.

The Chairman (Mr Wells): As usual, we will collect views on the matter.

Mr P Robinson: I am not sure what Mr Ford is now proposing, as he has made two different proposals. One was that the mechanism in paragraph 9 should apply only for two terms; the other was that there should be, within a period of two terms, a consideration by —

Mr Ford: Other people talked about the institutional review Committee; my proposal is that this mechanism should apply for two terms. Others have proposed the forum in which that issue might be discussed.

Mr P Robinson: My response to that proposal is no. The institutional review mechanism should last until we have some sense and move towards a voluntary coalition.

The Chairman (Mr Wells): I have a no from the Ulster Unionists. Do I have a yes from the SDLP?

Dr Farren: The proposal is premature.

The Chairman (Mr Wells): Is that a no?

Dr Farren: Yes.

[Laughter.]

The Chairman (Mr Wells): What is Sinn Féin's view?

Mr Murphy: We are beginning to sound like the woman from 'Little Britain'. No —

[Laughter.]

Since we would not support the proposal in the first place, we would hardly support a mechanism to review it. That is a no.

The Chairman (Mr Wells): Can we summarise where we are?

The Committee Clerk: The DUP, no; the UUP, no; the Alliance Party, yes; the SDLP, no — it is "premature"; Sinn Féin, no.

The Chairman (Mr Wells): We are left with no proposals on paragraph 9.

Mr Ford: I think that Seán suggested earlier that implementing paragraph 9 would mean that there would be no joint election of the First Minister and the Deputy First Minister: they would be individual party picks. Therefore they should be treated as the first two picks, and the d'Hondt mechanism should apply from that point onwards.

The Chairman (Mr Wells): You raised that point on a rather hot August day.

Mr Ford: If I remember correctly, it cropped up in the week when I was away, and the SDLP raised the issue, although Naomi supported the suggestion.

Mr P Robinson: Who supported that breach of the Belfast Agreement?

Mr Ford: From what I was told — although, as I say, I was not here — it was an SDLP proposal.

Dr Farren: I am talking hypothetically.

Mr Ford: However, paragraph 9 — and we all expect it to be implemented, since one party wants it — would alter the fundamental principle of an election for First Minister and Deputy First Minister. In such a circumstance, it would be entirely logical to treat two parties having a pick at the positions of First Minister and Deputy First Minister —

Mr P Robinson: Take me through the mathematics of that, David. I wonder which two parties are next to benefit from running d'Hondt in that scenario.

Mr Ford: I do not know. Since November 2003, there have been party alliances and defections from one party to another every other week, so it is difficult to predict what might happen in March 2007, even if we could do the sums now.

Mr P Robinson: And there may be an election in between.

Mr Ford: Since one party wants one, there may indeed be an election.

Dr Farren: What is the point of 24 November?

Mr P Robinson: Yes, let's cancel it.

The Chairman (Mr Wells): Mr Ford, are you making a formal proposal?

Mr Ford: Yes. Paragraph 9 fundamentally alters the position of the First Minister and the Deputy First Minister: they become party picks. Therefore it is logical that those positions should go into the d'Hondt pool. My proposal takes what Seán and Naomi discussed in August rather further.

Mr Murphy: I will speed things up by saying no, we will stick to the agreement as is.

Mr P Robinson: You cannot be serious.

Dr Farren: I have heard no argument for not taking David's proposal seriously. Does movement — although I assume that Conor will continue to say no to any movement — not imply a reconsideration of certain issues, such as the operation of d'Hondt?

Mr Murphy: This proposal departs from d'Hondt. People are saying that we should either vote for an Executive or we should not. Under this proposal we would have two different systems for appointing an Executive.

One system is through the largest designation, whereas the d'Hondt run for the remaining ministerial posts is through the largest party and party strengths. This proposal is a departure from that, which is my point.

D'Hondt is run at various stages. An additional proposition is to run d'Hondt for ministerial posts one to 12. D'Hondt is run for posts one to 10, or one to 11 if the proposition on the Committee of the Centre in paragraph 11 of annex A is agreed, and run again. David's question is a couple of steps down the road. If it were suggested that d'Hondt be used for the appointment of the First Minister and the Deputy First Minister, the question would arise of whether d'Hondt should be run for those posts — posts one and two — and then be started again. D'Hondt would be run for posts one to 10 or, as David Ford suggests, for posts one to 12. D'Hondt runs, stops and runs again in respect of Committee appointees.

1.30 pm

Mr P Robinson: It is a silly proposal. Everybody knows that d'Hondt operates on a mathematical basis irrespective of designation. Are we therefore saying that the First and Deputy First Ministers should be appointed irrespective of designation? Is that the proposal? If the Ulster Unionist Party were to become the second largest party, we could have a DUP First Minister and UUP Deputy First Minister. If that is the proposal, I second it. OK, Seán? Is that your proposal?

Dr Farren: No, that is not what I meant.

Mr Ford: Conor and Peter are confusing d'Hondt as a mathematical rule for determining the order in which ministerial picks are made with the principle that parties choose the Minister and the post. That is currently in the legislation for all ministerial posts

except those of the First Minister and the Deputy First Minister. It is also proposed for those posts in paragraph 9 of annex A. D'Hondt is merely the mechanism that allocates the posts. It is possible to apply that principle to any number of different electoral systems. The fact that the First Minister and the Deputy First Minister are chosen on the basis of designation as well as party does not contradict the principle of what is a party choice system rather than the voluntary coalition that Peter and I would prefer.

Mr P Robinson: Parties would not be allowed to choose in any other order other than that set out in the d'Hondt procedure; otherwise, it is not d'Hondt. Parties cannot choose under the d'Hondt system if those choices will then be taken out of the d'Hondt order.

Mr Ford: D'Hondt is the mechanism. We could choose to apply it at any particular point. A First Minister and a Deputy First Minister could be elected under the present arrangement and then be included in the formula to determine which party gets the first pick of the other ministerial posts.

Mr P Robinson: If you are content with that general principle, would you be happy if another couple of posts were pulled out of the order for divvying up and for d'Hondt to be started as a later stage?

Mr Ford: I am not saying that I am content with it at all. I am merely saying that if parties will be picking — which I thought that I had made fairly clear that I opposed — it becomes more logical to ensure that that is all applied.

Mr P Robinson: Parties always pick. Under the Northern Ireland Act 1998, parties picked the First Minister and the Deputy First Minister. The only change is the mechanism —

Mr Ford: Parties did not pick the First Minister and the Deputy First Minister in 1998.

Mr P Robinson: Of course they did. Do not be silly.

Mr Ford: No, MLAs voted. Under the current rules —

Mr P Robinson: On what basis? The parties picked them, David; you know they did.

Mr McFarland: The difficulty with this issue is that, if the Ulster Unionist Party got a member of the Democratic Unionist Party to move to us, it would give us 25 seats and we would be the second largest party in the Assembly. If the First Minister and the Deputy First Minister would be selected on designation, Sinn Féin would have an unfair advantage because we would be the second largest party in the Assembly, but Sinn Féin would get second pick ahead of us. How would that be justified? In a straight pecking order, it would be unfair for Sinn Féin to get second pick ahead of the UUP, if we were the second largest party in the Assembly. Either there is one system or the other; the

proposal in paragraph 9 of annex A is a confused modification of the system. If we use designation for the first two ministerial posts, it is hard to see how we can move away from it.

Mr P Robinson: That was always the position; designation was used before.

Mr Ford: No, it was not.

Mr P Robinson: It was used before. It is in the legislation.

Mr Ford: No. Votes were cast on the basis of designation, but that had nothing to do with the individuals who were nominated. Under the current rules, it would have been entirely possible for me to go into the Chamber and propose Naomi Long for First Minister and Kieran McCarthy for Deputy First Minister.

Mr P Robinson: It is perfectly possible to propose an awful lot of things.

Mr Ford: I suspect that we would not have secured a majority under the designation voting rules, but it would have been an entirely proper proposal, because there was no requirement for designations to be taken into account in the nominations, only in the vote.

The Chairman (Mr Wells): This discussion has occurred in the middle of the vote on the proposal before us. We had reached the stage of asking the SDLP for its view and we did not get any further.

Dr Farren: Can you remind me of the proposal?

Mr Poots: Do you wish to dismantle the Belfast Agreement?

The Chairman (Mr Wells): That is not what Mr Ford proposed. The proposal is that, because of the change in the way in which the First Minister and the Deputy First Minister are elected, that we run d'Hondt —

Mr Ford: Appointed, not elected.

Mr P Robinson: Nominated, actually.

The Chairman (Mr Wells): Obviously, the Alliance Party is in favour of the proposal. What about the Ulster Unionists?

Mr McFarland: No; we are for the original system.

The Chairman (Mr Wells): Can we summarise the vote?

The Committee Clerk: Sinn Féin said no; the SDLP said yes, the Alliance Party said yes; and the UUP and DUP said no.

The Chairman (Mr Wells): We are back to paragraph 9 of annex A to the St Andrews Agreement. We have not yet taken an overall decision on the proposed changes.

Mr Murphy: I thought that we had.

The Chairman (Mr Wells): We have discussed the proposed changes at length, but we have not taken a corporate view, as such, on how we feel about the changes suggested in paragraph 9. I have quite clearly heard Members' views on that.

Mr Murphy: Are you requesting a view on paragraph 9 as is, and whether we are in support of the proposition?

The Chairman (Mr Wells): Yes, I am seeking a view on the proposed changes.

Mr Murphy: We are not in support of that.

The Chairman (Mr Wells): Sinn Féin says no. What about the SDLP?

Dr Farren: As I said, our preference is for these matters to stay as they are. This issue cannot be clarified now, because there are consequences that have not been spelt out. If we were to move to the position outlined in paragraph 9, we would need to know what the consequences would be. Those consequences are clearly not all outlined, and some of them would have significant implications in legislation. Therefore, we cannot assent to this proposal. Our preference is to stick with the current arrangements.

The Chairman (Mr Wells): That is a no. What about the Alliance Party?

Mr Ford: Paragraph 9 is worse than the current arrangement, and it also requires clarification that could make it even worse than we already suspect.

The Chairman (Mr Wells): Is that a no?

Mr Ford: You can take that as a no, Chairman.

The Chairman (Mr Wells): The UUP has indicated that it has said no. What about the DUP?

Mr P Robinson: Yes.

The Chairman (Mr Wells): We shall just summarise that.

The Committee Clerk: Sinn Féin, the SDLP, the Alliance Party and the UUP said no; the DUP said yes.

The Chairman (Mr Wells): In the absence of any other contributions, we shall move on to paragraph 10 of annex A to the St Andrews Agreement, which concerns the functions of the Office of the First Minister and the Deputy First Minister:

"The First Minister and Deputy First Minister would reach agreement as to whether any functions of the current OFMDFM should be transferred to other departments, and would put proposals to the Executive and Assembly accordingly."

What do members feel about that suggestion?

Mr McFarland: I sense that we can move rapidly through a number of these matters, because parties'

views were fairly clear from discussions the first time around. These matters are not necessarily contentious. We are happy for those matters to go to the Executive and the Assembly for examination and proposal.

The Chairman (Mr Wells): The UUP is happy with that paragraph as it stands. What about the DUP?

Mr P Robinson: Yes. It is a duty of the First Minister and the Deputy First Minister to do that.

The Chairman (Mr Wells): What is the Alliance Party's view?

Mr Ford: I do not understand why this paragraph refers only to functions being transferred away from OFMDFM, particularly as our discussions earlier in the year addressed the issue of relationships between all of the Departments and all functions of all Departments. That matter should have been left with the Executive as a whole. As we have said, the First Minister and the Deputy First Minister should review and discuss this matter with the Executive — that was the Committee consensus earlier. This paragraph seems to reflect only a very small part of that.

Mr McFarland: That is reflected in paragraphs 12 and 13.

Mr P Robinson: It is a legal issue.

Mr Ford: Singling out this aspect makes it appear that this will be the only bit that will be done properly.

Mr P Robinson: The First Minister and the Deputy First Minister already have the powers under section 17(1)(b) of the Northern Ireland Act 1998, which refers to:

“the functions to be exercisable by the holder of each such office.”

That refers to the other Ministers; paragraph 10 of annex A ties down their own powers.

The Chairman (Mr Wells): Paragraph 10 tidies up matters, because there was no provision in the legislation to devolve powers from OFMDFM to elsewhere.

Mr Murphy: Paragraph 10 is not suggesting a provision in legislation, as I read it. Sinn Féin is happy enough. Paragraph 10 reflects the functions of the First Minister and the Deputy First Minister under the 1998 Act in respect of other Departments and suggests that they do the same in relation to their own.

The Chairman (Mr Wells): That is a yes. What does the SDLP think?

Dr Farren: Yes. It is a requirement.

The Chairman (Mr Wells): We have consensus on this.

Mr Ford: I am not opposing the proposal; I am expressing reservations. It is not as meaningful as it

ought to be, given the way in which it is phrased, but I have no objections.

Mr McFarland: It is a yes in the meantime.

Mr Ford: It is a yes, but I think that the proposal is inadequate, as I believe it was recorded previously.

The Chairman (Mr Wells): So we have consensus on paragraph 10.

Members indicated assent.

Dr Farren: Can I ask for clarification on what it would actually mean in practice? The First Minister and the Deputy First Minister should review the number of ministerial offices at an early stage. Would that be before an Executive takes office or is it a requirement under the Act?

Mr P Robinson: They may do it at any time under the legislation.

The Chairman (Mr Wells): We need to distinguish between what the St Andrews Agreement sets out and what we agreed as a Committee. The differences are recorded in two columns in the table of issues at tab 2 of the members' pack. On page 8 of the table, in the section “Functions of Office of First Minister and Deputy First Minister” as per the St Andrews Agreement is in the column on the left and what the Preparation for Government Committee agreed previously is in the right-hand column.

Dr Farren: I appreciate that.

The Chairman (Mr Wells): We have thrashed this issue out, and that is what we agreed ourselves.

Dr Farren: But is what the St Andrews Agreement says not implied in what is there already? Is it not explicitly stated already?

Mr McFarland: The issue arose because we had learnt from the previous Assembly that OFMDFM was confused over its role, and that some remits might be moved into that office and others might be moved out. The logic was that the First Minister and the Deputy First Minister would examine that and decide on the remits. That is perfectly logical, and we had agreed it all. I do not understand why there is confusion now.

The Chairman (Mr Wells): There is no legislation to enable that to happen.

Mr McFarland: It is already in legislation. The First Minister and the Deputy First Minister are charged with deciding what functions should go where, are they not?

Dr Farren: That is in section 17(3) of the Northern Ireland Act 1998.

The Chairman (Mr Wells): Paragraph 10 specifically provides for functions to be transferred from OFMDFM; that is the difference. We already

have the power to do that for other Departments, but not for OFMDFM. That is the reason that it is included in there.

Dr Farren: Are those Ministers not covered?

The Chairman (Mr Wells): No.

Mr McFarland: In that case it needs to go into legislation. The issue is the same.

The Chairman (Mr Wells): That is why we need to make a decision; the draftsmen will have to do that.

Mr McFarland: Then the St Andrews Agreement needs to be amended. It does not say —

Mr P Robinson: The St Andrews Agreement does not need to be amended — the legislation does.

Mr McFarland: Yes.

The Chairman (Mr Wells): There is no need to die in a ditch over this. We can take it that we are agreed on paragraph 10 of annex A.

Paragraph 11 of annex A is one of the great triumphs of the Preparation for Government Committee. We agreed that the Committee of the Centre should have a new status in that it would be placed on a statutory basis, as for the ten other Committees. I remember chairing that meeting, and it was one of the few instances of total unanimity. I hope that that will continue with paragraph 11.

Mr P Robinson: I am entirely happy with it, but, far from it being a triumph for the Preparation for Government Committee, it was already a provision of the comprehensive agreement.

Mr McFarland: Which nobody owns, of course.

Mr P Robinson: The two Governments own it.

The Chairman (Mr Wells): Our greatest triumph has just been stolen from us.

Mr Murphy: Success has many fathers — and mothers.

Ms Ruane: Thank you. *[Laughter.]* And paternity is only an assumption.

Mr Poots: As the former Chairman of the Committee of the Centre, I thought that putting that Committee on a statutory footing was a wonderful idea at the time, but now the DUP can never chair it again because it is the largest party.

The Chairman (Mr Wells): We have consensus on paragraph 11, so we can rapidly move on to paragraph 12, which concerns the establishment of a Standing Committee for institutional review. Again, the Preparation for Government Committee discussed that at great length, and there was even quite a discussion on the excellent naming of it.

What do members feel about the proposed changes, to examine the operational aspects of strand-one institutions and matters for review to be agreed by the parties and so forth? That was not particularly contentious at the time, apart from the proposed Committee's name.

1.45 pm

Mr Ford: The issue not covered in paragraph 12 — alongside our discussions on the institutional review Committee — concerns the status of the review of the Belfast Agreement provided for under the agreement itself. The two Governments would participate in such a review, not merely the parties in the Assembly Committee. That issue seems to have been lost somewhere in paragraph 12.

Dr Farren: It is covered by item 3 on page 8 of table of issues.

Mr Ford: It is covered only in the sense that Committee reports are to be considered by the Governments, as opposed to their participation.

Dr Farren: Item 3 states:

“in consultation with the Irish Government.”

Mr Ford: There is a distinction between the wording of the Belfast Agreement, which refers to a review process convened by the two Governments with the Assembly parties, and the wording of paragraph 12 of annex A to the St Andrews Agreement, which implies that the institutional review Committee will send reports to the British Government, or to both Governments, as appropriate. To some extent, that removes part of the focus that should be on the two Governments' participation alongside the parties.

Mr McFarland: The Belfast Agreement was crystal clear in that the Irish Government had no involvement in strand-one matters. That position has been held throughout the discussions and has been accepted in many places. We are now trying to allow the idea that the two Governments should be involved in strand-one matters to creep in. The Irish Government are involved in strands two and three but they should not be involved in strand-one matters.

Mr Ford: That point is not at issue: I am not trying to allow the Irish Government to “creep” into strand-one matters. Paragraph 12 of annex A states:

“consultation as appropriate with the Irish Government.”

I assume that that was inserted to allay unionist concerns. The issue is that the British Government does not have a defined role in the review aspects of strand one. Given that so many strand-one issues will impinge on strands two and three, there will be occasions when the Irish Government should also be fully involved.

The Chairman (Mr Wells): Paragraph 12 states that it would only be in circumstances involving legislative changes that would require us to consult the Irish Government.

Mr Ford: Yes. The issue is not the role of the Irish Government. On the one hand, the issue is the principle of a review being conducted by the Governments, depending on which strand of the agreement is under discussion, with the parties and, on the other hand, the Assembly Committee being expected to do all the work and then merely report to the two Governments, or the British Government, as appropriate. That fundamentally alters the principle of the Governments' responsibilities to ensure that the review aspects are carried out.

The Chairman (Mr Wells): Do members have thoughts on the matter?

Mr P Robinson: The institutional review Committee will deal primarily with strand-one issues but may make recommendations on strand two. I do not want to stretch its remit to strand three as well. I am content with the proposal as long as consultation with the Irish Government relates to strands two and three. Why would the Irish Government be consulted on strand-one issues?

Mr Ford: I am not suggesting that they would be. I am suggesting that this is a variation of the review as prescribed in the review section of the 1998 agreement.

Mr P Robinson: No, it is not.

Mr Ford: Yes, it is.

Mr P Robinson: No, it is not. This is not a review of the agreement; this is a review of institutional structures.

Mr Ford: Yes, and it appears to be taking over the responsibilities of the Governments to ensure that the review process continues.

Mr P Robinson: Do you want to continue to lean on Governments outside Northern Ireland?

Mr Ford: No, but in some areas the Government need to be more than merely a party that receives reports from an Assembly Committee; they need to be a participant in the review process.

Mr Murphy: There are two review processes under the terms of the Good Friday Agreement: one process is in paragraph 36 of strand one, which does not specify who will be involved in the review of Assembly procedures; the other is paragraph 4 of the validation section of the agreement.

There was already a review of the Good Friday Agreement per se, to which Sinn Féin is not averse, but we had not agreed on the mechanism to be deployed. Sinn Féin will therefore probably abstain on this matter and on the next. We are not averse to the

Assembly arranging review mechanisms; it is just that we have not come to a conclusion on the mechanism to be deployed.

The review of the deal was covered in paragraph 4 of the "Validation, Implementation and Review" section of the agreement. There is a mechanism, or a proposition, for a review under strand one in paragraph 36.

Mr Ford: The St Andrews Agreement appears to discount the validation mechanism of the original agreement by suggesting that it be done solely by the institutional review Committee, or whatever it is to be called.

Mr Murphy: That is your view, but I do not think so. There is a proposition under the agreement that, at various times:

"representatives of the two Governments and all relevant parties may meet under independent chairmanship to review implementation of the agreement as a whole."

Dr Farren: Does that not supersede it?

Mr Murphy: I am not entirely sold on these mechanisms, but I do not see that they supersede, or do away with, paragraph 4 under the "Validation, Implementation and Review" section.

The Chairman (Mr Wells): We have not had an SDLP view.

Dr Farren: I do not believe that it supersedes it; I tend to agree with Conor on that.

The Chairman (Mr Wells): Right. David, you are the only person who has any —

Mr Ford: It appears that at least two parties express a view that gives me some degree of reassurance that they do not believe that this overwrites the paragraph 4 review mechanism. What are the opinions of the other two parties?

Mr McFarland: As I understand it, this is a way of the Assembly reviewing what it does, and why it does it, to make sure that it is effective and efficient all the time. It does not stop there a full review every four years or whatever to confirm that all is well. However, if this is working OK technically, the actual burden of that full review —

The Chairman (Mr Wells): Do not mistake this review for the efficiency review; there are two.

Dr Farren: Institutional matters.

The Chairman (Mr Wells): Yes, the institutional review. The efficiency review is a different issue.

Mr McFarland: I have used the wrong wording. Both systems are designed to work out whether we are in the best organisational state or whether what we are doing is the most effective and efficient custom and

practice. We discussed that; effectively, it is the same as determining how this works best when the Assembly is operating.

My point is that it does not take away from the necessity, perhaps every four years, for a full review as a general concept.

The Chairman (Mr Wells): Is there any suggestion that the paragraph 4 review would be repealed as part of this?

Mr McFarland: That is what the discussion was about.

Mr Murphy: It could not be, because the review in strand one concerns the Assembly and how it conducts its business. Paragraph 4 reviews the agreement's implementations, some of which are the sole responsibility of the Irish Government, some the sole responsibility of the British Government. Therefore, we could not collectively review and make recommendations on it.

The Chairman (Mr Wells): With those assurances, David, are you happy?

Mr Ford: With assurances that at least four parties are agreed on that point, I am happy.

The Chairman (Mr Wells): Are we content to take the vote on paragraph 12 without further discussion?

Mr P Robinson: There are some things in paragraph 12 that we considered to be deal-breakers and that had to be resolved before 24 November. There were other issues that we thought it was necessary to deal with, but they do not require resolution before that date.

We were responsible for putting on the agenda of the institutional review Committee matters that, in our consideration at an earlier stage, we indicated could be dealt with under that Committee. They are improvements to the way it might operate. We might not agree, and there may be no progress on them, but it would at least set an agenda for the institutional review Committee.

The Chairman (Mr Wells): Is everyone happy enough with that or do members dissent?

Dr Farren: The principle is that they are entitled to do so.

The Chairman (Mr Wells): We will take the formal vote on this paragraph.

Mr Murphy: We abstain.

Dr Farren: Yes.

Mr Ford: We accept it.

Mr P Robinson: With my addendum, yes.

The Chairman (Mr Wells): Do we take that as consensus? There was an abstention.

Dr Farren: You cannot slip in an addendum like that, Peter.

Mr P Robinson: I slipped one in before as well. You agreed with it.

Mr McFarland: What was the addendum again, Chairman?

Mr P Robinson: My addendum is that the matters that the Committee has said that the new Assembly should consider should form the first agenda for the institutional review Committee.

Mr McFarland: As Mr Robinson knows, Committees tend to guard their sovereignty, and the Committee membership normally decides its agenda. I am just worried that we would be seen to be usurping the institutional review Committee's rightful duties.

Mr P Robinson: We are not writing the legislation; we are pointing out that issues remain to be dealt with.

Mr McFarland: Yes, but the report can be referred to the institutional review Committee when it is established.

Mr P Robinson: That Committee will be in the new Assembly.

Dr Farren: In other words, a letter is already in the post. However, it is not our job at present to receive it formally and say that that certain issues must be on the institutional review Committee's agenda.

Mr P Robinson: I think that we are looking for something more than a letter in the post on some of the issues involved.

The Chairman (Mr Wells): For clarification, my understanding is that we have taken a vote on paragraph 12 as it stands. Does everybody understand that? There is talk of an addendum to paragraph 12, but the vote was purely on paragraph 12 as it appears in annex A. Are all members happy that that is the proposal on which they voted?

Mr P Robinson: No. I have not agreed to paragraph 12 in its present form. I want an addendum inserted.

The Chairman (Mr Wells): That will be recorded as the DUP vote in the résumé.

The Committee Clerk: Sinn Féin abstained, the SDLP, the Alliance Party and the UUP voted yes, and the DUP voted no.

The Chairman (Mr Wells): We now move to paragraph 13 in annex A.

Mr McFarland: The DUP voted yes to paragraph 12, provided an addendum was inserted.

The Chairman (Mr Wells): Is that a qualified yes, or is it a no?

The Committee Clerk: It is a no. The DUP requires that an addendum be inserted.

Mr P Robinson: I have no objection to having an institutional review Committee. If you wish the glass to be half full, it is a yes if there is an addendum.

The Chairman (Mr Wells): Paragraph 13 in annex A deals with the proposed efficiency review panel. We had considerable discussion on that in this Committee, and, from memory, I do not believe for a minute that that discussion was particularly contentious. Does anybody have any thoughts on the proposals, of which there are three listed in the table of issues in the future work programme? Some of the proposals are very much in line with what the Committee decided. Do members have any thoughts on the three proposals?

Mr Murphy: Again, I am not adverse to the idea of the First Minister and the Deputy First Minister agreeing review mechanisms into efficiency or any other aspects of strand one. However, some questions arise. Is this to be a one-off piece of work? Will appointments to the panel be made from inside the Assembly or from outside?

Equally, some questions do not arise. If paragraph 13 of annex A is to be followed through, I suppose that the melting pot that is OFMDFM will be tasked with coming up with answers to some of those questions. As it appears on the paper in front of us, it is not that clear a proposition.

Mr McFarland: This Committee did discuss, at some length, the fact that all the parties should be involved, and that there should be all-party agreement on the matter. However, if the First Minister and the Deputy First Minister suddenly decided to appoint to the panel a number of cronies from each of their parties from outside the Assembly, we would be reluctant to support the proposals.

Mr P Robinson: We do not have to follow past practice.

Mr O'Dowd: Just because a precedent has been set —

Mr McFarland: We would support the proposals if we are talking about MLAs being appointed to the efficiency review panel with all-party agreement on the system of appointments, and so on. What we would not be happy with would be for the First Minister and the Deputy First Minister to appoint people for their own reasons — not that they would, of course, Chairman.

The Chairman (Mr Wells): Do members have any other thoughts on the issue?

Mr P Robinson: It is a sensible proposal.

Dr Farren: It has just occurred to me to raise again a question that I have raised several times about some of the other proposals: why does paragraph 13 have to be enshrined in law? If the First Minister and the Deputy First Minister decide that, in the light of circumstances, the type of efficiency review that needs

to be undertaken is to be slightly different from what is prescribed here, what flexibility is there for them to shift the focus onto what might generally be agreed to be a more appropriate focus at a particular point in time?

Why should so many of these matters be enshrined in law? That ties it down and gives people a kind of lawyers' charter to challenge individuals if they do not follow to the letter some of the issues that are set down in legislation. It is not that I am expressing opposition to this —

2.00 pm

Mr Murphy: Is it being proposed that it should go into the legislation?

The Chairman (Mr Wells): No, it simply suggests changes.

Dr Farren: Yes, changes to legislation are required.

The Chairman (Mr Wells): It does not indicate that at all.

Mr Murphy: Only two of the paragraphs that we have dealt with to date do not indicate that the 1998 Act would be amended. This paragraph and paragraph 10, which deals with the functions of OFMDFM, do not mention any amendment to the 1998 Act. I presume therefore that they propose that agreement be reached on those matters without necessarily having to include them in legislation.

Mr P Robinson: It was not in the draft legislation.

Dr Farren: I was not sure to what extent the draft legislation was a guide to what might actually be included in legislation.

The Chairman (Mr Wells): Seán, are you content that paragraph 13 does not require changes to legislation?

Dr Farren: I raised the issue only because the word "yes" appears in the column titled "Changes required to legislation?". Perhaps that involves taking something out or putting something into legislation. In any case, let me be clear that I am not against the principle of the proposal.

The Chairman (Mr Wells): There does not seem to be too much concern about this paragraph, now that that has been sorted out.

Mr Murphy: Some questions still remain. I do not object to the principle of the First Minister and the Deputy First Minister establishing a review panel, but further questions need to be fleshed out. Alan has queried whether this panel of experts would be appointed from within the Assembly. Would it be made up of cronies? Will it be a one-off review or an established review mechanism? In principle, I am not against the proposal, but further issues must be addressed before we can sign up to it.

The Chairman (Mr Wells): Normally, we would simply send a note to the NIO asking for that sort of information. However, its track record in getting back to us has been quite slow, and it would probably not get back to us in time for 31 October. I am sure that NIO officials will read that in the Hansard report. That is the difficulty we face. When the Preparation for Government Committee was going full tilt in July and August, we were sending stuff back and forth all the time, and we normally received the information that we requested. However, paragraph 13 does not involve legislation, so there will be an opportunity to look at this in more detail if the Assembly gets up and running.

Mr Ford: Presumably the distinction between paragraph 13 and paragraph 10, which looks at the functions of OFMDFM, is that paragraph 13 looks somewhat more formal and bureaucratic. It would be interesting to know who wrote that particular part of the St Andrews Agreement, since any agreements about what the First Minister and the Deputy First Minister might do might well have been discussed with those individuals who might be in those posts. It would be interesting to know just how they would see that operating. There must be some understanding between those parties.

The Chairman (Mr Wells): Good point.

Mr P Robinson: The task of achieving efficiency is not one that lasts for a week, a month or a year — it is an ongoing process. I would have assumed that the Assembly would always be striving for efficiency, and that the review would therefore become a regular feature.

I never considered that the panel would comprise anyone other than Assembly Members. Obviously, they could call on whatever expertise they wanted to assist them in their task. I had not envisaged that people from outside would form the panel, but is that not a matter for the First Minister and the Deputy First Minister in the final analysis?

Mr McFarland: Will the panel operate under a proportional system, as other Committees do? Will its members be appointed in accordance with party strengths?

The Chairman (Mr Wells): It is not a formal Assembly Committee as such.

Mr McFarland: I do not see a particular problem with the panel unless it comprises eight DUP Members — or four Sinn Féin Members and four DUP Members. Were that to be the case, the rest of us would clearly have some views on it.

Mr Ford: Peter has highlighted the fact that there are two different aspects to paragraph 13. One is the ongoing work on efficiency and value for money; the other is the specific institutional reform aspect, which, it appears, is not to be dealt with by the institutional reform Committee but by the Efficiency Review Panel.

That is creating a difficulty, because there is a distinction between the ongoing work of promoting efficiency and value, which should be the role of every Government Department and the Executive as a whole, and the specific need, which the Alliance Party highlighted early in discussions, to look at the overall number of Departments and similar issues. It does not help that these are contradictory.

Mr P Robinson: That is the sort of issue that the First Minister and the Deputy First Minister will be bringing to the Executive, is it not?

Mr Ford: Sorry?

Mr P Robinson: It is a matter that the First Minister and the Deputy First Minister will bring to the Executive in the first instance, particularly if the Executive will be looking at the role of Departments and the responsibilities of other Ministers.

Mr Ford: It would have to.

Mr P Robinson: We cannot sketch it out in full now. It would take a lot more work than our time allows.

The Chairman (Mr Wells): I do not see that as a deal-breaker. When it was debated earlier, members were reasonably laid back about it. Do we need to take a formal vote on paragraph 13? I detect slight variations in members' views on it. We had better take a vote to keep ourselves correct.

Mr P Robinson: The DUP agrees. Efficiency is good.

Mr McFarland: My party agrees, provided this provision will not discriminate against other parties.

Mr Ford: The Alliance Party agrees, though we would like to see the details.

Dr Farren: More detail.

Mr Murphy: Sinn Féin wishes to see more detail and abstains from voting in this instance.

The Chairman (Mr Wells): Can we have the headcount please?

The Committee Clerk: Sinn Féin abstained. Other parties agreed, though the SDLP, the UUP and Alliance qualified their agreement.

The Chairman (Mr Wells): Thank you.

The good news is that the Committee is back on schedule. We are where we should be at this stage on this Wednesday afternoon, and things are moving in the right direction.

We move on to paragraph 14, Annex A of the St Andrews Agreement:

“Repeal of the Northern Ireland Act 2000. The Northern Ireland Act 2006 provides for the automatic repeal of the Northern Ireland Act 2000 if the Assembly is restored by the date set out in that Act. The

Government remains committed to the repeal of the Northern Ireland Act 2000 on the restoration of devolved government in Northern Ireland."

The St Andrews Agreement simply says that the Government will repeal on restoration. No legislative change is required to do that.

What are the members' views?

Mr McFarland: My party disagrees with the repeal. The 2000 Act was brought in as a safeguard to allow for time out if things got into difficulty. When we discussed this we put forward the view that, whilst we understood that it might not be needed, it would be sensible to leave it in place for perhaps the first 12 months, so that if things got into difficulty and people once again were not playing the game, we could have time out and suspend the Assembly while we tried to get it sorted out. As it is, if people are not playing the game, it crashes. We are happy enough in principle for it to go eventually, when we settle down, but we do not think we are there yet and the 2000 Act should be left in place as a safety net for the first 12 months.

Mr Murphy: We support the repeal of this Act and would prefer that it happen sooner, rather than on restoration. We have argued for repeal of the suspension legislation.

Dr Farren: We support repeal. We are like Daniel O'Connell.

Mr Ford: The 2000 Act was a fairly crude safety net. I have no problem with its repeal. However, we have identified elsewhere in our discussions where other safety nets may be needed, but for which we do not yet have the detail.

The Chairman (Mr Wells): We will be coming to those eventually.

Mr P Robinson: Let me give a legal answer and then a political answer. The legal answer is that this is just candyfloss; it is meaningless. If the Government repealed the 2000 Act but wanted a 2007 Act, it could get that in a day. It is a meaningless issue.

The political answer is this: I am not looking for time out. The days of suspensions and safety nets are over. We get it right this time. If it collapses, it will take generations to convince anyone that it is worth trying again.

That is why we want certainty. We want a process that will last, and that is why it must be secure and why we must get it right first time. The nonsense about suspensions, timeouts and so on will not cut the mustard. If this process collapses, it collapses, and we had better face up to that reality.

The Chairman (Mr Wells): Does anyone have any other thoughts on this?

In the absence of further contributions — and with the danger of becoming an efficient Committee — we will move on quickly. We will take a vote on the repeal of the Northern Ireland Act 2000.

Mr P Robinson: I do not wish to encapsulate the views that I gave, both legal and political, in one word.

Mr Ford: That is a yes.

Mr P Robinson: The views of the DUP are on the record.

Mr McFarland: The DUP is relaxed. The Ulster Unionists vote no.

Mr Ford: Yes.

Dr Farren: Yes.

Mr Murphy: Yes.

Members indicated dissent.

The Committee Clerk: Consensus has not been reached. Sinn Féin, the SDLP and the Alliance Party said yes. The Ulster Unionist Party said no, and the DUP's views are on the record. *[Laughter.]*

The Chairman (Mr Wells): We move on to community designation, and I suspect that members will have something to say on this subject. The Committee on the Preparation for Government did not make any specific proposals on this issue, but paragraph 15 of annex A to the St Andrews Agreement states that provisions could be made to ensure that:

"an Assembly Member would not change community designation for the whole of an Assembly term except in the case of a change of membership of a political party."

I think that we all know to what this refers. Dare I ask —

Mr P Robinson: Does this relate to the pantomime horse?

The Chairman (Mr Wells): David, you have a wealth of experience in this issue.

Mr Ford: I would appreciate it if Peter could at least get the saying right. It is the "back-end" of a pantomime horse.

The Chairman (Mr Wells): That is true; I remember that interview very clearly. David, perhaps you would like to lead off on this, because you raised it in a previous meeting of the Committee.

Mr Ford: The wording of paragraph 15 of annex A to the St Andrews Agreement, and of the table before us, is of supreme indifference to me, because there is no prospect of myself or any member of the Alliance Party changing his or her designation under any circumstances ever again. We have said that on one or two occasions since 6 November 2001.

The Alliance Party believes that there ought to be something in the St Andrews Agreement to say that we are moving away from a system of designation towards a straightforward, weighted-majority voting system. During the mandate of the previous Assembly, no motions that required a cross-community vote were passed without an undesignated majority in excess of two thirds. It is time that we got away from the system of designation completely or, at least, set some kind of sunset clause on it.

The current phrasing of paragraph 15 of annex A is, quite frankly, of the most profound irrelevance. We should be more concerned with getting rid of designations and moving towards normal, non-discriminatory, non-divisive voting systems.

The Chairman (Mr Wells): You have raised that issue many times. Paragraph 15 of annex A to the St Andrews Agreement does not deal with it at all.

Mr Ford: The word “designation” is there, so that gives me the opportunity to make my point. In fairness, it is the point that I made to the Clerks when discussing the issues to be submitted. I took the view that if anything that I wished to say was covered by an item on the agenda, I would take the opportunity to speak on it.

The Chairman (Mr Wells): You are entitled to say make your point, but paragraph 15 of annex A does not deal with your concern.

Are there any other views on community designation?

Mr P Robinson: The word “of” is there, so may I talk about the Pledge of Office?

The Chairman (Mr Wells): That is stretching it a wee bit. Let us stick to designation.

Are there any other views?

Mr Murphy: Paragraph 15 of annex A to the St Andrews Agreement would change what currently exists, which is one session or one term, to, I presume, one Assembly election to the next. Can a session run from one summer recess to the next? I would like clarity on that. Does paragraph 15 allow for the same provision but with a longer time frame?

Mr Ford: As members will know, I am not the least bit interested in this —

Dr Farren: You have a lot to say about it, though.

[Laughter.]

Mr Ford: My understanding is that the current rules cover the length of time that a Member is required to hold his or her amended designation. Paragraph 15 of annex A to the St Andrews Agreement states that from the day a Member signs the role in the Assembly, he or she will not be able to change designation unless he or she changes parties.

Mr Murphy: I will re-read paragraph 15.

Mr P Robinson: What is the definition of a party?

Mr Ford: Indeed, what is the definition of a party?

The Chairman (Mr Wells): Well, we have been down that route, of course.

2.15 pm

Mr Ford: Paragraph 15 of annex A to the St Andrews Agreement is irrelevant, because it suggests that it would be possible for a Member to change from the Ulster Unionist Party to the Democratic Unionist Party and at the same time change designation from unionist to nationalist. It is not only meaningless, but pointless.

Mr Murphy: Although we operate under the Hain Standing Orders at the moment, Standing Order 3(8) of the previous Assembly stated:

“A Member may change his/her designation of identity on no more than one occasion during an Assembly session.”

Members may change party affiliation at any time. It strikes me that paragraph 15 simply extends that period so that Members would be able to change their designation once every four years instead of once a year, unless they changed their party affiliation.

Mr P Robinson: It is to stop the voting cheats. We have experienced cheating, so paragraph 15 aims to tie that down.

Mr Ford: I am sure that Mr Robinson would not wish to suggest that anything that was acceptable under Standing Orders was in any way cheating.

Mr P Robinson: That is why the Standing Orders must be changed.

Mr Ford: In other words, he acknowledges that it could not have been cheating because it was acceptable under Standing Orders.

Mr Murphy: It is so that there will be pantomime horses only once every four years, instead of every Christmas.

[Laughter.]

The Chairman (Mr Wells): I do not detect a huge divergence of opinion. We will go round the table as normal, and if anyone feels cheated at any stage, I will —

Mr Ford: May I make a formal proposal? I will not detain the Committee too long. I propose that the Committee wishes to end the designation voting system and replace it with a non-discriminatory, non-divisive system at the earliest possible date.

The Chairman (Mr Wells): That is at a slight tangent to —

Mr McFarland: Chairman, may I again propose that the Committee buys me a Ferrari?

Mr Ford: Alan, if you can find “Ferrari” anywhere in the St Andrews Agreement, yes, you may.

Mr McFarland: No, I said “a Ferrari” — the letter “a” is in the agreement somewhere.

Mr Ford: Chairman, as paragraph 15 refers to how designation operates, it is entirely reasonable to discuss when the designation system may end.

The Chairman (Mr Wells): I am feeling generous and will allow it, Mr Ford, although it is a slight variation on what is before the Committee.

Mr Ford: Much of today’s discussion has been a variation on the paper before us.

The Chairman (Mr Wells): You have raised the point many times in the Committee.

Mr Ford: You have noticed.

The Chairman (Mr Wells): Many, many times.

Mr Ford: I will probably have to continue to do so.

The Chairman (Mr Wells): Shall we go through the wording of the proposal again, just to be sure?

Mr Ford: My proposal is that the Committee wishes to see an end to the designation voting system at the earliest possible opportunity. I have left out the adjectives in order to simplify the motion.

The Chairman (Mr Wells): If everyone is clear on that, let us collect the votes.

Mr Murphy: I have no difficulty with that aspiration; I wish to see the end of this Committee’s work soon too. I have no difficulty with our ultimately not being divided along the lines of identity. Anyone who aspires to normal politics aspires to that.

Dr Farren: The SDLP abstains. We have discussed the matter several times, and I am not sure that it is valuable to revisit it now.

Mr McFarland: The UUP will agree in due course, when there is community confidence — as we have said on 10 previous occasions.

Mr Murphy: After you get your Ferrari.

The Chairman (Mr Wells): What is the DUP’s position?

Mr P Robinson: Yes, the sooner the better.

Mr Ford: That means that there is three-party consensus.

The Chairman (Mr Wells): Let us review that.

The Committee Clerk: The SDLP abstains; Sinn Féin agrees; the Alliance Party agrees; the UUP said “in due course”; and the DUP agrees. There is no consensus.

Mr P Robinson: I thought that the wording in the proposal was “in due course”.

Mr Ford: The words I used were “at the earliest possible date”. Alan seems to be stretching it a bit further than that. You and Conor seemed to be agreeing, although “in due course” was not defined.

Mr McFarland: Chairman, “at the earliest opportunity” will be appropriate only when there is community confidence and acceptance, with which it does not necessarily coincide.

The Chairman (Mr Wells): We have had the review and must now take a formal vote on community designation, as it stands in paragraph 15:

“An amendment to the 1998 Act would provide that an Assembly Member would not be able to change community designation for the whole of an Assembly term except in the case of a change of membership of political party.”

We need to get views on that. Shall we start with Sinn Féin?

Mr Murphy: Sinn Féin has no difficulty with that, as my party was never a beneficiary of any dodgy voting deals.

Mr Ford: Did your Ministers not take office after December 2001?

Mr Murphy: You were trying to save David Trimble, not our Ministers, I can assure you.

Mr Ford: We were trying to save the Executive as a whole; we were certainly not trying to save David Trimble.

The Chairman (Mr Wells): I think that members are trying to score political points.

Is the SDLP happy with the proposal?

Dr Farren: Yes.

The Chairman (Mr Wells): Is the Alliance Party happy?

Mr Ford: I am supremely indifferent and not in the least bit relaxed.

The Chairman (Mr Wells): I will take that as an abstention. Mr McFarland, is the UUP happy?

Mr McFarland: Yes.

The Chairman (Mr Wells): What about the DUP?

Mr P Robinson: Again, I return to the addendum issue. Yes, the DUP is happy with the proposal, but our belief is that designation should be done up front, so that the electorate know what a Member’s designation is before he or she is elected, and so that Members do not cheat after an election is over by looking at the strength of the various parties to determine where their designation might make a difference. For example, if

Diane Dodds, having topped the poll in West Belfast, was returned after an Assembly election —

Mr Murphy: Cheating allegations would be made there.

Mr P Robinson: In theory, if she were to designate as a nationalist, she could support the SDLP, and it might become the largest party in that designation. That would be allowed under the rules as they have already been amended.

Mr McFarland: Country before party, Chairman — very laudable.

Mr P Robinson: However, if candidates were to designate at the time of an election, everybody would know exactly where Diane stood. If she designated as a nationalist at the election, she might top the poll.

[Laughter.]

The Chairman (Mr Wells): That caveat is recorded in Hansard.

Mr Murphy: Is it a suggestion or a caveat?

The Chairman (Mr Wells): It is a hypothetical situation.

We have reached the end of paragraph 15, and that concludes our discussions on strand one issues in annex A. However, both Chairmen of the Committee have always made it clear that if any member feels that any issue of concern for his or her party has not been addressed during this process, and there has been a lot of chopping and changing and views expressed, a wash-up session can be held at the end at which members can raise issues that have not been addressed.

It is now 2.20 pm, and the Committee sitting is not due to finish until 4.00 pm, so we have several options. We could deal with any outstanding strand one issues quickly, and we could then move on to strands two and three issues. That is entirely up to members.

Mr McFarland: We could catch up on ourselves.

Mr Murphy: I am in favour of continuing until 4.00 pm. I do not know how quickly, or otherwise, we may get through matters, but if we were able to get through them in another hour and a half, that would save members coming back tomorrow. Obviously it depends on the availability of members, but if we were to get through all the business this afternoon, or if proceeding would even allow us to plan to sit for half a day tomorrow, so much the better.

The Chairman (Mr Wells): We will do the wash-up session on issues that have been raised or that members wish to raise. If we get that over quickly, we will start to discuss strands two and three issues in annex A. We shall try to get as many of the strand two and three issues out of the way as possible.

Does anyone have any strand one issues that have not yet been addressed properly? Remember that the deadline of 31 October means that the Preparation for Government Committee must either speak now or for ever hold its peace.

Mr P Robinson: I have raised a number of issues, of which sanctions was one. We could deal with that issue until 4.00 pm.

The Chairman (Mr Wells): I would like to think that, at the very minimum, we will conclude strand one issues in annex A today. I do not want to carry over any strand one issues into tomorrow. Equally, however, it is important to get any outstanding issues cleared up as quickly as we can.

Mr P Robinson: I will raise the matter, but I would be shocked if we got agreement on it.

The Chairman (Mr Wells): For the benefit of members who were not present when the issue was first raised, could you give us a couple of lines on what sanctions the DUP believes should be included?

Mr P Robinson: There is an issue here. There will be a least four parties in any Executive formed under the mandatory system. Sanction mechanisms are available in a voluntary coalition, but none are available in the type of mandatory coalition that we have that could adequately ensure that, if any of the parties defaulted, the whole Assembly would not crash down and everybody would not be punished for the sins or shortcomings of some.

The Committee became inquorate at 2.24 pm.

On resuming —

2.25 pm

The Chairman (Mr Wells): I shall ask Peter to continue with what he was saying.

Mr Murphy: We shall have to synchronise our toilet breaks.

Mr P Robinson: We should ask what will happen if there is a breach of commitment by any party after devolution. Suspension occurred under the Northern Ireland Act 2000. Most people believe that we cannot afford to have an Assembly that is up one moment and down the next. We must have a system that is stable and capable of continuing even if rough days are ahead. I hope that there are none; I am not planning any. I just want to ensure that there is a mechanism that will ensure that the Assembly's life continues rather than dies, which it would under present arrangements.

Several sanction mechanisms can be considered. However, I suspect that there will be difficulties with each of them in that people may not be prepared to accept the decision that any person or body might make.

We must have an honest discussion about what to do in such circumstances. I will not predict what those circumstances might be, but let us assume that a party defaults on such a serious matter that all others believe it should not be part of an Executive, or, at least, that a sufficient number of others believe that the Executive could not operate. What will happen? Do we go through all the pain that we have endured before, or do we sensibly put a mechanism in place to ensure that the Assembly's life continues?

Mr McFarland: Can we remind ourselves of the current system? There is a detailed mechanism in which the Independent Monitoring Commission (IMC) adjudicates and refers back to the Secretary of State and so forth. Can we refresh our memories as to the current system so that everybody has a common understanding of it?

Mr P Robinson: There are several current systems. Under the Northern Ireland Act 1998, the Assembly has the ability, by way of a cross-community vote, to exclude Ministers from the Executive under circumstances that are set out in that Act. However, if the DUP were to default, there would not be a cross-community vote to put the party out; likewise, if Sinn Féin were to default, there would not be a cross-community vote to put it out.

Mr McFarland: The only cross-community vote that needed 50:50 support was the election of the First Minister and the Deputy First Minister; the rest needed 60:40 support. My party and, perhaps, the SDLP have the numbers. My party certainly has the numbers that are needed to represent 40% of unionism.

Mr P Robinson: That is great news for Alan. Some people might suggest that he is wrong and that the history is that his party did not have the courage to remove the DUP from the previous Executive when clearly, according to the First Minister and the Deputy First Minister, there were rogue Ministers. Politically, his party was not prepared to do that. Equally, the SDLP did not have the courage to remove Sinn Féin. Therefore his party taking such action will just not happen.

Mr McFarland: We are talking about mechanisms, Chairman, not about what happened before.

Mr P Robinson: We are talking about mechanisms that work; those mechanisms did not work.

Mr McFarland: My question was not whether they worked: I asked what were the current mechanisms.

Mr P Robinson: That is one of the current mechanisms. I have just summarised that it did not work in the past, and I do not conceive that it will work in the future.

Given that that did not work, the other mechanism that was put into legislation was one whereby the IMC could make recommendations that might include the

suspension of parties or the levy of fines upon them, and that such a recommendation would come before the Assembly. If the Assembly accepted that recommendation, it could take the necessary action to fulfil it. However, if it did not, the Secretary of State had the power to act on it.

Many people believe that the Secretary of State does not have the political will to make such decisions. The same mechanisms would apply to a future Assembly as applied in the previous one.

2.30 pm

Mr McFarland: Is Peter suggesting that a party could head for the High Court if it decided that another party was in default? Normally, the courts do not wish to get involved in political issues, but they could decide to remove a party in default. For example, if the DUP were at fault and the High Court decided to remove it from Government, do members seriously think that the Government would continue without the DUP? Is it being suggested that the courts would be prepared to adjudicate, as they often do not at present?

Mr P Robinson: If the courts were the mechanism for deciding those issues, they would have no choice about whether they could make such decisions. If the law required the courts to hear the case, they would do so, but I would not advocate that system. My guess is that the courts would take many months to consider such matters, and it would be many more months before their decisions could be appealed.

There are difficulties in using the normal processes of the law to deal with such situations. However, there are some possibilities: one could remove from Government the element of choice in the acceptance of an Independent Monitoring Commission (IMC) report; one could put in place a quasi-judicial process, such as the example of Ken Livingstone and the Greater London Authority; and there may be other suggestions. The issue must be resolved, but I am unsure whether I have the solution. There are ways of addressing the matter, but it is a problem that we could face.

In response to Alan's other question, if the DUP robbed the Northern Bank, the other parties might not want it in an Executive and might decide that they would be prepared to govern without it. I am sure that the Ulster Unionists would have been happy to govern without us in the past.

The Chairman (Mr Wells): Do members on the other side of the room have any thoughts on this matter?

Mr Murphy: I am beginning to regret suggesting that we continue the meeting.

Sinn Féin is not in favour of exclusion mechanisms. If a party decides that it no longer wants to serve in Government with another party, it has the option of walking out. If the Government can survive with its

absence, they can continue or, if a party's refusal to continue in Government caused the Assembly to crash, there would be an election and the people could decide who was responsible for causing the difficulties that forced an election. If politicians decide that they can no longer remain in Government, they go back to the electorate to seek an endorsement of that view. That is the normal democratic way. Sinn Féin is not in favour of current or additional exclusion mechanisms.

Dr Farren: Theoretically, and from past experience, there is an issue to be addressed from what Peter said. However, the situations that he envisages always run up against the test of determining the evidence for such steps to be taken. I am not happy with the current situation. Alan highlighted the IMC's power to investigate and conclude. It is a means of circumventing the normal legal processes, and the Secretary of State may act on a recommendation from the IMC.

I regard that as not a very helpful way of intruding into the political process. If the political process, through the Assembly, cannot take action, or the action that it takes is not effective — and experience elsewhere would bear this out — there is only one form of recourse. I agree with what Conor said: there must be recourse back to the people to let them assess the situation as best they can and want to. The people can then bring their judgements to bear, and those Members whom they re-elect to the Assembly and the Executive would be determined on the basis of the outcome of that election.

The fact that exclusion might happen shortly after the formation of an Executive should not frighten us, because Governments can fall within six months of being elected to office, requiring fresh elections to be called. That happens in democracies all over the place. Unless we were to subject ourselves to huge intrusion from the legal system, I am not too sure that other forms of recourse are open to us that would effectively address the issue.

I recognise that there is an issue. The question of whether a Government should not be able to continue is a real one, given the possibility that only one party might be under suspicion — however strong it may be — of having transgressed in a way in which the absence of some means of dealing with that transgression, other than an election, would require Government to be collapsed and for the country to go to the polls.

Mr Ford: If we talk about exclusion processes, we are putting the finger in the wrong place. The issue is about how we maintain integrity in the Executive to the point that ensures that those parties that are in the Executive have confidence in each other.

That was not the case in what went before, which is why we have been saddled with a variety of mechanisms to deal with such problems. As long as the majority

view continues to operate on the basis that there will be a mandatory coalition, and if there is a fear that parties will default, I do not see how we can manage without some way of ensuring that the Executive can continue in office without all the parties who originally took up their places.

A voluntary coalition would solve the problem. Parties would have the option of withdrawing from Government, either to form an alternative Executive or deal with the problem in the way in which it would be addressed in normal democracies. However, the only alternative to a mechanism to ensure integrity seems to be the option of going to the people — who might very well return an Assembly so sufficiently unchanged that the seats in the Executive would be completely unchanged or almost certainly very close to what they were before. I do not see how that would solve the problem. A voluntary coalition system would address the problem, but now that we have agreed to the abolition of the 2000 Act, and while a mandatory coalition exists, there must be a mechanism to ensure the continuance of the Executive without necessarily including all the parties that were original members.

On that basis, it is necessary to have a mechanism that would ensure that level of integrity. It is to be hoped that we would not need to use the mechanism, but if it were not available, the only option would be to collapse the Assembly, which could necessitate several elections in a row.

The Chairman (Mr Wells): Obviously, regardless of the angle from which members approach this, everyone accepts that it is a big issue. Our difficulty is that I could have written the script — we could all have — for what each party would say.

The only tentative proposal is from Peter; that there should be a mechanism to allow devolution to continue if one party defaults on its commitments. Some parties said that they are against any mechanism or exclusion process. I suspect, therefore, that that proposal might have difficulty in achieving consensus. However, I see no way of squaring the circle.

Mr Murphy: Can we not just note the discussion and let those who wish to read the Hansard report form their own opinions?

The Chairman (Mr Wells): I must allow the DUP to move its proposal if it wants to do so. Do you wish to move the proposal, Peter?

Mr P Robinson: My proposal would come into effect if there were a significant default in a party's commitment.

Dr Farren: What additional mechanisms does Peter propose?

Mr McFarland: We have mechanisms that do not work. It would be useful to have a proposal for a new

mechanism so that we could consider whether it was better the current arrangement.

Mr P Robinson: If we agree the principle of the proposal, new mechanisms would be the next stage.

The Chairman (Mr Wells): Judging from the parties' comments, it does not look as if we will reach that stage.

Mr P Robinson: Really?

The Chairman (Mr Wells): Yes, that is surprising. We will move the proposal, but, as I say, I will be surprised if we reached consensus on it.

What is Sinn Féin's view?

Mr Murphy: The proposal would create a mechanism to ensure that the Executive would continue if one of the parties were in default. In effect, however, that means additional exclusion mechanisms. As we do not support the exclusion mechanisms that already exist, we will not support additional ones. We will not support the involvement of the IMC, the Secretary of State or anybody else in deciding who represents whom at the Executive table.

Dr Farren: The SDLP does not accept the proposal. We are where we are, and we have what we have.

Mr Ford: The existing mechanisms failed to work on several occasions. Members have said today that we have to get it right this time. Regrettably, that means that we must ensure that a default mechanism is in place; therefore, I agree with Peter.

The Chairman (Mr Wells): I will take that as a yes.

Mr McFarland: The IMC system has not yet been trialled. The Ulster Unionists are for improved safeguards; the difficulty is knowing what they will be. Until we see what they are, it is hard to judge whether new ones would be better or worse than the ones that we have. I agree with the general concept of having safeguards.

The Chairman (Mr Wells): The DUP said yes. We have not reached consensus on the proposal. Therefore, all that we can do is allow the Northern Ireland Office to note our discussion in the Hansard report. Unless anyone has a suggestion to move us on, we will not make any progress.

I am giving members an opportunity to raise issues that interest them. We were unable to discuss an issue this morning because Alan was out of the room: the matters that the Preparation for Government Committee covered in its reports but which are not included in the St Andrews Agreement. I have a significant list of such issues. I suspect that they were not covered in the St Andrews Agreement because they were seen as relatively uncontroversial. For instance, one proposal was that the Speaker and the Deputy

Speakers should be elected by cross-community vote. I remember being in the Chair for that discussion.

Mr McFarland: Was that not agreed?

The Chairman (Mr Wells): All those issues were agreed, but they did not appear in the St Andrews Agreement.

Mr McFarland: That is the current system.

The Chairman (Mr Wells): Yes. Members should refresh their memories about those issues. Some are institutional issues that would have come up today; others are that MLAs should continue to be elected by single transferable vote; a review of how civic society engages with the Assembly; and the accountability of Ministers to the Assembly on North/South Ministerial Council matters.

I suspect that we did not reach agreement on that.

Mr Murphy: Once we have cleared the exercise of going through annex A to the St Andrews Agreement, I suggest that we run through any matters that have not been addressed and decide what to do about them.

The Chairman (Mr Wells): The list of institutional matters that were covered in the Committee's reports, but were not addressed in the St Andrews Agreement is very short. We could perhaps clear those matters out of the way in five minutes. That would give one last opportunity to raise any issues on strand one that members feel concern about. It was proposed that the Speaker and the Deputy Speakers should be elected by a cross-community vote. That issue was non-contentious when it was discussed, so perhaps we should leave that matter and not raise it further.

Mr McFarland: The first three matters on that list reflect current systems, so there is nothing to be done about them.

The Chairman (Mr Wells): Yes, but there were current systems with which members disagreed.

Mr McFarland: There are agreed current systems, so there is no need to do anything. Everyone is agreed that what is listed is OK.

The Chairman (Mr Wells): We shall note that and move on. It was proposed that mechanisms are needed to ensure institutional stability.

Dr Farren: Is that not the issue on which we just spent half an hour?

2.45 pm

The Chairman (Mr Wells): Yes; that is out of the way. It was proposed that, in principle, certain public appointments should be brought to the Executive for endorsement.

Mr McFarland: If that is a principle, there is not much that can be done until the First Minister and the

Deputy First Minister bring those proposals forward — or not, as the case may be.

The Chairman (Mr Wells): We do not wish to have any further discussion on that. It was proposed that there was a need to review the ways in which civic society engages with the Assembly.

Mr McFarland: That is a serious issue, which concerns whether the Civic Forum continues or whether the Assembly develops an alternative. That may be a matter for one of the Committees. I have talked to people who served on the Civic Forum who felt that, whilst it was not a complete waste of time, they were not getting best value out of it.

Mr P Robinson: They were not getting the best value? *[Laughter.]*

Mr McFarland: The system was not producing what it was supposed to produce. There was a suggestion that perhaps a more formal system could be introduced whereby non-governmental organisations and voluntary bodies engaged directly with the relevant Committees. For example, health organisations could talk to the Committee for Health, Social Services and Public Safety. That more structured basis would produce more effective linkages to the views of civic society on particular issues so that the Assembly, through its Committees, could take note of them, rather than the Civic Forum blethering away with no one taking a blind bit of notice.

The Chairman (Mr Wells): That is an interesting synopsis of the work of the Civic Forum.

Mr McFarland: That is effectively what happened.

The Chairman (Mr Wells): Are there any comments on Alan's views?

Mr Murphy: I do not think that we will resolve that today. There was a general view that if we get our business out of the way, parties can examine how civic society interacts with the Assembly. That is fair enough.

The Chairman (Mr Wells): It was proposed that there was a need to review the ways in which civic society engages with the Assembly. That is very broad.

Mr McFarland: A Committee could examine how best to hear civic society's views directly in the Assembly, rather than have a body that chats to itself and to which the Assembly does not listen. That, effectively, was what happened in the previous Assembly.

The Chairman (Mr Wells): We have addressed the issues that were agreed. Obviously, no one wants to resurrect them, so those matters are out of the car park and away up the road somewhere. We do not need to worry about them any further.

Mr P Robinson: We are saying that they can be dealt with by the institutional review Committee.

The Chairman (Mr Wells): Yes; we do not need to waste time with them.

Mr P Robinson: They are not away up the road.

The Chairman (Mr Wells): They are away up to the institutional review Committee. They have gone to another car park.

Mr Ford: It is only the last two points on the list that are relevant.

Mr P Robinson: I would be happy to mention specifically in the legislation, alongside the provisions relating to the institutional review Committee, that that Committee should consider moving from a mandatory coalition within two Assembly terms. I honestly believe that that should be in the legislation; it is not just to keep the Alliance Party happy.

Mr Ford: I did not think so.

Mr P Robinson: It also sets a goal for the Assembly without placing any requirement on parties to accept it further down the line.

The Chairman (Mr Wells): That is quite a major proposal, which has come very suddenly.

Mr P Robinson: We were about to leave the remaining institutional issues.

The Chairman (Mr Wells): There is only one more issue to address. If you then wish to make a formal proposal, you certainly may.

Mr P Robinson: I think that I will.

The Chairman (Mr Wells): There is one final issue that has been raised but has not been voted on. We are dealing with small beer at the moment. Can we get the final issue out of the way?

Mr Murphy: A small beer would go down well.

The Chairman (Mr Wells): So far, we have been dealing with strand one issues on which the Committee agrees. We are left with one issue, which one party required to be resolved prior to restoration, concerning the accountability of Ministers to the Assembly on NSMC matters. This issue was discussed at a previous meeting. I was not present at that meeting, but I understand that that matter was not pursued. We need to clear up that issue and we can then move on to Mr Robinson's proposal.

Mr Murphy: Does that relate to paragraphs 16 and 17 of annex A to the St Andrews Agreement?

The Chairman (Mr Wells): No. That issue was not raised yesterday. I was not here, and I am only going on reports.

Mr Murphy: The meeting was on Monday, actually. The Committee went through paragraphs 16 to 18 of annex A, did we not?

Mr McFarland: Yes. We covered paragraphs 16 to 18 and took votes, etc.

The Chairman (Mr Wells): This issue has been carried over from the Committee on the Preparation for Government's report and was not addressed through any of the resolutions that we made. I do not want anyone to come to a Committee meeting saying that there was a burning issue, which I did not give him or her an opportunity to raise. I believe that the proposal was made by the DUP.

Mr McFarland: Does this matter relate to Ministers reporting back to the Committee and the Assembly and members having the opportunity, through the Committee, to question them? One could ask questions in the Assembly, but one could not actually ask Ministers follow-up questions because each Member was allowed to ask only one question.

The DUP's proposal was that Ministers should report back to the Assembly and to the Committee so that issues could be discussed. Is that correct?

The Chairman (Mr Wells): That was the tenor of the discussions in August.

Mr McFarland: That does not appear in the St Andrews Agreement.

The Chairman (Mr Wells): It does not. That matter could be swept up along with the statutory ministerial code, but there is no guarantee of that. Some members may feel aggrieved that we have not discussed that matter. We will clear the decks, as it were.

Mr McFarland: That requirement should be included in the ministerial code — that is where it should be swept up, should it not?

Mr P Robinson: That is covered in the draft legislation.

Mr McFarland: Presumably it should be in the ministerial code as well. The code should require Ministers to report back to the Committee, which should be the norm as regards any other Department.

Dr Farren: Where are we? We have so many bits of paper. I recall discussing paragraphs 16 to 18 of annex A at the last meeting. Did that discussion not deal with these issues?

The Chairman (Mr Wells): There was no formal discussion.

Mr McFarland: The headings covered preparation and attendance at NSMC and BIC meetings. I do not recall discussing Ministers' reporting back. That issue was raised in this Committee as requiring a solution.

Dr Farren: Therefore, we are dealing with the element of reporting back.

Mr McFarland: Yes. This matter concerns how Ministers are held accountable. Ministers turned up in

the Chamber, and Members could only ask one question each. If Ministers were very skilful, they could evade questions. There was no real opportunity to question Ministers. We have moved on, and we will be able to quiz chief executives and chairmen once a year. The logic is that a Minister, having attended an NSMC meeting, will come back to a Committee — as well as the Assembly — and members will be able to discuss the issues in detail and with more time. Is that the essence of it, Peter?

Mr P Robinson: That matter is covered by the ministerial code as drafted in the legislation, which the Committee has already seen.

The Chairman (Mr Wells): If members are happy that the issue is covered elsewhere, that is fine. This matter is being raised this afternoon because of the spectre of someone meeting me in a dark alley and saying that they wanted it discussed and that I would not allow it to be considered. If members are happy, we can move on to strands two and three. We have done a lot of work today, if that is the case.

Mr O'Dowd: Mr Chairman, your colleagues have agreed not to take you into the dark alley, so you are all right.

Mr P Robinson: Are we taking a vote now?

Mr Murphy: Is that a proposition?

The Chairman (Mr Wells): The Committee will be returning to your substantive proposal, Peter. I just want to clear the decks.

Mr P Robinson: It was only a minor proposal. It was the "Let's please David Ford" proposal.

Mr Ford: You said that it was for real. *[Laughter.]*

The Chairman (Mr Wells): Is the Committee happy to set aside the issue of Ministers reporting back from NSMC meetings and that there are no problems with it? If that is so, we have cleared the decks on the list of issues on which the Committee reported, but are not addressed in the St Andrews Agreement.

We are left with the residual issues in strand one that members feel have not been addressed properly. Peter has one proposal to make. Is the DUP ready to reiterate its earlier proposal?

Mr P Robinson: Our proposal does no violence to anyone's position. It points up our desired goal of moving towards a normal democratic society in Northern Ireland. We have all recognised that special circumstances have led us to the system that will operate upon restoration, but our proposal sets the goal that the institutional review Committee should, within the first two terms of the Assembly, consider and decide how best to evolve towards a non-mandatory system. We may not have to wait too long: if the change can take place within six months, so much the better.

I have no emotional capital tied up in the precise terms of the proposal; therefore, it can be made in whatever fashion with which members feel most comfortable. It would be one of the roles of the institutional review Committee to consider the change of system, and as that Committee will be governed by voting procedures, its decision will not endanger the overall position of any of the parties.

The Chairman (Mr Wells): Are you asking that the institutional review Committee be tasked to consider a change to the system or to make changes to the system?

Mr P Robinson: I would want the institutional review Committee to consider the issue and make a decision. I realise, however, that its members may decide not to.

The Chairman (Mr Wells): OK.

Mr P Robinson: The decision is theirs.

The Chairman (Mr Wells): That is clear. Do members have any thoughts on that proposal?

Mr Murphy: In the previous Assembly, the Standing Orders under which Standing Committees and other Committees were set up were nearly universal. For example, Standing Order 49(2) for the Committee on Procedures stated that:

“The procedures of the Committee shall be such as the Committee shall determine”.

I presume that “procedures” refers to a Committee’s deciding its agenda and so on. Therefore, although I would be open to the creation of an institutional review Committee, it should be up to its members to determine the items that should be on its agenda.

I do not want to be pre-emptive. Therefore, I do not support the proposal.

Dr Farren: During earlier discussions, I expressed the SDLP’s views on this issue. In the light of the circumstances, we are open to change. I believe that Committees will draw up their own agendas. I am sure that if this is a burning issue with one or more of the parties, it will be put on the agenda of the relevant Committee. There is no need to be prescriptive. The issue has been signalled as one of concern; therefore, it will remain thus. I will not descend to being prescriptive for the agenda of any Committee that may continue the work that we have begun to discuss, either in this Committee or elsewhere.

Mr Ford: Peter’s proposal is a very modest aspiration to move us forward to more normal democratic politics with the appropriate safeguards. I happily endorse it.

Mr McFarland: Yes, the proposal is a good aspiration. It is an issue that the Assembly will no doubt consider in due course, when it is felt that the confidence is there and the time is right.

The Chairman (Mr Wells): Can we have a review of the voting?

The Committee Clerk: Sinn Féin, I think, said no. The SDLP said no, it would not support such a provision in legislation. The DUP, the UUP and the Alliance Party said yes.

Mr P Robinson: Perhaps it could be noted that although Sinn Féin and the SDLP said no, neither was terribly exercised about the issue. *[Laughter.]*

Mr O’Dowd: Yeah, we were relaxed.

Mr Murphy: I do not recall saying that.

Mr Ford: Have we created a new category of “relaxed no”?

The Chairman (Mr Wells): We seem to have created two new categories: “relaxed no” and “relaxed yes”.

We are concluding discussions on strand one. I have not heard any other outstanding issues. If there are none, I propose that we make a start on strand two. If we were to spend at least an hour on it, it should ensure that we need only meet for a morning session tomorrow.

Mr Murphy: We could finish discussing strand two today — the political will is there.

Mr McFarland: We could finish it today. The issues are fairly short.

Mr P Robinson: We could disagree very quickly.

3.00 pm

Mr Ford: Should we take a five-minute break for a breath of fresh air and to open the windows, Chairman? I do realise that, when I say five minutes, we may end up taking 10 minutes.

The Chairman (Mr Wells): I want members to return, because we need them in order to maintain a quorum.

Dr Farren: Mr Chairman, I am sorry that I was slow to respond to your request that parties with any other suggestions should make them, but I am happy and anxious to take the fresh air that David is offering us.

The Chairman (Mr Wells): Do you wish to raise a strand one issue?

Dr Farren: Yes, we have some proposals that might be worth considering.

The Chairman (Mr Wells): You are entitled to raise them. Can we make the break five minutes, because it has sometimes been difficult to re-establish a quorum?

The Committee was suspended at 3.01 pm.

On resuming —

3.08 pm

The Chairman (Mr Wells): We have a quorum.

Dr Farren: There is an issue that we should at least consider and reassure ourselves on — if nothing more formal than that. In trying to work collectively, the Executive ran up against a difficulty when they called for papers from the Ministers who did not attend Executive meetings. Peter will recall what I am talking about.

It posed a particular difficulty when we were discussing matters related to Belfast harbour. Colleagues will recall that that issue was of some significance during our time in office. The decision to withhold the requested papers was done so by appealing to the executive authority of the Minister. Unless an Executive has the power to call for papers that it deems relevant, and, indeed, for persons in a position to provide relevant information or evidence, on matters that are subject to collective decision-making, that very process will be impeded. Our experience on this matter suggests that an Executive should be empowered to call for papers and persons, and that that should be reflected clearly in the ministerial code and may require to be underwritten in statute. It must at least appear in the ministerial code in such a way that it would not be easy to evade such a requirement. That is the general proposition, illustrated by the example. I do not wish thereby to revisit the whole issue, but simply to make the point.

The Chairman (Mr Wells): You have dropped a slight hint as to whom that Minister might have been.

Dr Farren: What?

The Chairman (Mr Wells): I will just ask.

Mr Murphy: Is there a Minister here to respond?

Mr Poots: That is an outrageous attack on Gregory Campbell.

Mr P Robinson: There is an amusing side to all of this. Some of the proposals that my party have put forward are intended to deal with situations that we faced in the last Assembly, just as the proposal that Seán is putting forward is to meet circumstances that he met in the last Assembly. Strangely, for both of us, because there is a role reversal in this Assembly, we are probably both inserting new conditions that will help the other guy rather than ourselves. I am all for Seán's proposal. I will go for that.

The Chairman (Mr Wells): The road to Damascus?

Dr Farren: Experience teaches lessons, does it not?

Mr P Robinson: I am glad that they are learnt.

The Chairman (Mr Wells): There seems to be cross-community support for this proposal. May we have a few other views?

Mr Ford: Anything that Seán and Peter can agree on, from their previous experience on the two sides of this argument, can only be beneficial. I have to record, however, that, had we a normal, democratic, voluntary coalition such as operates in civilised places like Dublin and Edinburgh, it would not be a problem.

Mr Poots: Hear, hear.

Mr Ford: I am sorry; I forgot to put the old record on again, so I thought it was time that I brought it out.

Mr Murphy: Sinn Féin has no difficulty with the proposition. Seán suggests that, rather than something that should be legislated for, this should be part of the new ministerial code, to be agreed by the Executive and put to the Assembly. That is a sensible proposition.

Mr McFarland: I would like a little further detail. Committees had trouble with this in the first Assembly. Are we talking about current papers or about papers dealing with past events and projects? There is a problem in each Department in demanding papers when their subject is under review, development or planning. In those cases requests for papers were dismissed if they related to future plans, unless the Minister decided to make them available. Presumably the Executive would have no more power than a Committee to call for people and papers. Is that correct?

Mr P Robinson: An Executive would be entitled to see the papers.

Mr McFarland: The suggestion last time was that a Minister might not produce papers because it would allow other parties to interfere or to steal his or her thunder in the development of smart policies.

That prevented Committees from seeing papers; if they had, all the parties would have seen what a Minister was up to. That no longer applies, because the four parties in the Executive will see what is going on.

Mr Ford: The four parties, potentially.

Mr P Robinson: There could be three.

Mr McFarland: There could be two.

Mr Ford: In which case there would be three.

Mr McFarland: However, a party that was not in the Executive could not see what was going on in it, even though that party was on a relevant Committee. If a Minister is beaver away in his or her Department developing policies, can other Ministers ask to see what he or she is working on because they think that the said Minister may be stealing a march on them with some cunning plans from which the Minister or his or her party will benefit? Will other Ministers want to see what a Minister is working on so that they can head

him off at the pass? Is that what we are talking about? Or are we talking about what happened in the past when someone wanted to see papers but was refused?

3.15 pm

Mr Ford: Alan's view is so passé; it is 1998 thinking. We live in an era of sweetness and light. I sit at this end of the table and hear assurances of eternal love and devotion being conveyed among the four parties that expect to be in the Executive. There is no question of that scenario happening, Alan.

If a body is supposed to be operating as an Executive, it should operate as one. Ministers should not do their own thing in their private fiefdoms; the Executive should operate as a Committee. If the system of Government that Alan describes is insisted upon, it is our job — not that of other Ministers in the Executive — to be the Opposition.

The Chairman (Mr Wells): There does not appear to be any objection in principle to Seán's suggestion.

Dr Farren: I was talking exclusively about operations in the Executive and the Assembly. Ministerial papers relating to matters under discussion in a particular Department may concern work in progress. Committees may be able to obtain more up-to-date papers now under the Freedom of Information Act 2000 than they could in the past. However, the Executive may need to call papers — and perhaps people — to enable them to deal with an issue comprehensibly and not be forestalled in doing so by the decision of a Minister to withhold such papers.

Mr P Robinson: Some legal issues flow from that. For instance, a Minister is not allowed to see the ministerial papers of a predecessor.

Dr Farren: That is correct.

Mr P Robinson: How different is looking over the shoulder of a predecessor from looking over the shoulder of a Minister who is in an adjacent office?

Mr McFarland: People could be in Government together and have a vested interest in protecting one another, as David suggested earlier; however, experience shows us that parties will seek advantage where possible. If a Minister is developing a cunning plan for a new strategy, and the rest of the guys can head him or her off at the pass before the strategy is released, that will happen; or at least one of them will attempt to do so.

Mr P Robinson: Do you mean that they will announce it before it is released?

Mr McFarland: Yes. When I was on the Committee for Regional Development, we tried —

The Chairman (Mr Wells): Was this in relation to free public transport?

Mr McFarland: You were there, Chairman. We tried to investigate issues but we were told to go away, because we were not entitled to see the cunning plan that was about to be unleashed by the Minister at the time.

Mr Murphy: We can all tell our regional development problems.

Dr Farren: Chairman, let us not wander too far from the proposal.

Mr Poots: That is why it is useful to have poacher turned gamekeeper.

The Chairman (Mr Wells): Seán, I am sure that the proposal will be subject to the legal constraints for such activity.

Dr Farren: I think that members readily agree to the principle of the proposal, so we should not have to spend too much time going round the table.

Mr P Robinson: I am not sure whether the Executive would have a right to see the ponderings of a Department.

However, if the Executive are considering a particular issue on which they have the power to make a collective decision, they need, and are entitled to, the same information as a Minister in order to do so.

Mr Murphy: Generally, the details and protocols will be worked out in the discussion about a new ministerial code, which would then be put to the Assembly. The principle is largely agreed; the detail may be worth further discussion.

The Chairman (Mr Wells): Is there consensus on the principle of what Seán is seeking?

Members indicated assent.

The Chairman (Mr Wells): There are five votes for the principle, so there is no need for a formal count.

Does Seán, or anyone else, want to raise any other issues?

Members indicated dissent.

We can now call a halt to discussions on strand one issues as they appear in the St Andrews Agreement and move on to strands two and three, starting with paragraph 19 in annex A.

Some matters may be relatively routine and others more difficult. We need to consider the proposals for the establishment of a review group and whether there should be provisions in the legislation for that. Paragraph 19 in annex A of the St Andrews Agreement relates to the North/South Ministerial Council and various bodies. Who wants to lead off the discussion?

Mr Murphy: I will start. There has been some discussion about strand two issues. In 2002, the NSMC was already reviewing the number of implementation

bodies and their remit. My understanding is that, under the terms of the Good Friday Agreement, and perhaps in legislation as well, there is a requirement for at least six implementation bodies. Although a case cannot, therefore, be made for fewer bodies, a case may be made for changes to their functions and scope.

The experience of some of the bodies would lend itself to a serious argument for an enhanced scope. That is my understanding, though others may wish to differ.

The NSMC was already engaged in this exercise. Paragraph 19 refers specifically to the work of the Lights Agency and to the possible replacement of that body. Perhaps Seán, who was a participant in the NSMC at the time, can clarify whether it was engaged in a general review of the implementation bodies. I understand that the lower limit of six implementation bodies and six areas of co-operation means that the number could be reviewed only upwards.

Mr P Robinson: It is suggested that a case cannot be made for fewer than six implementation bodies; in fact, I could make a very good case for that. I return to the purpose of such bodies. The DUP has indicated that it has no objections to co-operation on matters that are mutually advantageous and that improve the way of life for people both in Northern Ireland and in the Irish Republic. That makes sense, but co-operation must be for a practical purpose.

During the last debate on that subject, both Sinn Féin and the SDLP confessed that the purpose of those bodies was political rather than practical, and Hansard records their admissions. That is the issue for unionists. We will not encourage any increase in the number of bodies, because it would simply be for a political purpose to try to move towards an ideology that those parties have and that we do not share.

If there is a practical argument, bring it to us and we will see which one should be replaced. We already know of instances where bodies are scrounging around looking for work to stay in existence; there is no real practical purpose for their existence whatsoever.

Dr Farren: It is a bit late in the day to go back over all that we said previously on these issues. I openly and honestly acknowledged that the North/South dimension to these issues was something that had — in the fairly general sense in which the word can be understood — an ideological underpinning for the SDLP, and it might well be shared to some extent by Sinn Féin as well. Indeed, others may share some of our aspirations.

That is not to say that the practical forms that co-operation take do not have to meet the test of practicality. I argued, when the bodies were set up, that it would be with that test in mind, and that throughout the work of the bodies that test would be met.

Suspension has caused problems by impeding the development of those bodies that would otherwise have taken place.

One part of a North/South body that has not met the test is the Irish Lights element of the Foyle, Carlingford and Irish Lights Commission (FCILC). There is a general commitment that the existing Irish Lights function should be replaced. However, the reason that the FCILC was not able to meet the test had more to do with the statutes underpinning it than with any practical matter.

I reject the general way in which it was said that the bodies were set up for ideological reasons. That proposition is ludicrous. I would not subscribe to it, and the SDLP would certainly not subscribe to it in the way it has been characterised by Peter's language. The SDLP is ready to look at the way in which the bodies operate. It has never said that bodies cannot be replaced, and remains committed to six — as the agreement says. If there is a need for others — *[Interruption.]*

Mr P Robinson: It does not say that.

Dr Farren: The agreement does.

Mr Murphy: Strand two, paragraph 9.

Mr P Robinson: I think you had better read it again.

Dr Farren: “*at least 6 matters for co-operation —*”.

Mr P Robinson: Six matters for co-operation.

Dr Farren: “*— and implementation in each of the following categories:*

(i) *Matters where existing bodies will be the appropriate mechanisms for co-operation in each separate jurisdiction;*

(ii) *Matters where the co-operation will take place through agreed implementation bodies on a cross-border or all-island level.”*

That is how we understand the situation. I accept that in the course of any review, parties may propose to change that. However, the agreement outlines how we should operate, and if there are compelling arguments for significant changes, let us hear those arguments and let us not accuse each other of wanting things for the sake of it. I reject that accusation, and it cannot be sustained.

Mr P Robinson: There is no requirement to have six implementation bodies, and if anybody wants to look at the text in the Belfast Agreement, it is on page 12. Paragraph 9 refers to:

“*at least 6 matters for co-operation and implementation*”.

It does not say that those six matters have to be dealt with by six separate implementation bodies. The agreement says that there must be implementation

bodies but there is nothing to stop us from putting the work of two or three of those implementation bodies into one implementation body. Neither the Belfast Agreement nor the Northern Ireland Act 1998 requires six implementation bodies.

Mr McFarland: Paragraph 12 in strand two of the Belfast Agreement clearly states:

“Any further development of these arrangements to be by agreement in the Council and with the specific endorsement of the Northern Ireland Assembly and Oireachtas”.

Section 55(2)(e) of the 1998 Act says that the Assembly will make any:

“consequential or supplementary provisions, including provisions amending or repealing Northern Ireland legislation”.

Therefore, it is in the Assembly’s power to agree or disagree on any developments and, since the Democratic Unionist Party will be required to do the agreeing or disagreeing, matters are within its control.

The NSMC — on which the Assembly will have ministerial representation — will decide whether there should be more or fewer bodies, and the matter must then come before the Assembly.

3.30 pm

Mr Murphy: And before the Oireachtas.

Mr McFarland: Indeed. However, a degree of control is already in place that should not make the issue terribly concerning.

Mr Murphy: There is no change; that is how things have always been.

Mr McFarland: It is under control. The NSMC must decide whether more or fewer bodies are needed — whatever way it goes — and any proposed changes to the number of implementation bodies must come before the Assembly for agreement.

Mr Murphy: Chairman, I have a different view on what paragraph 9 in strand two of the Belfast Agreement requires. That aside, implementation has always been under the control of the North/South Ministerial Council, which is answerable to the Oireachtas and the Assembly. That is how it has always been. I do not see how that will be any different under paragraph 19 in annex A to the St Andrews Agreement.

The Chairman (Mr Wells): Are there any other thoughts on paragraph 19? I do not believe that agreement will be reached. I noticed that, when these issues were discussed in previous Committee meetings, we decided that those required further discussion. That is always a clear indication that we —

Mr McFarland: Chairman, the establishment of a review group is not to say that there should be more or fewer bodies.

The Chairman (Mr Wells): I get the impression that there is even opposition to that, Alan.

Mr McFarland: Opposition to a review?

Mr Murphy: My point is that the North/South Ministerial Council was already conducting a review in 2002. Paragraph 19 of annex A effectively sets out that which was already happening under existing safeguards. In my view, paragraph 19 is not necessary.

Mr Ford: Was the 2002 review a complete review of all North/South implementation bodies? I thought that it was focusing on the problem with the Commissioners of Irish Lights.

Mr Murphy: If the review was focusing on the Commissioners of Irish Lights, it was doing so on the basis of the understanding at that time, which was that there would be six implementation bodies. If the Commissioners of Irish Lights were to have been done away with, the focus would have been on creating at least one additional body.

Mr Ford: Strictly, it not a body in its own right but part of the Foyle, Carlingford and Irish Lights Commission.

Mr McFarland: However, eight years down the line —

Mr P Robinson: It would have left nothing worth having after the agency had gone.

Mr Murphy: A much better body could be created.

The Chairman (Mr Wells): Are there any proposals on paragraph 19?

Mr P Robinson: It has been shown that there is an argument for reducing the number of North/South bodies. We were told that such an argument could not be made. There is, and there is no legal reason why the number of North/South bodies cannot be reduced. It is important to bear that in mind.

The Chairman (Mr Wells): Do you want to make that proposal or just put your view on record?

Mr P Robinson: I have a little suspicion that there may not be overall support for a proposal.

The Chairman (Mr Wells): You could be right. Are there any other proposals or suggestions?

Mr McFarland: Chairman, the suggestion is that there will be a review. The question is whether we allow what was happening to continue or have some form of review group to examine the implementation bodies after eight years. Although I have no hard and fast view either way, it would make sense to examine

the issues, particularly those in respect of the Commissioners of Irish Lights.

In broad terms, our input to the NSMC and the Assembly can control matters. The number of implementation bodies cannot be shifted up or down until the Assembly agrees to it. People can argue in favour of reductions or increases, but, ultimately, either argument must achieve agreement in the Assembly.

Dr Farren: It is clear from the St Andrews Agreement that the Irish Government are prepared to engage in the discussion. Therefore, it seems sensible that, given the time lapse since the Assembly's previous existence, we should participate in any kind of review. Have a review, but some people are saying that the review must lead to a reduction in the number of bodies, or an increase. Certainly, I am in favour of expanding the work of the NSMC, although I will not be prescriptive and say that that must be the review's terms of reference. Let us hear the arguments, consider the value for money and be sensible about the issue.

The Chairman (Mr Wells): We will now move to vote on paragraph 19 of annex A, which Alan says is simply a review, but it could be more or less than that.

Mr P Robinson: I am not worried about the issue being reviewed. The directions of my thoughts are towards reducing the number of bodies.

Mr McFarland: I am content for a review group to be established.

Mr Ford: I am also content. Unionists must recognise that this is a political issue and not purely a practical one, as seen in 1998. Nationalists must also realise that it does not necessarily mean that they can produce a shopping list.

Dr Farren: I am content for a review group to be established. I hope that David's remarks were not directed at the SDLP.

Mr Murphy: I am also content. First, the case for additional bodies would be well made; secondly, this is a merely a continuation of what happened under the same regulations that would have been carried out.

The Chairman (Mr Wells): Do we have consensus?

Mr McFarland: It sounds like consensus to me.

The Chairman (Mr Wells): We have reached agreement twice in a row. This is extraordinary.

Members indicated assent.

The Chairman (Mr Wells): We are doing well, let us keep going.

We now move to the next item, which relates to paragraph 20 of annex A to the St Andrews Agreement. It concerns the scrutiny of implementation bodies by the Assembly and the Oireachtas.

Mr McFarland: Hear, hear.

The Chairman (Mr Wells): Chairs and CEOs of North/South bodies would report to the Assembly at least yearly. That was agreed at the Committee, and, as I recall, there were no problems with it. There was a great deal of support for it.

Mr Poots: It was not perfect prior to this.

Mr Murphy: The power was there, but I do not think that it was used. The power exists in the Oireachtas.

The Chairman (Mr Wells): Are members content?

Members indicated assent.

The Chairman (Mr Wells): We now move to paragraph 21 of annex A to the St Andrews Agreement, which concerns the North/South parliamentary forum. Paragraph 21 states that the Executive would encourage Assembly parties to set up a North/South parliamentary forum. That does not require any legislation. The Committee did not take a view on this. It simply encourages Assembly parties; it is not mandatory. What are members' views?

Mr P Robinson: What are we talking about? Is this the forum that already exists?

Mr McFarland: Paragraph 18 of strand two of the Belfast Agreement states:

"The Northern Ireland Assembly and the Oireachtas to consider developing a joint parliamentary forum, bringing together equal numbers from both institutions for discussion of matters of mutual interest and concern."

The difficulty for unionists is that if the number of nationalists in the Assembly is added to the number of nationalists in the Oireachtas, unionism would be massively outnumbered on this body.

Mr Ford: So?

Mr McFarland: At the moment, the proposal seems ambitious, given the delicacy of concern on everything else that we do. The Assembly had a vote on the Floor of the House to establish a forum, but decided not to pursue it.

The Chairman (Mr Wells): This is merely a request that the Assembly revisit the issue.

Mr McFarland: No, this will put it into legislation. The Assembly voted against it on the Floor of the House. This will introduce legislation so that the Executive must establish a forum.

Mr A Maginness: It is not legislative.

Mr Murphy: It is a stronger provision that was in the Good Friday Agreement, but the provision in the agreement was not acted upon. I do not think that it was even considered.

Mr McFarland: It went to a vote on the Floor of the House.

Mr Murphy: It was blocked at first base.

Mr McFarland: It was voted against in a democratic vote on the Floor of the House.

Mr Poots: The decision remains with the Assembly.

Mr McFarland: No, the proposal in paragraph 21 of annex A to the St Andrews Agreement gives that power to the Executive. Is that right?

Mr Poots: No.

Mr P Robinson: The proposal asks the Executive to encourage the Assembly to establish the forum. The Assembly would still take the decision.

Mr McFarland: OK.

Mr Murphy: It depends whether people are genuine in their encouragement.

Mr P Robinson: Unless a Northern Ireland Executive is in existence, how could one say whether it is to encourage anyone to do anything?

Mr McFarland: Do we expect this proposal to appear anywhere in legislation?

Mr Murphy: No. I must say that you will find more friends in the Oireachtas than you might think.

Mr McFarland: We know. *[Laughter.]*

Dr Farren: You have labelled half of the Oireachtas as unionists. *[Laughter.]*

The Chairman (Mr Wells): What are we going to do about paragraph 21 of annex A?

Mr McFarland: Note it.

Mr Murphy: We support the proposition that the Executive encourage the Assembly to establish a North/South parliamentary forum. That is an improvement from what was in the Good Friday Agreement.

Mr P Robinson: The proposal should state that the Northern Ireland Executive be asked to encourage the Assembly to establish the forum. I do not think that one can take an executive decision when the Executive is not even in place.

Mr McFarland: Perhaps the Executive should be asked to consider the matter. The paragraph in the Belfast Agreement uses the term “consider developing”.

The Chairman (Mr Wells): Are you proposing that the Executive be asked to consider encouraging the Assembly to establish the forum?

Mr McFarland: No, I am proposing that the Executive consider developing a forum.

Mr Ford: Peter’s suggestion is that the Executive encourage the Assembly to establish a forum, rather

than simply asking the Executive to consider encouraging the Assembly to do so.

Mr McFarland: No. The Executive should be asked to consider the establishment of a North/South parliamentary forum. That reflects what the Belfast Agreement said.

Mr P Robinson: The St Andrews document is an agreement between two Governments, so they should state that the Executive should do something. Until an Executive exists, one cannot say that the Executive would do it.

Mr Poots: In any event, it is the Assembly that will make the decision.

Mr Murphy: I remind members that, in respect of paragraph 10 of annex A, we decided that the First Minister and the Deputy First Minister would reach an agreement on their functions, regardless of whether we know who is going to take those posts. Paragraph 21 of annex A is consistent with that, if we are deciding that the Executive would encourage the Assembly.

Mr P Robinson: But the Executive might not decide to do that.

Mr Murphy: They might then be in default, and the exclusion mechanisms could come into play.

Mr P Robinson: In that case, let us put the sanctions in place.

The Chairman (Mr Wells): I do not think that there is a formal proposal on this matter. I could be wrong, but we shall take a vote on paragraph 21, which states that the Executive would encourage the Assembly parties to establish a North/South parliamentary forum. Sinn Féin?

Mr Murphy: Yes.

The Chairman (Mr Wells): The SDLP?

Dr Farren: Yes.

The Chairman (Mr Wells): The Alliance Party?

Mr Ford: Yes. I do not think that a consultative forum should hold any fears for unionists; I would like to see them sorting out Fianna Fáil.

The Chairman (Mr Wells): The Ulster Unionists?

Mr McFarland: It should be a matter for the Assembly.

The Chairman (Mr Wells): Is that a no?

Mr McFarland: To what?

The Chairman (Mr Wells): To paragraph 21 as it stands.

Mr McFarland: We would be relaxed on that matter. In broad terms, the Belfast Agreement states that the Assembly should consider the matter. There is no need to debate this matter here. When the Assembly

is ready to vote that it needs such a forum, it will do so. This matter does not need to be addressed here at all. The answer is no.

The Chairman (Mr Wells): The DUP?

Mr P Robinson: No.

The Chairman (Mr Wells): We shall summarise the vote.

The Committee Clerk: Sinn Féin, the SDLP and the Alliance Party said yes; the UUP and the DUP said no.

The Chairman (Mr Wells): We move to the next issue. Again, I will allow an opportunity for comment if any member feels that we have missed anything. We have been galloping along.

We turn to the question of an independent consultative forum. We need to decide whether the Committee is content with the proposals outlined in paragraph 22 of annex A to the St Andrews Agreement, and whether they require provision in legislation.

Mr P Robinson: Could we just take the vote?

Mr McFarland: This is simply the Civic Forum on an all-Ireland basis, and members heard our comments about interacting with civic society. If a call must be made on this matter, consideration should be given to the establishment of a consultative forum. That reflects the Belfast Agreement, and when the Assembly is ready to consider establishing such a body, no doubt it will do so. At the moment, this proposal would force things on the Assembly that it has not had the opportunity to examine.

Mr Poots: Given the last Civic Forum that we endured, no one should want to replicate that body in any form, never mind on a North/South basis.

The Chairman (Mr Wells): I detect some resistance to my right.

Mr Murphy: Some cynicism.

The Chairman (Mr Wells): What about members to my left?

Mr Murphy: We are content with the proposition.

The Chairman (Mr Wells): Do the SDLP members have any thoughts on this matter?

Dr Farren: We support paragraph 22 of annex A.

Mr Ford: There are problems with the prescriptive wording. A North/South consultative forum implies a civic forum on a north/south basis with all the problems that unionists witnessed in the Civic Forum. We should support North/South consultative mechanisms where relevant. We have already highlighted areas in which civic society might feed in better to Committees than through the Civic Forum structure.

The mechanics of those structures need to be reviewed. Paragraph 22 does not address that. The principle of supporting North/South co-operation amongst civic society to parallel the other aspects of north/south co-operation with which we are involved seems entirely reasonable.

3.45 pm

The Chairman (Mr Wells): So, is that a yes?

Mr Ford: It is no to the precise wording, but yes to the principle.

Mr Murphy: That will do for now.

Mr Poots: So it is no then.

The Chairman (Mr Wells): There are two noes on my right; I am certain of that.

Mr A Maginness: I think that it is a maybe.

Mr Murphy: Two noes and a yes.

The Chairman (Mr Wells): That brings us to the end of the discussion on paragraph 22. It is quite clear that the Committee will be able to complete its business. Even if we run past 4.00 pm, I think that we will be able to finish, and we will not have to meet tomorrow morning. If we do conclude business, members could perhaps let their colleagues know that they will not have to turn up tomorrow.

The next issue was raised by the DUP. Paragraph 23 refers to a secretariat for the British-Irish Council. Both Governments would facilitate a standing secretariat if members agree. This matter does not require legislation.

Mr McFarland: This was an issue during the 2002 review. There has been no secretariat to support the BIC. Most people broadly agreed that in order for it to function, the BIC really needs a secretariat. There was some discussion by Sinn Féin on a political point, but by and large it was fairly obvious.

Mr Murphy: It is almost like the reverse discussion on the implementation bodies. *[Interruption.]*

The Chairman (Mr Wells): That is a landline ringing; not a mobile phone. I can tell the difference.

This item did not provoke huge controversy, so we can move to a vote unless anyone feels hard done by. We shall go around the table. How does the DUP feel?

Mr P Robinson: Is this a vote on the British-Irish Council?

The Chairman (Mr Wells): Yes, it is a vote to establish a secretariat.

Mr P Robinson: Yes.

Mr Ford: Yes.

Dr Farren: Yes.

The Chairman (Mr Wells): What about Sinn Féin?

Mr McFarland: Ah you will.

Mr Murphy: We abstain.

Mr McFarland: You will, you will, you will.

Mr Murphy: That is an advance on our last position.

Mr McFarland: It is; it is a major advance.

The Chairman (Mr Wells): The SDLP said yes, and Sinn Féin abstained.

Mr Murphy: It is conditional on the DUP agreeing additional implementation bodies. *[Laughter.]*

Mr P Robinson: So that is a no.

The Chairman (Mr Wells): We will move on to the east-west inter-parliamentary framework, which is covered by paragraph 24.

Mr Murphy: It is on the basis of efficiency and effectiveness.

The Chairman (Mr Wells): The Committee put this item down for further consideration, which is always the warning signal that it could not reach agreement. Paragraph 24 states that both:

“Governments would encourage the Oireachtas, the British Parliament and the relevant elected institutions to approve an East-West Inter-parliamentary Framework”.

Mr McFarland: During the last Assembly, there was a desire to do that. The Committee for Regional Development got caught up in it when the British-Irish Interparliamentary Body (BIIPB) visited Northern Ireland to discuss transport issues. The unionists on the Regional Development Committee felt unable to do so because the existing body takes its genesis from the Anglo-Irish Agreement.

At that stage, we asked the First Minister and the Deputy First Minister to begin negotiations with the Government to consider whether the BIIPB could move into a format, which is described in the St Andrews Agreement, in which all of the different agencies are involved in one body. The difficulty is that members of the BIIPB are selected by their parties, and the body is therefore not open to all Assembly Members, MPs, etc.

The proposal seems to be quite a sensible idea, which was around during the last Assembly. Most Members were comfortable with it apart from one or two.

Mr Murphy: Would such a body run in parallel with the BIIPB or replace it?

Mr McFarland: It would replace it, because it would involve all the new bodies.

Mr P Robinson: It would make things more inclusive.

Mr McFarland: Absolutely.

Mr Murphy: I presume that the “relevant elected institutions” would be Scotland, Wales and the Isle of Man. Is that correct?

Mr McFarland: Yes; the Isle of Man.

Mr P Robinson: And the Channel Islands.

Mr McFarland: It is one of those organisations in which everyone takes part.

Mr Murphy: And would that be in the interests of efficiency and effectiveness?

Mr McFarland: No — inclusiveness.

Mr Murphy: Sorry. *[Laughter.]*

Mr McFarland: The British Isles.

Mr Murphy: Does that trump efficiency and effectiveness?

Mr Poots: It is back to the old United Kingdom. *[Laughter.]*

Dr Farren: Yes; that was on Monday night. Alban Maginness and David Ford were present as well. I enjoyed the company of people from places as far apart as the Channel Islands and Scotland, and other places in between. It seems that the British-Irish Inter-Parliamentary Body, which hosted the occasion in Belfast city hall, has gradually grown to embrace — I do not know how formally — representatives from those places. I see no reason, in the fullness of time, for that body not to be able to formally embrace all of us as well.

Mr McFarland: The essence of this debate is that the body should take its genesis from the Belfast Agreement, and not from the Anglo-Irish Agreement of 1985.

Dr Farren: I know that. Despite the fact that this place came out of the Anglo-Irish agreement that was reached in 1921, I am here talking to people like you. *[Laughter.]*

We did not agree to that then — at least our predecessors did not agree to it.

Mr Poots: I did not think of that one.

Dr Farren: Let us not get too fussy about the origin of —

Mr P Robinson: I will use that line some time in the future if someone tells me that this body flows from the Belfast Agreement. *[Laughter.]*

Mr McFarland: Let us not be fussy about that.

The Chairman (Mr Wells): What do members think about paragraph 24 of annex A?

Mr Ford: If the proposal is merely a mechanism to spare unionist embarrassment over the genesis of the BIIPB — given that the new body is effectively going to be the BIIPB, which, as already has been said,

includes Jersey, Guernsey, the Isle of Man, and the devolved institutions — then let us spare them that embarrassment. We will remind them, but we will spare them the embarrassment.

The Chairman (Mr Wells): I think that that is a yes.

Mr A Maginness: You always stick the boot in.
[Laughter.]

Mr Ford: Alan asked twice to be spared embarrassment. I am trying to respond in kind.

The Chairman (Mr Wells): I shall go round the table for views on paragraph 24 of annex A. Sinn Féin?

Mr Murphy: Were unionists not engaged with the BIIPB in Kerry?

Mr P Robinson: That was Killarney.

Mr Murphy: Killarney is in Kerry.

Mr P Robinson: Was that where I was? [Laughter.]

The Chairman (Mr Wells): You were getting a tour of the Irish Republic. [Laughter.]

Mr Murphy: He was going to open up a DUP branch office. Sinn Féin will advance our position on this matter and abstain.

The Chairman (Mr Wells): What about the SDLP?

Dr Farren: Yes.

The Chairman (Mr Wells): The Alliance Party?

Mr Ford: Yes.

The Chairman (Mr Wells): The DUP?

Mr P Robinson: Yes, and I will get my map out and find out where Killarney is. [Laughter.]

The Chairman (Mr Wells): Are there any other issues?

Mr McFarland: I am loath to raise this issue again, but is it possible to get even a brief heads-up on how other parties will deal with law-and-order matters? Has that been put off until the Assembly is up and running?

Mr P Robinson: I think that Alan was absent when that matter was discussed fairly fully.

Mr McFarland: We discussed that matter on Monday, it has been discussed today, and discussions will no doubt continue.

Mr P Robinson: First thing tomorrow morning, when the Hansard report is available, you will be able to read it.

The Chairman (Mr Wells): We had a rather difficult debate on that matter and did not actually progress too far on it. It was on the Pledge of Office, and we did not reach agreement.

Mr McFarland: I am talking about the detail that, at some stage, must be agreed. Is that matter being left

until the Assembly gets up and running? In that case, the law and order format of this Committee will have to meet and discuss that matter at some stage, if it is not free to do so now.

The Chairman (Mr Wells): That is not time-bound to the same extent as strand-one matters.

Mr McFarland: I understand that. I was just trying to get a feel for whether parties wished to address the matter quickly, or were content to leave it until March 2007 or after the Assembly is up and running.

Mr P Robinson: Are you talking about the Pledge of Office?

Mr McFarland: No; I am talking about the detail of the institutional models, because there was a list of matters that were parked during discussions of the law and order format of this Committee.

Mr P Robinson: We have years to talk about those matters.

The Chairman (Mr Wells): We could reconstitute the policing and justice format of the Committee on the Preparation for Government, but that is not urgent at the moment.

Mr McFarland: That is fine. I was just wondering whether I should put colleagues on standby to appear.

Mr Ford: The Committee could meet at the same time as the Ard-Fheis.

The Chairman (Mr Wells): As a result of the diligence that members have shown today, your prize is that there will be no meeting tomorrow. However, that also means that there will be no lunch. I must say that the lunch was extremely well prepared today — it was excellent. The fact that there is no meeting also means that I can attend my daughter's school prize-giving day, for which I am very appreciative.

Our next meeting will be on Monday 30 October at 2.00 pm. At that meeting, we must discuss the Committee's response to the Secretary of State. We hope for the draft response to be sent to members on Friday. We also hope that we will have been sent all those letters that reveal the side deals and private communications that the Secretary of State had with the various parties.

Dr Farren: What if all those papers turn out just to be minutes and notes of conversations?

Mr McFarland: My guess is that we will receive nothing. All the parties will say that the Secretary of State is not prepared to release their stuff.

Dr Farren: Might we be told that nothing is coming back from the Secretary of State, Chairman?

The Chairman (Mr Wells): I am not a betting man, Seán.

Mr P Robinson: Could we be more careful please when minuting the meeting? When I do a sneering laugh, that does not mean that I have agreed to something. *[Laughter.]*

The Chairman (Mr Wells): I will give £50 to your favourite charity if we get anything back, Seán. *[Laughter.]*

Mr P Robinson: If members knew Jim better, they would know just how sure he must be.

Dr Farren: What if I were to tell you that my favourite charity is the united Ireland fund? *[Laughter.]*

The Chairman (Mr Wells): Seán, I said what I did with the same certainty with which I told my staff that, if I won the South Down seat in the general election, I would take them all over to Westminster for lunch. That is how certain I am.

Ladies and gentlemen, there is no more business. As I said, we are spot on time-wise, so I thank members for making the meeting, at least in that respect, a great success.

Mr Murphy: Is Monday's business to formally go over what we have covered on Monday and today?

The Committee Clerk: We are to agree the draft response to the Secretary of State.

The Chairman (Mr Wells): We are not producing a report. In order to speed things up, we will write a letter to the Secretary of State. We are right back on schedule, as far as our deadline is concerned.

Dr Farren: Could the meeting be put back until 2.30 pm on Monday?

The Chairman (Mr Wells): Yes. It should not last that long. I am not sure who will be chairing Monday's meeting, but it could be me.

Adjourned at 3.57 pm.

COMMITTEE ON THE PREPARATION FOR GOVERNMENT

Monday 30 October 2006

Members in attendance for all or part of proceedings:

The Chairman, Mr Jim Wells
Mr P J Bradley
Dr Seán Farren
Mr David Ford
Mr Danny Kennedy
Mr Alban Maginness
Mr Alan McFarland
Mr Michael McGimpsey
Mr John O'Dowd
Mr Edwin Poots
Mr Peter Robinson
Ms Caitríona Ruane
Observing: Mr Francie Molloy

The Committee met at 2.37 pm.

(The Chairman (Mr Wells) in the Chair.)

The Chairman (Mr Wells): Once again, I urge members to switch off their mobile phones.

Can we take a note of the line-ups, party by party?
Sinn Féin?

Mr O'Dowd: I am deputising for Conor Murphy.

Ms Ruane: I am here in place of Michelle Gildernew.

The Chairman (Mr Wells): Just the two members for Sinn Féin?

Mr O'Dowd: Yes, just the two today.

The Chairman (Mr Wells): The SDLP?

Mr A Maginness: I am standing in for Mark Durkan. Dr Farren is here. P J Bradley is deputising for Dr McDonnell.

The Chairman (Mr Wells): The Alliance Party?

Mr Ford: I am playing myself, as is customary, and on my own this afternoon.

The Chairman (Mr Wells): Is Mrs Long still on holiday?

Mr Ford: Naomi is otherwise engaged — on serious business.

The Chairman (Mr Wells): The Ulster Unionists?

Mr McGimpsey: I am substituting for David McNarry.

Mr Kennedy: We expect that Alan McFarland will be here at some stage.

The Chairman (Mr Wells): The DUP?

Mr P Robinson: Lord Morrow and Ian Paisley Jnr are in the Building. If they both arrive, you will not see my heels for dust. If one of them comes in, I will be substituting for the other.

Mr Kennedy: That will be easy to write down.

The Chairman (Mr Wells): The Clerks are all members of Mensa, so they can work that one out.

Let us move to the minutes. As members know, there are two sets of minutes for consideration. We did not agree the minutes for 23 October at our last meeting because of the slight confusion about how we recorded the voting intentions of each party. Members have had a chance to look at those. Point 5 of the minutes for 23 October shows how votes were recorded:

“There was not consensus and the proposal fell. The Alliance, DUP and UUP supported the proposal and SDLP objected. Sinn Féin did not support or object.”

That was the way in which we logged the votes for each decision. Do members have any thoughts on that matter?

Mr Kennedy: That appears to be accurate.

The Chairman (Mr Wells): Is the Committee content with the minutes of its meeting on 23 October?

Members indicated assent.

The Chairman (Mr Wells): I turn to the minutes of the Committee's meeting on 25 October, which are quite extensive. Do members have any comments, additions or corrections?

Does the Committee accept those minutes as a true and accurate reflection of its proceedings on 25 October?

Members indicated assent.

The Chairman (Mr Wells): Members will recall that, at our last meeting, we discussed a letter that we sent to the Northern Ireland Office requesting copies of any additional papers that had been circulated to one or more parties at St Andrews. I made a commitment to Seán Farren that if any material came forth, I would make a donation of £50 to his favourite charity. I am absolutely certain that that £50 is as safe as the Rock of Gibraltar. Nothing has come forward to us.

Mr Ford: Not even an acknowledgement of our letter, Chairman? That is most unusual.

The Chairman (Mr Wells): Are there any NIO officials waiting outside?

The Committee Clerk: No.

Mr Ford: Are they too embarrassed to show up?

The Chairman (Mr Wells): They have not shown up, so we cannot embarrass them.

Mr Ford: I do not think that we would have embarrassed them anyway.

The Chairman (Mr Wells): It is highly unlikely that that material will ever see the light of day, at least so far as this Committee is concerned. However, we have reminded the NIO of its failure to deliver anything. No doubt, we will place that issue in our bring-forward file.

Members will know that the Subgroup on the Economic Challenges facing Northern Ireland is continuing to meet. We requested a report on the subgroup's deliberations, and I have received a memorandum from the Committee Clerk, dated 27 October, which reports on the subgroup's meeting of 26 October. I understand that the subgroup met this morning and, indeed, some members may have just come from that meeting.

Mr P Robinson: The subgroup met this afternoon, and we have just come from that meeting.

The Chairman (Mr Wells): That meeting of the subgroup was to prepare for the meeting with the Chancellor of the Exchequer on Wednesday 1 November. Do members have any comments on the Committee Clerk's memorandum? On reading it in detail, one or two points may emerge, but are there any general points on it? I draw particular attention to the submission made by the Consumer Council vis-à-vis water reform legislation and a funding gap.

Mr Kennedy: Chairman, are we being asked to endorse the memorandum?

The Chairman (Mr Wells): That will be the next stage. We are particularly dealing with the second page of the memorandum, in which the Consumer Council points out that there will be a public services funding gap caused by the delay in water reform and the capital backlog, which the Consumer Council believes will have to be paid for by the Government through additional funding.

Mr Kennedy: Was that the unanimous view of the subgroup?

Mr Poots: Yes it was, and I propose that we support that view.

The Chairman (Mr Wells): I acknowledge that proposal, but it is important to let members know the full facts, because this is quite a significant decision.

Mr Poots: There was unanimous support, Mr Chairman.

Dr Farren: Is there any indication as to the scale of the required funding?

Mr Poots: A briefing paper estimated an infra-structural gap of around £150 million for the incoming

year, which we have identified will be spent and which is not covered by the Northern Ireland block. The paper also anticipated that a further £100 million would be spent on water rates relief for the incoming year, stretching the infrastructural gap to £250 million. That issue is for Wednesday's meeting with the Chancellor.

The subgroup agreed that part of the financial package should allow the legislation to be delayed for a year in order to identify a fairer and more equitable system of water charges than the currently proposed system.

The Chairman (Mr Wells): Do other parties have any thoughts on that?

2.45 pm

Mr P Robinson: From both the Department of Finance and Personnel briefing received this morning, and the briefing session that the subgroup has just had, it has emerged that, whatever way we might want to phase or adjust it, we are likely to get more mileage from the Chancellor if we accept some of the building blocks. Members may want to keep that in mind during these discussions.

The Chairman (Mr Wells): Are there any other views? There seems to be general support in this Committee for the subgroup's decision. It made a couple of other recommendations, but I want the water reform legislation and the implications of its delay sorted out before we continue.

Mr Poots: The Consumer Council said that a substantial amount of the money that will be raised next year will automatically go back to the Treasury, because the money spent on the Water Service was in the form of a loan. The Consumer Council argued that the proposed water reforms would not inject much capital back into the Water Service, and that only £3 million or £4 million would be realised out of the first year's income. That argument was based on the Consumer Council's own research.

The Chairman (Mr Wells): Were any other Committee members also present at the meeting with the Consumer Council? Do any other parties have any membership overlap?

Mr Kennedy: We will just have to trust Mr Poots.

The Chairman (Mr Wells): We must accept Mr Poots's recollections, because we have not yet seen the Hansard report of that meeting.

Are members content to support the subgroup's recommendations? As there was consensus in the subgroup, there was clearly all-party support. Are members content?

Members indicated assent.

The Chairman (Mr Wells): The issue of water charges and water reform legislation will feature in the

subgroup's third report, and, no doubt, will be raised during the question-and-answer session with the Chancellor.

The subgroup also recommended that the Committee request the Secretary of State to provide full details of the financial package agreed in 2005 between the Secretary of State and the Treasury. I presume that that recommendation was also unanimous. Are members happy to endorse that request for information and put it in writing to Mr Hain?

Mr Ford: Are you offering any payments to Seán Farren's favourite charity on that one, Chairman?

The Chairman (Mr Wells): It will be slightly easier to get those details, but it is highly unlikely that they will see the light of day. However, it is worth the price of a stamp to ask for that information. Are members content?

Members indicated assent.

The Chairman (Mr Wells): The next request might be more difficult to fulfil. The subgroup recommended that the Preparation for Government Committee consider commissioning an independent study to accurately determine the costs associated with a delay in implementing the water reform legislation. That is a major undertaking for the Committee, but I am open to members' suggestions on how to proceed. Obviously, we would have to bring in expert advice.

Mr Kennedy: From where does the Committee get the authority to commission such a study, and from where will the money come?

The Committee Clerk: The money will come from the Committee budget. If the Committee agrees to carry out the study, that will be the necessary authorisation.

The Chairman (Mr Wells): Is there enough money in the budget to undertake such a study?

The Committee Clerk: Yes.

The Chairman (Mr Wells): Apparently we have plenty of money, which is good to hear.

Mr Poots: Has the Assembly's research team done any work on the basis that the matter would be brought to today's meeting?

The Committee Clerk: We will ask the researchers to decide whether they have the expertise or whether we must seek independent financial advice.

Mr Poots: It would be useful to have their analysis of what that will involve.

The Chairman (Mr Wells): Should the Preparation for Government Committee deal with the matter, or should we bat it back to the economic subgroup? It strikes me that the subgroup would be much better equipped to deal with economic issues than we, as we normally deal with constitutional and political issues,

such as the St Andrews Agreement, rather than the nitty-gritty of economic packages. If the subgroup asks us for the authority to carry out that work, I am sure that we could give it; however, I am not sure that it is our job to carry out such research. The subgroup has contracted two expert advisers.

Mr Ford: I accept your point, Chairman. I was not present at the subgroup's meeting, but it seems entirely reasonable that the Committee should authorise the subgroup to do that work. Logically, the subgroup should do it, because it is involved in a full range of economic issues. It could start by consulting its specialist advisers before establishing whether there is anyone else they must consult.

The Chairman (Mr Wells): Does that cause anyone doubts?

Mr O'Dowd: We have been asked to consider commissioning an independent study. If the economic subgroup has a view or wants to debate further how the matter should progress, we must have all the relevant information before we can make a decision. In principle, I have no difficulty with the subgroup's doing that work. However, the question is how it will be done, what resources are available, how long the report will take, and so on. We must have that information before we can make a final decision.

The Chairman (Mr Wells): That is a valid point. Before doing that, however, we must establish to whom the "we" refers. If the "we" refers to the Preparation for Government Committee, we must debate the issue; if the "we" refers to the economic subgroup, the issue must be referred to it so that it can agonise about how the work is to be done.

Dr Farren: My question is essentially a political one. In order to determine the cost, we were given a ballpark figure a few moments ago. What is the political case for going into great detail at this stage if the principle — that there should be a delay — is not yet accepted? There may be a delay. If so, that is fine: let us fire ahead and find out what the costs are.

The Chairman (Mr Wells): Am I not right in thinking, Seán, that there will definitely be a delay in the water reform package, because it is clearly flagged up in the St Andrews Agreement that that will happen? Do you suggest that that is not taken as read?

Mr Ford: My understanding is that the judicial review and references in annex C of the St Andrews Agreement say, in effect, that there will be a delay. We must determine what the overall costs for the Northern Ireland budget will be, given the huge increases in rates this year because of delays and various reforms in rates and water charges.

Dr Farren: I accept your point. However, if the Government decide that additional finance will not be

made available to make good the gap, will there be a review of any recommendation or decision? The Government seem to suggest that the additional funding must be found in the existing block grant, rather than their providing extra funding. Will the decision have to be reviewed if we find that money is committed to such an extent that we cannot find the additional money and the Government decide that they are not willing to provide it? Perhaps I should not anticipate outcomes and decisions at this time. We may have to go ahead and find out the precise details.

Mr Poots: Surely that would be a decision for Ministers and of the Executive? The Government will have to deal with that if devolution does not happen; if it does happen, the matter will be the responsibility of the Executive and its Ministers.

Seán seems to have a defeatist attitude before we go to the Chancellor. I am quite hopeful that we will get a package. If we get zero, all the parties should withdraw, including those who were sent forward to negotiate in the appropriate manner.

Mr P Robinson: If the package is zero, there will not be a deal. The package is an essential ingredient as far as we are concerned. We are not going to the Chancellor to give us something to keep us happy. If we do not have a decent package, we are not going forward.

The Chairman (Mr Wells): May I also throw something into the mix? There is the option of referring this to the Programme for Government Committee. That Committee has not actually arrived on the scene, but it almost did. The financial package could be one of the first items on its agenda when it does meet, because it fits neatly in there as well.

Mr O'Dowd: We are in danger of repeating arguments made at the economic subgroup. We should ask for a more detailed reasoning behind its request, and we also need to await the meeting between the parties and Gordon Brown. If we were to revisit this at our next meeting, the picture would be a lot clearer.

The Chairman (Mr Wells): Are we scheduled to meet again?

The Committee Clerk: We will be talking about that at the end. The subgroup has asked for an extension of its deadline to 13 November; if Members agree to that, we would not propose to meet until 15 November or 16 November.

The Chairman (Mr Wells): That is possible. Are there any other thoughts on this?

Mr Poots: Can we ask the research team in the Assembly how it would see such a programme being implemented, and what work and cost would be involved?

The Chairman (Mr Wells): Are you suggesting that we do that, rather than refer it back to the economic subgroup to do that research?

Mr Poots: How can the economic subgroup have the power if this Committee has the power?

The Chairman (Mr Wells): We have the power to authorise the subgroup to do it.

Mr Poots: Do you mean that we could just delegate it to the economic subgroup to make up its own mind?

The Chairman (Mr Wells): Yes, give the subgroup the power to do it.

Ms Ruane: We would need to see the terms of reference and the terms would need to be independent. The subgroup knows what it wants, because it is working on these issues.

The Chairman (Mr Wells): Do we have consensus on that? Shall we give the subgroup the authority to carry out this research and let it agonise over the *modus operandi*?

Mr P Robinson: Why are we doing it at all? Can we not just ask the Department? Do we not trust the Department to give us the correct figures? Is that the suggestion?

The Chairman (Mr Wells): The reason that we are doing this is that the subgroup has asked us for the authority to do it.

Mr P Robinson: Why is anyone doing it?

The Chairman (Mr Wells): I do not know what the rationale behind it was, as I was not at the subgroup meeting.

Mr Poots: The answer to the question is that we do not trust the Department to give us the correct figures.

Mr O'Dowd: The term "independent" shows the subgroup's mistrust.

Mr Poots: That was outside the boundaries of this room.

The Chairman (Mr Wells): Are we content then to do it that way?

Members indicated assent.

The Chairman (Mr Wells): OK. No dissent as such. The economic subgroup has been beavering away, as folk know, and coming up with some quite good stuff. It has asked for an extension of the deadline to submit its third report to this Committee from 30 October to 13 November. I do not know why this has happened, but I am sure that there is a very good reason. Edwin, were you there?

Mr Poots: I am not sure that I was, but the subgroup will not have a third report ready for the 31 October deadline. That is why 13 November has been suggested.

Mr P Robinson: Sounds like a good enough reason to me.

The Chairman (Mr Wells): There is also some key research by the Economic Research Institute that will not be coming through until 30 October, so it will need time to look at that. There are difficulties.

Mr P Robinson: Victor Hewitt's group is doing some stuff on corporation tax.

Mr Poots: There is some very good work being done on that.

The Chairman (Mr Wells): That seems a reasonable request, and we have always been flexible previously. I just need to ask members formally if they are content with that.

Mr Kennedy: Is it correct that the deadline is to be extended to 13 November?

The Chairman (Mr Wells): Yes. The deadline for the third report is to be extended to 13 November.

Mr Kennedy: Does that extension mess up other deadlines, such as that of 10 November? Is the economic challenges subgroup's report not considered essential to that deadline?

Mr P Robinson: Deadline? What deadline?

The Chairman (Mr Wells): As Mr Kennedy has said, the St Andrews Agreement cites 10 November as a date for there to have been significant developments. However, I do not see how that deadline would affect the subgroup's work.

3.00 pm

Mr Poots: Dissolution is not until 24 November, so we still have 11 days from 13 November.

The Chairman (Mr Wells): The Preparation for Government Committee will meet on Wednesday 15 November to consider the subgroup's report. Therefore, granting the subgroup an extension would tie in reasonably well with the Committee's work programme.

Are members agreed that the subgroup should be granted an extension to its deadline to submit its third report to this Committee? The proposal looks OK to me, but it is entirely a matter for the Committee to decide.

Members indicated assent.

The Chairman (Mr Wells): Can we formally agree that the Committee will meet on or around Wednesday 15 November? Does that particular day suit members?

Mr Kennedy: Is that date to be considered an important anniversary, then?

The Chairman (Mr Wells): It is the anniversary of the signing of the Anglo-Irish Agreement in 1985.

Mr Kennedy: Well done, sir.

The Chairman (Mr Wells): That may come up on a TV quiz show some time.

Mr Kennedy: You will win the car for that.

Mr Poots: Restore the protest flags.

Mr Ford: Hold a coming-of-age party.

Mr Kennedy: Do we have to hold hands on dates such as that?

Mr Ford: Speak for yourself.

The Chairman (Mr Wells): Wednesday 15 November will mark the twenty-first anniversary. Does that date suit everyone?

Members indicated assent.

The Chairman (Mr Wells): Put that date in your diaries. We will meet as normal, presumably at 10.00 am. The meeting will not take all day; the Committee will probably just sit in the morning, unless something else crops up. Please tell your official attendees to keep 15 November free.

That will give us time to agree the subgroup's report for a possible debate in a plenary sitting of the Assembly before 24 November 2006 — or even on 24 November 2006.

Mr O'Dowd: It could be the farewell affair.

The Chairman (Mr Wells): That ties things up nicely. I am a wee bit worried about the lack of dissent being shown.

Mr O'Dowd: We have not agreed to there being a possible plenary sitting, but to having a Committee meeting on 15 November.

The Chairman (Mr Wells): Members have all received a copy of the Committee's draft response to the Secretary of State and have had a chance to look at it.

There are 98 paragraphs in the draft response; if we include the executive summary, there are 105 paragraphs. Therefore, we will go through it in nice, digestible sections. As is normal in these situations, I will allow anybody who misses something to return to it. I am conscious of the fact that we are pushing through quite a body of work, so I do not want people to miss things as we rattle along.

As we are agreeing a report, the Committee would normally sit in closed session. Hansard will be very tearful to hear this, but we would normally ask Hansard not to record this section.

Are members agreed that we do not have Hansard present? That is the protocol that we always follow. We may keep a tape of the proceedings to assist the Committee Clerks, but we do not publish a verbatim account of our discussion. Are members happy enough with that?

Mr O'Dowd: I wish to clarify a point. Is this a report or a response?

The Chairman (Mr Wells): It is a response, because there was not time to prepare a formal report, with all the evidence attached. We are simply sending a letter to the Secretary of State that outlines the deliberations of the Committee and the issues on which we agreed and disagreed.

Mr O'Dowd: If it is simply a response or a letter to the Secretary of State, we have no difficulty with Hansard continuing to report the meeting.

The Chairman (Mr Wells): We would normally not have Hansard present, in order to allow members to talk more freely and to reach conclusions. If Hansard is here, members tend to "play to the gallery" to some extent and adopt set positions. However, we keep a tape of the closed session, and if the Committee Clerks have any trouble working out what members have agreed, they can refer to the tape.

When the Preparation for Government Committee came to discuss its three draft reports, as well as those of the economic subgroup, we took an early decision that we would not have a Hansard report of those deliberations.

Do any other members feel strongly on this issue?

Mr Ford: I am relaxed.

Mr Poots: I feel strongly that we should move on as quickly as possible.

The Chairman (Mr Wells): That protocol was used in Committees in the previous Assembly.

Mr O'Dowd: I am not insisting; I am just saying that we have no objections to Hansard's staying.

The Chairman (Mr Wells): A clear view is needed. Should Hansard stay or go?

Dr Farren: I have never objected to Hansard's staying.

The Chairman (Mr Wells): Are members content to let Hansard stay?

Members indicated assent.

The Chairman (Mr Wells): The introduction to the Committee's response to the Secretary of State on annex A to the St Andrews Agreement, which will take the form of a letter, is contained in paragraphs 1 to 5 of the draft report. It should, more or less, be a statement of fact.

Mr Kennedy: It is almost akin to agreeing minutes.

The Chairman (Mr Wells): Yes, it is, but a member can add, propose to change, or correct something at any stage. We will go back and have a catch-all session to be certain that nothing has been overlooked. Are there any problems with the first five paragraphs?

Mr O'Dowd: I want to propose an additional paragraph along the lines of:

"This response in no way interferes with, or negates, the rights of individual parties to respond to the St Andrews proposals, following the conclusion of each party's internal consultation."

The Chairman (Mr Wells): Presumably, you would want that in —

Mr O'Dowd: On each page.

[Laughter.]

The Chairman (Mr Wells): Do you want that to be a new paragraph 5?

Mr O'Dowd: That is the proposal anyway.

The Chairman (Mr Wells): We will do a quick run around on that proposal, because it is an important issue. I will start with the SDLP: how do its members feel about that additional paragraph?

Dr Farren: We reserve the right to make individual responses. This is a work in progress; we have not yet reached the date by which we must make the response known, and the situation might change between now and then. I would like to think that the issues on which we reached a level of agreement or, indeed, full consensus, would persist.

The Chairman (Mr Wells): That would be like having our cake and eating it, Seán. I think that members would like to reserve the right to —

Dr Farren: Since we are all members of parties that have been invited to respond individually, and this is a collective —

Mr P Robinson: You are not empowered to take decisions on behalf of your party.

Dr Farren: I am. I said that I hoped that agreement between parties would persist. I have no reason to believe that it will not. I would be disappointed if parties were to resile from any level of agreement that has been reached, and, certainly, those SDLP members who are present are empowered to act on the party's behalf. That is why we are here.

Mr Ford: I am empowered to speak on behalf of the Alliance Party Assembly group. I am not in a position to prejudge the opinion that will be taken next Saturday at the party council meeting and, on that basis, it seems that John's proposal is stating the obvious. However, where parties have reached agreement, hopefully they will be able to encourage their wider party structures to go along with that agreement. However, we cannot bind people to it.

Mr Kennedy: John's proposal is slightly unnecessary. It is almost a belt-and-braces approach, and considerable effort has been made at this Committee to reach levels of agreement on other issues. One hopes and

imagines that those levels of agreement would carry through in good faith. It seems slightly premature to lay down conditions for that.

Mr P Robinson: It is a statement of fact. We do not have the ability to require every group to accept the outcome of decisions of this Committee. However, like Seán, I hope that, where the Committee has reached consensus on a decision, those members who agreed to that will attempt to ensure that their colleagues also accept it.

Mr O'Dowd: The other side of that argument is that, after the consultation, we may be able to reach agreement on matters on which we have not yet been able to reach consensus. Therefore we are not tying ourselves into the negative or the positive. After the consultation, parties will be allowed to respond to the Governments in a more frank manner, so it is a statement of fact in that sense.

The Chairman (Mr Wells): We seem to have a variation of views.

Dr Farren: When one distils our remarks to their core, our views are not really very different at all.

The Chairman (Mr Wells): Although members may not agree with the proposal, are they content to let it sit in the interests of other parties. Alternatively, do they want to move to a vote? Does any party feel strongly that the proposed additional paragraph should not be included? That is perhaps the best way to phrase it.

Mr Kennedy: Yes; the UUP would object to it

The Chairman (Mr Wells): In that case, we must have a recorded vote. Sinn Féin obviously says yes to the new paragraph. How does the SDLP feel?

Dr Farren: I will accept it, but I wonder about a few aspects of it. The Hansard report will reflect our views. Having listened to all the views, my ears have not detected a huge difference between us. I would be happier if we left the matter that our discussion will be recorded in Hansard and that we do not have a vote or include the proposed paragraph.

The Chairman (Mr Wells): Is that a no?

Mr Kennedy: It is more no than a relaxed view, anyway.

Dr Farren: Yes, it is. I do not think that the paragraph is necessary.

The Chairman (Mr Wells): That is a faint hint of a no.

Dr Farren: It is a no to the inclusion of the paragraph, but we obviously cannot take back what we have said.

Mr Ford: I am opting for a relaxed kind of yes, which means that I am not dying in a ditch about this.

The Chairman (Mr Wells): The Ulster Unionist Party said no. How does the DUP feel?

Mr P Robinson: The DUP would say yes because we base our decisions not on individual items, but on an overall package.

Mr Poots: Nothing is agreed until everything is agreed.

The Chairman (Mr Wells): Can I have the votes of the Ulster jury, please?

The Committee Clerk: Sinn Féin said yes; the SDLP said no; the Alliance Party said yes; the UUP said no; and the DUP said yes. There is no consensus.

The Chairman (Mr Wells): Under the new system, we do not have to operate by consensus. This is the first time that we have really tested this system.

Mr Kennedy: Is it not up to the Secretary of State to identify the level of consensus?

The Chairman (Mr Wells): In that case, do we leave something in or leave something out? This is the first time that we have tested this new system by actually writing something down on a piece of paper. The Secretary of State cannot decide that. Technically, we have a 3:2 split.

Mr Poots: On that point, that was not how the Assembly Commission conducted its votes. For example, if the Alliance Party had taken a different view on a matter, the parties that represented more MLAs would still have been saying yes.

The Chairman (Mr Wells): However, the party numbers are 32, 24 and 6.

Mr Poots: Yes, but had the Alliance Party voted no, the parties with more MLAs would still have said yes; thus, in effect, more MLAs would have said yes than said no.

The Chairman (Mr Wells): Fortunately, the maths worked.

Mr Kennedy: I hear that the new Administration is already effective.

Mr O'Dowd: Chairman, although Sinn Féin benefits from your interpretation of the voting system, I must disagree with it. Sinn Féin believes that consensus is required among the parties for anything to be included in anything. As far as our party is concerned, the matter has fallen.

The Chairman (Mr Wells): Do we have the Secretary of State's wording on this?

Mr P Robinson: How about a coin?

Mr O'Dowd: A euro?

The Chairman (Mr Wells): My clear impression was that, until the meetings at St Andrews, we operated by consensus and that since then, we have

operated by recording the votes of individual parties. Do those votes not carry the weight of membership with them?

Mr Ford: The Secretary of State said that he would take account of those votes. He did not say that it was a matter of simple arithmetic.

The Chairman (Mr Wells): When it then comes to make —

The Committee Clerk: The Secretary of State did not direct that; he said he was “minded”. It was not a direction.

The Chairman (Mr Wells): Is “minded” not an instruction?

The Committee Clerk: No.

Mr P Robinson: That just means that he will do whatever he wants anyway.

The Chairman (Mr Wells): I want to check what the Secretary of State said in his letter of 13 October. He said:

“I am minded to accept that in the event of votes occurring in the PjG, that these will be taken reflecting the respective strengths of the parties in the Assembly. The Government would consider the voting outcome in reaching its conclusions on issues raised.”

That is fine if there is a general discussion — he will weigh the votes — but when it comes to including a paragraph in the report, either it is in or it is not.

3.15 pm

Mr Ford: Presumably, there is parliamentary precedent for a situation where a majority decides on a report, and a minority has the opportunity to put in its dissenting view. Such a dissenting view could read:

“The Ulster Unionists and the SDLP did not agree to the inclusion of paragraph 5”.

The Chairman (Mr Wells): Would that go in the main body of the report, rather than in the minutes?

Mr P Robinson: That would be a minority report.

Mr Ford: It would be a minority report as an addendum to the main report, as I understand, but some members of the Committee have much more parliamentary experience than I do.

Mr P Robinson: That would have to be a separate report.

Mr Ford: We could be conciliatory and agree that it would be published as an annex to the report.

Ms Ruane: We could put in the report that there was a discussion on this issue, and instead of stating that we did not have a majority or minority view, we could note that the parties that agreed were Sinn Féin,

the DUP and the Alliance Party and that the other parties did not agree. We could just state it as fact.

Mr Kennedy: We are making a drama out of a crisis.

The Chairman (Mr Wells): If that were done, there would at least be a paragraph in the report that alludes to the discussion and states the actual position. Everybody can agree, because it is a true reflection. Is that perhaps the way around the problem? It may come up as we proceed.

Mr P Robinson: That is really what an awful lot of the rest of it says.

The Chairman (Mr Wells): Are we happy that that is the way that we should do it? We have ordered the vote and put in a paragraph to reflect it: Sinn Féin proposed this, there was no agreement, and the parties voted x, y and z.

That brings us on to strand one issues, which are covered in paragraphs 6 to 27 of the draft response. Those paragraphs deal with the ministerial code and the Executive role in the North/South Ministerial Council (NSMC) and the British-Irish Council (BIC), and attendance at those bodies. We will start with paragraph 6.

Dr Farren: Paragraph 6 refers explicitly to the SDLP. I did not have time to go back to Hansard to clarify precisely what was said on that occasion. The view that I was trying to express was perhaps conveyed in stronger terms than I intended. I was trying to say:

“Although the SDLP was not opposed to some elements of the ministerial code being in statute, it was not in favour of all the elements proposed in annex A being included in statute.”

Obviously, I am tied to whatever was said on that occasion, but paragraph 6 expresses rather strongly the party’s view, which is reflected in our contribution to the various discussions on the particular issues that were raised in annex A. We assented to enshrining some in statute; however, on others, we were strongly opposed.

The Chairman (Mr Wells): The wording could be changed to read:

“The SDLP expressed its strong objection to the inclusion of some elements of the ministerial code in statute.”

Would that be acceptable?

Dr Farren: None of us said that all of the ministerial code should be enshrined in statute.

Mr P Robinson: That is true, but, according to the draft response, we did. Paragraph 10 claims that that is what I said, and I want it to be changed to reflect that I did not say that.

The Chairman (Mr Wells): Obviously it is important that —

Dr Farren: I also thought that paragraph 10 was a bit too strong.

The Chairman (Mr Wells): The next five paragraphs are simply the views of the five parties. It is vital that members of the Committee are happy that the document reflects what they said, whether by coming up with a form of words now or by letting the Clerks, using the Hansard tape, devise something else.

Dr Farren: To try to capture essentially what we were saying, I would have used language along the lines that I indicated a moment ago. I propose that paragraph 6 reads:

“Although the SDLP is not opposed to some elements of the ministerial code being included in statute, it does not agree that all the elements proposed be so included.”

Mr P Robinson: In paragraph 10, I was looking for the change:

“The DUP stated that the party was prepared to put the key elements into statute.”

That is not dissimilar to what Seán says.

The Chairman (Mr Wells): How will we handle the mechanics of that, Seán? Do you want the staff to write it up, based on your views, or —

Dr Farren: Do you want the amendment that I offered?

The Committee Clerk: It will be on the tape.

Dr Farren: Since you have that, I will look at it, and, if necessary, correct and tighten it up.

The Chairman (Mr Wells): You have to trust the staff to do it that way.

Will you be around tomorrow so that you can sign off the minutes?

Dr Farren: I will be around in the afternoon. However, I will also be contactable by phone.

The Chairman (Mr Wells): In this situation, we will have to ask each party to make any changes in that way.

Dr Farren: Yes.

The Chairman (Mr Wells): Paragraph 7 is entirely for Sinn Féin. Is it a reasonable summary of the party's expressed views?

Mr O'Dowd: It is a fair enough reflection of Sinn Féin's position.

The Chairman (Mr Wells): If Sinn Féin is happy, we are agreed on paragraph 7.

Paragraph 8 concerns the views of the Ulster Unionist Party.

Mr Kennedy: Paragraph 8 is an accurate reflection of our views.

The Chairman (Mr Wells): Paragraph 9 concerns the views of the Alliance Party.

Mr Ford: We are content with that paragraph.

The Chairman (Mr Wells): The DUP wants to include in paragraph 10 the phrase:

“to put key elements into statute”

rather than stating that the party is:

“prepared to put everything into statute.”

I take it that if the DUP are happy with that then every other party is.

Mr P Robinson: Yes.

The Chairman (Mr Wells): Paragraph 11 relates to the Chairperson. I do not know whether Mr Molloy or myself was the Chairperson at that stage. Paragraph 11 is OK.

We move on to paragraph 12, for which we return to the SDLP.

Mr Kennedy: Do we have to lock those first 11 paragraphs?

The Chairman (Mr Wells): I had hoped that we had been locking them one by one. If it comes to a vote, the paragraph can be re-recorded. If we do it that way, we can take it that five parties are for and none are against, and that all parties are happy. Once a party says that it is happy, there is not as much room for dissension from the others. The paragraph is simply a statement of that party's position.

We return to the SDLP to discuss paragraph 12.

Dr Farren: I have added a note in the margin to myself at this point. I apologise; I obtained my copy of the minutes only this morning, and I have not had time to check Hansard to see precisely what was said.

Paragraph 12 should perhaps read:

“complete discretion and without consultation with the relevant Ministers.”

During some part of the discussion on that, I said that the paragraph seemed to suggest that discretion without any requirement for consultation with relevant Ministers. That is reflected. If there were no relevant Ministers, the First and Deputy First Ministers would still have discretion to bring a controversial matter to the Executive. My party would be satisfied with a clause that read:

“without any consultation with the relevant Ministers”

The Chairman (Mr Wells): Please check the wording tomorrow to be sure that you are happy with it.

Paragraph 13 concerns Sinn Féin.

Mr O'Dowd: My party is satisfied.

The Chairman (Mr Wells): Paragraph 14 reads:

"Alliance, DUP and UUP did not express any particular views."

Is that a true reflection of the stance of those three parties?

Mr Ford: Yes.

The Chairman (Mr Wells): Paragraph 15 relates to the Chairperson.

Mr P Robinson: On paragraph 14 —
[Interruption.]

Mr Kennedy: How about a member's mobile phone ringing in Committee being a resignation issue?

Mr O'Dowd: Perhaps it is an exclusion issue.

Mr P Robinson: Returning to paragraph 14 of the Committee's response, the DUP generally supports paragraph 4 of annex A to the St Andrews Agreement.

The Chairman (Mr Wells): In that case, that comment would become the new paragraph 14 in the Committee's response; therefore a new paragraph 15 would read:

"Alliance, DUP and UUP did not express any particular views."

It has been confirmed that the DUP generally supports paragraph 4 of annex A to the St Andrews Agreement. Are members happy to separate paragraph 14 of the Committee's response and Mr Robinson's comments? Two different paragraphs would be formed.

Members indicated assent.

The Chairman (Mr Wells): That means that we will also have a new paragraph 16 in the Committee's response.

Consensus was reached on paragraph 5 of annex A. Members should not worry if we miss something in the response; we will come back to catch any last-minute comments.

Mr P Robinson: The DUP's issue with paragraph 5 of annex A to the agreement is that the Assembly's endorsement of the ministerial code would have to be consistent with the provisions that this Committee agrees. I want it to be on record that the DUP would move forward on that basis.

The Chairman (Mr Wells): Do you want that included in the Committee's report as well as in Hansard?

Mr P Robinson: Yes. That is the DUP response to paragraph 16 of the Committee's response.

The Chairman (Mr Wells): We have been advised to use the original numbering system to keep the

process less complicated, but the paragraphs in the Committee's response will be renumbered to reflect any changes.

The original paragraph 17 of the draft response states that:

"The DUP was content with the proposals in paragraphs 16 and 17."

Going through this process is complicated, as one must read several documents in parallel.

Mr P Robinson: Will you remind me why we jumped from paragraph 5 to paragraph 16 of annex A to the St Andrews Agreement?

The Chairman (Mr Wells): Those paragraphs were put together to form a section on the ministerial code.

Mr P Robinson: Will we jump back again later?

The Chairman (Mr Wells): Yes. Is the DUP content with the proposals that were made in paragraphs 16 and 17 of annex A to the St Andrews Agreement?

Mr P Robinson: Yes.

The Chairman (Mr Wells): Does the SDLP have any requirements in relation to paragraph 18 of the Committee's response?

Dr Farren: That paragraph is fine.

The Chairman (Mr Wells): Sinn Féin issues are dealt with in paragraph 19 of the Committee's response. Do Sinn Féin members have any response to that paragraph?

Mr O'Dowd: Sinn Féin is content with paragraph 19.

The Chairman (Mr Wells): Paragraph 20 deals with Ulster Unionist comments. Mr Kennedy spoke earlier about the issues that are dealt with in paragraphs 16 and 17 of annex A. Given that, is he coming back for the rest of the meeting?

Mr McGimpsey: Yes, he will be back.

The Chairman (Mr Wells): Are you happy to agree paragraph 20 of the draft response in his absence?

Mr McGimpsey: Yes.

The Chairman (Mr Wells): Paragraph 21 of the Committee's response deals with the Chairperson's proposals on paragraph 16 of annex A. The result of the vote on paragraph 16 of annex A will be inserted into the Committee's response. We could not agree that paragraph because members were unable to agree the minutes of the meetings of 23 October and 25 October. The result of the vote on that will be included in the response.

Paragraph 22 concerns the Chairperson, and again the vote will be inserted later.

Moving on to paragraph 18 of annex A to the St Andrews Agreement and paragraph 23 of our response, we are back with the Ulster Unionists, who felt that the current system was “perfectly adequate.”

Mr McGimpsey: That paragraph is OK.

3.30 pm

The Chairman (Mr Wells): We return to Sinn Féin for paragraph 24.

Mr O'Dowd: We are satisfied with that.

The Chairman (Mr Wells): Paragraph 25 reflects the concerns of the Alliance Party.

Mr Ford: I do not have the previous Hansard report in front of me, but my memory is that the issue would be better covered if the words “regretted that the final sentence” are replaced with the words:

“regretted the implicit sectarianism and that the final sentence”.

Mr Poots: That removes the humour from that one.

The Chairman (Mr Wells): I am sure that you do not want the humour omitted.

Mr Poots: It is a serious document.

The Chairman (Mr Wells): Paragraph 26 is for the SDLP.

Dr Farren: That paragraph is OK.

The Chairman (Mr Wells): Gosh, this is exciting stuff.

Paragraph 27 refers to a proposal made by the Chairperson. Again, the vote will be inserted later.

We move on to paragraph 6 of annex A to the St Andrews Agreement. Paragraph 28 of the Committee's response contains comments by Sinn Féin: that party did not support the proposal.

Mr O'Dowd: We are satisfied with the way in which our position is outlined in paragraph 28.

The Chairman (Mr Wells): Paragraph 29 contains comments by the DUP.

Mr P Robinson: Yes, that is fine.

The Chairman (Mr Wells): Paragraph 30 is for the Ulster Unionists.

Mr McGimpsey: Our view is as expressed in paragraph 30.

The Chairman (Mr Wells): Paragraph 31 is for the SDLP.

Dr Farren: We are content with that.

The Chairman (Mr Wells): Paragraph 32 is for the Alliance Party.

Mr Ford: We are content.

The Chairman (Mr Wells): Paragraph 33 is for myself.

Mr Ford: Could we remove the definite article before the word “Alliance” in line three, please?

Mr P Robinson: There is nothing definite about them.

The Chairman (Mr Wells): Paragraph 34 refers to the Pledge of Office, which was my proposal. There was consensus on that.

Paragraph 35 was not as successful. All parties except the Ulster Unionist Party supported it. Again, that paragraph reflects the record of that vote in the minutes.

Mr Ford: Please remove the definite article again — I will not say it every time.

The Chairman (Mr Wells): There will have to be thorough proof-reading of this document when we have finished to make certain that it all checks out. It is quite complex.

We move on to the Pledge of Office, and paragraph 8 of annex A to the St Andrews Agreement. The Chairman's proposal is contained in paragraph 36 of the Committee's response, and there was consensus.

Paragraph 37 deals with paragraph 8 of annex A and is a factual comment — as is paragraph 38. Paragraph 39 is very much for the DUP. There was considerable debate on the issue.

Mr P Robinson: That paragraph is OK.

The Chairman (Mr Wells): Paragraph 40 encapsulates a lengthy discussion on timescales. Is the UUP happy enough with that?

Mr Kennedy: Yes, that is OK.

The Chairman (Mr Wells): Paragraph 41 sets out Sinn Féin's position.

Mr O'Dowd: Deputy Speaker, Sinn Féin agrees with paragraph 41, except the first part of the last sentence:

“The party stated that it intended to make all elements of the St Andrews Agreement work”.

Sinn Féin wants that part of the sentence to be deleted. *[Laughter.]*

If any other party wants to put that line beside any of its statements, it is more than welcome to do so. My only reason for raising that point is that Sinn Féin cannot make that statement ahead of its party consultation. It is not a reflection of anything else. The final part of that sentence can stay:

“the decisions of the party in relation to policing could not be pre-empted.”

Also in paragraph 41, Sinn Féin's preferred form of "ardchomhairle" is "Ard Chomhairle": two separate words, with a capital "A" and a capital "D".

The Chairman (Mr Wells): Many of us spotted that.

Mr O'Dowd: I knew that you were going to raise that, so I had to get in before you.

Ms Ruane: Perhaps the missing fada from the "e" in "Sinn Féin" could be added.

The Chairman (Mr Wells): If the first part of that sentence is dropped, as far as "that", the final sentence will, therefore, read:

"Sinn Féin stated that the decisions of the party in relation to policing could not be pre-empted."

Mr O'Dowd: Sorry, Deputy Speaker, will you repeat that sentence?

The Chairman (Mr Wells): "Sinn Féin stated that the decisions of the party in relation to policing could not be pre-empted."

Mr O'Dowd: Yes, that is OK.

The Chairman (Mr Wells): The tape will pick that up.

Paragraph 42 refers to what was a long and complex debate, and it is important to take it carefully and slowly. Seán, are you content with the SDLP's position as it appears in paragraph 42?

Dr Farren: Yes, and I compliment those who have been so succinct.

The Chairman (Mr Wells): The debate lasted for about an hour and a half.

Paragraph 43 sets out the Alliance Party of Northern Ireland's position.

Mr Ford: The Alliance Party is content, other than with your introduction, Chairman.

Mr Poots: Is there a particular reason why the Alliance Party is sometimes referred to as "Alliance" and at other times as "the Alliance party", with a lower case "p"?

The Chairman (Mr Wells): I thought that it looked like a capital "P".

Mr Poots: I would not like someone to read into it that we were trying to snub the Alliance Party in any way by using a lower case "p" for party.

The Chairman (Mr Wells): Someone obviously has it in for the Alliance Party.

Mr Ford: It sounds as though that someone is on your right, Chairman.

Mr Poots: I am defending the Alliance Party. I am trying to help it.

Mr Ford: Why are you defending us, Edwin?

The Chairman (Mr Wells): The response can be edited to ensure that there is no slight to the Alliance Party.

Mr Ford: I am totally certain that no slight was intended by the staff who drafted it.

The Chairman (Mr Wells): Paragraph 44 sets out the DUP's proposal and the vote taken on that.

Mr Kennedy: Paragraph 44 reflects the outcome of that vote.

The Chairman (Mr Wells): Is the SDLP happy with paragraph 45?

Dr Farren: That is OK.

The Chairman (Mr Wells): Right, we are almost halfway through now.

Paragraph 9 of the St Andrews Agreement concerns the appointment of Ministers in the Executive, and we start with the Alliance Party's position on that, as detailed in paragraph 46 of the draft response.

Mr Ford: The final part of the sentence should simply read:

"handed over to party Nominating Officers."

"Nominating Officers" should be given a capital "N" and a capital "O" as it is a technical phrase taken from the Political Parties, Elections and Referendums Act 2000 (PPRA).

The Chairman (Mr Wells): Paragraph 47 sets out Sinn Féin's position.

Mr O'Dowd: Sinn Féin is content with that.

The Chairman (Mr Wells): Paragraph 48 details the DUP's position.

Mr P Robinson: The DUP is not content with that.

The Chairman (Mr Wells): May we have your amendments?

Mr P Robinson: I do not like the use of the word "thing" in the first sentence. I prefer:

"The DUP stated that it did not believe that a mandatory system was best for Northern Ireland".

At the end of the first sentence, after "the only system", I want an explanation added:

"for which agreement could be obtained at this time".

There are systems that could proceed if there was agreement on them.

Mr Kennedy: What is the DUP's suggested amendment?

Mr P Robinson: I just want paragraph 48 to be very clear. Before the sentence that begins:

"It could not be said",

paragraph 48 should read:

“A mandatory system was the only system for which agreement could be gained at this time.”

The Chairman (Mr Wells): Are you happy with the rest of paragraph 48?

Mr P Robinson: Chairman, without being read in conjunction with Hansard, I doubt whether people will understand it, but I do.

The Chairman (Mr Wells): I am slightly worried that members are trying to read our draft response to the Secretary of State, Hansard, and the St Andrews Agreement at the same time.

Mr P Robinson: It would be nice if I had Hansard.

The Chairman (Mr Wells): That is not completely fair.

Something major might slip through that could be contrary to what one of the parties had agreed. That might happen simply by default. That would not be the Committee staff’s fault but that of the system under which we are working.

We have Hansard for Wednesday 25 October.

Mr Kennedy: The first edition is available.

The Chairman (Mr Wells): Are all other members content that they have been able to follow the three documents in front of them?

We are making good progress, but I have no objection if — that clock cannot be right. We are making slow progress. Is that clock correct? It is 3.45 pm. We have been at this a lot longer than I had thought.

Mr Poots: Time flies when you are enjoying yourself, Chairman.

The Chairman (Mr Wells): I am conscious of the fact that, when we have finished going through our draft response to the Secretary of State, members might want to take some time to reflect and have a look at some of the complicated issues, because we will not have another chance to go through the document.

Mr P Robinson: May I suggest a reworking of the wording of paragraph 48?

The Chairman (Mr Wells): OK.

Mr P Robinson: We would like paragraph 48 to read:

“The DUP stated that it did not believe that a mandatory system was best for Northern Ireland but that it appeared to be the only system for which agreement could be obtained at this time. Others could not insist on a mandatory system and then require a voluntary mechanism for the election of First Minister and Deputy First Minister.”

The sentence beginning:

“The DUP also drew attention”,

should be a new paragraph, because that is an entirely different issue. It does not make sense where it is at present, unless a sentence is added that says:

“It would be necessary for nominations to come from the largest parties in each designation who were not disqualified by exclusion.”

3.45 pm

The Chairman (Mr Wells): Those are quite major changes to paragraph 48. The DUP feels that that more accurately reflects what it said at the time. Are members content to accept those changes and move on?

Mr Ford: Chairman, could Peter read the second section again, where he split the paragraph?

Mr P Robinson: I am leaving what remains there as it is, but adding — I cannot remember the words that I used.

The Committee Clerk: You said that you wished to add:

“It would be necessary for nominations to come from the largest parties in each designation who were not disqualified by exclusion.”

The Chairman (Mr Wells): That is paragraph 48. Seán and Alban, paragraph 49 is yours.

Dr Farren: That is fine.

The Chairman (Mr Wells): Paragraph 50 is the Ulster Unionist Party’s view.

Mr Kennedy: That reflects our view, except where it says:

“the proposed move away from the endorsement by the Assembly”.

There will not be a vote in the Chamber. That is what we were concerned about.

Mr P Robinson: About your having no vote in the Chamber?

Mr Kennedy: Yes. The paragraph would be more accurate if it read:

“by virtue of having no vote in the Chamber.”

The Chairman (Mr Wells): OK. Paragraph 51 is a series of proposals made by David Ford. They have been lifted from the minutes, David, but it is very much your paragraph.

Mr Ford: Others may wish to comment on how their thoughts are recorded but, as far as I can see, the three proposals are accurately recorded.

The Chairman (Mr Wells): OK. Paragraph 52 is taken from the minutes and is a standard wording.

Paragraph 53 deals with the functions of the Office of the First Minister and the Deputy First Minister,

which relates to paragraph 10 of annex A to the St Andrews Agreement. We will go back to David again.

Mr Ford: That is fair enough.

The Chairman (Mr Wells): Paragraph 54 — DUP?

Mr P Robinson: That is fine.

The Chairman (Mr Wells): Did the Alliance Party not vote for the proposal referred to in paragraph 55?

The Committee Clerk: Yes.

Mr Kennedy: What happened to the Alliance Party?

The Chairman (Mr Wells): I think that it was implicit that the Alliance Party was happy. In fact, we reached consensus on that point. The reason that I questioned that point with the Committee Clerk was that it did not actually appear that way.

Mr Ford: The discussion on paragraph 10 of annex A began with my questioning a matter about the mechanisms, but when the vote was recorded, we all agreed.

The Chairman (Mr Wells): There were a few consensuses. Paragraph 56 is another consensus.

Paragraph 11 of annex A to the St Andrews Agreement deals with the Committee of the Centre. There was agreement on that paragraph.

Mr Poots: It was a very agreeable Committee, Mr Chairman.

The Chairman (Mr Wells): That is one of the few issues on which we agreed. We changed something and we all agreed on it.

Mr Kennedy: Including the former Chairman of the Committee of the Centre.

The Chairman (Mr Wells): A Standing institutional review Committee — a snappy title — is proposed in paragraph 12 of annex A to the St Andrews Agreement. Paragraph 58 of our draft response records the Alliance Party's view.

Mr Ford: I wonder, Mr Chairman, if it would be more accurate if the final sentence were to read:

“The party was concerned that this proposal appeared to replace this review”.

I remember saying that this was ambiguous, which was followed by the Sinn Féin comments on the two mechanisms and the interplay.

The Chairman (Mr Wells): Now we move on to paragraph 59 and Sinn Féin.

Mr O'Dowd: I am just checking the voting. Paragraph 59 is a fair reflection of the Hansard report.

The Chairman (Mr Wells): Then we move on to paragraph 60 and the SDLP.

Dr Farren: That is OK.

The Chairman (Mr Wells): Paragraph 61 is for the DUP.

Mr P Robinson: The first two sentences are unnecessary. The paragraph should start with the words:

“The party was content with the proposal, with the addendum that ...”

The Chairman (Mr Wells): Are you saying: “The DUP was content”, because we referred to you earlier as the DUP?

Mr P Robinson: Yes. We should remove the first two sentences.

The Chairman (Mr Wells): Paragraph 62 is for the UUP.

Mr Kennedy: Replace the word “perhaps” with “potentially”.

The Chairman (Mr Wells): Paragraph 63 is a simple record.

Paragraph 64 is for the DUP, and is a reflection of the minutes. Let us check that the party is happy with that.

Dr Farren: The paragraph could be amplified to reflect that, when we spoke on the issue, the SDLP was not saying that the institutional review Committee should not consider those things. The point I made at the time was that this Committee should not be dictating what the institutional review Committee should or should not be considering. If issues along the lines set out in paragraph 64 were brought to that Committee, obviously it would consider them. However, I recall making the point that this Committee should not be determining the agenda for other Committees.

I would not want it understood that the SDLP objected to the institutional review Committee considering such matters; rather, we object to the attempt to make the Assembly responsible for determining the agendas for Committees. The institutional review Committee could consider whatever issues are brought to its attention, including this issue. In case anyone thinks that the SDLP is opposed to discussing such matters, that is not so. I do not have wording.

Mr P Robinson: Do you want a sentence or paragraph added to the effect that the SDLP did not object to the institutional review Committee considering these matters, but felt it unnecessary to have it in legislation that it should do so?

Dr Farren: Yes. Thank you very much. *[Laughter.]*

Mr P Robinson: And Sinn Féin agreed with that. *[Laughter.]*

Dr Farren: A small fee is payable for such a pleasure.

The Chairman (Mr Wells): An SDLP policy has been drafted by the hon Member for East Belfast.

Mr Kennedy: You do not write manifestos as well, do you?

The Chairman (Mr Wells): Are members happy with that co-operation to amend paragraph 64?

Members indicated assent.

The Chairman (Mr Wells): We move on to the heading “Efficiency Review Panel”, which is dealt with in paragraph 13 of annex A of the St Andrews Agreement. The opening comment is from Sinn Féin.

Mr O’Dowd: That is a fair enough reflection of the Hansard report.

The Chairman (Mr Wells): The DUP believes that the proposal is sensible.

Mr P Robinson: Yes.

The Chairman (Mr Wells): The UUP is supportive of the proposal.

Mr Kennedy: OK.

The Chairman (Mr Wells): Finally, the Alliance Party and the SDLP both support the proposal in principle, but wish to see more detail. That deals with paragraph 68.

We shall move on to the repeal of the Northern Ireland Act 2000, which is referred to in paragraph 14 of annex A of the St Andrews Agreement. Paragraph 69 of the draft report outlines the UUP’s position.

Mr Kennedy: Yes, I agree with paragraph 69.

The Chairman (Mr Wells): Paragraph 70 of the draft report shows that Sinn Féin would like the Act to be repealed “sooner rather than on restoration”.

Mr O’Dowd: That is a fair reflection.

The Chairman (Mr Wells): Paragraph 71 states that the Alliance Party and the SDLP support the proposal.

Paragraph 72 outlines the DUP’s position.

Mr P Robinson: Yes, that is OK.

The Chairman (Mr Wells): Paragraph 73 is straightforward.

We shall move on to the “Community Designation” section of the annex. From recollection, the Alliance Party dominated these discussions.

Mr Ford: No, the other parties, discussing the Alliance Party, dominated the discussions.

The Chairman (Mr Wells): The Alliance Party’s stance is recorded in paragraph 74 of our draft response.

Mr Ford: I am content with the way in which my party’s views have been recorded.

The Chairman (Mr Wells): Paragraph 75 shows Sinn Féin’s position.

Mr O’Dowd: I am checking the accuracy of paragraph 75 against the minutes.

The Chairman (Mr Wells): It is worth noting that if members are having trouble finding particular items in the documents, the Committee Clerk has a photographic memory of all the pages.

The Committee Clerk: I think that Mr O’Dowd is looking for page 58.

Mr O’Dowd: Paragraph 75 is OK.

The Chairman (Mr Wells): Paragraph 71 shows that the Alliance Party and the SDLP support the proposal. Paragraph 72 states the DUP’s position.

Dr Farren: Where are we?

The Chairman (Mr Wells): I am sorry: I meant to move on to paragraph 76 of the draft response, which shows the UUP’s position on community designation.

Mr Kennedy: Paragraph 76 reflects our view.

The Chairman (Mr Wells): Paragraph 77 outlines the DUP’s position.

Mr P Robinson: Which paragraph are we on?

The Chairman (Mr Wells): Paragraph 77 of the draft response.

Mr P Robinson: Yes, I agree with paragraph 77.

The Chairman (Mr Wells): David, are you content with paragraph 78?

Mr Ford: The wording is accurate.

The Chairman (Mr Wells): It was lifted from the minutes. Paragraph 79 was also lifted from the minutes.

We shall move on to strand two and strand three issues, which are dealt with in paragraphs 80 to 98 of our draft response; that is something that might encourage members. Paragraph 19 of annex A to the St Andrews Agreement addresses the future of the North/South implementation bodies. Sinn Féin’s position is outlined in paragraph 80 of the draft response.

Mr O’Dowd: That is a fair reflection of our view.

Mr P Robinson: Paragraph 81 is OK.

4.00 pm

The Chairman (Mr Wells): Paragraph 82 is from the UUP.

Mr Kennedy: Yes.

The Chairman (Mr Wells): Paragraph 83 is from the Alliance Party and the SDLP.

Mr Ford: That is OK.

The Chairman (Mr Wells): Paragraph 84 is from myself.

The next heading is “Assembly/Oireachtas scrutiny of implementation bodies”, and the proposal was agreed.

A “North-South Parliamentary Forum”, is mentioned in paragraph 21 of annex A to the St Andrews Agreement. Paragraph 68 of the Committee’s response contains Sinn Féin’s position.

Mr O’Dowd: That is a fair reflection.

The Chairman (Mr Wells): Paragraph 87 is from the DUP.

Mr P Robinson: The words “encourage the Assembly to establish” should be replaced with “consider whether the Assembly should establish”. Until the Assembly is set up, one cannot say what it will do.

It is also worth pointing out to Seán that elsewhere, and without SDLP objections, we seem to be prepared to set agendas for various people.

The Chairman (Mr Wells): Let us move to paragraph 88: “The Alliance Party and the SDLP both supported the proposal”, which, from memory, I am pretty certain they did. What about the UUP?

Mr Kennedy: We are content.

The Chairman (Mr Wells): Paragraph 90 is factual.

The next heading is “Independent Consultative Forum”, which is covered by paragraph 22 of annex A to the St Andrews Agreement. Sinn Féin and the SDLP supported the proposal. The Alliance Party’s position is covered by paragraph 92 of the Committee’s response.

Mr Ford: That is fine.

The Chairman (Mr Wells): I remember clearly that the UUP and the DUP opposed the proposal. Paragraph 94 is factual.

The next heading is “Secretariat of British-Irish Council”, which is covered by paragraph 23 of annex A to the St Andrews Agreement. We are creating a great number of jobs. I remember that there was no consensus on this proposal, and Sinn Féin abstained. Again, the record has been taken from the minutes. Is everyone happy with that?

Members indicated assent.

The Chairman (Mr Wells): The next heading is “East-West Inter-parliamentary Framework”, which refers to paragraph 24 of annex A to the St Andrews Agreement. That is led by the UUP.

Mr Kennedy: That seems to be all right.

Dr Farren: Paragraph 97 of the draft response contains the words “embrace everyone”, which is probably going a little bit too far. I do not have an exact phrase in my head, but the reference should be to the appropriate assemblies and Parliaments — or whatever they have on the Isle of Man and the Channel Islands.

The Chairman (Mr Wells): Including Jersey and Sark — we have interesting visits ahead.

Dr Farren: “Everyone” is a handy little word, and I am all for embracing everyone.

The Chairman (Mr Wells): Could we insert the words “assemblies and legislatures on the two islands”?

Mr Poots: Or, “as appropriate in the British Isles”.

Dr Farren: Yes.

Mr Ford: There are more than two islands involved, Mr Chairman.

Dr Farren: Well.

Mr Ford: What about, “on these islands”?

Mr Poots: Is “British Isles” not the official title for these islands on the map, Mr Chairman?

The Chairman (Mr Wells): Is there any support for the term “British Isles”? I threw that in to cause a bit of disruption.

Mr Ford: You were doing quite well until then, Chairman.

The Chairman (Mr Wells): We will insert the words “these islands”.

Paragraph 98 is factual.

The next heading is “Other Institutional issues considered by the Committee that are not in Annex A of the St Andrews Agreement”. The Committee had a catch-all proposal, as there were issues such as the Executive’s power to call for persons and papers. There was consensus on the proposal, and members will see it in paragraph 99 of the Committee’s response. It went through smoothly; I chaired that meeting.

Mr O’Dowd: Mr Chairman, to refresh my memory, does paragraph 99 refer to the North/South bodies?

Mr P Robinson: No.

The Committee Clerk: Annex A dealt with all the institutions; paragraphs 1 to 5 dealt with the ministerial code, and paragraphs 16 to 18 dealt with North/South Ministerial Council issues in relation to the ministerial code. The remaining paragraphs concerned the North/South Ministerial Council and other institutional issues. After the Committee had considered those, it was asked whether the Executive should have the power, which they do not currently have, to call for papers and witnesses.

The Chairman (Mr Wells): Mr Murphy was fairly relaxed about that.

Mr O’Dowd: It is all right; my memory has been refreshed.

The Chairman (Mr Wells): We will move on to sanctions. There was a significant debate on this at the last meeting. There was not complete agreement, and

Peter Robinson's concerns are outlined in paragraph 100. It is important to establish whether the DUP feels that that paragraph is an accurate representation of what was said.

Mr Poots: I have not been elevated to make that decision.

The Chairman (Mr Wells): Is Mr Robinson coming back?

Mr Poots: No.

The Chairman (Mr Wells): The paragraph has been lifted from Hansard, so it should be reasonably accurate.

Mr Poots: We are happy with it.

Mr Kennedy: The Chairman does not appear to be convinced.

The Chairman (Mr Wells): No, there is quite a lot to that paragraph; there is much to absorb and reflect upon. There was a very back-and-forth discussion on this issue.

Mr Poots: I will take any risks associated with this, Mr Chairman.

The Chairman (Mr Wells): Thank you. Sinn Féin's response is detailed in paragraph 101.

Mr O'Dowd: The second sentence is very difficult to read. Is it lifted straight out of the Hansard report?

The Committee Clerk: Yes, it taken from page 62 of the first edition of the Hansard report.

Mr Poots: It is not like Sinn Féin to use ambiguous language, Chairman.

The Chairman (Mr Wells): Do you want to rephrase it?

Mr Ford: On what pages in Hansard can that be found?

The Committee Clerk: The relevant section is from around page 60 onwards of the first edition of the Hansard report. The Alliance Party section is on page 63.

Mr O'Dowd: From a quick read of it, paragraph 101 is not completely lifted from Hansard. Hansard reads better and more clearly than paragraph 101, which states:

"It was of the view that a party had the option of walking out if it no longer wanted to serve."

I think that there are a few typos in that sentence. Am I right?

Ms Ruane: That is reflected in three sentences in Hansard.

Mr Kennedy: Is that on page 62 of Hansard?

The Committee Clerk: Yes.

The Chairman (Mr Wells): As we did with the SDLP, could somebody from Sinn Féin clear that tomorrow to ensure that the party is happy with the wording? Paragraph 102 outlines Seán and Alban's views. Alban, you have been very quiet.

Mr A Maginness: Yes.

Mr Poots: Keep going, Chairman, we are nearly there.

The Chairman (Mr Wells): Seán, do you have any views on paragraph 102?

Dr Farren: To a certain extent, I suppose that I am caught by my own words. I am trying to find my precise contribution in Hansard.

The Chairman (Mr Wells): It is on pages 62 and 63 of the first edition of the Hansard report.

Dr Farren: I certainly acknowledge that there was an issue to be addressed. In the same contribution, I said that I was unhappy with the current situation. It would be sufficient to put a full stop after "addressed" and leave out the rest of the paragraph.

Paragraph 102 is not completely inaccurate. After the words:

"recognised that there was an issue to be addressed"

it would be more accurate to insert:

"the party was unsure what other forms".

Would that be OK?

The Chairman (Mr Wells): Yes.

Paragraph 103 concerns issues that are of interest to the Alliance Party.

Mr Ford: I am content with paragraph 103.

The Chairman (Mr Wells): Paragraph 104 deals with UUP matters.

Mr Kennedy: Paragraph 104 reads in the draft a bit like the shorter catechism.

Mr Poots: We know what he is getting at, but we do not quite understand.

The Chairman (Mr Wells): Perhaps we should explain to members from the other side of the House what the shorter catechism is.

Mr Kennedy: I do not think that we have the time.
[Laughter.]

Mr Poots: We might have to explain that to the Chairman as well.

Mr McFarland: Perhaps it is a case of the slings and arrows of outrageous fortune.

Mr Kennedy: The final word of the first sentence on page 64 of the first edition of the Hansard report reads as "trialled". It reads as "trailed" in the draft

response; it might be best as “tested”. That phrase would therefore be:

“the IMC system had not yet been tested”.

Thereafter, paragraph 104 becomes very complicated. In fact, on page 64 of the Hansard report, Mr McFarland has outlined the case with more clarity than did those who deciphered what he said. That is not a criticism; we were near the end of the meeting. Perhaps that paragraph can be reworked on that basis.

The Committee Clerk: OK.

The Chairman (Mr Wells): Paragraph 105 concerns DUP issues.

Mr Poots: That paragraph is OK.

The Chairman (Mr Wells): Before we move on —

Ms Ruane: I would like to return to our discussion about the use of language.

The Chairman (Mr Wells): Are you referring to the use of the words “he” and “she”?

Ms Ruane: Yes. I would like that response to go to Mr Hain; therefore, we need a factual recording of the issue and the vote that was taken on it.

The Chairman (Mr Wells): Yes; I am surprised that the lady members of our staff missed that. We are content that we should encapsulate that discussion and the vote on it.

Getting through this afternoon’s work was a difficult procedure. I am concerned that, because of the way in which we conducted the meeting, in a couple of days’ time someone will say that something was added or missed or that someone had inadvertently signed up to all-Ireland unification or closer British links —
[*Interruption.*]

Mr Kennedy: Yes, we heard you say that.

Dr Farren: Or perhaps discussed how to contribute to the fund.

[*Laughter.*]

The Chairman (Mr Wells): Perhaps someone will say that they signed up to paragraph 16 of annex A of the St Andrews Agreement without knowing.

Are members content? I was conscious that you were reading the St Andrews Agreement, our response and the first edition of the Hansard report while trying hurriedly to come up with comments. That is not the best way in which to deal with such an important report. However, our difficulty is that it must be submitted to the Secretary of State tomorrow.

Mr Kennedy: I suggest that, if possible, the cleaned-up version of the response be made available to the parties in the morning so that they could check it for a copy deadline of 12.00 noon.

Mr Poots: Might it be emailed out with the amendments highlighted?

4.15 pm

The Chairman (Mr Wells): There is a slight technical issue; it is now 4.15 pm —

Mr Poots: The response must be ready for tomorrow anyway.

The Chairman (Mr Wells): Yes, but significant changes must be made to it as a result of the comments that were made this afternoon.

Mr McFarland: Could it perhaps be ready for 3.00 pm tomorrow?

Mr Kennedy: Yes. If we had the response by 12.00 noon, we could clear it by 3.00 pm or 4.00 pm. Is that reasonable?

Mr Poots: We are relatively comfortable with everything that has been discussed. Parties wanted clarification on three particular issues, but outside of that, we are comfortable.

The Chairman (Mr Wells): That was my next question: what if 3.00 pm comes and a party then says that the response is a travesty of what its members said?

Mr Poots: If they did not say it today, why should they come back tomorrow and say it?

The Chairman (Mr Wells): They could perhaps say that, because, in my opinion that was not a good way to prepare a report. However, if members are content, far be it from me to try to change their views. If we get to 3.00 pm tomorrow and a party is not happy with a section that refers specifically to it, it has a right to put its views accurately. However, it is slightly more difficult when it comes to issues that do not refer simply to one party.

Mr Kennedy: I cannot really see that any significant change of emphasis or agreement is possible after today.

The Chairman (Mr Wells): We will allow only factual changes now.

Who will receive the response on behalf of each party?

Mr Kennedy: Mr McFarland will take it for the Ulster Unionist Party.

The Chairman (Mr Wells): The other option is to have a meeting at 4.00 pm tomorrow and go through the final version. However, I suspect that members will not be happy with that.

Mr Kennedy: They will not be happy with having a meeting simply to discuss the summary.

Dr Farren: Is it possible to email the response to me, as I may not be present tomorrow? I will be able to

access it by email before lunchtime. If I am in the Building tomorrow, I will be able to read the copy that is left in my party's office.

The Chairman (Mr Wells): Is it best to leave one copy in each party office by noon tomorrow?

Mr Poots: That could be done.

Mr McFarland: Or they could be left in members' pigeonholes.

Mr Poots: No — party offices, please.

The Chairman (Mr Wells): Copies should be left in party offices by 12.00 noon: that is a tall order.

Mr O'Dowd: Are you seeking clarification by 3.00 pm tomorrow?

The Chairman (Mr Wells): Yes.

Mr Poots: If amendments are highlighted, members can respond quicker.

The Chairman (Mr Wells): There are one or two other matters to sort out. Should each Assembly Member receive a copy of the Committee's response once we have approved the document? That would be equivalent to making a decision on publishing the document — and we have had difficulties with that before. Are members content for the response to be published?

Mr McFarland: This is the new dawn in the wake of the St Andrews Agreement — Sinn Féin will not object to the report being published.

Mr O'Dowd: As I clarified at the start of the meeting, this is not a report.

Mr Poots: It would be inappropriate for Assembly Members not to know their party's views on the issues.

Mr Kennedy: Does the Committee request that the Secretary of State initiates an Assembly debate on the contents of the response?

Mr Ford: Danny, you were winning: quit while you are ahead.

The Chairman (Mr Wells): We were going well, Danny.

Mr Kennedy: There is a fox in the hen house, Chairman.

The Chairman (Mr Wells): We are supposed to back them, Danny. Let us move on to the next one. A plenary debate would be a matter for the Business Committee to decide. We meet every Tuesday for lunch: that is about all we do.

Mr Kennedy: I am told that they are very good lunches.

The Chairman (Mr Wells): It will be up to the Business Committee to decide whether the matter will

be debated in the Assembly, and for the Secretary of State to agree to that.

Are members content that the response be printed and a copy sent to every Member?

Members indicated assent.

Dr Farren: Is it intended that the legislation is to be presented on 20 November?

The Chairman (Mr Wells): Yes: that is why we must deliver our response by tomorrow.

Dr Farren: Yes, of course. The debate will probably take place the following week or the week after that.

The Chairman (Mr Wells): We have agreed on the first matter.

Dr Farren: It is too late to have a row.

The Chairman (Mr Wells): Can we agree to publish the response on the Assembly's website, so that the public and the press can have access to the document?

Members indicated assent.

Mr Poots: There is no doubt that the press will be able to access it anyway as it is being sent to 108 MLAs. You might as well be upfront about that.

The Chairman (Mr Wells): I am sure that Assembly Members would not behave like that.

Dr Farren: You are one of them, Mr Poots.

Mr Poots: Perhaps, but I would not be the one who would send it to the press.

Mr Kennedy: Let us see how many hits there are on the website.

The Chairman (Mr Wells): The next issue is the suggestion that the Committee issues a press release. The press hangs on every word of wisdom that comes from the Committee. A press release has been drafted. It has the snappy headline: "Committee agrees response to Annex A of the agreement at St Andrews".

Mr Kennedy: It was a somewhat agreed response.

Mr Ford: Could we stop after the word, "agrees", Chair?

Mr Poots: Should it not say: "Committee fails to disagree"?

The Chairman (Mr Wells): Before we get into the nitty-gritty, do we have copies of the draft press release?

The Committee Clerk: Yes.

Mr McFarland: The headline is ambitious, given the content of the response. Should it not read:

"Committee discusses response to Annex A"?

Mr O'Dowd: I do not agree with using the word "response".

Mr Kennedy: Perhaps it should read:

“Committee responds to Annex A”.

That title better reflects the content of the press release.

The Chairman (Mr Wells): When members have had a quick look at the draft press release, we can decide whether we wish to issue one. If we do not, we need not get into the argument about its content.

Mr O’Dowd: We see no need for the Committee to issue a press release.

The Chairman (Mr Wells): I think that the Ulster Unionists would be of the same view. What is the SDLP’s view?

Dr Farren: We have no problem with it.

The Chairman (Mr Wells): Is the Alliance Party relaxed?

Mr Ford: We have no problem with issuing it.

The Chairman (Mr Wells): What is the DUP’s view?

Mr Poots: The press should be informed that we have concluded this piece of work. That should be done in the form of a press release, and we should be agreeing its content.

The Chairman (Mr Wells): The votes show that a majority is in favour of issuing a press release.

Mr O’Dowd: No. We require consensus.

Mr McFarland: If we issue a press release to journalists this afternoon, when the response to the Secretary of State is not on the website, there will be all sorts of trouble. The response will probably not be on the website for a couple of days, because it will not be with the Secretary of State until tomorrow. It presumably takes a while to put documents on the website. There is no point in issuing a press release to the media today, and getting them excited on the six o’clock news, when there is no response for them to see.

Mr Poots: It cannot go out today anyway.

The Chairman (Mr Wells): It will have to be held back until the response is available on the website.

Mr Kennedy: The press release could be embargoed until 1 November, which is All Saints’ Day.

Mr O’Dowd: We do not have consensus on the issuing of a press release.

Mr Poots: Consensus is not required.

Mr O’Dowd: It is required.

The Chairman (Mr Wells): We must have consensus on this matter, because it concerns the Committee’s overall way of working rather than its response to the

Secretary of State. It looks as if there will not be a press release.

Mr Kennedy: The proposal falls.

The Chairman (Mr Wells): Finally, as we have agreed, the next meeting will be on Wednesday 15 November at 10.00 am. Mr Molloy will be in the Chair on that day. It could well be our last ever meeting.

Dr Farren: You can open your cabinet on that day, Chairman.

Adjourned at 4.22 pm.

COMMITTEE ON THE PREPARATION FOR GOVERNMENT

Wednesday 15 November 2006

Member in attendance for all or part of proceedings:

The Chairman, Mr Jim Wells
Mr Alex Easton
Dr Seán Farren
Mr Danny Kennedy
Mr Alan McFarland
Mr David McNarry
Mr Sean Neeson
Mr John O'Dowd
Ms Caitríona Ruane

The Committee met at 10.26 am.

(The Chairman (Mr Wells) in the Chair.)

The Chairman (Mr Wells): I thank Alex Easton, whose attendance has enabled this meeting of the Committee on the Preparation for Government to get off the ground.

As usual, I remind members to switch off their mobile phones. Do we have any apologies? I am sure that this will be interesting. I will start with the Ulster Unionist Party, which should be easy.

Mr McFarland: We are OK.

The Chairman (Mr Wells): The Ulster Unionists are all present and correct.

Mr Easton is representing either Peter Robinson or Ian Paisley Jnr.

Mr Kennedy: Steady on.

The Chairman (Mr Wells): Mr Easton can be Ian Paisley Jnr for the day.

David Ford has said that representatives from the Alliance Party cannot be here until 11.00 am, but he is happy for us to proceed without them. He was on the Subgroup on the Economic Challenges facing Northern Ireland, which produced the report.

Seán Farren is representing himself, obviously. Do you have apologies from anyone, Dr Farren?

Dr Farren: I am not sure which of the other two to apologise for. I will apologise for Alasdair McDonnell. I had better keep in with the party leader, so, when Patricia Lewsley arrives, she will represent Mark Durkan.

The Chairman (Mr Wells): What about the Sinn Féin delegation?

Mr O'Dowd: I am here on behalf of Conor Murphy.

Ms Ruane: I am here on behalf of either Martin McGuinness or Michelle Gildernew.

The Chairman (Mr Wells): Will there be only the two of you attending?

Mr O'Dowd: Yes.

The Chairman (Mr Wells): I move to the minutes of the Committee's meeting of 30 October 2006 — members will find copies in their packs. I do not know whether members have had a chance to look at them, and I do not know what will happen with the minutes of today's meeting. However, do members have any issues to raise or corrections to make? Quite a few folk who were at that meeting are present today. Are members content with the minutes?

Members indicated assent.

The Chairman (Mr Wells): Dr Farren will be glad to know that the united Ireland benevolent fund is still safe from my donation. We wrote to the Secretary of State to request copies of the additional papers that were circulated to parties during or since the St Andrews discussions. Surprise, surprise, we did not receive any response, so my £50 is as safe as houses. I do not think that we will receive anything at this late stage, and I will be shocked if we do.

Dr Farren: I trust that I can hold you to the bet when the time comes, Chairman.

The Chairman (Mr Wells): Yes. You can ring me at Ballynahinch social security office. I am sure that you will get me there, standing in line. *[Laughter.]*

10.30 am

We also wrote a letter to the Secretary of State requesting details of the financial package that the Secretary of State and the Treasury agreed in 2005. No further details are available. I shall read from Peter Hain's short letter:

"You wrote to Simon Marsh on 6 November seeking details of the 'financial package agreed in 2005 between the Secretary of State and HM Treasury'. Work was ongoing with the Treasury in late 2004 on such a package to support the restoration of devolution. However, nothing was ultimately finalised due to the breakdown in talks in December.

As such, I regret that I cannot provide any further information."

We can assume that that is as far as the issue will be taken.

The main reason that we are here today —

Mr McNarry: On a point of information, Chairman, who is Mrs Pritchard?

The Chairman (Mr Wells): Debbie is Mrs Pritchard.

Mr McNarry: She is not the amazing Mrs Pritchard then?

The Committee Clerk: Absolutely, yes.

[Laughter.]

Mr McNarry: I was a little worried.

Mr Kennedy: Your private life is no concern of ours.

The Chairman (Mr Wells): One never knows. Having guided the Committee through many tortuous mornings, one never knows.

Mr McNarry: I believe that your party will be looking for more candidates than mine, all the same.

The Chairman (Mr Wells): Perhaps we have become so familiar with Committee staff by calling them by their Christian names that their surnames have been forgotten.

The main reason that the Committee has met today is to deal with business that has been referred by the economic challenges subgroup. I chaired both of the relevant meetings of the subgroup. I expect that there will be some overlap in discussions. David McNarry and David Ford attended those meetings, and I believe that Seán Farren was involved at some stages.

The Committee must, therefore, consider the subgroup's report. As usual, we must exclude Hansard from the next part of the meeting. Hansard is not expected to record the part of the meeting during which we examine and ratify the report. The tape will record our discussions for the benefit of the Committee Clerks.

Are Members content that Hansard be excluded at this stage?

Members indicated assent.

The Committee met in private session from 10.31 am to 10.47 am.

On resuming —

10.47 am

The Chairman (Mr Wells): The subgroup feels that there are important issues to be dealt with, and it would like to continue developing alternative proposals in response to the Chancellor's economic package outlined at the meeting of the parties on 1 November. As you can see from the press reports, there is a certain doubt about just how generous that economic package is, and, as it is alleged that there is £54 billion involved, the subgroup would like to explore that in considerable detail. We have to go ahead on the basis that the subgroup will still be in existence. It may not be. It can only be in existence until 24 November. It is highly unlikely that it could turn anything around by 24 November, or even 23 November, when we actually wind up. It might be worth discussing whether, if such a subgroup exists, it would be worth going ahead and continuing that work. The subgroup itself has no plans to meet between now and 23 November, but we agreed unanimously that we ask for permission to do that and for permission to continue the employment of its expert advisers. That is even more complicated, and we have to give the subgroup the authority to do anything.

The Committee Clerk: Just to be absolutely clear, the subgroup has offered to do more work on an economic package, if the Preparation for Government Committee and circumstances permit. If that were to be agreed, there would clearly be a need to retain the services of the economic advisers. The question now is whether it is appropriate for the subgroup to continue to provide input in response to the Chancellor's package — to analyse it and to provide an agreed all-party alternative.

Mr McFarland: My sense is that the issue of the economic package will go into the party-leader mix. We are getting down — as we always do — to the eleventh hour when the serious business will or will not be done. The subgroup may well provide an alternative forum for discussing details. The question is how much it will cost to keep on the advisers. David might have a view on that.

Mr McNarry: The advisers will be needed only if it is appropriate; they may not be required. It would be up to the subgroup — if it were to continue with its work — to judge when they would be required and for what reason. Also, the two advisers may not be available when we need them, so we would need to know that there was back-up and that matters would be dealt with. If that were "in the bag", so to speak, we would not need to come back and ask permission.

Generally, the subgroup is anxious to continue, particularly on the back of the Chancellor's package. There is consensus that the subgroup ought to prepare a counter-proposal, because the Chancellor's package

amounts to nothing. After all the work the subgroup has done to produce the reports, which were endorsed by this Committee, we receive this outrageous letter from the Secretary of State with reference to the first report. I do not think that he read the report; if he had, he could not have replied in such a manner.

This is the Secretary of State's Committee, but, as I said before, when we requested that Ministers should attend to give evidence, he took every opportunity to spurn this Committee and the subgroup. We wanted to get Maria Eagle to come here; look at the letter we received from her. She asked us to write to her officials and tell them what we wanted her to respond to but said that in the meantime she would not be coming anywhere near us. That is damnable stuff. The idea is that we will get her — if we continue our work — not only as Minister of Enterprise, Trade and Investment but also as Minister of Education. Education needs are high on our agenda, and those needs have been addressed in the report's recommendations and its executive summary.

Coming back to the counter-proposal, it appears to those of us on the subgroup that without interfering in the party political process we have so far managed to produce everything with consensus. It also appears to the members of the subgroup that with regard to the economic needs of Northern Ireland, the argument is enhanced if it is presented unanimously, by all parties. That is what we have had to do in the subgroup, rather than have one party asking for this and another asking for that, resulting in a Dutch auction.

There is an opportunity here for consensus to develop on what is real. That is why we are recommending a counter-proposal.

All the reports contain proposals, and, apart from that for corporation tax, the Chancellor has not addressed any. Of course, with the corporation tax proposal, he virtually told us to go and chase ourselves. We would like to come back to those proposals.

On page three —

Excuse me. May I have a glass of water?

The Chairman (Mr Wells): There could be a by-election coming soon. *[Laughter.]*

Mr Kennedy: There are no by-elections.

Mr McNarry: Mr Kennedy would not even attend the funeral, never mind a by-election.

Mr Kennedy: It would be a lesson in how to knock on doors. *[Laughter.]*

Mr McNarry: Paragraph 3(d) of the minutes of the previous meeting indicates that the subgroup has been given permission to commission some independent study on water reform legislation. Therefore, issues remain that must be chased up.

Another hot potato is whether there will be a Preparation for Government Committee to which the subgroup can report. What is happening with the Programme for Government Committee? Could a future Programme for Government Committee supersede the Preparation for Government Committee? If so, would the economic challenges subgroup seek direction from that Programme for Government Committee? My essential point — and I speak with the consensus of the subgroup — is that there is still work to do, particularly on the economic package.

I was sorry to hear about the leak to the 'Belfast Telegraph'. Earlier, the Committee offered its congratulations to the officials who have been involved with the subgroup and the Preparation for Government Committee. We also thanked you, Chairman, and your Co-Chairman. Your work, and that of the officials, was important. A lot of people have worked hard over the summer and up until now. However, what has that work been for? If it has been to provide Peter Hain with a report that he can stick on a shelf somewhere to gather dust — maybe in Wales, rather than Northern Ireland — that is bad business, particularly for our economy.

The consensus is clear: there is further work to be done. Therefore, in principle, can the Committee agree to that work continuing? If another Committee supersedes the Preparation for Government Committee, we should recommend that the work continues in the new Committee.

The Chairman (Mr Wells): Seán has indicated that he wants to speak. I will allow every member the opportunity to speak, but Seán has, perhaps, been this Committee's most dedicated member —

Mr McNarry: Oh no he has not.

Mr Kennedy: Do not be starting a row.

The Chairman (Mr Wells): I do not know whether his good works will get him — or any of us — into heaven.

The Committee Clerk has given me a short note. Before Seán and other members contribute, I want to clarify that the existing Assembly will fold on 23 November. No development will stop that happening — it is inevitable. What happens after that is a different issue.

The Standing Orders that control this Assembly will also fall, and the existing Committee and subgroup will cease to operate. Therefore, we need to discuss the practical reality of what will happen between now and 23 November. If there is a new Assembly, we will have to take the following into account: the contents of the new Standing Orders; whether there will be a business Committee; and whether the Preparation for Government Committee will be reconvened. Those issues will, of course, depend on what the Secretary of State directs.

There is the possibility that this Committee and the economic subgroup could remain in place to provide advice to the Programme for Government Committee. Of course, the Programme for Government Committee has not even got off the ground, and I believe that it is unlikely to meet before 23 November.

Therefore, I concur with Mr McNarry's view that all that this Committee can do is agree, in principle, that the work of the subgroup should continue, if possible, under the terms of any new Assembly set up after 24 November. The benefit of that approach is that the Government would not have to go through the process of setting up a new Preparation for Government Committee and economic subgroup. Beyond that, I do not believe that there is any more that we can do.

Dr Farren: I assume that work remains to be done and that there will be opportunities for its completion, whatever context is determined.

From our side of the table, it seems that there is one glaring weakness in the financial package that has been put together so far. That weakness is that the Chancellor can point to the commitments that have already been made and the large amounts of money that have already been set aside for them — which, in effect, is what he did when he made his announcement. Significant capital investment commitments have already been budgeted for with respect to infrastructure and all of the other key issues that we have identified as requiring investment. If we seek a financial package that goes above and beyond that, we must be much more specific about what we want the additional funding for. There is a gap in our financial package with respect to that level of specificity.

It does not advance our case very far to simply say that we want additional investment in our infrastructure. Everyone knows that, and the comprehensive spending review will clearly provide for some investment. Indeed, an investment programme for the roads network has already been announced, and it will take us up to 2015. All of that is necessary. There has also been investment in R&D and skills, and so on — in fact, every Government Department has documents setting out its vision and investment intentions, particularly with respect to capital investment, over the next five to 10 years.

11.00 am

However, key requirements need to be fast-tracked — for example, the Belfast to Derry road. The planned completion of a modern road network between Toome and Derry in 2016 is so far into the future that it will not be much help in addressing the economic investment needs of the next five to seven years. We must identify a number of key investment areas that can be fast-tracked and which will therefore require additional funding. Otherwise, what answer do we have for the Chancellor when he points out that our

Ministers have already received provision for those investments in their budgets over the next three to five years? We would have to acknowledge that such provision has already been made. Therefore, a request for a financial package that provides additional investment can have no validity unless the purpose for which the extra money is required is clearly stated. Thus far, we have not yet made a persuasive or substantial case for releasing extra funds.

We must now move beyond the level of generality that was used to open the debate and be much more specific. That will require co-operation with Government Departments, particularly with officials in the Department of Finance and Personnel, so that we can identify the essential extras that can really make a difference. We must try to secure additional investment so that certain programmes can be fast-tracked, thus enabling them to be completed more quickly than was originally planned.

I want to also raise a more specific issue that has arisen out of the corporation tax argument. At the back of my mind, I always have the question that was posed this morning by Seamus McKee on the 'Good Morning Ulster' radio show.

The Chairman (Mr Wells): Seán, I am sorry to interrupt, but we are about to lose our quorum.

Dr Farren: Can I come back to this point?

The Chairman (Mr Wells): Sinn Féin wants to state its view, and that is quite right, but our difficulty is that we have to agree this motion, and if our quorum folds we will have to hang around to see if we can get somebody else.

Dr Farren: Do we not have to set terms of reference for any work that may be done?

The Chairman (Mr Wells): At the least, we need to get this out of the way in principle. If we do not, the rest of the agenda will fall. I am sorry to cut people off, but if we have to stop then no one will get to speak. The motion that we have is in line with what Mr McNarry said. It is: that the Committee agrees in principle that the work of the Subgroup on the Economic Challenges facing Northern Ireland should continue, if possible, under the terms of any Assembly set up after 24 November.

If someone wishes to speak against the motion then I must allow it, but the danger is that Mr Easton is about to leave and unless Ms Lewsley, or someone else, comes in, the meeting will close.

Mr Kennedy: The Alliance Party is due.

Mr McFarland: I have to go as well; I have a meeting at 11.30 am.

The Chairman (Mr Wells): Is there any opposition to the motion?

Ms Ruane: I understand our difficulties in relation to time, but if good work is happening, and the Committee has asked that the work should continue, then should it not continue? If researchers are working on a project that is then stopped, momentum will be lost, and throwing the matter into the future will cause difficulties. Is there some way to retain the researchers, and is there any possibility of adding a researcher from the South of Ireland? I know from having met groups such as the Ulster Farmers' Union that we need researchers who know how the South works.

Mr McNarry: That has been asked for and it can be done.

The Chairman (Mr Wells): Can the Committee Clerk advise on the issue of researchers?

The Committee Clerk: The advice that the Committee has been given is correct. November 23 is the break point, and the Committee has no authority beyond that date. The key person to advise on the package offered by the Chancellor is Victor Hewitt, who was with the Department of Finance and Personnel (DFP) and is now the director of the Economic Research Institute for Northern Ireland. He is available to meet all the parties together, but not individually, and he will be available for your meeting with the DFP officials this afternoon. Mr Hewitt has done some preparatory work and if you, as a collection of parties, want him to continue, irrespective of the subgroup, he is available and happy to do so. I would certainly commend him to you.

Mr McFarland: Before we lose our quorum, can the Committee agree on this?

The Chairman (Mr Wells): The Committee cannot make a decision on the economic advisers. That is a separate issue for the Clerk to get advice on from the Head of Procurement in the Assembly. If the Committee decides in principle that the work will continue, then the subgroup will have some authority to make approaches concerning its advisers. I hate rushing people, and it is not intentional, but the Committee has only two minutes to make a decision on this issue before the meeting folds. I propose that we hang around for half an hour to see if we can find Ms Lewsley.

Mr McFarland: I must leave at 11.10 am; I need to get somewhere else by 11.30 am.

The Chairman (Mr Wells): Well that is it. We have no prospect of anybody coming except Ms Lewsley.

Dr Farren: I do not know where she is.

The Chairman (Mr Wells): MLAs in this Building should jolly well be down here.

Ms Ruane: Sinn Féin will agree in principle that the subgroup should report to the Programme for Government Committee.

The Committee Clerk: At this stage we do not know whether there will be a Programme for Government meeting.

Mr O'Dowd: Sinn Féin is agreeing with the motion in principle.

Ms Ruane: We agree, but we are saying that the Programme for Government Committee is the correct place for it.

The Chairman (Mr Wells): You are agreeing with it, but you are not making it a condition that it has to go to the Programme for Government Committee?

Mr O'Dowd: No, we are not making an amendment.

The Chairman (Mr Wells): Can we reach agreement now?

Ms Ruane: The correct place for it is the Programme for Government Committee.

Members indicated assent.

The Chairman (Mr Wells): Folks, on the basis that we cannot get two other MLAs, which is an utter disgrace — and I wish to place that on the record — I am afraid that that is it. This may well be the last meeting of this Committee. Much good work has been done by the Preparation for Government Committee and the Subgroup on the Economic Challenges facing Northern Ireland, and I would like to thank the Committee staff and all the other support staff, including Hansard, the Clerks and Research Services, who have been extremely diligent. It has been a pleasure to chair this Committee. I have had to rap that glass only twice in four months to draw people to order.

Mr McNarry: One of those times was to me.

[Laughter.]

The Chairman (Mr Wells): Mr McNarry walked out of one meeting, complaining that he had not been given sufficient time in which to speak.

Mr McNarry: I have not been given a chance to speak since. *[Laughter.]*

The Chairman (Mr Wells): Perhaps Mr McNarry should check the Hansard report.

We had a long debate as to whether the Member for Fermanagh and South Tyrone is Ms, Mrs or Miss Gildernew. Those are the only issues over which we have fallen out. Chairing the meetings has been a pleasure. I do not know whether, in this form — *[Interruption.]* Is David Ford on his way?

The Committee Clerk: Alan McFarland has to leave. Mr Ford said that the earliest that he could be here is 11.15 am.

The Chairman (Mr Wells): Where is Ms Lewsley?

Dr Farren: Do we have a quorum?

The Chairman (Mr Wells): Can someone find out where Ms Lewsley is?

Dr Farren: A phone call has been made.

Mr McNarry: Can we adjourn for 15 minutes?

Mr Kennedy: Have we not settled most of the business? We have gone as far as we can.

The Chairman (Mr Wells): We were to consider the Secretary of State's response to the Committee's first report, but we will not have the chance to do that.

Mr McNarry: There is no need to do that; there was no response.

Mr Kennedy: We were enjoying your valedictory speech.

The Chairman (Mr Wells): Thank you all for that. It has been a pleasure to work with you. The Committee has been most constructive, and, perhaps, it will be a model for future Assemblies. However, the last time we said that, it was 12 years before the Assembly returned.

Mr Kennedy: Does that mean that the Chairman is having the last word? *[Laughter.]*

The Chairman (Mr Wells): Absolutely. I will be the last person to speak on the last day, which ensures —

Mr Kennedy: We are doomed.

The Chairman (Mr Wells): As you said, Danny, we are like the last passengers on the Titanic.

Mr McNarry: Should we all stand for the National Anthem?

The Chairman (Mr Wells): Perhaps not.

Mr Kennedy: The Hansard report will read: "and then there was hand-to-hand fighting".

The Chairman (Mr Wells): We also thank the catering staff, who have treated us so well over the past four months.

Mr Kennedy: And Mr Eastwood.

Mr McFarland: Chairman, as you are finished, I wish to thank everyone, making me the last member to speak. *[Laughter.]*

The Chairman (Mr Wells): Thank you, Mr McFarland.

Adjourned at 11.12 am.

**Subgroup on the
Economic Challenges Facing
Northern Ireland**

SUBGROUP ON THE ECONOMIC CHALLENGES FACING NORTHERN IRELAND

Tuesday 15 August 2006

Members in attendance for all or part of proceedings:

The Chairman, Mr David McClarty
Mr Roy Beggs
Mr David Ford
Mr Kieran McCarthy
Dr Alasdair McDonnell
Mr Barry McElduff
Mr Mitchel McLaughlin
Mr David McNarry
Mr Sean Neeson
Mr Ian Paisley Jnr
Ms Margaret Ritchie
Mr David Simpson

Witness:

Mr Paul Moore (Clerk of Business)

The subgroup met at 10.10 am.

(The Chairman (Mr McClarty) in the Chair.)

The Chairman (Mr McClarty): Will members please switch off their mobile phones? Do not keep them on silent. Unfortunately, some of the recordings of meetings of both the Committee on the Preparation for Government (PFG) and the subgroup have been lost on a number of occasions because of interference from mobile phones.

We have received a number of apologies. Roy Beggs is deputising for Esmond Birnie, and David Simpson is deputising for Peter Weir. Are there any other apologies?

Mr Neeson: I will be leaving early, so Kieran McCarthy will be attending in my place.

Ms Ritchie: Alasdair McDonnell will be arriving shortly.

The Chairman (Mr McClarty): The next item on the agenda is the draft minutes of the meeting of 10 August 2006. Are members content that those are an accurate record of proceedings?

Members indicated assent.

Mr Simpson: Mr Chairman, I shall declare an interest in the meat industry and in the manufacturing sector in Northern Ireland. If you need finer details, I can certainly oblige.

The Committee Clerk: Chairman, we will take advice from John Torney, Principal Clerk to the Committee on Standards and Privileges, at a later date.

The Chairman (Mr McClarty): The next item deals with matters arising. The subgroup sent a memorandum to the PFG Committee to request the opportunity to take evidence from the Northern Ireland Youth Forum after the date of the deadline for its report. As requested, advice was sought from the PFG Committee on how the Northern Ireland Youth Forum's views might be facilitated.

Mr McNarry: I hope that we are pursuing that and that it can be expedited. We are grateful for the extension that I hope will be granted. I hope that that extra time can be used purposefully.

The Committee Clerk: Chairman, we have received a response from the Clerk to the PFG Committee agreeing that the subgroup can meet after 25 August to take evidence from the Northern Ireland Youth Forum and submit that evidence as an addendum to the report. However, it is important that that happens before any plenary meeting takes place.

Mr McNarry: Taking evidence from the Northern Ireland Youth Forum has been deemed to be the best approach. Can we ensure that it is and that it falls within the timescale? The key point is that some young people will come to talk to us. People were to ascertain whether any other bodies could be approached or any other avenues could be explored. Work on that may still be progressing.

Mr Simpson: I agree with David.

The Chairman (Mr McClarty): We should also consider the letter from the Secretary of State to Jim Wells.

The Committee Clerk: We wrote to the Secretary of State on 20 July 2006 to ask about the prospect of Ministers and officials attending meetings. On 31 July, we wrote to him about a Minister's being absent on leave and about not being notified about cross-cutting issues, such as the establishment of a working group on industrial rating.

The Chairman (Mr McClarty): Do members have any questions?

Mr McNarry: If we are allowed to use the word "pathetic", I will use it. That is just what that is: pathetic. We can do nothing about it, but the subgroup has a duty and has been getting through its work, so far.

The evidence that the officials who represent some Departments gave was not as clear as it might have been. At least one of those officials very strongly indicated that the Departments would report to the Minister. They said nothing to us when we probed them, and

they seemed to be in difficulty. That is why it is unfortunate that the Minister has been unable to attend.

One particular Minister has a whole month away from her three offices. That seems a remarkable period of leave to arrange in the knowledge that the subgroup and the Preparation for Government Committee were meeting, and that there were certain crises looming in at least one of her Departments.

10.15 am

That was just a rant, Chairman, and I am grateful that you allowed it. We cannot compel those Ministers to come before us. I hope that, somewhere along the line, the PFG will be able to bring the Secretary of State along to answer some questions, including those on which we have been unable to get answers.

The Chairman (Mr McClarty): You are welcome to the rant. I hope that it is not the precursor to a rave party.

The Committee Clerk: If the subgroup would like to extend its work beyond 25 August, subject to PFG approval, it might be possible for the Minister to come along at a later stage.

Mr McNarry: That is fine. Perhaps we were slightly at fault in that the dates that we identified were being worked on, and then we changed our minds. Quite correctly, we decided to hear as much evidence as possible before calling the Minister to discuss it. I am not sure whether the report would benefit, but the subgroup might gain respect if we could arrange to put our findings and concerns to the Minister. We could find out what she and her officials think, and put that evidence in an addendum to the report.

The Committee Clerk: The subgroup can seek an extension beyond 25 August to do additional work, which might include taking evidence from the Economic Development Forum (EDF), the Minister and others. The only caveat is that the PFG must agree to that.

Mr McNarry: There is every likelihood that the PFG will agree; it is a reasonable request. However, we should not lose sight of the fact that our report must go to the PFG, to the Business Committee, to the Secretary of State and then, I hope, for debate in the Assembly. The dates of the plenary sittings have been put back. If 108 Assembly Members are to debate these matters, it is important that they have some knowledge of the Minister's thinking. The difficulty, however, will be in meeting the timescale.

The Chairman (Mr McClarty): Thank you, David. Members should note that Barry McElduff is in attendance and is a substitute for Michelle Gildernew.

Mr McElduff: Mitchel McLaughlin will be along shortly.

Ms Ritchie: Notwithstanding the unavailability of Ministers during an alleged holiday period, we were

expected to be here to continue the work of the subgroup.

Also, the Secretary of State's letter says in his letter that our remit is:

"to look ahead, and make recommendations to a restored Executive on the economic challenges facing Northern Ireland, rather than to scrutinise current policy."

In response to that, I say that — in order to look ahead and to pinpoint a way forward on the economic challenges — we must look at current policy to see where the impediments lie, where the challenges are, and to identify the best possible fiscal arrangements. To do that, we must talk to the Minister.

That is an example of sleight of hand by the Secretary of State in order to get himself off the hook, yet again. We must see the Minister on her return from leave. I hope that that could happen even after the submission of our report, because that meeting might yield important evidence.

The Chairman (Mr McClarty): Are there any other comments on that matter?

Mr McElduff: I share the concerns of David McNarry and Margaret Ritchie in respect of Ministers being unavailable to come before us. That is a reminder that direct-rule Ministers are less accountable and more remote and inaccessible than local Ministers would be.

Mr Paisley Jnr: I agree that the Minister ought to have come before us. The Secretary of State insisted that this work be done and, indeed, compelled us to come here, under threat of redundancy. Despite that, the Minister has not made herself available. We should make the strongest representations to the PFG Committee to the effect that we want to extend our discussions to give ourselves the opportunity to call and question the Minister on all of the issues, so that we can complete our work. Without that, our work would be incomplete. It is essential, as was agreed at the first meeting of this subgroup, that the Minister appears before us.

Mr Neeson: We were given a number of days' notice to convene this subgroup. Many of us have given up a substantial amount of time during the summer recess, and we have been prevented from carrying out basic constituency work. If we can make that sacrifice, so should the Minister.

Mr McNarry: May I propose, therefore, that we write to the PFG Committee to ask it to agree with us and organise the appearance of the Minister?

The Chairman (Mr McClarty): Do we have a seconder?

Mr McElduff: I second that.

The Chairman (Mr McClarty): Do we have consensus on that matter?

Members indicated assent.

Mr Neeson: I was going to propose that we write to the Prime Minister, but he too is on holiday at the moment. *[Laughter.]*

Mr McNarry: We should go and see him.

Mr McElduff: Does anyone have any idea where the Taoiseach is? We could write to him as well.

The Chairman (Mr McClarty): Item 4 of our agenda concerns additional information provided by witnesses. Members will find that information at tab 3 of their packs.

Mr Simpson: Mr Chairman, may I go back a step to the letter from the Secretary of State concerning the new subgroup on industrial rating? As Margaret Ritchie said, we were expected to be here during the summer months to facilitate the work of this subgroup. I am sure that everyone will agree that it was difficult to ensure consistency and continuity in briefing Members.

I spoke with Mr Hanson's Department on Friday 11 August. As of that date, his Department had not even met with those concerned with rating to discuss the remit of that subgroup. No one has been nominated to sit on the rating subgroup. I am expecting a phone call before the end of this week to get some information on that matter, and to see what industries and individuals will be represented. That is a despicable situation, coming several weeks after the Secretary of State announced that measure for the industry. Thus far, that meeting has not taken place because of the summer break, but this subgroup was expected to meet.

It is despicable that the rating subgroup is not even in place, and we need a letter or some form of representation to Mr Hanson's office to find out what is happening and who will make up the subgroup's membership.

The Chairman (Mr McClarty): OK. We are on item 4 of the agenda, which concerns additional information received from witnesses.

Mr McNarry: I am sorry, Mr Chairman. Mr Simpson was making a proposal, and I will second it.

The Chairman (Mr McClarty): OK. Are we all agreed on that?

Members indicated assent.

The Chairman (Mr McClarty): Members will find several items of additional information at tab 3 of their packs.

The Federation of Small Businesses submitted written evidence on the relationship between small businesses and the Strategic Investment Board (SIB). Enterprise Northern Ireland's written evidence

included projected costs for interventions and incentives to encourage family businesses.

The Department of Education (DE) provided the subgroup with information on what the business sector requires of the education sector, and statistics on GCSE and A-level qualifications from 1992 to 2005. The Department for Employment and Learning (DEL) submitted a consideration paper, containing information on the available number of full-time education places, and provided us with information that David McNarry requested on population of working age by highest qualification in 2005.

The Department of Finance and Personnel (DFP) provided information that the Principal Clerk requested on tax variations, and the Business Alliance provided information summarising its oral presentation.

I know that time was short, but I hope that members will have had an opportunity to read those submissions. Do any members wish to comment on that matter?

Ms Ritchie: In its written evidence, the Federation of Small Businesses mentions the lack of direct input to the small-business community by SIB. The federation also mentioned that matter during its oral evidence. Two days later, when SIB representatives came here to give evidence, I asked them if that was true, and they denied it. They said that, in the supply chain, small businesses in Northern Ireland have opportunities to tender for such work, and that some of them had already done so. I know that that would be disputed by the Construction Employers Federation, but the Federation of Small Businesses has probably placed too much emphasis on that. The subgroup should temper that in some way.

Mr Beggs: The Department of Education has forwarded figures on GCSE and A-level comparisons with England and Wales. Further information is required on some points to make them more relevant and meaningful. First, a footnote indicates that the GCSE figures are expressed as a percentage of pupils in year 12 in Northern Ireland, but as a percentage of 15-year-olds in England and Wales. I am curious as to whether that can result in differences. For instance, someone may be aged 16 at the start of their GCSE year, and that may enhance Northern Ireland figures, as there would be an older group of children involved. Therefore, I would like further information from the Department, stating what effect it thinks the different criteria have, and why it uses a different measuring method from the rest of the United Kingdom.

Secondly, a footnote states that the A-level figures are expressed as a percentage of pupils in the final year of an A-level course in Northern Ireland. It would also be useful to be told the percentage of children of that age who are successful, because one does not learn from those figures whether more or fewer children in

Northern Ireland do A-Level-type courses; the figures simply measure the results of those who take the courses. Further information for clarity would be useful.

Mr McElduff: The Business Alliance's concluding remarks mention the need for a stable devolved Government. That is a reminder to elected representatives to do all within their gift to work together to reinstate the political institutions without delay. Therefore, I reiterate the strong message from the Business Alliance about the need for political stability and the restoration of the political institutions. That is evidence-based; we have heard it from many contributors over recent weeks.

The Chairman (Mr McClarty): If there are no further comments, we will move to an open session and item 5 on the agenda, which is the consideration of the written evidence.

First, I will ask Paul Moore, the Clerk of Business, to provide an analysis of the written submissions that we have received.

10.30 am

Mr P Moore: I am pleased to have the opportunity to present my paper, which is entitled 'Summary and Analysis of Written Evidence Provided to the Economic Challenges Sub-group'. I am conscious of the fact that it was issued by email only last night, not least because I was working on it until then, so members will probably not have had a chance to read it.

I should perhaps preface what I am about to say with a health warning — I am not an economist, nor has economic development been an area to which I have been exposed professionally. However, that allows me to bring a fresh perspective to the arguments that have been presented in the submissions. I have experience in sifting through reams of Committee evidence and extracting points, which members, hopefully, will find salient to the inquiry's terms of reference. I was happy to do that on members' behalf.

My paper is the result of a quick run through each written submission, and that is simply a consequence of the timescales to which the subgroup is subject. There are papers in the members' packs that I have not covered, so it is probably easier to point to the submissions and extra evidence that I have covered. Those appear in the appendix to the paper. I hope that my paper will provide positive ideas, stimulate discussion and debate, and that it will assist members in reaching conclusions and making recommendations.

I will briefly outline the key areas and details of what the written evidence revealed. One striking feature is that the issues emerging from the written evidence were the same as, or consistent with, all that emerged from previous oral evidence sessions. There seems to be consensus among the business community, Government and others who commentate on the

economy, on the impediments to economic growth. One submission highlighted the fact that the key impediments have been correctly identified in the Department of Enterprise, Trade and Investment's 'Economic Vision for Northern Ireland'. That document also appears to have captured the four drivers thought necessary to overcome the economy's structural weaknesses, and people seem to have bought into those.

The subgroup must comment on whether the political parties represented here also endorse that economic vision, and, if not, where the disagreement lies. Members should also consider their views on the EDF, because its papers showed evidence of an ability to challenge the Government's delivery of economic development policies and make rational recommendations. Therefore, members may wish to consider whether they endorse the EDF and its work, and how that fits into the system.

I have tried to use headings that the subgroup discussed when considering the issues, so I will begin with 'Public Sector delivery failure'. There is consensus that current policies will not have the desired effect of improving the economy, and doubts have been expressed in written evidence about whether Government Departments are capable of delivering effective economic development policies, particularly in their current format. While the optimum number of Departments is not a matter for the subgroup — the PFG Committee will probably examine that — there is no doubting the consensus that the present number of Departments is too high. That is particularly apparent when a comparison was made in Mivan's submission between the involvement of seven Departments in economic development in Northern Ireland, and one agency with primacy in the Republic of Ireland.

That said, while everyone agrees that the economy must be rebalanced between the private and public sectors, the written evidence also shows consensus that that should not be achieved simply by slashing the public sector. Indeed, the proposals for improvement suggest that there should be better, more focused, joined-up Government intervention, perhaps through improved implementation of better strategies. Everything must be improved, but that does not mean simply cutting off the public sector. It is clear from the written submissions that people believe that the public sector has a significant role to play in helping the economy's transformation.

With regard to infrastructure and the investment strategy for Northern Ireland, another key theme that has emerged is that that strategy has generally been welcomed. However, people can see that additional revenue is required in order to pay for the proposed £16 billion of infrastructure investment. Some believe that therein lies the opportunity for a peace dividend or for an economic package to cushion the effects of rises

in water and industrial rates that have been earmarked. Members have received a further breakdown of that £16 billion figure. In my paper, I have pointed out the potential difference between the answer to a question, which was that the money is not new, and the Secretary of State's recent announcement that that £16 billion was the peace dividend.

Members may also be encouraged by the additional information on the Strategic Investment Board's 'Investment Delivery Framework'. That has been broken down into its various priorities. The 'Economic Growth and Competitiveness' heading dovetails into sub-headings that include the four economic drivers that have been identified in the Department of Enterprise Trade and Investment's 'Economic Vision for Northern Ireland' document. I am aware of the linkages between the SIB and DETI, but perhaps members will think of those as attempts to grow the small, green shoots of joined-up government.

The evidence also identified concerns about the capacity of local firms to play a major role in the investment strategy. From what I have heard in evidence and in members' discussions, you are likely to see that as an important area that must be addressed by a new Executive.

The Committee's work and the written evidence have flushed out several issues with regard to planning. My paper covers further evidence of planning as an impediment. That message has been consistent. In the interest of balance, the paper considers in detail the Planning Service's written submission in the context of the criticisms that have been levelled at it. One could argue that the views expressed in the Planning Service's written submission are merely excuses. However, its acknowledgement of the role of planning in economic development and its declared preparedness to restructure in the face of change could be viewed positively.

Evidence gathered by the Committee may have identified areas where there is potential to push the Planning Service towards further change, such as in forward planning, allocation of resources, and interaction with and policing of other Department of the Environment agencies. One might consider that the Planning Service's reference to managing investment-strategy projects through its own procedures might smack of the public sector looking after its own. That could, however, be viewed another way — as a sign of willingness to engage at a strategic level, with the subsequent benefits that that would create at an operational level. Perhaps that could also be built upon in the private sector.

The evidence that relates to the skills deficit has been of great interest. In particular, the Department's skills strategy seems to have achieved significant buy-

in from, for example, the Economic Development Forum, and contributors to that forum, such as the Northern Ireland Business Alliance. That matter has also been mentioned in the written submission.

As ever, what will count in the long run is how that strategy is translated into tangible outputs and whether sufficient resources are made available to successfully implement it. That was highlighted in the evidence. The Business Alliance's submission identified several interesting options where additional resources might make a difference, which members will, no doubt, wish to consider.

It is entirely possible for consensus to be achieved on some of the issues that have been highlighted in the written and oral evidence. The evidence shows that no one claims to have all the answers or that all the answers have been articulated. It has been suggested that further work and research are necessary. That has led to one or two submissions urging care on the part of the subgroup. The Business Alliance, for example, cautioned against the subgroup drawing any hasty conclusions that may result in inappropriate actions.

That said, however, some of the evidence could be interpreted as pushing the subgroup towards making hasty conclusions. Strong arguments have been made — for example, the introduction of an enhanced tax credit for R&D. One written submission calculated the potential net cost of that to the Exchequer at £10 million. Research suggests that that is a better option than direct grant aid to firms. Given the other evidence, could an Executive advocate that approach? Given that the take-up of the current R&D tax credit is 24%, could the subgroup recommend enhancing the current tax credit even further?

The subgroup has heard how difficult the situation is and how people cannot be bothered to avail themselves of the R&D tax credit. Without first ensuring that those shortcomings are identified and corrected, could an Executive ignore the evaluations of earlier grant schemes, which suggest that they are effective in promoting R&D? The subgroup may wish to steer clear of some of the hasty conclusions that others may wish it to make.

All the evidence, however, has drawn together many shades of opinion and will form valuable contributions for debate. Another proposal was to reduce corporation tax, which has been very strongly recommended. Many written submissions agreed that it would act as an incentive to foreign direct investment.

Mivan could be considered a potential beneficiary of such an approach. However, that company sounded a note of caution in relation to reducing corporation tax. Mivan's submission pointed to evidence that suggests that such a reduction would be of limited value in stimulating an indigenous small-firms economy, advocating more rigorous and robust independent

economic research into the benefits of a reduction in corporation tax. The subgroup may well agree or may think that there is enough evidence already.

It is unlikely that the subgroup will want to draw hasty conclusions, not least because they may lead to political fallout for members and their parties. However, the subgroup now has a clear evidence base to allow principles to be adopted and for travel in certain directions to be recommended to the Preparation for Government Committee and, it is hoped, eventually endorsed by the Assembly. I hope that my paper has helped in the subgroup's deliberations.

The Committee Clerk: Through the evidence that has been heard and the questions that have been answered, clear directions have been identified in uncontroversial areas such as the need to build skills that link to current and future business needs and the need to focus on innovation in R&D.

The subgroup must be careful about what fiscal incentives it recommends so that all the eggs are not put in one basket. The subgroup's report is not a recommendation to the Secretary of State, but a recommendation to the Executive, so the subgroup will have to deliver on it.

10.45 am

The information infrastructure is very clear. The issue is very much the failure to deliver within reasonable time frames and the need for joined-up government and political stability. All that is clear from the evidence that has been received, and I do not think that many parties would disagree with that.

There is, however, a lack of clarity thus far on the specific fiscal incentives that any package must contain, and that is where there is room for differences of opinion. It will be important for the subgroup to reach consensus, because that would reinforce the strength of the report's recommendations.

Nothing in the written evidence contradicts what the subgroup has heard in the oral presentations. The subgroup has collected a huge amount of evidence, and the job now is to make sense of it. Members will receive a draft report on Tuesday that is to be agreed formally by Thursday and issued on Friday. I hope that we can frame the draft report in a way that delivers consensus on skills, education, infrastructure, agriculture and opportunities for development in some of the biotech areas. I hope that members can sign up to that. However, the subgroup must also be clear about areas on which political parties have a view. Thus far, we have not heard parties' views on fiscal issues. The subgroup will hear those at Thursday's meeting.

I thank Paul for identifying in his paper many of the issues. From the staff's perspective, a great deal of consensus is emerging.

The Chairman (Mr McClarty): On members' behalf, I thank Paul for the tremendous amount of work that he has put into the paper, which I am sure we will find extremely useful.

Mr McNarry: I add my thanks to Paul for his paper. It is interesting, in that it is a summary of the written evidence. I must say that the oral evidence, which we all sat through, was more interesting. We got a feel for people through their presentation, nuance and tone.

What is absent from the written evidence, and I am sure that it will be addressed, was the type of evidence that we took from people such as William Wright and Eric Reid. They are employers at the coalface who were able to give some good examples of what it is like to be there, unlike some people who, quite honestly, have no experience of that whatsoever.

If we could go back five or 10 years, would a group like this have been highlighting the same issues? Would it have said — as Alan Patterson and Paul Moore have said — that further work needs to be done and further analysis required? How long is a piece of string? That is where the direct rulers of Northern Ireland stand utterly condemned. They have not taken Northern Ireland forward. Instead, they have been content to write words and more words on reams and reams of paper but do nothing.

I can only speak for myself, but it might make it easier if we were to scope the subgroup's remit again. Our remit was to identify the impediments. We should draw one column and list the fiscal incentives. We should then draw another column and list what we consider an economic package to entail. We need to dissect all the evidence, and I would be grateful if somebody could do that.

I did not find anybody who was citing that a solution to an impediment was something for which we needed to beg. There is an opinion in Stormont Castle that we need to beg, or that we would beg, because we want everything handed to us on a plate. An impediment coming from Stormont Castle is that politicians who have been elected to the Assembly are being blackmailed. Stormont Castle tells us that we might get this or that, provided that we form a Government.

Hell, giving in to blackmail is no good for the economy, and I will not take the rap if it does not work. What is good for the economy must be good in principle and established as such. We need to single out the main impediment from all those that have been clearly identified. It will be a massive achievement if this subgroup can come close to making a decision on whether a reduction in the rate of corporation tax, some relaxation on capital gains tax or tax credits in R&D is most important.

The subgroup heard from the men at the coalface that they wanted to get on with their business without

restriction. Certainly, R&D was important to the witnesses from Moy Park Limited, but they were more or less doing that themselves.

I do not know how other members feel, but I would be grateful if we could perhaps work from three columns, so that we can compile a report based on the three elements of our remit: to identify the impediments, consider fiscal incentives and identify what is required from an economic package. I suspect that we may succeed in our consideration of the first two, but that blackmail may come into play when we consider the final column dealing with an economic package. Those parties who want to play into the blackmail role may declare their interests, but the Ulster Unionists will certainly play no part in that. Nevertheless, the economic package is a serious and important issue that we must address. However, it must not be presented as some type of begging bowl to any Government or to any Secretary of State.

Mr Neeson: I thank Paul Moore for his paper. He has clearly identified some of the major issues, and I agree with him that this subgroup should not rush into making recommendations on fiscal incentives, as there was much disagreement on the best way forward.

We should examine the small-business sector and the lack of take-up of R&D therein. Paul referred to tax credits. Tax credits are based on profit, and there seems to be an impediment to firms in the small-business sector availing of tax credits. As that sector is the basis of the economy in Northern Ireland, we must give it close consideration.

The subgroup has been given a short time to carry out this exercise. As the Chairman knows, when we sat on the Enterprise, Trade and Investment Committee, we devoted almost six months to 'Strategy 2010' — and where is it now? David McNarry's comments on the reams and reams of strategies that have emerged over the years and how they were, or were not, implemented are quite correct. That is why we must be careful. However, there was much agreement on the development of skills, the education system, and so forth, and we will achieve a great deal of consensus on those issues.

The other point that emerged clearly from many of the submissions was the current lack of joined-up government in Northern Ireland. In many ways, we, as politicians, are guilty, because 10 Departments do not provide an opportunity for joined-up government. We received submissions and evidence from DETI and DEL on the great deal of crossover in areas of responsibility between the two, and similarly between DOE and the Department for Regional Development (DRD). The subgroup must examine that problem.

We are currently going through the review of public administration (RPA). In fact, I am leaving shortly for

a meeting of the RPA political panel. Local government is changing very dramatically, and we must look critically at central Government too.

There are many issues to consider, but on Thursday we will be able to articulate parties' perspectives on the challenges that lie ahead.

Mr Paisley Jnr: I would like to thank Paul Moore for identifying the issues in his paper and for bringing a number of complex matters together. At times, I am sure that those matters are mind-numbing. The paper helps us to move from analysis to answers, and it is important for us to reach a point at which analysis stops and answers begin.

Both Paul Moore and the Committee Clerk used the word "travel" in their comments, and it is important that the Committee moves the debate on. We do not have the option of standing still and doing nothing. I am attracted by the idea that has been mooted of providing fairly straightforward columns and black-and-white terms to show the stage that we have reached. There must be a fourth column on options.

Since the collapse of Stormont in 2002, because of the spy ring and everything else, the buck does not stop with us any more. The buck stops at Stormont Castle, and we must provide options to the NIO to the effect that we are not content with its standing still and doing nothing. On corporation tax or tax credits, we must state that the Government must choose one or the other. That is their call to make; they are running the place. I would far rather that we were running the place, but that is not a fact of life at the minute. We must provide the Government with the options and get them to make the call. We should state our preferred options, but tell the Government to make the call.

It is important that our report properly reflects the underdeveloped private sector. It is easy to knock the public sector. I do that every day — politicians do it every day — but it is not entirely the public sector's fault that it is so overdeveloped. We dwelt on that matter very early on and, on reading the Hansard reports, it seems to be an ongoing theme. We must ensure that opportunities exist for entrepreneurs to take. There must be no disincentives for entrepreneurs. Rather, we must provide incentives, but that will only come about through a meaningful peace dividend, rather than a rebranding of the £16 billion. That money is not a peace dividend, and we must spell that out loudly and clearly to the Government.

Cutting red tape and bureaucracy is the best way of assisting businessmen and giving them shortcuts through the process. It is unfortunate that we threw away some of our ace cards when we got rid of industrial derating, and I do not believe that there is any going back on that. We must now try to make up for that by cutting red tape where possible. In placing

those matters in the options column, we will be telling the Government that if we were taking the decisions, those are the options that we would be considering. We are not in Government, but we are demanding that the NIO take those decisions, because standing still is not good enough. Unfortunately, the Government have a great excuse at the moment for standing still — they are blaming us. We should make it clear that they can no longer blame us. It is up to them.

11.00 am

Ms Ritchie: I would like to thank Paul Moore for his analysis of the written evidence. Suffice it to say that some of the impediments are linked to the lack of political stability.

The skills deficit is related to the focus of the education system on the academic sphere, leaving those who require vocational training in second place. That is perhaps linked to some of our perceptions and the perceptions of industry.

There is a need to pump-prime the private sector and to address the debate about the private sector versus the public sector, in order to tackle the infrastructure deficit. For years, direct-rule Administrations have denied the need to upgrade our infrastructure. For the Government to now suggest that they will tax the people of Northern Ireland in order to upgrade the infrastructure is quite facile. That is a further example of punitive measures, rather than addressing the situation in more imaginative terms.

Although we have considered fuel duty on previous occasions over the last number of years, it nonetheless remains an issue. The Freight and Transport Association highlighted fuel duty as a potential impediment.

We must undoubtedly consider the challenges to the economy. The subgroup's draft report must make conclusions and recommendations that will show that we have an interest in preparing a report for the incoming Executive, because that is our role. It is not solely for the British Government to do that — we have a role and an aspiration. I like to think that everybody around this table wants the restoration of the Executive, the Assembly and all political institutions on, or before, the 24 November.

We must ensure that the economy grows and that we are competitive. Furthermore, the North/South issues raised by Dr Driscoll must be addressed and presented as opportunities so that we see ourselves in terms of an island economy — not in the political sense, but in the pragmatic sense. For many years, communities were hindered because they were cut off from their natural hinterlands, with economic opportunities lost as a result. We must ensure that that is not the case in the future.

I take David McNarry's point about creating a grid. That grid will assist in identifying impediments, challenges, opportunities, fiscal incentives and the economic package, and it will help us to match those up. We must also factor in parties' perspectives to acknowledge where ideas coalesce in order to present an agreed report.

We must go back to the Secretary of State to show that we have met his challenge to us and present a report that is cogent but that is also a panacea for a resumed Executive and Assembly. If we do not do that, neither the current nor future generations will deem us to have passed the test. The challenge has been laid at our door, and we have a responsibility to meet that challenge.

Undoubtedly, the British Government have other responsibilities, but our most important challenge, as elected representatives, is to ensure that a resumed Executive and Assembly is capable of delivering on the report that we will publish. That is the most important thing. We must ensure the delivery of a thriving economy for future generations.

Dr McDonnell: Chairman, I welcome you to the subgroup. I apologise for my late arrival, but the privilege was all the more exciting when I discovered that you were in the Chair.

Mr Simpson: Quit crawling, Alasdair.

Dr McDonnell: No — it is a privilege. It brings me back to the days when boys were men, girls were women, and the Chairman, Sean and myself gamely struggled with the issues before us.

The Chairman (Mr McClarty): Having sat on Committees with you, Alasdair, I knew not to expect you at 10.00 am.

Ms Ritchie: For fear that you might have to say it yourself, Chairman, when I said that Alasdair would be late, you said that he was rarely on time.

Dr McDonnell: Lest there be any doubt about the reason for my delay, I was praying that the subgroup would be successful.

Mr McNarry: Alasdair, you are a total waffler, do you know that?

Dr McDonnell: I was deep in prayer that the Chairman's tenure would be a success.

Mr McElduff: Has Mr McNarry concluded his point?

Dr McDonnell: Like many subjects that we tackle, we can try to eat the entire elephant at once, but that will not be possible. We were given a very short period of time in which to complete a report and, as Alan said at a previous meeting, we are trying to do nine months' work in about six weeks.

When we discuss serious issues, we sometimes begin with wishful thinking, which is not always the

best starting point. We need to take an overview of the economy; we can do no more at this stage. I do not want to use the word “superficial”, but we can take only a quick scan of the lie of the land.

Before we begin an in-depth examination of any of the evidence, a strategy must be devised. We tend to weigh in at the end rather than get the strategy right. I have never clearly understood DETI’s economic strategy or whatever preceded it.

Mr McNarry: It is a total secret; that is the problem.

Dr McDonnell: The first thing that we need is a clear strategy. If we have that, whether it is right or wrong, we can relate to it and agree or disagree with it. Of the many strategies that exist, I have never been clear, for example, on where we stood in relation to the demise of the sunset industries, in which I include agriculture, to some extent. Where do we stand on the food industry or on the shrinkage and decline of agriculture?

The Ulster Farmers’ Union (UFU) and others told us that they were under pressure from milk prices and one thing or another. We may decide to follow the example of other European countries and draw a line in the sand and stabilise the agriculture industry. It may be that someone in that industry decides —

Mr Paisley Jnr: Do you represent Belfast?

Dr McDonnell: Yes, I can represent Belfast if Belfast city slickers can represent North Antrim — or try to represent North Antrim.

The point is that, in considering labour-intensive measures, we might be well advised to plant trees.

Mr McNarry: Perhaps at interfaces?

Dr McDonnell: At interfaces, perhaps, or on marginal pieces of land that are treated as less-favoured areas. There are several issues involved, but we need to decide on our strategy. Are we going to wipe out the agriculture sector or let it die on its feet?

Equally, we need to decide what to do about indigenous industries and how they are promoted. Local industries have long had a sense of grievance that they are not given the same priority as foreign direct investment.

The third issue that I wanted to raise is R&D, which covers a multitude of sins. In fact, it covers the whole world, depending on what angle or aspect of R&D one looks considers. For small companies that are trying to improve or become more efficient, R&D is great. We need to encourage much more of that.

There is a vast gold mine in the form of biotechnology. There are tremendous resources in our Health Service, our hospitals and our universities. A way must be found to set free some of the intellectual property contained therein, because much of the research is

treated academically, kept in a cupboard and taken out for presentation to medical colleagues once a year, only to be put back.

Much of the wealth that has been generated on the east coast of the United States over the past 10 or 15 years has been in life and health sciences and in the creation of drugs, medical appliances, etc. We have not exploited those areas. We have the resources, and we are very proud of them, but we keep them in a drawer, take them out and flash them around once a year, then put them back.

As well as R&D, we must commercialise our academic and intellectual property. Tremendous strides have been made in the University of Ulster where, with no medical base or background, but from a simple biology background, a number of initiatives have been driven forward. Those in this city who should have been utilising some of their medical knowledge have, in many ways, been superseded.

We must consider what strategy we can produce, and decide whether we are going to invest in becoming a life-and-health-sciences economy, or whether health sciences should be a key driver in our economy. Having done that, we must then restructure, or tidy up, that strategy’s mechanisms before getting down to such details as incentives, people and how the work will turn out.

I must emphasise, in the political context, that I want to see expansion, development and progress on the cross-border issues, not because I want to poke somebody in the eye politically, but because we are a small community and we must have friends. Cross-border progress is only the first phase, as far as I am concerned, because we also must reach out to Scotland, Wales and the rest of the British Isles. We must attempt to market what we are doing here and become a player in a bigger European jigsaw. I wish that we could find a better mechanism for taking politics out of the economy.

Ian Paisley Jnr mentioned the attitude of direct-rule Ministers. Their attitude is brutal, and it is intended to be so. In a crude and clumsy way, they are attempting to knock heads together — yours and mine — and effectively blame you and me for the mess that they are creating. We can squeal about that if we like.

Mr Paisley Jnr: We know that we are not the problem.

Dr McDonnell: That may be so, but we are going to carry the can for the problem, and the people that we represent will be penniless because of that. It appears from the direct-rule Ministers, and the broader political flow that surrounds the Secretary of State, that they intend to squeeze the daylight out of whatever money comes here. They have decided that we will pay a price and that we will be squeezed. Some of us see

ourselves as British and the rest of us see ourselves as Irish, but that will be irrelevant. They will penalise us brutally to the point where we are penniless. We must get our act together around this table, in the Assembly and around other tables, and — somehow or other — create space in which to discuss our differences, and then move on to discuss our sense of common purpose in another context. It is essential that we begin to do that in order to create the backdrop for discussions on the economy.

11.15 am

Members have mentioned political instability. No one said that I have to agree with the DUP, or that the DUP has to agree with me. However, there must be a balance of understanding — a balance of the equation — so that, if someone wanted to invest £1 million or £2 million here, he would know that he could trust that the relationship and understanding between the parties would not be erratic or unstable. That is where the economic equation relates to politics.

There may be an opportunity to discuss that matter further at our meeting on 17 August, but we must take responsibility where we can and accept, as my colleagues across the table said, that some matters are outside our control. We must show willingness, attitude and insight so that those who are in control know that they will only get away with so much, that they cannot duck out or screw us up, and then walk away and blame the victims.

Mr Paisley Jnr: Alasdair, that is why we suggested providing options to the Government: they will not have any wriggle room. If they want us to be in charge, those are the options that we will have. If they are in charge, they must choose one option, and, if they do not, they cannot blame us. It is important that we finish the grid in that way.

Dr McDonnell: I accept that, but all parties' supporters are watching, waiting and seeking a lead from us. I will not pick on individual parties; no one has any difficulty in recognising our differences. The major political differences between us have been spelt out, but there is a desire out there for us to produce something, particularly in the economic area. The challenge for us is how we do that, while still retaining our rights to discuss and disagree. We may produce only an overview, which may be more superficial than we would like. However, there is a desperate need for us to rise above our differences and state what the people want. I agree with Ian Paisley Jnr's point.

Mr McElduff: Everyone is saying that we should send a message to those in Stormont Castle that they represent an impediment. We all know that; that is not sufficient. If we simply send a message, it will look as though we are too resigned to dependence. We must be able to make decisions ourselves. The report must be

evidence-based, so members should read the section in Paul Moore's paper about political instability; they should read the submissions from the Quarry Products Association, from the Freight Transport Association and from Northbrook Technologies. The Quarry Products Association states that strong political leadership is the first necessary ingredient in helping to turn the economy around.

Dr McDonnell put the case well. The subgroup should send a strong, courageous message. We must take responsibility to confirm to direct-rule Ministers that we can do a better job and that we are willing to do a better job than they do. In respect of North/South issues, which Dr McDonnell and Ms Ritchie touched on, if we only approach those from the point of view of mutual benefit, surely there is something to be said for a more competitive tax regime, directed towards a harmonised approach.

It would also be instructive to take on board Dr Gilleece's paper on the contribution of education policy to economic growth in the South. That has been successful, so we need to examine that.

The Committee Clerk: I had a conversation with representatives from DETI on Friday, and they raised the issue of rating. Apparently, a £30 million pot was set aside for an energy subsidy, but the European Equality Authority got its hands on that and prevented it from being used. However, at least £20 million of that pot remains, so a suggestion was made that, perhaps on a recommendation from the subgroup, the Secretary of State might be minded to allow that money to be spent on rating relief, particularly for firms with high-energy costs. I bring that to the subgroup's attention as a possible option.

Mr McNarry: Is that a recommendation from DETI?

The Committee Clerk: No, I would not put it in that way.

Mr McNarry: Then why are we the messengers? Can DETI not stand up for itself, rather than bring things in by the back door?

The Committee Clerk: All that I am doing is briefing the subgroup. I cannot comment on any motivation.

Mr McNarry: There is nothing in writing from DETI. At times, it was the body most reluctant to put anything in writing.

The Committee Clerk: The option was mentioned in a conversation that I had with DETI officials. I wanted to put that on record.

Mr McNarry: It is a good point.

The Committee Clerk: The pot may be small — the Secretary of State may consider £16 billion to be the total pot. However, other money is available. Some

of the oral evidence suggested that big money is not required; rather, that an oiling of the wheels would suffice. We could highlight the energy rating moneys through a recommendation in the subgroup's report.

Mr McNarry: Could the Committee staff prepare a four-column presentation for Thursday's meeting? I accept Ian Paisley Jnr's valid point about options. I also support his reasons for that. It would be illustrative to see what is in those four columns, and what we can develop from them.

By the end of this process — and I am unsure how we will get there — we must ensure that we cannot be accused of preparing to go into Government without having seen the books, without knowing what we are to inherit, and without being told anything. Departments will not tell us anything other than what they want to tell us.

We have not been told how to remove the impediments or any fiscal incentives that we could suggest or introduce. I agree that the strength of the subgroup should be measured on its outcomes. I accept and respect what Alasdair McDonnell says. However, the subgroup must demonstrate that, at the end of all our preparations, we have not let matters go over our heads.

Dr McDonnell: But —

Mr McNarry: No buts. We have identified the issues; we want to bring them to the attention of our colleagues in the Assembly, and we want the public to be aware of the issues. For our credibility to be understood and accepted, we must show that we are seriously preparing for Government.

One would not think of taking over a company unless one saw the books and was aware of its performance and sustainability. If a community group asked the Government for a grant of £3,000, the Government would ask for a business plan and enquire about sustainability plans. Without straying into another realm, many community groups fall asunder because of problems with sustainability.

Last week, we discussed an interesting point about economic inactivity. I am not sure where that features in the agenda. Because of Northern Ireland's position, economic activity must feature in the subgroup's report. The point was made that Northern Ireland has the second-lowest unemployment rate of the United Kingdom regions, yet almost 300,000 people are categorised as economically inactive. That is 6% higher than the average UK rate. The Government must tackle that matter.

I do not wish to go into the sensitivities of the issue, because Alasdair was clear and precise on them at our last meeting, and we all supported him. Not everyone who is economically inactive is a chancer, but a hell of a lot of them are. We need to tackle the damage that

that does to the economy. I wonder if those in the brains trust, who sit at the head of the table, could incorporate that in a piece of work for this subgroup?

The Chairman (Mr McClarty): Does everyone agree that that exercise should be carried out?

Ms Ritchie: I agree. Paul's paper also referred to the levels of economic inactivity, and some of the contributors who presented evidence to this subgroup confirmed that that is a problem. As Alasdair said, there may be good, logical, medical reasons for that level of inactivity, but the problem must be addressed.

Are carers at home included in the overall equation? They are active, but only partially economically active, because they receive a paltry sum of money for their work. There are many reasons, many of which are good, for such a high level of economic inactivity and why some people go back to receiving benefits, perhaps as a means of circumventing the system.

Mr P Moore: Page 7 of my paper highlights the fact that 99,000 people cite sickness and disability as the reason for their economic inactivity.

Mr McNarry: The paper that DEL submitted quotes a figure of 295,000.

Mr P Moore: That is the total number of economically inactive people in Northern Ireland: 99,000 come under the category of citing sickness and disability, and that represents a significantly higher percentage than in other areas.

Mr McNarry: Has the proposal to have four columns been accepted?

The Chairman (Mr McClarty): Are members content with that?

Members indicated assent.

The Chairman (Mr McClarty): Members have accepted that proposal.

OK, we now move out of the open session and on to Item 6 on the agenda, which is any other business. No one has raised any further issues with me. Does any member wish to raise anything now?

Mr McElduff: I want to be clear on the character of Thursday's meeting and what we will be doing.

The Chairman (Mr McClarty): The next meeting will be at 10.00 am on Thursday.

Mr McNarry: Will you be here, Mr McElduff?

Mr McElduff: Yes, I will see you here, David.

Mr McNarry: Do not forget that the meeting will be held in Northern Ireland, in the United Kingdom.

Mr McElduff: I will not comment on that at this juncture.

The Chairman (Mr McClarty): The next meeting will be at 10.00 am on Thursday 17 August 2006 in this room. The purpose of the meeting will be to hear the views of members on the three terms-of-reference headings. The objectives will be to reach consensus — or a majority view, should consensus not be possible — and to ensure that the subgroup's recommendations reflect all of the evidence.

Therefore, I am setting members a bit of homework to do between now and then. I invite members to present a short summary paper of their parties' views against the terms of reference at the next meeting on Thursday.

Mr McNarry: How long is the meeting intended to last?

The Committee Clerk: For as long as members want.

Mr McNarry: I wonder whether we could discuss the four columns before the presentations. I would be more comfortable with that. We would probably need time to consider how the four columns end up, so that we could properly focus on a presentation.

Mr Paisley Jnr: That may better focus minds, because then we will have dealt with that matter.

The Chairman (Mr McClarty): The suggestion is that an item on the agenda be set for discussion of the four columns.

Mr McNarry: It should be the first item on the agenda.

The Chairman (Mr McClarty): OK, the first or second item. Are members content with that?

Members indicated assent.

Adjourned at 11.29 am.

SUBGROUP ON THE ECONOMIC CHALLENGES FACING NORTHERN IRELAND

Thursday 17 August 2006

Members in attendance for all or part of proceedings:

The Chairperson, Mrs Naomi Long
Mr Leslie Cree
Mr John Dallat
Mr George Dawson
Mr Kieran McCarthy
Dr Alasdair McDonnell
Mr Barry McElduff
Mr Mitchel McLaughlin
Mr David McNarry
Mr Sean Neeson
Mr David Simpson

The subgroup met at 10.02 am.

(The Chairperson (Mrs Long) in the Chair.)

The Chairperson (Mrs Long): Apologies have been received from Esmond Birnie, for whom Leslie Cree is substituting — Leslie, you are welcome; David Ford, for whom Kieran McCarthy is substituting, and Michele Gildernew, for whom Barry McElduff is substituting. Apologies were also received from Margaret Ritchie, for whom John Dallat is substituting, and Ian Paisley Jnr, for whom David Simpson is substituting. George Dawson is here, so I assume that an apology was received from Peter Weir.

The second item on the agenda is the “Draft minutes of the meeting of 15 August 2006”. Is everyone content that those are an accurate record of the proceedings?

Members indicated assent.

The Chairperson (Mrs Long): The minutes will be placed on the Assembly website.

We now move to matters arising. First, as requested, approval was sought from the Preparation for Government (PFG) Committee on 16 August 2006 to allow an evidence session to be arranged with Maria Eagle MP on her return from leave in September. A copy of the Principal Clerk’s memo to the PFG Committee is in the members’ packs. The PFG Committee approved that on 16 August 2006 and it is anticipated that the session might be arranged for 5 September 2006. We also hope to take evidence from the Youth Forum on the same day, if it is available.

The second matter arising is the communication with David Hanson MP. As agreed at the last meeting, a letter was sent to David Hanson MP requesting

information on the membership, terms of reference and arrangements for the working group he is to convene on industrial derating. A copy of the letter is included in members’ packs.

Finally, in relation to evidence provided by the Department of Education at the previous meeting, Roy Beggs requested further information from the Department of Education regarding statistics on GCSE and A-level comparisons with England and Wales. A copy of the Assistant Clerk’s e-mail to the Department is in members’ packs.

Additional written evidence has been received since the previous meeting and is included in the packs. It includes written submissions from the Association of Northern Ireland Colleges (ANIC) and the Northern Ireland Manufacturing Focus Group (NIMFG).

Additional information, as requested from witnesses at recent evidence sessions, has also been received and is in the packs. It includes information from the Department of Enterprise, Trade and Investment (DETI) in relation to economic inactivity. The Economic Research Institute for Northern Ireland has provided information on sector skill councils; the Department for Social Development (DSD) has provided data on all of the main disability benefits, broken down by gender, age, geographical area and nature of illness. As you see, it is quite a weighty tome. I suspect members will want to take it away and digest it at length.

The pack also contains a table detailing the findings of the subgroup. It sets out the issues arising from the oral and written evidence received to date against the subgroup’s three terms of reference. The table has been prepared by the Principal Clerk and is for consideration at today’s meeting. It will prove useful in guiding discussions after the parties’ submissions this morning, so it might be useful if members would consider it and provide comments. Perhaps it would be better to reserve comments for a few moments until we get into the meat of the discussion.

We now move to the presentations outlining party positions. First, we need to agree a format. I suggest that the most efficient way is for each party to make a presentation of 10 to 15 minutes and then open the meeting to discussion. Obviously, we should try to concentrate on where consensus can be developed, with a view to producing a report for discussion at next week’s meeting.

Are members content to proceed along those lines?

Members indicated assent.

The Chairperson (Mrs Long): The SDLP and Sinn Féin have made written submissions and both have been tabled today.

In order to prepare the report for next week’s discussion it would be helpful if other parties wishing

to table written submissions after, or indeed, during today's meeting would do so as soon as possible.

Members of the PFG Committee generally make their presentations in alphabetical order. Are members content to proceed in that fashion?

Members indicated assent.

The Chairperson (Mrs Long): Sean Neeson will make a submission on behalf of the Alliance Party.

Mr Neeson: My presentation will focus on the three headlines that were suggested last week: problems, solutions, and opportunities. The matters that I will deal with this morning are by no means exhaustive. Members have just received a short paper dealing with some of the issues that my party feels are important to the Northern Ireland economy, using the headlines agreed by the subgroup.

As far as the problems are concerned I have always taken a great interest in the energy industry in Northern Ireland. There is no doubt that the high cost of energy in Northern Ireland is extremely prohibitive for industry, particularly for some large-scale industries. However, we also must realise that we are now in the age of the global economy and we face huge competition from low-cost economies such as India, China and Eastern Europe.

As a country, we share a border with the Republic of Ireland, which has a very low corporation tax rate. In many ways, that gives the Republic an added advantage when trying to attract inward investment. I will deal with fiscal incentives later; they must be examined in greater detail.

Many of the people who made presentations to the subgroup referred to how the infrastructure in Northern Ireland lags behind that in other parts of the UK and the Republic of Ireland. Necessary major investment in infrastructure was recently announced, but much of it will not be spent until 10 years down the line. Furthermore, bearing in mind that Northern Ireland is a peripheral part of Europe, high transport costs are also a major impediment to investment.

Sadly, the political stability that many investors want to see has not yet been achieved. I hope that, through the work of the subgroup and the PFG Committee, devolution will be re-established sooner rather than later.

The Planning Service has come in for a great deal of criticism. Personally, I have found that delays in making decisions on planning matters have been a major problem. A multi-national company that invested in my area was prepared to walk away because of the delays in receiving planning permission.

We all agree that there is high level of dependence on the public sector. Some regard that as a problem

and others, some of whom were witnesses before the subgroup, regard it as an advantage. However, the overall strength of any economy must be based on the manufacturing and service sectors. That, and the fact that the Treasury is now having such a major impact on the Northern Ireland economy and is seeking cutbacks in the public sector, must be borne in mind when developing a future strategy.

When witnesses from the Department of Finance and Personnel (DFP) gave their presentation, two of the major problems that they highlighted were the high rate of economic inactivity in Northern Ireland and long-term unemployment. The Government, and hopefully the Assembly, must get to grips with that serious problem.

Possible solutions include fiscal incentives and a lower rate of corporation tax, which has raised its head time and time again. When Sir George Quigley and his group from the Industrial Task Force gave their presentation, a lower rate of corporation tax was almost the only issue on which they focussed. As senior civil servants are currently carrying out a study in Northern Ireland on the benefits, or otherwise, of a lower rate of corporation tax, I suggest caution for the time being. Let us get the facts and consider what impact a low corporation tax has had in the Republic of Ireland.

Mivan's letter to the subgroup clearly stated that a low rate of corporation tax would not necessarily be an incentive towards new inward investment. I suggest that we consider all the fiscal incentives. All parties represented at this table got together with the Northern Ireland Manufacturing Focus Group (NIMFG) and discussed industrial derating, which is a matter requiring further consideration.

10.15 am

Another item of interest to the subgroup was tax credits, particularly in relation to research and development (R&D). It was clear from the evidence presented to us that small companies were not taking advantage of that because the tax credit system was really based on profit. That is an issue for the subgroup; we should focus on growing the small-to-medium enterprise (SME) part of our economy. It is by far the largest base in the economy; the Federation of Small Businesses told us that small businesses were being disadvantaged by many of the incentives, simply because they were small businesses.

The need to develop a skills strategy is one of the most important issues that we must address. William Wright, in his presentation, stressed the importance of apprenticeships, and I agree that there is a need to develop apprenticeship schemes throughout Northern Ireland, whether they are for small or large businesses.

As I have said before, I was struck by Dr Michael Maguire's comments on the need to develop responsive education. I remember that when Nortel was going well, the further education (FE) colleges in the greater Belfast area developed courses to try to develop the skills that would be required for that company. Sadly, the downturn in the IT business hit that on the head. That is the sort of thing that we need to look at; our education system is crucial to the development of the Northern Ireland economy. That is why it is so important to develop a skills strategy.

I am not sure whether I will get consensus on developing joined-up government. There are too many Government Departments at present, and we are not getting joined-up government. Although Departments such as DETI and the Department of Employment and Learning (DEL) are trying to act in partnership, the Review of Public Administration has been carried out in isolation from central Government. If we are to develop a strong, efficient economy we have to have a strong, efficient form of government as well.

The social partnership, too, has much to contribute, and the presentation from the Northern Ireland Council for Voluntary Action (NICVA) clearly showed the importance of that. Those partnerships are the way forward for the development of the economy.

A further matter to address is the cost of segregation in Northern Ireland. My party has estimated that segregation costs the taxpayer somewhere in the region of £1 billion a year. If we are to develop the shared future which all of us around the table believe is the way forward — and there is no doubt about that —

Mr McNarry: "All of us" is an assumption.

Mr Neeson: OK. I believe, as do many people in Northern Ireland, that the way forward is on the basis of a shared future. We must deal with segregation.

The return to relative peace has meant that tourism has begun to grow into a major industry in Northern Ireland, although some of the incidents that happened recently show that there are still problems.

There are many opportunities out there. We have seen some improvement in the air routes into and out of Northern Ireland, but there is further scope for development.

The Strategic Investment Board (SIB) has brought together many interesting projects, and there are opportunities to develop those. It is important that the operation of SIB and, as I have already mentioned, the work of Invest Northern Ireland are investigated.

William Wright raised the interesting matter of licensing, which he believes will be a major contributor to the growth of his company. That option should be examined in greater detail.

I said earlier that Northern Ireland shares a border with the Republic of Ireland. While some people have political difficulties with the Republic, I see a major opportunity in joint marketing with its companies. That has happened in the past.

Finally, opportunities arise from exploitation of the green economy. Northern Ireland is fortunate in that it has a useful environment. On the issue of agribusiness, the Ulster Farmers' Union presented their report to the subgroup. Let us not forget the major contribution that agriculture makes to Northern Ireland's economy. We must examine how we can develop added value from the agriculture industry.

The list I have provided is not exhaustive. However, I hope that my paper provides the basis for discussion.

The Chairperson (Mrs Long): Thank you, Sean. The subgroup has done well to stick to time so far. We will proceed to the DUP's presentation.

Mr Simpson: I apologise for not having produced my paper earlier so that members would have copies. However, I will ensure that that is done as quickly as possible after the meeting, so that it can be included.

I expect that many of today's presentations will repeat one another. However, I am sure that no one will become bored. It is, perhaps, a positive thing: some sort of consensus will emerge from that. I will discuss my party's position with regard to the economy.

First, I want to consider entrepreneurial opportunity. The Government cannot create entrepreneurs. It can, however, help to cultivate a can-do culture. Absolutely everything that the Government do with regard to economic government must be rooted in the philosophy that it is public policy to support and encourage business to grow and develop; that the Government and its agencies will always approach business, its problems and its aspirations with the intention of assisting, rather than hindering, its development.

Encouragement of entrepreneurship requires attention at virtually every level of Government. It pervades wide-ranging areas of Government including education, regional development and the tax system. Northern Ireland needs a serious dose of introspection in its Government Departments vis-à-vis their relationship with the business community and the promotion of a genuine partnership between the Government and business, with the Government facilitating entrepreneurial opportunity.

As we share a land border with an economic competitor whose headline rate of corporation tax is 12.5%, the DUP supports the lowering of Northern Ireland's headline rate of corporation tax to below 12.5%. If that is a step too far for the Treasury, the DUP is prepared to look seriously at a cocktail of fiscal incentives that would have the same net effect.

There are alternative ways to achieve the same results. One is the proposal that approved and allowable expenditure for R&D and training and marketing — which is included in the corporation tax computation — be multiplied by a factor of three and allowed as a deduction in arriving at the taxable profits for businesses based in the Province. In addition to enhancing Northern Ireland's attractiveness to investors, that proposal would address R&D issues, thus increasing exports and developing new skills.

The DUP also supports the re-introduction of 100% capital allowances for plant and machinery and computer software and equipment for Northern Ireland companies. Such a move would incentivise companies to expand, invest and innovate. Recently, it was interesting to read in a London financial paper that the joint chairman of the Conservative Party's Policy Group on Economic Competitiveness, John Redwood, supports considering a lower rate of corporation tax for all regions of the United Kingdom. He believed that it would be advantageous in relation to the creation of employment and investment. He made the point that young economists should examine that, and that he would strongly support a lower rate of corporation tax in Northern Ireland, as it is part of the United Kingdom.

The DUP proposes a meaningful, comprehensive review of all business-related regulations, with the aim of radically reducing the time, money and energy that local businesses spend on red tape and bureaucracy. Particular emphasis should be placed on eliminating both outdated regulations that are no longer required but are still in operation, and requests for information already easily available in the Government system.

In the matter of education, skills and training, the education system is not attuned to the needs of the business community. All primary, secondary and third-level schools, colleges and universities, must teach from curricula that value business and must produce students with the required skills to boost our economy. Real synergy between Government departments such as DETI, DEL and the Department of Education (DE) is required to fill the skills gaps.

Our education establishments must particularly appreciate and address the skill needs of niche areas in our economy. Classes and research must be tailored to generating skills and proficiencies that are of real use in commercial ventures. Modern apprenticeships must produce real jobs.

Tourism has exceptional potential for growth in the Province. Northern Ireland has a unique tourist product to sell to the world. Its full potential is not met by the present fascination with marketing Northern Ireland as an offshoot of the Republic. Some 30 million tourists enter the United Kingdom each year — far more than enter the Irish Republic. Northern Ireland should

exploit the benefits that can be derived from being an integral part of the United Kingdom and a neighbour of the Republic of Ireland.

10.30 am

Investment in the future development of Ulster-Scots history and culture as a tourist attraction is paramount. The potential of Ulster Scots has never been properly realised, despite the tremendous possibilities for attracting new tourists to our shores.

Northern Ireland's distinct tourist attractions, such as Titanic Quarter and the Giant's Causeway should be at the forefront of a Northern Ireland-focused tourism campaign.

Additionally, ongoing support for the air-route development scheme is essential.

Companies in Northern Ireland remain unwilling to engage seriously in research and development (R&D). Just 10 companies account for 60% of our R&D output. In addition to incentivising R&D through the tax system, suggestions for improving this bleak picture include bringing together several similar or related companies in a cluster in which they can pool their resources or appoint R&D managers in an area to look after, support and encourage companies engaged in R&D.

The very term "R&D" often conjures up concerns for small- to medium-sized companies who perceive it to be about inventing brand new products. R&D is also about product development. Any strategy aimed at encouraging R&D should also focus on product development and identifying product life cycles.

Northern Ireland's planning system, when it relates to business, needs a serious overhaul. A user-friendly system that fast-tracks economy-related applications and delivers coherent and consistent decisions with the minimum of delay is essential, so that our existing companies are not deterred from expanding, and new ones will not bypass Northern Ireland for a destination where it does not take forever to obtain planning permission.

It is not the Government's job to create jobs. If anything, the Government's principal responsibility at present is to assist in ending our overdependence on the public sector for jobs. The DUP suggests that the Government devise a strategy to lower significantly the number of economically inactive people in the Province — a figure that is presently estimated to be well in excess of 100,000. Government should employ the same tactics they used to tackle unemployment in the Province. We appreciate that moving from long-term inactivity to employment will require support, and that is where the Government can assist.

The Business Alliance, the Confederation of British Industry (CBI), the Institute of Directors and the

Federation of Small Businesses have said we need to create 14,000 jobs a year over the next 10 years. If that figure is accurate, then embracing some of my party's proposals will go a long way to reaching that target.

The Chairperson (Mrs Long): Thank you, David. Mr McLaughlin will make Sinn Féin's presentation.

Mr McLaughlin: I reiterate that, in processing the various documents and witness statements, it is clear that there is a significant basis for agreement. The truncated timeframe of our deliberations has meant that we have not necessarily accessed all of the information that we need. Nonetheless, it has been a valuable exercise and we can draw some definitive conclusions.

Clearly, differences in emphasis and in analysis will remain. Perhaps some of the differences are too significant to be resolved in the short term. However, I believe that the subgroup can reach consensus on its report to the Programme for Government Committee; indeed, it will provide parties with valuable guidance in dealing with other outstanding issues.

It is a welcome change to the focus of politics in the Assembly that securing the long-term economy has taken centre stage. I believe that that would be a publicly welcomed development.

Sinn Féin makes a clear statement that reflects our politics. It is not, however, a party political statement. Co-operation, collaboration and an all-island approach simply make common sense, and that has been demonstrated over and over again. I recognise that those aspirations are more appealing to Sinn Féin than they might be to some of my colleagues. However, it has been clear in discussions that there is no controversy around the assertions and examples of the benefits of that type of co-operation, which, I believe, provides a compass for the future. Sinn Féin's paper, which I do not intend to read out line by line, maintains that North/South, as well as east-west, co-operation makes perfect sense and is logical. Its benefits are there for all to see.

Sinn Féin argues that the benefits of that type of synergy will allow us to drive down the cost to business. I have given an example in our paper of how having two separate currencies is an impediment to trade, both within and without the island. It is costly to consumers and to business and serves only to advantage an already profitable and prosperous banking sector. The four banks that control finance and have the authority to issue notes in the North are also the four dominant forces in banking in the South. Sinn Féin argues that to have 10, 12 or more banks would be better than to have four banks that enjoy a monopoly. Our paper provides an example where development of proposals on the single energy market has not automatically resulted in reduction of costs because of profit-making by

producers. However, through good governance, those issues can be resolved to the benefit of the consumer.

The road, rail and air issues that we must deal with have been well documented. My party also believes that there are significant gaps in telecommunications provision, despite the claims of 100% coverage. Many areas in the North do not have adequate cover. That is both a disincentive and a disadvantage.

We must deal with gaps in education and prepare the workforce for the type of new economic profile that — if we can achieve both a stable and sustained system of Government — must be developed, particularly with regard to the restructure of the economy in the North.

We must take responsibility for the environment when we consider how to develop an energy supply on the island. Sinn Féin believes that huge savings could be made if that were properly approached.

Our paper refers to the huge imbalances — in the South as well as in the North — despite the huge wealth that is available to the Government. In the west and north-west there has been neglect, underdevelopment and, indeed, discrimination. Sinn Féin argues that an Executive in the North should, from the outset, endeavour not just to set targets to tackle poverty or underdevelopment; it must take a policy-driven approach to eradicating such disparities. That will not be done overnight — the problems did not emerge overnight, but over a long period — so we must be sensible and realistic about the timescale. The determination to eradicate those inequities should be a unifying factor in any local administration.

It may turn out that the parties will not agree on a tax and fiscal policy. Lobbying from a vociferous and powerful section of the business community has created the economic myth that a simple act of making tax cuts will kick start the economy. It will not; indeed, expert witnesses have produced authoritative evidence at our hearings that has challenged this emerging orthodoxy.

Empirical evidence from the Twenty-six Counties, and the Irish Government's 'Ahead of the Curve' report, demonstrates that a significant number of domestic firms simply pocketed tax-cut advantages without any corresponding increases in exports, output or R&D activity. All the evidence indicates that the same trend would emerge here. We must take a much more creative and flexible approach. In Sinn Féin's view, a range of tax and fiscal measures is needed to achieve the necessary competitiveness with the Twenty-six Counties' economy and to present, on an all-island basis, a competitive edge over emerging low-wage economies — particularly those of eastern Europe.

We must challenge the one-size-fits-all tax policy that is the current orthodoxy of the London Government. We must set out incentive-driven policies that

demonstrate strategic development and provide contemporary incentives that will encourage our entrepreneurs to explore new markets and promote training and development and R&D activity. We must set our faces against tax giveaways as a means of doing that, because there are long-standing structural flaws in our economy for which there are no quick fixes. However lucrative and attractive the argument for various forms of rebates might seem, we cannot expect to resolve the issues on that basis. Rebates are not necessarily the strategy answers needed to build a competitive and vibrant economy.

Sinn Féin argues that an all-island tax approach to tax and fiscal measures would reduce existing anomalies. It would also deal with the vexed issue of, for example, the differentials in fuel charges, and fuel smuggling. Those issues can be dealt with by harmonising fiscal regimes and by creating common trading conditions on the island. It would mean that decisions on the location of foreign direct investment would be different, and it would remove the legacies that cause so much angst and create such negative publicity for those attempting to develop a new approach.

The Irish Government have come up with a significant R&D initiative. Sinn Féin is critical about much of their economic strategy and of the deployment of the enormous resources that are available to the Dublin regime. However, my party believes that the Irish Government have developed an imaginative Government-led approach to R&D, which sends a clear message to potential investors about the island of Ireland as an investment location with opportunities.

The Assembly could follow the example of that approach, and, indeed, we could join with the Irish Government in that initiative.

10.45 am

Mr Neeson alluded to the failure of Invest Northern Ireland, and I state bluntly that we must deal with that failure. Invest NI's own report shows that it has failed to reinvigorate the economy. It has failed to attract the type of investment needed, and it has failed in its duty of care to the entire community in the North.

By concentrating in and around Belfast — I talk about south and east Belfast in particular, as its figures demonstrate — Invest NI has failed vast swathes of our community, which is grappling with the opportunities and challenges that having a more peaceful society brings. Our community is trying to gain the necessary confidence to have a more prosperous future. As a lead agency, Invest NI has consistently dashed people's hopes and expectations that peace would bring the opportunity for economic development and recovery.

We have to be careful about attempting to mimic the Twenty-six Counties' approach. We are witnessing quite significant impacts on its open economy, due to

international instability — rising oil prices, in particular — and, of course, consequent impacts on the American economy.

We must have a more strategic relationship with the European market, and we need to pay much more care and attention to the downside of having an absolutely open economy. Emerging dangers and threats are overheating the economy in the South, and there is clear evidence of a complete dependence on the construction trade and property development market to carry the economy through this period.

Finally, Sinn Féin has made a number of presentations to the NIO on the peace dividend. We have met with various Ministers over the past four or five years. We have consistently argued that there could be very significant savings in the security-budget expenditure, and in the operation of the NIO itself, if suspension is lifted and the Executive are allowed to resume their mandated responsibilities.

Those savings should be re-applied in the Six Counties. Unless an essential injection of capital is at their disposal, the incoming Executive cannot be expected to implement a Programme for Government to deal with all the infrastructure deficits, the challenges of regenerating the economy, and the massive retraining costs that would be involved.

We should reflect on the evidence that has, and will be, presented. Sinn Féin has presented a framework, which, we hope, in conjunction with our colleagues' suggestions and proposals, will form the basis of a meaningful report to the Preparation for Government Committee.

The Chairperson (Mrs Long): Who will be presenting for the SDLP?

Dr McDonnell: I will try.

The Chairperson (Mrs Long): I realise that you arrived after we had completed the preliminaries. We are allowing about 10 minutes for each initial presentation, and we shall then open up the meeting for discussion.

Dr McDonnell: I will not take the 10 minutes allotted. I was delayed because the Committee Clerk and I were in dialogue by phone. I discovered that the papers I had sent by email had bounced back, so I had to reconnect.

The SDLP has submitted two papers. Owing to the rush involved, we produced a general document headed 'SDLP Economic Challenges Paper' on 16 August 2006. It deals with several issues that have much to do with reforming Government and modernising how things are done. It has a wider scope than is relevant to the subgroup, but we felt it important to pull the paper together, crystallise some of our

thinking, and put it at the disposal of the subgroup to help set the framework.

Margaret Ritchie and I have attended most of the meetings. We pulled together a specific paper responding to much of what has gone on here, and I will speak to that paper now.

There should be a consortium, for want of a better description, to ensure that no section of our society is isolated. Again, without drawing any political significance, much of the success in the South has come from national agreements, for some five years at a time, in which the public sector, the private sector, the unions, the voluntary sector and everyone else involved has a stake. They map out the economic way forward for a period, and broadly settle most of the issues for that period.

In that context, we should be doing something similar here, but taken further. That type of exercise should be done centrally by Government to pull together all the interests, the needs and the ideas. The strategy would then be rolled out, taking us five, six, or seven years into the future.

Fundamentally, a strong and growing economy is essential to produce the wealth, and the tax that flows from that, to fund the social programmes that we need to underpin a just and fair society.

I mentioned the need for a coherent and transparent strategy. We feel — perhaps in less specific terms — that our current economic strategy can appear muddled and impossible to comprehend. That brings us back to Invest Northern Ireland; nobody knows where they are in our system, and that is why a consortium, or team approach, including all stakeholders, would create an open and unambiguous strategy.

On 15 August I said that we need a clear strategy for managing old industries that are in decline, but in which we could retain niche markets. Those include agriculture, fishing, food production, some of the heavier industries and engineering. A few may be going offshore, but some of them could still be retained through niche markets, and, rather than shrugging our shoulders, those industries should be managed to retain whatever they have, even if that means managing them downwards. We believe very strongly that there should be a clear attitude to indigenous business and clear contracts between Government and indigenous business.

We have some scepticism about the fact that grants are awarded to some and not to others. The grants system can sometimes appear willy-nilly, and it is a lottery as to who gets and who does not.

The SDLP favours an open and transparent system. We are impressed by many aspects of the loan system available to small businesses in the US. When the

Assembly was functioning, Sean Neeson, Reg Empey and I, among others, looked at that system. Instead of grants being selectively handed out to a few businesses, a guaranteed loan system is available — similar to our student loan system — whereby banks offer cheap, low-interest loans that borrowers can repay whenever they feel that they are able, with repayment periods sometimes stretching over 10 years. The system is open to everyone, whether they are setting up a grocery shop or a high-tech business. The operation of a similar system here would enable immigrants from eastern Europe to set up niche businesses here. The increase in immigrant numbers means that this issue will affect us more in the future than it has done in the past.

If we are to aspire to becoming a first-world economy with high-wage, high-value-added industries, we must embrace new technology and ensure the availability of the education and training programmes necessary to underpin that. For years, a pool of technical labour — for want of a better description — existed, with 400 or 500 young university graduates readily available for work. However, following a couple of instances of industrial investment in the technology sector, the labour pool was suddenly wiped out. The SDLP is concerned about that and believes that a much greater training and support service is needed.

The SDLP is delighted to have this opportunity to discuss the economy, and the subgroup has worked extremely well, despite some difficulties. The vast amount of evidence presented to us is a valuable resource that will stand both the subgroup and individual political parties in good stead for the next two or three years. We have been impressed with the passion and commitment of most of the witnesses. They have approached the issues with sincerity and have real hopes that the subgroup will feed back their views and that they will make a difference.

I do not want to talk for too long, so I have run through several points quickly. Many issues are self-evident, and they have, or will, be raised by others.

I would like to highlight some general points. Mitchel mentioned how Invest Northern Ireland had put a lot into south Belfast. I want to assure him that the investment was not because of Invest Northern Ireland, but because of enlightened political leadership.

Mr McLaughlin: It is because of the good MP then.

Mr Dawson: That is self-praise.

Mr Simpson: It is just the fall-out from Martin Smyth, is it not? *[Laughter.]*

Dr McDonnell: It is not self-praise — much of what has happened in south Belfast has been as a result of the development of the old cattle market and the old gasworks. All parties were involved in some shape or form. We had to compromise, pool resources and form

partnerships in order to get things done, and that is how we should work right across Northern Ireland.

I want to raise a few points, and, in particular, one on which I disagree with some members. Government needs to be streamlined. Our bureaucratic public service needs an awful lot of improvement and refashioning so that it can become fit for purpose. I heard it mentioned that there are too many Government Departments. The SDLP could not, and would not, agree with that because a bigger issue is involved — that of having stable government through the formation of a stable Executive. To put it bluntly, each party, and certainly the major parties — and I mean no disrespect to the smaller parties, Sean — must have a significant stake in that.

The chair needs at least four legs; without those, it will not work.

Mr Simpson: What about a three-legged stool?

Mr Neeson: He is not talking about you, Naomi, by the way.

The Chairperson (Mrs Long): I was wondering; I have only two legs.

Dr McDonnell: Inefficiency in Government has very little to do with numbers of Departments. We have short memories if we do not remember the disaster that was the old DOE eight or nine years ago, when muddle and mayhem were created because one corner of it did not know what another was doing and contrary decisions were made.

11.00 am

Mr Simpson: What has changed?

Dr McDonnell: Whether you break up or amalgamate Departments, if there is mayhem there will be mayhem whether it is internal or external. If people are keen to reduce the number of Departments, we suggest that the mayhem be sorted before their number is decreased. We also suggest that such a reduction will not create efficiencies or competencies where there are none.

Mr Simpson: Is that a management fault?

Dr McDonnell: I agree that it is a fault of management and leadership. We support moves to reduce corporation tax but we caution that it will not make a lot of difference if other areas are not fixed. A lot of attention is paid to the situation that the low-level corporation tax in Southern Ireland has created; however, that has been around for 40 years but has made a difference only in the past 10 to 15 years. That is because other things, such as the education system, were fixed. It does not matter that there is a zero rate of corporation tax if other problems are insurmountable — you will not attract the investment. I worry about that. It would be useful to fix the other problems and reduce corporation tax. However, the tax is only one

part of the jigsaw; the education system and the well-trained workforce are equally important parts.

Many North American cities and regions have reinvented themselves in the past 20 or 25 years as old industry declined. We have learned from them and have been greatly influenced by them. Halifax in Atlantic Canada, with which Belfast has some association and partnership, re-invented itself from being a declining maritime city by moving into the twenty-first century economy and becoming involved in the hi-tech industry. We have also looked at places such as Pittsburgh, which was a coal mining and steel town that suffered when those industries suddenly collapsed 25 or 30 years ago. It reinvented itself as a hi-tech city, again by moving into biotechnology and other technologies.

I make that point simply because in all cases the engine, tractor and moving force behind those reinventions was a university or universities. We strongly believe that we are not fully utilising the brainpower in our universities. Although they carry out a lot of good research, they are allergic to making money. If this subgroup were to do only one thing, it must be to find a cure for that allergy, so that universities engage with the commercial world. Universities have been the driver and have led economic recovery in the North American cities with which the SDLP and I have been involved.

Some attention has been paid to the economically inactive. Although that is important, we do not believe that it is a primary issue. We have bigger things to fix, and although I would like to know a bit more about economic inactivity — and we have heard some very useful information about that in the past week — it would be foolish to put it high on the A list of issues. I would certainly put it high on the B list, but it is more important to know that people will take jobs if we have a thriving economy with high wages and high value-added production.

The substantial underemployment here is perhaps a more important issue. Graduates and well-qualified people take lowly jobs. I would like to see that problem tackled as soon as possible, perhaps before economic inactivity is dealt with.

It would be remiss of me not to mention the all-island economy. For the benefit of my unionist colleagues at the table, although we passionately believe in removing as many economic barriers as possible on the island of Ireland, we do not wish to do that for purely political reasons. We do not wish to offer political offence, annoyance or irritation.

We have little control in our current political circumstances, but I hope that we will have some control in the future. We believe that we should take advantage of all of our relationships. We should use

both our Irish and our British connections. We must take advantage of all of our connections in whatever way we can in order to maximise any opportunities, including our European links and, as I mentioned a few minutes ago, our American connections. We do not have an awful lot of natural resources and, therefore, we should use any niche or leverage that we can. I was very impressed when — after first being elected to the Assembly — we were dragged off to Brussels. Do you remember that, Barry?

Mr McElduff: I do indeed. I am happy to remember that. I could stand up for Ireland, you know.

Dr McDonnell: I was in a group that spent some time looking at the situation in southern Tyrol, an area of Austria that was annexed by Italy, which was handed that land as a bribe after the First World War. The Austrians who live there are ambivalent and bi-national — they play either the Italian or Austrian card as it suits, and it is one of the most prosperous regions in either Italy or Austria. I do not mention that to diminish the politics of this matter — we have our political views and each of us, in our own way, holds those views dearly. However, we should not let our economic interests or the prosperity and future of our people and our children be held to ransom to political interests.

On a final note — you will be glad to hear, Chair — any proposed peace dividend will be wasted. We have seen peace moneys arrive, and we believe that the peace dividend will be wasted — just as those peace moneys have been wasted during the past eight years — if there is not restructuring, transparency, openness and honesty created in the entire public body that is handling and delivering those funds. While we certainly wish to see dividends and pump-priming, we believe that if that is handled in the way it has been during the last eight years, it may not make much difference.

Mr McCarthy: Chair, may I propose that Alasdair arrange a trip to that area so that the subgroup can examine the issues?

The Chairperson (Mrs Long): We will move to proposals later, Kieran.

Mr McNarry: You omitted the fact that there are no terrorists there.

Dr McDonnell: I want to inform Mr McNarry of the existence of a South Tyrol liberation army.

[Interruption.]

Mr McElduff: A South Tyrone liberation army?

Dr McDonnell: I hasten to add that it is 10,000 miles away in Argentina and that it was organised by those who emigrated in 1909.

[Laughter.]

The Chairperson (Mrs Long): Perhaps therein lies a solution to some of our difficulties. We shall now hear from the Ulster Unionist Party Assembly Group.

Mr McNarry: I am grateful to, and appreciative of, all of those who have assisted the subgroup in providing written and oral evidence.

As a party for the Union, which has served and given leadership to the country for over 100 years, the UUP recognises the importance of a vibrant economy, not only for stakeholders and investors, but for those benefiting from full employment and prosperity. We also recognise the overwhelming opinion of those in the private sector who signal clearly that there must be political stability.

We endorse those opinions, which are in character with our continuing demands for an equitable partnership between a devolved Assembly and civic society in Northern Ireland. For lasting stability to be attained and sustained, all parties have an obligation to state publicly their unequivocal support for the Police Service of Northern Ireland and all other Crown agencies operating with the approval of Her Majesty's Government to uphold law and order in our country.

Without that publicly stated support, parties are only making a mockery of the efforts being made here to improve our local economy. However, with that support, the Assembly can send a positive and welcome signal that elected representatives are giving sound leadership as part of their contribution to encourage and renew confidence in internal and external investment.

With regard to the remit with which the subgroup has been tasked, and in particular, the major impediments to the development of the economy, the UUP shares the view expressed by Northern Ireland businesses and their representative organisations that the structural weakness of the Northern Ireland economy has been correctly identified in the four drivers indicated in DETI's 'Economic Vision for Northern Ireland'. In particular, we emphasise the skills gap and the low R&D spend in Northern Ireland. The nature and extent of the skills gap must be a matter of grave concern. The submissions from diverse businesses and sectors almost uniformly referred to a growing skills deficit in the labour market. Alongside that is the fact that unacceptable numbers of school leavers possess poor literacy and numeracy skills.

Northern Ireland's poor record of R&D investment in comparison with the rest of the United Kingdom is of greater significance, when it is considered that the United Kingdom level is merely average for the European Union. The low level of university/business collaboration in R&D — which is less than 50% of the United Kingdom average — contributes, in particular, to the Northern Ireland weakness in this regard.

In common with some other regions of the United Kingdom, the public sector's role as an employer and key economic player is not unusual, nor is the Treasury's subvention in relation to Northern Ireland tax revenues an anomaly in the United Kingdom. The aim of an economic policy should be to increase the private sector, not to shrink the public sector.

In considering the fiscal incentives that may promote FDI and indigenous investment, the UUP believes that a focus on purely fiscal incentives should not entirely dominate debate and discussion on the future of the Northern Ireland economy.

Some commentators have stated that the Irish Republic's corporation tax level has not been the only significant driver in its recent economic success — an education system that is rated third in the world by the World Economic forum, high levels of R&D investment and European Union infrastructure investment have all contributed substantially to that. However, it is widely recognised — and we must take note — that, in a competitive global market, the level of corporation tax does not impact on the ability to attract investment. The Treasury should examine the economic potential of a lower corporation tax rate for Northern Ireland.

A competitive tax regime is essential for the united Ireland — I shall start that again. *[Laughter.]*

Mr McLaughlin: That is OK; it will be in Hansard anyway.

Mr McElduff: Very good.

Dr McDonnell: It was a Freudian slip.

Mr Simpson: That is a press release for us.

Mr McNarry: A competitive tax regime is essential for the Northern Ireland economy. While recognising that most taxation issues are reserved, the Ulster Unionist Party believes that a devolved Administration has the potential to act on aspects of the tax burden on businesses, with existing and potential SMEs being fundamental to our regional economy. A small-business rate relief scheme, similar to that which operates successfully in Scotland, should be introduced.

A Northern Ireland Administration should also commit to capping industrial rates at 25%. The Treasury should adopt a more innovative approach to the various taxes that have an impact on business in Northern Ireland with avoidance of the excise duty in fuel, potentially costing the Treasury £380 million a year. There is a very strong case for altering the level of that duty.

11.15 am

The uptake of the R&D tax credit has been poor. More generous incentives, a streamlined system and

better engagement by Government agencies with, in particular, SMEs on tax credits should be considered.

Public procurement procedures, particularly those with reference to the Investment Strategy for Northern Ireland, should seek to maximise the opportunities for, and support the development of, indigenous enterprises. That can be dealt with locally.

I shall comment on how other matters, including an economic package, could contribute to economic regeneration, and on how that might be delivered. The well-recognised infrastructure deficit — the road network and the public-transport network in Northern Ireland — has been widely recognised as a barrier to economic growth. Addressing that deficit should be the priority in any economic package. That must be additional real money, not recycled money. The energy costs that Northern Ireland businesses face continue to be a barrier to growth. The Carbon Trust has estimated the potential savings to Northern Ireland businesses of investment in energy conservation measures and technologies to be £15 million a year with a total implementation cost of £36 million. There is a strong argument on business and environmental grounds for such measures to be included in an economic package.

The absence of a strategy for Northern Ireland's manufacturing sector is in stark contrast with the strategies that have been developed in Scotland and Wales. Such a strategy would signal that a Northern Ireland Administration was committed to the manufacturing sector's being a powerhouse of a knowledge-driven regional economy, and we would support that.

The emerging skills deficit that exists for basic and specialist skills must be addressed by a partnership of Government, schools, colleges, universities, employers and trades unions. Although that is a broad agenda, some initial actions can be indicated such as focused investment in primary schools to ensure that a firm foundation is laid for basic skills, and literacy and numeracy. We recommend: a new approach to careers guidance in post-primary schools; the creation of a post in the Department of Education with a named individual to take overall responsibility for driving improvement in science education; and support for apprenticeship initiatives such as those proposed jointly by the Construction Employers Federation and the trades unions.

Why not create a knowledge bank that is similar to that in Wales to provide tailored, focused and unified support mechanisms for businesses with the potential to be high growth, bringing together small innovative firms with researchers, universities, venture capitalists and other business partners? Such a knowledge bank would aid in technology, transferred inward investment and marketing. Let us also consider incentives such as

enterprise zones that are different to those that we had in the past.

A network facilitating the emergence of high growth industry clusters should be given time to prove that they can be engines for the growth of knowledge-based regional economies.

We have already mentioned the recent events in Newry and Dungannon, and, across the border, what happened to our party colleague Lord Ballyedmond. Those are grim reminders of what our economy endured for over three decades. As then, it is today not acceptable to say that there is no support for these terrorist acts. When was it ever right to support terrorism in our country?

I hope to end on a positive note. Like Dr McDonnell, I was struck with the people that we met during our deliberations and their candour, optimism, enthusiasm. Above all, I was impressed by their intention that Northern Ireland can do a lot better by improving its economy, and their will to contribute to making that difference.

Their underlying message to this subgroup was that if we clear the way for stability and confidence building, and work out a partnership between a devolved Government and a dedicated business agenda, Northern Ireland can — and will — compete and punch its weight.

The Ulster Unionists will support that, and we hope to contribute with all parties towards making the difference.

The Chairperson (Mrs Long): I thank all members who made presentations this morning for keeping so strictly to time. It has left us a bit more time for the discussion, which is helpful.

The written submissions will be included in the report, which will also reflect proposals that have been made and issues that have been raised by today's presentations. However, the formal recommendations in the report will be based on those measures around which consensus can be achieved. Therefore, in order to prepare the report it would be helpful to focus on the areas in which we can find agreement.

For reference, it may also be useful for to look at the table of evidence. It also focuses on the subgroup's terms of reference, giving options and recommendations that would aid discussion.

We will now open the meeting to discussion and see how things go. If members have any questions to ask, issues to raise or proposals to make, we are free to do that now.

Mr Simpson: In Alasdair's presentation, he mentioned the need to watch out for the pitfalls of private sector investment. Could he elaborate on that?

Dr McDonnell: That is fairly simple and open. There were several times in the past when foreign direct investment was made, principally in the textile industry. Projects were sited here, worked up for a number of years and subsequently moved to Morocco or Eastern Europe.

That is a very minor word of warning. The point I am making, perhaps indirectly, is that where public money is invested, the point and the purpose needs to be well tied. If a company moves away after 10 or 12 years there must be a clawback.

Mr Simpson: I agree with that. I am sure that Alasdair would agree that if the conditions are right for foreign direct investment, there is no need for companies to look elsewhere. We can create the environment that will sustain them here. That is important.

Mr McDonnell: That is right.

Mr Neeson: I am grateful to Alasdair for reminding me about the American system of assisting small businesses. The Enterprise, Trade and Investment Committee focused strongly on that, and I recommend it to this subgroup.

Coincidentally, there is an organisation in the greater Belfast area called 'Aspire Micro Loans for Business Ltd', which helps small businesses with loans. They are not big loans but at least they help them through difficulties. With small businesses being such a large part of the economy, we should focus on the American model.

Dr McDonnell: To follow up on that, I invite members to share the following example. It was the American experience that those who had \$6 million to invest in small business were able to set that up as a guarantee fund or an insurance fund for the banks. The banks in turn were able to loan \$100 million on that. They found that it took \$1 million to administer it — and it was administered efficiently and effectively.

The banks set up a consortium to administer the scheme, and they had a standardised process for small loans, with a failure rate of only 5%. In other words, businesses that collapsed or went out of business represented only about 5% of the total. The rest was money that kept churning and working for people, and going around the system.

I was tremendously inspired by that scheme because there is nothing more annoying than seeing people looking for grants or deals and failing to get them. We all, as public representatives, see that happening. It was awful when LEDU was in existence, because that body seemed to be very arbitrary about to whom it did or did not give money. Whatever plans, schemes or processes LEDU put in place, no one ever understood them and people were just confused by them.

Simply put, anyone who could produce a degree of security was able to claim a loan under the US system. Quite often, that loan may have been secured only against a lease or the claimant's investment in setting up the business. The banks used normal banking practices and the scheme was very good for businesses because the banks also provided financial discipline and management support. That meant that everyone was a bit happy, rather than having a handful of happy people and the rest angry at not getting access to finance.

Mr Neeson: Another interesting thing about that scheme was that it encouraged a lot of women into business. That issue, surprisingly, has not been raised at this subgroup. From a Northern Ireland perspective, it is important to encourage women into business. That was one of the big benefits of the US scheme.

Mr Dawson: This is my first opportunity to attend the subgroup, and I am pleased to be here. I have read the reports of previous meetings and have been struck by the recognition that all of the Government Departments should be focused on developing the economy and that the economy does not sit in isolation from the rest of Government. Some new and fresh thinking has been brought to the table. That should not be lost in the final report. The economy is of such importance that it requires the harnessing of all of the power and strength of all of the Departments, for the benefit of the country.

There are many specific issues to consider, as has been highlighted by the presentations that have been made today and at previous meetings. We have just discussed where agreement can be reached on specific measures that could be put in place. I am sure that we could add issues concerning tourism and our desire to promote this part of either the island of Ireland or the United Kingdom. I use those words to address Dr McDonnell's point that perhaps there is a way that that can be done for the benefit of all sides.

I believe that we can reach agreement on R&D tax credits, and that modern apprenticeships must lead to real jobs. There are large numbers of issues that are highlighted in the various reports on which there will be no difference of opinion or difficulty in reaching agreement. However, all of those matters simply refocus on things that the Government have done in the past. There is no step change; it is simply doing more of the same or improving on what we have done in the past. Those measures will not lead to the step change that the Northern Ireland economy needs in order to move from where it is today to a much better future.

In my view, two issues have emerged from our discussions on adding to the list of measures that will help to create that step change.

11.30 am

First, the attitude of the Government, Departments and the Civil Service to the economy is exemplified in

planning, bureaucracy and some of the things that the Environment and Heritage Service is involved in, and those are stymieing economic growth. The Government, through its Departments must be seen to promote, rather than stifle, economic development. Industry leaders and businesspeople consider Government policies as a blockage to economic growth. Government attitudes must change.

When I joined industry as a graduate many years ago, my first managing director would never accept that I brought him just problems or concerns about the business — he always demanded that I also identified solutions. That was good training for a raw recruit into any industry, and Government Departments could learn a great deal. While they are good at identifying the blockages to investment — the rules, regulations, planning or environmental issues that will hinder it — they are not good at identifying how the blockages can be overcome. That must change.

Departments often cite the European Union as the problem. They say: "It is driven by Europe, so there is nothing we can do about it." I simply do not accept that. Those who draft or put in place legislation that comes from the European Union must do so with an eye on promoting business and economic development within the region, rather than gold-plating legislation that may create obstacles. That is one step change, which, although it might sound simple, will be hugely difficult to implement across the Northern Ireland Civil Service and the various Departments.

Another step change involves corporation tax. Different opinions have been put forward on whether the level should be set at the headline rate or should combine several factors which will lead to an effective rate of corporation tax that is lower than the current rate. In many ways, it does not matter which of those we recommend. Instead, it is important that Northern Ireland can boast a rate that is more attractive and competitive than that of our nearest economic rivals.

With regard to R&D, training and investment, I prefer a package of measures that would reduce the effective corporation tax rate, rather than the headline figure. Ultimately, it is important that we have a figure with which the Assembly, Invest Northern Ireland and others who promote economic development can attract investors to Northern Ireland.

Objections to corporation tax variation can be met if, as I mentioned earlier, we endeavour to find solutions as opposed to problems. The potential exists for variation of tax rates in Scotland, the Channel Islands and Northern Ireland, where in the past, different packages have brought about variation in corporation tax levels.

The Chancellor of the Exchequer suggests that large companies may relocate head offices to Northern

Ireland, which would lose revenue to the rest of the UK. I am sure that rules can be easily introduced to prevent that happening. It has been said that the loss of revenue to the Exchequer is a red herring. The total revenue generated annually by corporation tax in Northern Ireland is around £500 million and reducing the rate of corporation tax over time would actually increase the tax take to the Exchequer.

All of the objections that have been raised can, therefore, be challenged effectively.

Mr Dallat: The vexed question of illiteracy and innumeracy has been a common theme in today's presentations. A new Assembly will need to take immediate action to address the issue, which affects approximately 250,000 people between the ages of 16 and 64. It is a horrendous problem for employers, and the influx of people from other countries probably makes the issue even more important.

Apart from the world of work, it is important to recognise that, under the terms of the Good Friday Agreement, equality was not simply about equality between Protestants and Catholics, but equality across the board. There can be nothing better than restoring dignity to people who were failed by the education system; and it means that the cycle of illiteracy will be broken.

We accept that there have been significant improvements at primary and nursery school level upwards, but recent research shows that 1% of people leaving grammar schools have serious problems — that represents approximately 2,500 people. Sixty per cent of the prison population have serious problems. I want to recognise the outstanding work in Magilligan Prison; the ironic thing being that prisoners need to be in long enough to benefit from its courses. I am sure it is not widely known that the flags and emblems for the recent Special Olympics Ireland Games 2006 were, in fact, designed in Magilligan. It shows that there are people there, who had they been given the correct skills, could have made a very valuable contribution to society — indeed many do go on to degree courses.

From the evidence obtained by different Committees during the previous Assembly it was quickly recognised that illiteracy and innumeracy amount to a very big issue. However, we lacked a co-ordinated approach to finding a resolution; sometimes one Committee was unaware that other Committees were collecting similar evidence relating to this very serious problem. The problem came to light only when the Chairpersons of the different Committees met and realised that it was affecting industry in a very serious way.

Hopefully, when the new Assembly comes into being there will be a concerted effort in our schools and colleges to develop the community school concept, which focuses attention on the need for education to

continue throughout a person's working life. I recognise the contribution made by the University of Ulster in its 'Step-Up' programme. The programme operates in the north-west and has given people from working class backgrounds an opportunity to pursue courses in science. It will make a huge contribution to industry in future years and should be rolled out across Northern Ireland as a very good model to follow.

Also, the contribution made by community groups, mostly in association with colleges of further education, needs to be examined and given the recognition it deserves.

All too often, community groups were recognised only when they were in areas of conflict. When the issues in those areas have abated, the contribution of those groups, and the need to encourage partnerships, will not be recognised. In many cases, they will be left hanging without funding, depending on embarrassing overdrafts from banks, with staff working in positions of uncertainty. The general heading of "Literacy and numeracy" must appear at the top of the agenda.

The Chairperson (Mrs Long): Two members still wish to speak and, at that stage, all party groupings will have had an opportunity to contribute to the discussion. It may be useful then, if members agree, to move on to more detailed consideration of the table of evidence, so that we can begin to provide guidance on the content of the report.

Mr McNarry: Barry, do not be worried about that white Anglo-Saxon Protestant flying around you.

I commend everyone who made presentations to the subgroup. They were useful, interesting and constructive. We may have left things out, and some of the discussions may have been rushed. However, I recommend that the subgroup reserves a paragraph in the report on the effect that criminality has had, and continues to have, on our economy. I am not au fait with the sums of money involved, but money laundering, fuel laundering, and so on, interest Mr McQuillan's organisation, so there must be something in it. He always seems to talk in millions.

While we remain hopeful that the subgroup will hear evidence from young people even after the draft report has been produced, it is important that we deal with how to prepare young people for employment. We need to give a sense of direction — one that we have worked out between us — or we need to sift through all the evidence to find out if employers have predicted the employment choices that will be open to young people over the next 10 years.

Mr McElduff: I assure David that I approach this discussion in the sporting tradition of the Gael.

Mr McNarry: You have completely lost me now — you had better explain.

Mr McElduff: George Dawson made a good point about his first managing director insisting that problems be approached with solutions in mind. When we come to detail the impediments in the table of evidence, we should try to fill out the recommendations/options column as much as possible. For instance, Dr Gilleece's paper goes some way to pointing to solutions relating to the skills deficit; poor correlation between current and future business needs, and educational and vocational provision.

11.45 am

The paper that Dr Gilleece prepared considered how the South's education system fits in with the success of the Celtic tiger economy. That paper should enable the subgroup to fill out at least some of the recommendation and option columns in the table.

We should not be afraid to address political instability and uncertainty. We should be courageous enough at least to state formally the desirability of removing barriers that might stand in the way of the restoration of political institutions, without prejudice to individual party difficulties.

Dr McDonnell: I put the following issue on the table now, lest it should slip away and be forgotten. I would like the subgroup's report to include a recommendation that, at a later stage, a more specifically targeted investigative report will be prepared on the commercialisation of brainpower in the universities. George Dawson's earlier comments triggered this thought. Creating or generating wealth is anathema to the Department of Health, Social Services and Public Safety (DHSSPS). Vast amounts of money are spent on health, but 15% to 20% of that could be generated internally by using existing brainpower and intellectual property. A mechanism is needed to mine that. I want to leave that issue on the table.

Mr Simpson: I wish to raise a side issue, which is nonetheless very important. It is something that perhaps the schools or colleges could deal with.

I have had meetings with young business people and university graduates about starting businesses, business incubation, and so on, and I have noticed that there is, in the culture of Northern Ireland, a fear of failure. America was mentioned earlier; if people in America fail in business, it is not seen as an embarrassment, but rather as a challenge and an opportunity to learn from mistakes so that they can move on.

David McNarry mentioned that the subgroup may, at a later date, hear evidence from the youth councils. It would be interesting to hear their views on how that fear of failure can be overcome. Perhaps it is a mental block or perhaps it is because Northern Ireland simply has a culture of embarrassment. However, in order to encourage entrepreneurs we must get across the message that not making it in a business incubation

programme or whatever does not make them failures. That fear must be overcome if young people are to be encouraged into business. Schools and colleges may help to achieve that.

The Chairperson (Mrs Long): That is a valid point, and it should perhaps be listed as a cultural barrier. Business people such as Richard Branson have said that they consider failure to be a necessary step on the road to success.

Dr McDonnell: That is right; people must be rewarded for trying, not punished.

Mr McNarry: That is right. There is a punishment for failure, and the cost is high; it can sometimes involve a person's home and family life. That big risk factor is very off-putting. I have talked to young people — some of whom are still at school — who have been advised not to take any risks and to join the Civil Service.

Mr Simpson: God forbid that, but anyhow.

Mr Dawson: I fully agree with Alasdair's point that university research should be released into the private sector. That was achieved in the United States with the introduction of the Bayh-Dole Act in 1980, and it may be useful to consider adopting a similar approach here.

The Chairperson (Mrs Long): Returning to the table of evidence, the subgroup should try to reach consensus on as much as possible. First, we should focus on where we stand on the identified impediments, recommendations and options, so that we can propose recommendations — which will obviously require consensus.

Mr McNarry: Chairperson, you are leading the subgroup in the right direction. I do not know how much we will get through today, but this is a big job. I advised you earlier that I have a meeting to attend shortly, but I am willing to come back after it.

I agree with Barry McElduff's comments. We should identify not only the impediments, but the solutions, too. If we can crack that, we can make reasonable progress.

I congratulate also the officials who put together this paper, which I requested. It is very useful. It is well prepared, very instructive, and I can follow it, so it is virtually idiot-proof.

I suggest that, if everybody agrees — and there will be some overlapping — we should address the impediments with a view to finding solutions. That is what we need to figure out; otherwise all our work is really at a loss. Also, in the horrible event that our report does not mean anything to an Executive, because an Executive has not been formed, it is still important for the body politic that our report be presented to the Governments, so that, in the absence of a devolved

Assembly, it will be held in good standing. We will have addressed the impediments, and we will be saying to the Government that as long as there is direct rule, it is up to them to address the impediments that the elected representatives of Northern Ireland have identified.

The Chairperson (Mrs Long): A list of impediments has been identified from the various presentations and discussions. Although it might be a slightly negative place to start, I think that it is important, before we move on, to ascertain whether there are any additional impediments. Are there any that members feel have not been specifically identified?

David, have you identified an additional impediment?

Mr McNarry: Barry McElduff. *[Laughter.]*

Mr McElduff: If we are trying to identify additional impediments that have come forward in an evidence-based way, it might be helpful to hear from the Committee Clerk at this point.

The Committee Clerk: The report must be completed by next Friday, so there are time constraints. It cannot be overly weighty. The big thing is that the evidence has been taken. That, along with the written submissions, will be included, so that is 90% of the work. The issue now is to make sense of all of it.

I hope that I have given a clear picture or the answer to our terms of reference. If we are content to agree that that is the list of impediments, the first of the terms of reference have been met. The report simply needs to list those along with an explanatory note.

With regard to fiscal measures, I have heard from witnesses and from members, with some variations, that we need to create a fiscal environment that meets the needs of Northern Ireland. That includes an element of harmonisation, perhaps on fuel duty. The report must consider how to attract FDI in sufficient numbers to grow the economy — this “new economic trajectory” to which George Quigley referred.

Where there is a lot of agreement is on the fact that the jury is still out on the best cocktail — there are different views on it. The Economic Research Institute of Northern Ireland (ERINI) is carrying out some key research, which is due to be completed in October and is fundamental to making the case to the Treasury on corporation tax. It would be foolish not to take that into account; the report would not reflect the evidence that we have heard. There have been opposing views from witnesses, who have recommended different approaches. We should be saying that we want the PFG Committee to take cognisance of that, and that any formal recommendations, either from that Committee or from the subgroup as an extension to its work, must be based on research.

Mr McLaughlin: The lack of tax-varying powers should be stated as an impediment, as well as addressed

in terms of fiscal measures, despite the fact that that issue is addressed in a cross-cutting way in the list of impediments. An “inappropriate and uncompetitive fiscal environment” could apply equally to central Government, but we must be quite specific that we believe that it is possible for agile and responsive Government to drive the agenda for change. If we want a step change, we should be specific about the disadvantages that we face.

The Committee Clerk: I should point out that the Assembly has a degree of tax-varying powers. Rates are a local tax, and the Assembly has responsibility for that element.

Mr Dawson: We would not support tax-varying powers within the United Kingdom. If taxes were to be varied here, that would have to come under a United Kingdom remit. We would not support the Assembly’s having tax-varying powers.

Mr McNarry: Returning to Alan’s point about the ERINI report in October, I propose that, if we are in business, it would be appropriate to hold an evidence session with ERINI on the basis of that report. That body made a very good submission to us last week but, in the light of that report, particularly on corporation tax, an evidence session would be appropriate.

The Committee Clerk: That is one of the recommendations that I have listed. The recommendations — by coincidence and luck more than anything else — include everything that members have mentioned. I have tried to present those recommendations in a politically neutral way. There is a recommendation which relates to what many members have said about usefully working beyond 25 August. We have addressed that in the addenda, but there are outstanding issues.

It seems, from the evidence and from what members have said, that the two big issues are fiscal measures, and to ensure we have a secure case to put to the Treasury, which will look for quid pro quos.

Everyone has mentioned the education and skills agenda. We could usefully spend some months examining those matters.

Dr McDonnell: Could I ask for clarification of our agenda beyond 25 August? I would be very eager that that be put on a formal basis. If work beyond that date has not already been formally endorsed, it should be. I believe that there will be fallout and bounce-back, and we may have to continue for two or three further weeks.

The Committee Clerk: The formalities are that the subgroup would need to prepare, at least, an outline work programme within the terms of reference that I have suggested. The subgroup would then seek approval from the PFG Committee.

Mr McNarry: I propose that we do that.

Dr McDonnell: I second that. We must do whatever is necessary to create the space for the subgroup to continue for a further period, as long as necessary.

The Committee Clerk: I mentioned those two big issues because they are the two outstanding matters on which work is being done at the moment. Are members content that that would be, so to speak, their outline work?

The Chairperson (Mrs Long): That is outlined on page 4 of the table of evidence, at point 13.

Mr McNarry: Within that, we have the ability to take oral evidence.

Dr McDonnell: I imagine that our efforts may well end up as a subject for debate in the Assembly on 11 or 12 September 2006. If we simply walk away at that stage, everything will fall into a black hole.

Mr McNarry: That is a well-made point.

Dr McDonnell: That would be a good academic exercise, but I believe that we should continue to try to elevate the debate, and lead, with others. If that entails our meeting until the end of September, so be it.

Sean Neeson and David McClarty sat with me on the previous Committee for Enterprise, Trade and Investment, and we did some tremendous work. However, with the Assembly falling in 2002, a lot of the work that we addressed was lost. Indeed, many of those issues and themes are coming back to us now. I would like to ensure that we do whatever we can do to follow through on those matters. We must ensure that the effort that has been made over the last five to seven weeks is not immediately lost. I would be happy to endorse David's proposal that we create space and take whatever steps are necessary to create that space.

The Chairperson (Mrs Long): The terms of reference on that matter are addressed at page 4 of the table of evidence. Point 13 potentially provides the terms of reference for continuation of work beyond the date of the Assembly debate. There is no reason why that work could not continue until 23 November to ensure that we have a formal report, regardless of the outcome on 24 November.

12.00 noon

Mr McLaughlin: I have no objections, in principle, to continuing the work, because it is useful to explore each other's positions and develop as broad a consensus as possible. We need more time. However, we must make it clear in the terms of reference that we are respecting the deadline of 24 November. The task of the subgroup is to facilitate the restoration of the Executive.

The Chairperson (Mrs Long): The proposal is that the subgroup recommends to the PFG Committee that new terms of reference be agreed to allow the subgroup

to continue its work in the coming months. Are members content?

Members indicated assent.

The Committee Clerk: Are members content with the two areas that the subgroup will work on?

Mr McNarry: We do not need to be content. If we want to put it to a vote, it works by a simple majority, but it is better if there is consensus.

Members indicated assent.

Mr Dawson: Is there flexibility for other areas to be incorporated into the terms of reference?

The Chairperson (Mrs Long): It may be possible to add those following the Assembly debate. However, the important thing is to get agreement that the subgroup continues.

We touched on impediments. If members are satisfied that all the impediments have been listed, we must consider whether there is consensus on the recommendations/options which flowed from the discussions.

Mr McNarry: I have not had time to read the paper fully, and I am sure that is also the case for other members. I am content with the suggestions on impediments. However, rather than simply signing off the paper, can we have a bit of rope in case we wish to add to it?

The Chairperson (Mrs Long): Absolutely. At this stage, we are merely agreeing the issues to be highlighted in the draft report, which will be subject to further discussion next week. No one will be restricted from changing their positions in those discussions.

Mr Dawson: While I appreciate the earlier comments with regard to the word "neutral", the word "harmonisation" in recommendation/option 2 could be substituted with "competitive variation". The phrases would read, "competitive variation of corporation tax" and "competitive variation of fuel duty". The term "competitive variation" achieves the same thing without using a word that is loaded.

Mr McLaughlin: Competitive variation caused the problem in the first instance, and created the cost differentials. "Harmonisation" is a better word.

Mr Dawson: There should be a variation that allows for a competitive environment to be established. With respect, "harmonisation" is not a neutral word.

The Committee Clerk: I understand where both sides are coming from. I avoided the word "harmonisation" in other areas — no, I confess, I said it somewhere else.

Mr McLaughlin: What about "fuel duty reform"?

Mr Dawson: What about "corporation tax reform"?

The Chairperson (Mrs Long): Is there consensus on that change of wording?

Members indicated assent.

Dr McDonnell: It is essential that members unanimously agree on as much as possible, otherwise the Secretary of State and others will treat us with contempt. We must prove that we can do the job in spite of difficulties and sneers from others. We do not want to belittle, or make light of, political differences or views that people hold dear, but we must try to ensure that we come out of this with a report that we can rally around and stand beside.

The Chairperson (Mrs Long): With regard to the recommendations and options, there are issues around fiscal measures and the economic package. There has been some difference of opinion on the economic package, its extent and, perhaps, a lack of detail in what it should be targeted towards. It may be better to set it aside, consider the recommendations and options first, and then come back to it, if that is agreeable. Perhaps the best way is to take the table of evidence a page at a time to find out if anyone has issues.

Are there any other issues on page 1 of the table of evidence, or are members happy for those to be included in the draft report for further discussion next week? I will assume that silence means consensus.

Members indicated assent.

Mr McLaughlin: Russian consent.

The Chairperson (Mrs Long): Do members wish to comment on pages 2 and 3 of the table of evidence?

The Committee Clerk: Members may not have read the paper word for word, and we would not want to cheat you — staff never do that, anyway.

Mr McNarry: That would be par for the course.

The Committee Clerk: The paper discusses some big issues, particularly in relation to the economic package, but no one has spoken about an exact figure. The issues have been discussed in the Preparation for Government Committee but not in the subgroup. The paper contains recommendations about using money from the reorganisation of the public sector from a streamlined Government and seeking an agreement from Government to use that money to foster and develop economic growth. Peace dividends are a separate issue.

Mr McNarry: My point may be controversial, but we will have a crack at it anyway. On reflection, the Executive failed to address this question and found themselves looking for schemes and, in some cases, inventing them.

It is vital, certainly for Ulster Unionists, to have a good look at the books before entering into Government. Secrecy surrounds the costs to Northern Ireland and how Departments distribute money. There are bad management practices, which may be rectified by

expediciencies such as reducing the number of Departments, and so forth. However, the actual sum must be negotiated, and I hope that the subgroup will make that recommendation. The sum must be additional, and it must address specific needs; it cannot be pinched from somewhere else, be recycled or be some hidden type of punishment. Members have spoken about community groups and how they are falling asunder due to lack of sustainability. Millions of pounds have gone in that direction, and it has not been productive.

This is a major subject, and I appreciate the Committee Clerk for pointing it out; it should be a priority. The subgroup will report to the Preparation for Government Committee in order to advance towards an Assembly debate. It would be rather foolish of the members of the Preparation for Government Committee to prepare to go into Government if they did not have this package signed, sealed and delivered, if they did not know what they were inheriting financially and if they did not know what money they could have that was not on a merry-go-round system. They would have to be able to create budgets that made sense. They should not have to go into an Executive that are charged with bidding for budgets without having a clue about what they were doing. The Executive could make decisions and subsequently discover that money was being pinched from their allocation to give to another budget.

We need to consider high-spending budgets in particular. There is no political rhyme or reason why schools are closing in the manner in which they are or why people are still waiting for hospital beds. No reasons are given for those situations.

In the past, money was thrown at a problem; I hope that lessons have been learnt from that. If this subgroup does anything, it should ensure that those who are preparing to go into Government approach it in the right sense and do not chase the buck once they have entered office. Rather, they should have a precise idea of the situation in order to prioritise spending for Northern Ireland not only in the short term, but the long term as well.

The Chairperson (Mrs Long): Part of the remit of the PFG Committee is to consider a draft Programme for Government at one of those stages. Members of the Committee have identified that one factor that will have to be considered is the current financial status. The subgroup may wish to reiterate that point, as the PFG Committee will consider our report.

Mr McNarry: That is my point.

The Chairperson (Mrs Long): It would help to restate that point.

Mr Cree: The economic package must be a stand-alone sum of money and should not come from any nefarious sources. Recommendation/option 5, for

example, suggests using savings from the Review of Public Administration (RPA) to fund economic initiatives. I remain to be convinced that there will be any savings from the RPA, so I would not want to depend on being able to recycle that money. We must be careful that that does not happen.

The Chairperson (Mrs Long): The economic package is a separate issue. The table suggests that any savings from the RPA should be reinvested in the Northern Ireland economy rather than being allowed to drift.

Mr Cree: Should we change the wording to read: “Any savings made from the RPA should be reinvested in initiatives”?

Mr Dawson: There are two key issues. First, current budgets must be ring-fenced and must grow appropriately, as per inflation and whatever the Barnett formula provides. Secondly, there must be a discrete package to ensure that the managed transition of Northern Ireland from its position today to the high-performing economy of the future is sufficient. Those two key elements — the existing budgets and an additional element — will ensure that resources are available for the Executive to deliver what must be delivered.

The Chairperson (Mrs Long): We are drifting to a discussion of the economic package. We should try to consider other options that are not tied to that. We can re-examine the economic package in more depth, as it will require more exploration.

With regard to the recommendations/options on page two, Leslie Cree has proposed that recommendation/option 5 should read:

“That any savings made from the RPA and any reduction in government departments should be used for an agreed period to fund initiatives”.

Are members agreed?

Members indicated assent.

Dr McDonnell: I have serious misgivings about there being any savings from RPA. We have been promised savings, but I am concerned that all we will do is to pile an inefficiency in one area on top of another, resulting in double the difficulty.

The Chairperson (Mrs Long): George raised an issue about recommendation/option 6, which states:

“The PfG recommend the centralisation of government responsibility for economic matters within a single department or agency.”

He indicated that it should become a core function of all Departments to promote economic growth. Is that something that could be added to the wording? Would there be agreement to that around the table? It would take on board some of the issues raised this morning.

Dr McDonnell: There was a group, the name of which escapes me, set up in OFMDFM. Was it the Economic Policy Unit?

The Committee Clerk: I think that one of the witnesses suggested that that has become moribund.

12.15 pm

Mr McNarry: The SDLP Minister of Finance and Personnel did not like it, so — *[Interruption.]*

The Committee Clerk: I could be wrong.

Dr McDonnell: Of course, there will always be niggles here and there. There needs to be a co-ordinating body, but it is not necessary for that body to be in competition with the Finance Minister or DETI. It should focus on creating a real-world awareness across health, planning and other Departments. I am not disagreeing with the suggestion, but I am worried about yet another agency being piled on top of existing agencies. We should be trying to streamline and to clarify the lines of communication.

Mr McLaughlin: We should remind ourselves that we are talking about a step change, and the concept of a lead agency is one such measure in that process. Departments will continue to manage budgets and to make projections regarding their own programmes. It is quite evident that there is a multiplicity of responsibilities; that there is duplication and replication; and that the system is stagnant. This may not be the complete answer, but it is, at least, an attempt to map out a different way of doing business and to have a one-stop shop for key economic and strategic decisions.

We talked about tourism earlier, and some useful points were made. Seven Departments have an input into the strategic decision-making. That is a nonsense. So, the idea of a lead Department, properly staffed and resourced and with the authority to bring the other Departments along with it, is a step change that we should recommend seriously.

Mr McNarry: I would subscribe to that idea, but it is a question of whether that lead Department would be embodied in OFMDFM — or, indeed, in OFM, which we might get. If we take cognisance of the evidence that we have gathered, it is clear that there is a need to ensure that there really is joined-up government. It must be co-ordinated, particularly with regard to the economy. At present, it is not; it is all over the place.

On examining the evidence from the Strategic Investment Board (SIB), I was astounded at the influence that it has. I was taken aback at how much say it has in education spending, and I am not clear to whom it is accountable. If we decide that such a lead body is necessary, it must be made clear that it has to be an accountable body and the Assembly needs to

know to whom it is accountable. It must also be a regulated body as regards certain amounts of money.

The Chairperson (Mrs Long): There are three themes coming out of this. First, there seems to be consensus on recommendation/option 6 — perhaps this is the easiest way to move this forward — that there is a necessity for centralisation within a single agency or Department. There are two other issues. One is embedding within all Departments the obligation to create the right context for economic development. The other issue is the one that David McNarry raised about the accountability of that single agency or Department.

Is there consensus on adding those two additional comments to recommendation/option 6?

Dr McDonnell: I want to add emphasis to what David McNarry has said. The Strategic Investment Board (SIB) has done some good work, but I am astounded at the expansion of its role — it is almost freelancing. The SIB has grown far beyond what was intended, and it has been almost let loose as a “Rottweiler” organisation for direct rule Ministers. It has usurped on much wider powers than were intended for it.

I want to see accountability, not in order to obstruct, but in order to ensure that there is management and leadership and that the right guidance is given. I made the point earlier that the worst thing that we could do would be to create another body — another bull in a china shop — that would only serve to go over old conflict and to put up more barriers.

Mr Dawson: I take the point that there is an accountability issue with the SIB, but I want to emphasise that its attitude to investment and growth is one that we should seek to foster across all Departments.

Mr McNarry: That is agreed.

Mr Dawson: The way in which the SIB approaches projects and drives them forward should be replicated elsewhere. Although I accept the accountability issue, we should not cut down the SIB too much.

Dr McDonnell: The culture is right, but the process has perhaps not been properly managed.

The Chairperson (Mrs Long): We have a draft amendment to recommendation/option 6 that would take account of that.

The Committee Clerk: This may be what we will need to do with the recommendations/options until we arrive at a single focus. Are members content with recommendation/option 6 as it stands, plus:

“and that all Departments work to agree a common strategy and vision in support of promoting economic growth and social partnership that is accountable to an Executive.”?

Members indicated assent.

The Chairperson (Mrs Long): We shall move on to recommendations/options 7, 8, 9 and 10. Do members wish to make any comments?

Mr McLaughlin: This may be a parochial concern, but when we talk about “economic corridors” in recommendation/option 9, people tend to think of Belfast and Dublin. Could we agree to insert the word “designated” before “economic corridors”, because that would allow us to talk about border corridors and to have an open-ended approach to identifying areas for development? The Dublin Government have developed the concept of a western Atlantic region, and that would be of particular benefit to south Tyrone and Fermanagh.

The Chairperson (Mrs Long): Are members content?

Mr McNarry: I just want us to be positive. Recommendation/option 9 is that research be commissioned to identify economic opportunities. We could fill a Twelfth of July bonfire with research documents, so, rather than go down the road of commissioning further research, I want to see some real, in-depth analysis of the completed research in order to determine what more needs to be done.

Dr McDonnell: Three or four projects were pulled out of.

Mr McNarry: I neither dispute what Mitchel has said nor am I disagreeing with him.

Mr McLaughlin: David has made a valid point.

Mr McNarry: We will be behaving like civil servants if we continue to ask for more research.

Mr McLaughlin: It will sit on a shelf somewhere.

Dr McDonnell: Mitchel is not disagreeing with that. He is saying that there should be four or five projects rather than simply the one that is likely to materialise.

The Chairperson (Mrs Long): There are two suggested amendments to recommendation/option 9. The first is that instead of saying “research is commissioned”, the suggestion is that it should read:

“detailed analysis of research is undertaken to identify economic opportunities”.

Secondly, it is suggested that the word “designated” be inserted before “economic corridors”, so that more than one economic corridor can be considered.

Mr Dawson: May I go further than that and say that we should be establishing pilot clusters and economic corridors that can be analysed?

The Chairperson (Mrs Long): Is there consensus? The amendments are that we ask for in-depth analysis

of research; establish clusters; and economic corridors to be — *[Interruption.]*

Mr Dawson: Agreed clusters and economic corridors to be analysed — *[Interruption.]*

The Chairperson (Mrs Long): To be analysed — and we are talking about designated economic corridors, as opposed to a single economic corridor. Is there general consensus — *[Interruption.]*

Mr Dallat: I am sorry. Could I say something about recommendation/option 8 of the table of evidence?

The Chairperson (Mrs Long): We will come back to that. Let us try to deal with recommendation/option 9, and tie that down.

Mr McLaughlin: Sorry, John.

The Chairperson (Mrs Long): We will return to recommendation/option 8. Are members reasonably content with the thrust of what we include in the draft paper? Obviously, we will have an opportunity to fine-tune that later.

The Committee Clerk: I am sorry. Could I hear recommendation/option 9 again?

Mr Dawson: That the focus should be on action, as opposed to research.

The Chairperson (Mrs Long): We are recommending that detailed analysis be undertaken on research to identify economic opportunities. We are suggesting the establishment of agreed effective clusters and collaboration.

The Committee Clerk: Do members wish to include reference to pilot clusters?

The Chairperson (Mrs Long): Yes.

Mr McNarry: With a view to at least 75% of them being in the Strangford constituency, around Newtownards. *[Laughter.]*

The Chairperson (Mrs Long): I suspect that at least one other member will support that. Kieran will agree, but I am not sure that you will get consensus from everyone else.

Mr Dawson: Mr Neeson has left, but I am sure that he would support East Antrim.

Mr McNarry: Put it to the vote. *[Laughter.]*

The Chairperson (Mrs Long): Are members content with the amendments to recommendation/option 9?

Members indicated assent.

The Chairperson (Mrs Long): John, you may raise your suggestion on recommendation/option 8.

Mr Dallat: I am very nervous about suggesting something that might well end up on a Twelfth of July bonfire. They are big enough already.

Recommendation/option 8 is very well worded, but would it be sensible to suggest the promotion of an enterprise culture throughout the education system, in both primary and secondary schools? We are lacking in that area, but some schools do that work extremely well through young enterprise programmes.

Mr McNarry: I support John, but could I reintroduce what we said in our presentation about creating a designated post in the Department of Education, with a named individual to take responsibility for science education? Could that be added?

The Chairperson (Mrs Long): There seems to be general — *[Interruption.]*

Mr McNarry: I would nearly go as far as to say that the named individual should take over all responsibility for the entire area covered by recommendation/option 8, but I will stick to my brief.

The Chairperson (Mrs Long): Two slight amendments have been proposed to recommendation/option 8. First, that a designated individual should be appointed to deal with improvement in science education. There seems to be general consensus on that matter. Secondly, we have John's proposal that we stress the need to have a greater enterprise focus throughout the education system. There was also broad consensus on that.

The Committee Clerk: I have written: "hampering future economic growth and encouraging an enterprise culture in schools". Is that sufficient?

Mr Dallat: Yes.

The Chairperson (Mrs Long): You wanted to state specifically that that was to be from primary level right through the education system?

Mr Dallat: Yes, I think that that is important.

The Chairperson (Mrs Long): That addresses some of the issues that we discussed earlier. David Simpson raised the matter of addressing the cultural barriers.

Mr McLaughlin: If we are serious about a step change, it must be policy-driven. It is not an add-on; it is a very specific statement on how we can develop a different culture.

Dr McDonnell: R&D is mentioned twice in recommendation/option 8 of the table of evidence. We will be making a mistake if we regard R&D as something that sits on the margins. We are all in favour of R&D because we are all in favour of motherhood and apple pie. The reality is that we must mine down into the matter of R&D. It is not enough to simply mention R&D; we must mention applied R&D at least. There is much R&D going on in universities.

The Committee Clerk: That is why I have included "enhanced knowledge transfer" in the table. Is that not sufficient?

Dr McDonnell: I am not attacking or criticising. We must take a harder line because we are looking at a corner of the R&D possibilities. It can be called applied R&D, because it applies to the real world.

Dozens and dozens of academics and professors in universities are conducting all types of research, but it is all irrelevant to our needs. We want relevant R&D; call it what you like — relevant, applied, commercial or economically exploitable — but that is what we want.

12.30 pm

The Chairperson (Mrs Long): To be fair, that is where the term “research and development” comes from; the development suggests that it is applied. The wording could be enhanced in the draft report. It is also worth noting that research that is not immediately commercially exploitable is necessary in order to create a foundation that will enable commercially exploitable research to be undertaken. It is a matter of ensuring that turnover is continual.

Dr McDonnell: I do not know whether it is appropriate, but I mentioned that a further report is needed, either from this subgroup or a similar group, to mine into the R&D issue. The entire area is murky and confused, and we will not exploit that. George Dawson made a useful point about the foundations laid by the Bayh-Dole Act in the United States. Suddenly, entire cities started to grow and have a future. We need to find some way to make that happen here.

The Chairperson (Mrs Long): Dr McDonnell obviously wants the wording of recommendation 8 in the table of evidence to be strengthened. Is there consensus on that?

Members indicated assent.

The Chairperson (Mrs Long): It might be useful for that section of the report to include additional information on international experience, which can be considered when the draft report is being amended. Would that be helpful?

Dr McDonnell: It would be useful to include the relevant paragraphs from the Bayh-Dole Act in the United States.

Mr Dawson: It is available on the Internet; it is named after the two senators who tabled the Act.

The Chairperson (Mrs Long): Would a summary of the Act and its impact suffice?

Dr McDonnell: A few paragraphs are all that is required.

Mr McElduff: I want to be assured that “curriculum’s” as it appears at recommendation 8 at point 1 in the table of evidence is the correct plural form. Are there any Latin scholars around? *[Laughter.]*

The Committee Clerk: That is one for the spellchecker.

The Chairperson (Mrs Long): Recommendation 8 reads “college curriculum’s” instead of “curricula”.

Dr McDonnell: It should be “curricula”.

Mr McElduff: It is crucial to introduce that point at this juncture.

The Chairperson (Mrs Long): On that scholarly note, are there any other issues to be raised?

Mr Dawson: As we are going in reverse order, I turn to point 7. Should we really give up money set aside for an energy subsidy by transferring it elsewhere?

The Committee Clerk: I understand that it is not a question of giving up the money. Last week, I talked to a senior official from the Department of Enterprise, Trade and Investment (DETI) about what might be available so that I could bring that to the subgroup’s attention.

The energy subsidy was agreed several years ago — with the Federation of Small Businesses in particular — as part of a package to offset the costs that would be incurred as a result of re-rating. Regrettably, the European Competition Authorities would not allow the money to be used for that purpose.

DETI has fought against that decision for the last two years, but to no avail. The money has remained in the budget, but is being whittled away on little things. Although I am not sure that the money will be lost, redirecting it would provide an opportunity to spend it, rather than simply leaving it because of the European Competition Authorities’ decision. This proposal would allow it to be spent on a related matter.

Mr Cree: I realise that I am coming late to the party, but I want to comment on option 7. Under that option, if we spend the £20 million, it is gone. It might be more sensible to use any such money to help those same companies create alternative energy schemes that use wind turbines, for example, where the benefits would be ongoing.

Mr Dawson: My understanding was that the subsidy was originally £30 million.

The Committee Clerk: Yes, it was.

Mr Dawson: I do not know where the other £10 million has gone.

Mr McNarry: It has been laundered by Peter Hain.

Mr Dawson: The subgroup will refer its report to the PFG Committee, and the report will subsequently be debated in the Assembly Chamber. There would be furore on the Floor of the Assembly if the subgroup accepted a reduction in the amount of money, and agreed that it should be used for a different purpose, without further discussion with Ministers.

That money should not be shifted elsewhere.

The Chairperson (Mrs Long): Would it be more acceptable for the draft report to note the difficulties surrounding this amount of money and state that further discussion with Ministers is necessary? The draft report could highlight that the subgroup does not accept the European Competition Authorities' decision, but that other options may need to be explored.

Dr McDonnell: Yes. The draft report should highlight that the money is there and that it must be put to some good use. There are several potential uses for that money. I cannot not disagree with the suggestion to use the money to fund alternative energy sources, for example, as that sector is being neglected.

The Chairperson (Mrs Long): Recommendation 7 could outline two options, namely alternative energy and the cushioning of industrial derating, and say that further discussion is required. Are members content for it to be re-worded in that way?

Members indicated assent.

The Chairperson (Mrs Long): Are there any other issues on page 3? I am conscious that recommendation 10 continues onto the next page.

Mr McNarry: Is recommendation 11 the relevant place to introduce a positive suggestion to create a knowledge bank? It is important to do that because a coalition of participants from businesses, universities etc are coming together to make a difference. We do not mind what it is called, but we want such a group to be created. "Knowledge bank" sounds good.

The Committee Clerk: That is probably not the right place in the draft report, but it could be included as a separate recommendation.

Mr McNarry: Fair enough.

The Chairperson (Mrs Long): Let us leave that suggestion until the end and add it at an appropriate place. Is that acceptable?

Mr McNarry: Yes. We are near the end.

The Chairperson (Mrs Long): I must leave the Chair by 2.00 pm. That leaves us with an hour and a half.

Mr Simpson: I must leave by 1.00 pm.

Mr McNarry: I must leave for another meeting, but, with your indulgence, Chairperson, I shall return.

The Chairperson (Mrs Long): Bearing in mind that we will return to the suggestion of creating a knowledge bank, are there any other matters on page 4 of the Table of Evidence that members wish to address?

Mr Cree: Yes. Recommendation 10 is not strong enough, as there is a cultural problem. I was reminded very forcibly of that last month when I visited Prince William County in Virginia. It is not named after King

Billy, but the Duke of Cumberland, second son of George II, who came first at Culloden.

Mr Dawson: Shame, that.

Mr Cree: The Government of Prince William County has addressed many issues, including a plan for the development of the entire county. The Government's planning department has a brief that no major plan should take longer than two weeks and building control only one week to be approved.

With the greatest respect, to change our plan to a similar one would cause a major problem, but we must try to do that and be much more efficient. To pour in resources without that necessary cultural change — a can-do scenario — would be to miss a trick.

Mr Dawson: Pouring in resources would be absolutely the wrong approach. The more resources and people in place, the more delays will arise.

The structure of the Planning Service must be changed and a fast-track system developed.

Mr McLaughlin: We must hammer in the message that change must happen in steps.

Mr Dallat: The planning process must be analysed with a view to streamlining business applications. At present, the Planning Service maintains that, under equality laws and so on, it must deal with all planning applications on a strict rotation. Hence, a proposal for a 100-bed hotel in an area where applications are time limited would be pitched in a queue along with pigeon lofts. I have nothing against pigeons; such an application must be considered on a different track. That could happen almost overnight.

Mr McElduff: A reference should be made that urges the Planning Service to take an enabling attitude to economic development. Leslie and George referred to a culture within the Planning Service—

Mr McLaughlin: It should tell us what we can do rather than what we cannot do.

Mr McElduff: Exactly. A brilliant effort was made to establish an enterprise park in Fintona, which is a targeting social need (TSN) area. Incredibly, the Planning Service blocked it, despite having sufficient flexibility and the discretion to allow it. The Planning Service must have a more enabling culture.

The Chairperson (Mrs Long): Streamlining will probably depend on there being robust area plans that are timely, as opposed to what currently exists. Whether an application is fast-tracked will depend on whether it lies within a particular zone.

Mr Dawson: We must also address the issue of time limits on reports from statutory consultees. The Environment and Heritage Service is particularly slow in producing reports to the Planning Service. Statutory

consultations should be time limited so that the process is not disrupted.

The Chairperson (Mrs Long): There seems to be consensus that the attitude in the Planning Service must change, that an enabling culture must be developed and that business applications should be streamlined on the basis of robust area plans. Deadlines and time limits must be imposed on statutory consultees so that responses are swift. Is there consensus on those issues?

Members indicated assent.

The Chairperson (Mrs Long): Are there any other issues that must be addressed? We have dealt with recommendation 13, which outlines the potential terms of reference for an extension of this subgroup's remit. An additional point was raised about the creation of a knowledge bank. Is there any opposition to that, or is there consensus on including that in the draft report for further discussion?

Dr McDonnell: Chair, can you remind me what the "knowledge bank" is?

The Chairperson (Mrs Long): I will ask Leslie, because it was a proposal made by David McNarry before he left the meeting. Leslie, will you elaborate on that idea?

Mr Cree: If I had a crystal ball, I probably could. I believe that David referred to a central register for all knowledge or information on a wide range of subjects, so that everyone can access it. It is David's idea.

The Chairperson (Mrs Long): I understood that the reference was in regard to research.

Dr McDonnell: Leave it in.

The Chairperson (Mrs Long): If members are content to include a reference, we can expand on it in the draft report.

Mr McLaughlin: We will have to return to the amended document anyway. We will then have the benefit of the written material.

The Chairperson (Mrs Long): Indeed. We will be able to drill down and find out exactly what that entails in order to make a firm decision. Is everyone content?

Mr McLaughlin: With regard to presentation, does recommendation 11 on co-ordinating the delivery of economic strategies align itself more naturally with recommendation 6, which concerns a single department or agency for economic matters? Should it be relocated? It is a presentational detail; I have no issue with the content.

The Committee Clerk: Those recommendations deal with slightly different matters.

The Chairperson (Mrs Long): There are 13 recommendations.

Issues remain around some of the impediments listed — infrastructure deficits, and so on. It might be better to deal first with any recommendations that members may have before moving on to the financial package. For example, Barry McElduff suggested earlier that under impediment 9, "Political instability and uncertainty", some politically neutral comment should be added to show the importance of the restoration of devolution. Are there any other proposals, or are members content that all bases have been covered?

12.45 pm

Mr Dawson: We cannot deal with this matter today, but it would be totally wrong to identify an impediment without also identifying a possible solution. That will probably take a bit longer, but we really need to have a solution for every impediment. Some of the solutions that have already been identified will also apply to other impediments.

The Chairperson (Mrs Long): I notice that some of the recommendations and options have not been aligned with the impediment that they are to address. For example, it seems as if no solution has been proposed for impediment 10, which deals with poor planning processes, although we have just discussed potential solutions. Thus, some solutions have been identified, but they are not necessarily aligned with a problem. Nonetheless, gaps will remain. Can we agree that if members wish to propose additional suggestions, they do so by next Tuesday, by which time the draft report will, I hope, be available? Members would have an opportunity to discuss any formal proposals then.

Mr Dawson: Would it be appropriate to e-mail the proposals for inclusion?

The Committee Clerk: You can e-mail them to me. We had only a day between the commissioning of this table and its preparation, so it is not meant to be comprehensive. The report will also include other issues that have been raised, so please e-mail any proposals that you may have.

The Chairperson (Mrs Long): That would be helpful. The first draft of the report will be circulated to other members, so highlighting the issues at this stage will make it much easier for them to be aware of different parties' proposals.

The economic package is the only issue that has not really been addressed, other than in a brief discussion earlier. It seems that consensus on that is vital if an economic package is to find favour with the Treasury. Is there scope for discussing issues around the economic package, suggested uses for the package and even, perhaps, how much it might be? At this stage, however, I suspect that the more critical issue will be what it is to be used for.

Mr Dawson: I am sure that all parties could contribute to that. However, it is also true that parties would need to consult more widely with their party groups on the issue.

The Committee Clerk: In trying to pull together the report, I noticed that there is a lack of coherence on this matter, because of the lack of time or energy devoted to what the package might be, how it would be funded and whether it could be done with the Treasury. The evidence that we have heard thus far from the witnesses has really been about oiling the wheels — investing in education and skills, redirecting resources, using savings, and so on. No one — including the political parties — has said that the amount needed is £5 billion, £6 billion, £10 billion or £20 billion. No one has said that just for the sake of saying it. I cannot put anything in the report other than what has emerged from the evidence. I doubt that there will be any major agreement on that in the time remaining.

Mr McNarry: I wish to return to the issue of political stability. The draft report will not be complete unless there is some agreement, if not consensus, on political stability and the issues, raised in my party's presentation, about the Police Service of Northern Ireland and the ancillary services. This matter must be finalised; if not today, then at a later date.

We must finalise our opinion, if not our recommendation, particularly if we will be indexing specifics in an economic package. Certainly, in business, it would be difficult to present credentials for an economic package to a banker if you were not able to give assurances on stability. I suggest that we earmark that for reconsideration.

The Chairperson (Mrs Long): The issue was addressed a few minutes ago in your absence. The Ulster Unionist Party Assembly Group's views will be reflected in the draft report, as will the views of all parties. However, consensus is required on formal recommendations. It has also been agreed that, with regard to impediments for which no direct recommendation has been suggested, such as political instability, members can make a proposal at Tuesday's meeting when those matters will be discussed. Indeed, members can do so in advance of the meeting via an e-mail to the Committee Clerk.

Mr McNarry: I suspect that the subgroup, even in my absence, has reached consensus on all the recommendations. I am mindful of the use of the word "consensus" with regard to political stability, and of Alasdair McDonnell's words on the importance of unanimity in our report. Therefore, I encourage anyone who has an impediment against support of the Police Service of Northern Ireland to demonstrate a change of heart so that we might have unanimity on that matter.

The Chairperson (Mrs Long): I am sure that all parties will take note of that.

By now, most of the report has been dealt with. Are members content to move on to the next item on the agenda, which is any other business, or are there any other any final remarks on the draft report or the table of evidence?

The Committee Clerk: I am eternally grateful to members. The subgroup's agreements and amendments will be included in the report.

Dr McDonnell: I want to make an off-the-cuff suggestion. The subgroup should take a little extra time, if required. It should not waste time. However, there should be a little slippage. I do not suggest that we drift. I believe that we take the necessary time to get the report as right as possible.

Mr McNarry: Has it been suggested that next week's meeting should, at least, be allocated time until 4.00 pm?

The Chairperson (Mrs Long): Members must decide how long meetings should last.

Dr McDonnell: I am not available during the week after next. If possible, I would be eager to take an extra day or two to tweak and work on the draft report before it is presented. Members are aware that the recall of the Assembly has been postponed by a week. I do not know how much time the Preparation for Government Committee needs to digest the draft report. However, rather than rush it, we must strive to get it right within the time constraints.

The Chairperson (Mrs Long): The report must be with the Preparation for Government Committee by 25 August 2006. No slippage is possible on that date because it is tied to the date of the plenary. A previous extension that was sought was granted. However, that does not preclude the subgroup from having additional meetings if they are required.

Mr McLaughlin: Could the subgroup hold longer meetings?

The Chairperson (Mrs Long): Yes. The draft report is not likely to be available until Monday evening at the earliest.

A long session on Tuesday might not be particularly productive, as much of the feedback that we need is likely to come from discussions that members of the subgroup will have with their parties. It may well be that a longer session — for example, on Thursday — would be more productive, as members will have had the opportunity to discuss the issues with their parties.

Members might want to give that some thought.

Mr McNarry: I agree with what Alasdair said. Some members are still on holiday, and others are due to go off on breaks. Therefore, given diary

commitments, if an extension is granted, can we be sure that these proposed meetings would have a quorum? In addition, it would make sense if we could agree, perhaps, that we will be available on certain days for a certain amount of time. If we do that — Hallelujah! — we might be able to finish the report more quickly.

The Chairperson (Mrs Long): Perhaps parties could tell the Committee Clerk, by close of play tomorrow, whether they will be able to provide representatives on Tuesday and Thursday and for how long.

Mr McNarry: George Dawson made a very valid point about the need to consult with party colleagues. It is something that the UUP members of the subgroup need to do, particularly if the report is to be finalised.

Dr McDonnell: I agree with that. At this stage, there is no point in my going to speak to party colleagues. Some of them are interested, and some of them saw the deliberations on the Internet, but, by and large, I need to have a draft report to show them. I need a wee bit of time to do that. I am not trying to create obstacles or hurdles. The subgroup is moving steadily in the one direction, and parties are beginning to slot into step with each other. There is not so much as the thickness of a sheet of paper between most of the parties on economic matters.

The Committee Clerk: There are to be two additional meetings, which could not have gone ahead only for the extension. Mr McNarry is right to say that it would be useful to build in time and to assume that members will continue to work after lunch on both of those occasions. That can be taken as read.

Mr McNarry: Those meetings will be next Tuesday and Thursday.

The Committee Clerk: I am quite happy to meet with members after the Tuesday meeting to take note of any suggestions, so that when the subgroup meets on Thursday, I will be able to reflect on those. Obviously, I will not change the report, because that must be done by consensus, but, at least, I will have a note of those.

Mr McElduff: Would it possible to have an afternoon meeting on Thursday? Given that the draft report may become available on Tuesday, an afternoon meeting would give members an opportunity to consult their party colleagues if required.

The Committee Clerk: It might be difficult to get the draft report cleared for the PFG Committee the next day.

Mr McElduff: That is all right.

The Chairperson (Mrs Long): Obviously, the timing is quite tight. I understand that, as the report will be

available only at close of play on Monday, there will not be much opportunity to consult with party colleagues by Tuesday morning. I am conscious that that is a pressure. It would be useful to see the amendments that have been tabled today in the draft report. There may be other issues that we will identify on Tuesday that can be included, which would allow members to have discussions with their colleagues, so that the draft report can be finalised on Thursday.

If members were happy that Tuesday and Thursday are to be longer sessions, it would be helpful if they could tell the Committee Clerk whether their party will field representatives for the entire meetings. It is important that we know that in advance.

There is one item of “Other Business”, and that is to draw members’ attention to the 11th Annual Northern Ireland Economic Conference 2006, which will be held on 4 October at the Hilton Hotel in Templepatrick. It may be of interest given that its title is “Making the Step Change”, which is particularly relevant to our discussions.

Do members have any further items of business that they wish to raise?

The Committee Clerk: May I just reassure members about timing? The subgroup will submit a draft report to the PFG Committee. The parties will highlight certain issues, so the PFG Committee will take time — perhaps a week — to make some changes.

Mr McElduff: That is a good point.

The Chairperson (Mrs Long): The next meeting will be held at 10.00 am on Tuesday 22 August. At that meeting, we will consider the initial draft report. The only question that remains is whether members wish to hold next week’s meetings in closed session, which would be the norm when considering draft reports. If members opt for closed sessions, a Hansard report would not be published. Do members have any views on whether to hold closed or open sessions?

Mr McNarry: Would the draft report be discussed in open session at the PFG Committee, with Hansard present?

The Committee Clerk: Normal Committee practice here and anywhere else is for a draft report to be debated in closed session. A Committee would not want its findings known before publication, especially if differences of opinion exist. I assume that the PFG Committee will adopt what is a sensible convention. However, that is entirely a matter for the subgroup.

1.00 pm

Dr McDonnell: I propose that we discuss the report in closed session, not for reasons of secrecy but to give the subgroup a bit of time and space, not to mention

privacy, in which to thrash it out and brainstorm. It is also good practice.

Mr McNarry: Are you coming on Tuesday?

The Chairperson (Mrs Long): Is Dr McDonnell's proposal agreed?

Members indicated assent.

Mr McLaughlin: If there has been agreement between Barry and David, the world might end.
[Laughter.]

The Chairperson (Mrs Long): If issues arise from today's discussion, or from any discussions that members have with their colleagues, the sooner that those are referred to the Committee Clerk the better. That enables them to be put on the agenda at the earliest possible juncture.

Adjourned at 1.01 pm.

SUBGROUP ON THE ECONOMIC CHALLENGES FACING NORTHERN IRELAND

Tuesday 5 September 2006

Members in attendance for all or part of proceedings:

The Chairman, Mr Francie Molloy
Dr Esmond Birnie
Mr David Ford
Ms Michelle Gildernew
Mr Kieran McCarthy
Dr Alasdair McDonnell
Mr Barry McElduff
Mr David McNarry
Mr Ian Paisley Jnr
Ms Margaret Ritchie
Mr David Simpson

Witnesses:

Ms Maria Eagle MP	} Parliamentary Under-Secretary of State
Miss Bernie O'Hare	} Department for Employment and Learning
Mr Stephen Quinn	} Department of Enterprise, Trade and Investment
Mr David Woods	} Department of Education
Mr Paddy Campbell Miss Ellen Donnelly Miss Ruth Porter	} Northern Ireland Youth Forum

The subgroup met at 10.03 am.

(The Chairman (Mr Molloy) in the Chair.)

The Chairman (Mr Molloy): Let us begin. The Minister will be here soon, and we are short of time. Please switch off all mobile phones. We have lost evidence because phones have been left on.

I have received apologies from Peter Weir, who will be replaced by David Simpson; and Sean Neeson, for whom Kieran McCarthy will substitute. Are there any other apologies or changes?

Ms Ritchie: Alasdair will be here shortly.

The Chairman (Mr Molloy): The draft minutes of the meeting of 24 August are available for members to read.

Mr Paisley Jnr: May I have clarification that those minutes confirm that all the parties agreed that report? Is it correct that there was no dissension?

The Committee Clerk: Yes.

Mr Ford: That point was accepted at yesterday's meeting of the Committee on the Preparation for Government (PFG).

The Chairman (Mr Molloy): Are members content with the minutes?

Members indicated assent.

Mr Simpson: Once again, I declare an interest in the manufacturing industry. The Committee Clerk was to find out the finer points of declarations of interest. I have heard nothing further, so I suppose that that is sufficient.

The Chairman (Mr Molloy): Do any other members have declarations of interest?

Mr McNarry: I am getting ready for a pizza run on the 24 November, if it all goes belly up.

Mr Simpson: If you are looking for shareholders, give me a shout.

The Chairman (Mr Molloy): I turn to matters arising. The subgroup agreed the report, with some minor editorial amendments and additions. The report was to be passed to the PFG Committee.

I remind members that they must keep closely to the terms of reference when asking questions. There will be two evidence sessions; the first will be with the Minister and her three advisers; the second with the Youth Forum. Both shall be followed by question-and-answer sessions.

The Minister will cover three different areas: enterprise, trade and investment; education; and employment and learning.

Do members wish to raise any procedural issues?

Mr McNarry: Will questions to the Minister be taken in any particular sequence? For example, will education be dealt with first?

The Committee Clerk: If members are content, that would a sensible approach to take. We could start with questions relating to the Department of Enterprise, Trade and Investment (DETI), followed by the Department of Employment and Learning (DEL) and finish with the Department of Education (DE).

Dr Birnie: Chairman, how will the numerous cross-cutting issues be dealt with?

The Committee Clerk: Three officials will be at the table, so there is no problem with cutting across Departments or asking questions out of sequence.

The Chairman (Mr Molloy): There will be overlapping issues.

The Minister will give a short presentation and then take questions from members.

Mr McNarry: Could I ask the Minister where she is buying the buses?

The Committee Clerk: I am sure that you could.

Mr McNarry: Chairman, could you ask her?

Mr Paisley Jnr: David, you should not reveal your hand at this point.

Dr Birnie: What about the job with Wrightbus Ltd?

Mr Ford: I thought that Ian had got the job with Wrightbus Ltd.

Mr Paisley Jnr: The buses are sorted; do not worry about that.

Mr McNarry: There is an alternative, if you want the pizza run.

The Chairman (Mr Molloy): A plenary debate on the report is likely to take place on 11 or 12 September. Should any member of the subgroup wish to comment on the report during the debate, they must bear in mind that any additional views or comments will be on their own behalf, not on behalf of the subgroup.

Mr McNarry: How is Hansard fixed to complete a transcript of today's sessions with the Minister and the youth forum in time for that debate? Members taking part in the debate may wish to refer to some of the Minister's remarks.

The Committee Clerk: The report will have to be cleared by the Minister and the officials, but it will have a very quick turnaround. Hansard has agreed to give priority to the report of this meeting, so it will be ready to go out to all the witnesses tomorrow.

Mr McNarry: Excellent.

The Committee Clerk: The cut-off point for ministerial clearance is close of play on Thursday. Should there be a debate next week, we hope to include the report in the business bundle on Friday.

The Chairman (Mr Molloy): The other issue is how today's proceedings are reported. Should there be a debate, there will be no time for the subgroup to meet to discuss any addendums to the report. As the Committee Clerk mentioned, the only option is for Hansard to provide a report of today's evidence sessions.

Mr McNarry: Would some sort of report be prepared for the PFG Committee?

The Committee Clerk: The difficulty is that there is no way for the subgroup or the PFG Committee to clear a further report in time for a debate on Monday. At the last PFG Committee meeting, I suggested that

members should have enough time to deliberate the evidence and that it should be ensured that all members have an opportunity to air their views through in Hansard. Even with that, members will not get the report until Friday. It is just not possible to do it any other way.

Mr McNarry: I understand. I made the point for the record.

The Committee Clerk: The PFG Committee was aware of the situation. It got ahead of itself and assumed that that was what the subgroup would do. I suggested that approach at one of the meetings; I cannot see any other way round it.

The Chairman (Mr Molloy): Minister, you are very welcome to today's meeting of the Subgroup on the Economic Challenges facing Northern Ireland. After your short presentation, members will ask questions.

The Parliamentary Under-Secretary of State (Ms Maria Eagle MP): I am used to Select Committees, where Members are known as honourable Members. How would you like me to refer to you?

Mr Simpson: Honourable Members will be fine.

Ms Eagle: You can call me Maria. *[Laughter.]*

The Chairman (Mr Molloy): I also welcome Stephen Quinn, Bernie O'Hare, and David Woods. I suggest that we deal with questions in their departmental categories, namely DETI, DEL and DE. The questions may overlap, but I suggest that we take that approach.

10.15 am

Ms Eagle: Thank you for inviting me to meet the subgroup to discuss the challenges facing the Northern Ireland economy. I intend to say something about what the Government are doing to address those challenges. I am accompanied by Stephen Quinn from the Department of Enterprise, Trade and Investment (DETI), Bernie O'Hare from the Department for Employment and Learning (DEL) and David Woods from the Department of Education (DE).

The Secretary of State, Peter Hain, has made economic development a top priority. He has sought to engage local political leaders in the debate on policy development. We all want to change the direction of the Northern Ireland economy for the better. This subgroup, through its engagement with a wide variety of key stakeholders, is making a very important contribution to the process, and I am very happy to assist the subgroup's work in any way that I can.

Since my appointment in May 2006, I have been particularly encouraged by the commitment shown by the business community and political representatives such as yourselves to work towards a more vibrant and sustainable Northern Ireland economy; one that is less

reliant on the public sector. The Secretary of State's decision to bring together some of the key portfolios, DETI, DEL, DE and the Department of Culture, Arts and Leisure (DCAL), under one Minister, enables me to ensure some sort of coherent approach across those Departments' policy areas.

I shall briefly outline the key challenges facing the economy as the Government see them and devote the majority of my comments to outlining some of the current major strategies and initiatives that DETI, DE and DEL have in place and how those are integrated into the 'Economic Vision for Northern Ireland'. In conclusion, I shall touch briefly on the subgroup's work and the development of the proposals to place the economy onto a higher-growth trajectory, which is what we all want.

It is important that we recognise the strengths of Northern Ireland's economic position. We are enjoying a historic period of macroeconomic stability, having benefited from the growth in stability of the UK economy. Northern Ireland has grown faster than many other regions in the UK. Manufacturing exports have more than doubled in real terms over the last decade. Unemployment has been halved to its lowest level in generations, and we have more jobs than ever before. The rate of economic prosperity in 2004, measured by gross value added (GVA), is higher than the UK average, and the GVA per capita is above two other regions in the UK — Wales and the north-east. Prices are 3% below the UK average. For the first time, more tourists are visiting Northern Ireland each year than there are people living here.

It is important to keep in mind the achievements that Northern Ireland has already made. More people than ever before have higher living standards, yet working-age economic inactivity levels — almost 28% of the working-age population — are higher than the UK average, so there are challenges such as that. The private sector is uniquely weak compared to the dominant public sector, which is hugely subsidised from London. That means that the local economy is simply unsustainable in the medium term, let alone in the longer term, if we continue as we are.

The education system has delivered superbly for some, but appallingly for others. There are too many individuals in the workplace with no qualifications. Northern Ireland has a very high level of economic inactivity. The level of economic prosperity in Northern Ireland is well below the UK average, although, admittedly, that can be a harsh comparator, given the weight and the huge influence of the south-east of England on that figure.

The Northern Ireland economy has a relatively poor productivity performance. The GVA per employee, which is the commonly used measure of productivity,

has been falling, relative to the rest of the UK. That has been caused, in part, by a lack of expansion of high value-added sectors, particularly within financial and business services, and a continued concentration of employment in low value-added sectors, which we need to address. Northern Ireland has relatively low levels of business start-ups. Business growth is not as rapid as we would wish.

Too few firms are active in research and development (R&D). In addition to those long-standing weaknesses, we now face the increased threats and challenge of global change, of manufacturing jobs lost and service jobs outsourced, particularly to China and India. That means that the currency of the future must be high productivity and high value-added activity.

Highly developed skills are also imperative. Far more must be done if Northern Ireland is to become a world leader in the fastest-growing and most wealth-creating sectors and if Northern Ireland is to become a place where people want to locate and expand their businesses and a place with which people wish to trade.

To address those weaknesses, we must focus on four critical economic drivers: enterprise; innovation and R&D; skills; and infrastructure. Enterprise, investment in R&D, promotion of innovation and creativity, the right skills for future employment opportunities and a modern infrastructure to support business and consumers must be encouraged.

I want to say a little about what the Government are doing to try to deliver in those areas. Encouraging enterprise is crucial to raising productivity, to creating employment and to generating new prosperity in disadvantaged areas throughout Northern Ireland. We are trying to do that through supporting business start-ups and business growth and through promoting enterprise in our schools and in the wider economy.

Northern Ireland is lacking in entrepreneurial culture. A lack of skills and fears of failure and of falling into debt have been identified as particular barriers to setting up businesses here. Those concerns are not limited to Northern Ireland, as they are present in other parts of the UK. The accelerating entrepreneurship strategy and the revised curriculum for post-primary education are two strands of our approach to the problem. Since the accelerating entrepreneurship strategy was launched in June 2003, Invest Northern Ireland (INI) has supported more than 10,000 new business start-ups; 140,000 students have participated in the young enterprise programme in schools; more than 11,000 women attended entrepreneurship initiatives; and the Prince's Trust Northern Ireland has supported 600 new business start-ups by young people.

International competitiveness is also a key issue. A good deal has been said about the need to attract tourism and foreign direct investment (FDI) and how

we can achieve that. The tourism sector has significant potential for further growth. There is potential for job creation and increased revenue, not least in some of our rural areas. We are keen to build on the success that we have seen in recent years. Investment in tourism infrastructure will be crucial, and members will no doubt be interested in saying more about that later.

Much of the recent debate on competitiveness has centred on the contributions of FDI and indigenous investment, and on the potential to secure enhanced performance through greater use of regional fiscal incentives. Major investments must remain an important part of our strategy. FDI particularly helps to build clusters, new skills and sectors and local supply chains. Experience dictates that FDI companies' productivity is strong, so they can help us in that field as well.

Comparisons with other UK regions show that INI has been pretty successful in attracting FDI. Many compare Northern Ireland with the Republic of Ireland and point to the role that the headline rate of corporation tax has played there. I have heard some of the debate about that, and I note that there is no clear consensus, as far as I am aware, that a reduction in the headline rate of corporation tax would solve all our economic problems. When Economic Development Forum (EDF) members discussed the Industrial Task Force report earlier this year, they agreed that a reduction in corporation tax would be strongly beneficial. They also agreed, however, that it was not a silver bullet. Progress in a broad range of areas is necessary in order to improve the economy.

A range of other factors, including an available skilled labour force, contributed to the success that the Republic of Ireland has seen. That said, I note that the Industrial Task Force has commenced further detailed research. I look forward to considering that work on its completion.

There is clear consensus that the Northern Ireland economy can no longer compete on the basis of low cost. Innovation in both product and process is central to enabling business to compete and move up the value-added chain, and that is what we must do. The Regional Innovation Strategy for Northern Ireland is important for that to be achieved across all Departments.

We are working to increase our levels of innovation. More Northern Ireland businesses need to view R&D as an investment rather than as a cost.

One of DETI and INI's priorities is to encourage more businesses to undertake R&D, which is a key driver of innovation. Not enough firms undertake R&D, and further investment is needed for many of those that do. In addition, DETI, DEL and INI work together to ensure better and stronger links between business and higher and further education and to ensure a greater transfer of knowledge and technology.

They are also working to support the universities in Northern Ireland that are focused on those areas of research in which Northern Ireland firms are world class, or have the potential to compete with the very best in the world.

We must ensure that there is a stronger regional infrastructure. We also need to maximise the potential of the Northern Ireland Science Park, for example, and the research and technological development centres of excellence. In addition, DETI, with key stakeholders across the public, private and academic sectors, is reviewing existing innovation policy with a view to developing a new framework to address the key challenges that the region faces. A Northern Ireland science industry panel, supported by the Secretary of State's skills and science fund, is being established to encourage business to take up that challenge and take a central leadership role in exploiting R&D in science and technology.

The Government are committed, through the Skills Strategy for Northern Ireland, to raising the skill levels of the Northern Ireland workforce. Key priorities of that strategy are to understand the demand for skills, to improve the quality and relevance of education and training, and to tackle the barriers to employment and employability that keep so many of our people economically inactive.

A skills-expert group, informed by the workforce development forums in the 25 sector skills councils, will advise on the medium to long-term skills needs of Northern Ireland. The skills and science fund is providing an additional £35 million to help address the problems of economic activity, which is a tremendously important issue.

The overall purpose of the package is to enhance investment in skills and training programmes for employment. The objective is to tackle economic inactivity and increase the skills of the working-age population. The right skills need to be developed and nurtured the entire way through the education system, and we must make sure that we turn our attention to that. We are particularly concerned about the lack of basic skills and the need to promote lifelong learning, so that if an individual misses one chance it is not the end of the line for them.

The revised curriculum, beginning with foundation stage, exists to ensure that children leave primary school with a strong grasp of basic literacy, numeracy and ICT skills, enabling them to take full advantage of post-primary education. There is no doubt that, in many respects, our secondary education system has great strengths. However, the subgroup will be aware that a high proportion — one quarter — of the workforce in Northern Ireland has no qualifications. It is pleasing to note that the number of pupils leaving school

without any qualifications is falling, but we need to tackle the legacy of the past and make sure that we also upskill those who are already in the workforce.

Infrastructure is the fourth driver of the 'Economic Vision for Northern Ireland'. The provision and maintenance of a quality, modern infrastructure is vital to a more sustainable economy. It is vital that Northern Ireland's economic infrastructure be fit for the purpose of improving our economic performance. It is set to benefit from a £16 billion investment programme over the next decade, harnessed and delivered by the Investment Strategy for Northern Ireland. That will include spending £3 billion on schools, £2 billion on the roads' network, £800 million on further and higher education, and £500 million on the rail and bus networks.

Of course, DETI also has a key role to play in the development of Northern Ireland's infrastructure in energy, telecommunications and tourism. I have no doubt that members may wish to talk to me about that in more detail.

In each of the four economic drivers — enterprise, innovation and R&D, skills, and infrastructure — the Government have a coherent package of policies designed to address those weaknesses. However, I must emphasise that the challenge is not for the Government alone; I strongly believe that the private sector needs to continue to play its part and take on a leadership role in some of this. Its partnership role is embodied in the Economic Development Forum, which I chair. The business community, trades unions, universities, voluntary organisations, Government and, of course, local political parties are working together to achieve the common goal of a more sustainable Northern Ireland economy via the implementation of that vision.

However, partnership extends beyond the confines of Northern Ireland. Local firms must be more outward looking in respect of trade and collaboration. Many opportunities exist for further joint working between UK regions and with the South of Ireland. That is why the Secretary of State has attached considerable importance to North/South co-operation where mutual benefits are to be gained.

10.30 am

I will conclude with the subgroup's third term of reference: how an economic package or peace dividend might contribute to economic regeneration, and how that might be delivered. The structure of the package is not the only factor; its delivery must be considered also. In particular, fiscal incentives must be considered within the context of EU competition policy and must be able to be technically and practically implemented in a way that will fulfil their role, yet not be detrimental to other UK regions. Proposals should not solely concern short-term gain; they should consider the longer-

term impact and how they will deliver the economy that we want in Northern Ireland.

Assuming that those hurdles can be overcome, it is logical that any set of proposals should be constructed around the four key economic drivers identified in the Economic Vision for Northern Ireland. As the Northern Ireland Business Alliance highlighted, there is no quick fix — if there were, we would have used it by now. All partners need to play a full role in meeting the challenges ahead.

I look forward to considering the subgroup's report. The subgroup has been working tremendously hard over the summer, and I look forward to seeing its report. I hope that my short overview of the key points has been helpful. With my officials, I will, of course, do my best to further assist the subgroup in any discussion.

The Chairman (Mr Molloy): Thank you very much, Minister, for your presentation. We will take questions on DETI, followed by questions on DEL and DE.

Ms Gildernew: You are very welcome, Minister. My questions cut across Departments, but I will start with a question relating to DETI.

During its deliberations, several presentations were made to the subgroup. One showed that there are poor levels of educational attainment and fewer higher earners west of the Bann. One impediment is the infrastructure in that area, which has been a major factor in its not being able to keep up with the overall economy. The border is a further impediment, especially in my constituency, where areas are cut off from their natural hinterlands. Is anything being done to identify particular economic difficulties in rural areas, especially west of the Bann? An increase in FDI, for example, would probably not filter down to those areas unless there was a concerted effort to redress the balance.

With the Chairman's indulgence, my second question concerns education. A major contributor to the economy of the Twenty-six Counties is its education system. The need to upgrade third-level education policy was identified early, and many regional colleges have specialised in science and technology, which has made the workforce more attractive to foreign investors. Are there any plans to harmonise our third-level sector?

We have an excellent third-level education sector. I work closely with the further education colleges located in my constituency. For instance, very good work is being done in Fermanagh College, East Tyrone College of Further and Higher Education and Armagh College of Further and Higher Education. Are there plans to examine the model in the Twenty-six Counties, with the colleges that specialise in science and technology, so that we can have a workforce that is skilled and able to compete for investment?

Ms Eagle: My officials may reply on some of the detailed points. I emphasise that the Government do not want people to be left behind. We do not want a developing economy and increasing success that will leave pockets of deprivation and that will leave economically inactive areas and people behind.

A key part of what we wish to push for is the inclusion of everyone in the future success for which we are aiming and striving through improving our economic performance. That is important in areas such as the north-west, where there are disadvantages that make matters more difficult. That is important also in pockets of deprivation within cities, for example, where there are high levels of unemployment and economic inactivity. From Government's point of view, it is tremendously important to ensure that we harness and use the talents of all Northern Ireland's people, not just those whose talents and efforts are easiest to harness. We must ensure that, as we go forward, our skills strategy — and the way in which we give opportunities to those who may have been excluded from the labour market — takes that into account.

As for infrastructure in the north-west, members will know about recently announced North West Gateway Initiative. It is a joint effort between North and South to bring better development to the north-west and to overcome some of the infrastructural and other barriers to which Ms Gildernew referred. The initiative is designed to provide a comprehensive framework within which we can co-ordinate improvement to infrastructure, life chances and jobs, etc, for people in the north-west. We are working hard on that initiative between the Governments, North and South.

Mr Stephen Quinn (Department of Enterprise, Trade and Investment): On Ms Gildernew's general point, the Minister stated that we do not wish to leave anyone behind. The formal expression of that wish is the Regional Development Strategy, which is a commitment to balanced regional development across Northern Ireland. That strategy sets out a policy framework within which, for example, the Regional Transportation Strategy was first developed, during the time of the Assembly. Subsequently, the Investment Strategy for Northern Ireland, which is the main mechanism through which infrastructure investment is organised, was developed within that framework.

The Government would stress that they often hear the argument that if one were to look at the figures and the distribution of investment under the Regional Transportation Strategy, and, subsequently, the Investment Strategy for Northern Ireland, they would see that they are balanced, and that the west of the Bann gets a fair shake. There is always room to debate whether this or that scheme should go forward more quickly or at a higher level than might otherwise be the case, but I have heard a fair bit of argument that seems fairly

convincing that, certainly on transportation infrastructure, if nothing else, distribution of investment across the region is fair.

Focusing on the DETI points about economic development, when I last appeared before the subgroup, I made the point that part of Invest Northern Ireland's business plan requires it to set targets for certain levels of investment in New TSN areas. That is specifically designed to address Ms Gildernew's concern, which is that there might be a natural tendency for economic investment to gravitate towards the large centres. In fact, not only does Invest Northern Ireland set those targets, it meets them and, occasionally, exceeds them, so there is a concerted attempt, at an operational level, to address balanced regional development through economic development.

Ms Gildernew: Presently, as you know, Mr Quinn, the motorway stops at Dungannon. As far as I can see, there is not an equitable spend on infrastructure. It is obvious, from looking at a map, where the infrastructure goes and where it stops. Also, west of the Bann, there has been a huge decrease in the roads maintenance budget. That will have an impact.

We have clearly seen businesses leave. Businesses go where the roads are, and people go where the jobs are. I am concerned that the west could become an economic wasteland if there is not a concerted attempt to link Belfast through the west with Sligo and Donegal, with everyone receiving the knock-on benefits of that.

Mr Quinn: Infrastructure maintenance cuts probably apply across the region. They are not unique, either in location or intensity, to the west of the Bann.

I am from Enniskillen, so I understand entirely your point about the motorway. However, the investment strategy provides for some investment in the A4 beyond Dungannon.

Ms Gildernew: Some investment in the A4 has been made, but the strategy does not go far enough.

Mr Quinn: I shall leave my departmental remit and go back into Department for Regional Development (DRD) mode, but did a Minister not say something recently about the Enniskillen bypass?

Ms Gildernew: Yes; on its own, the Enniskillen bypass is all well and good, but getting people to Enniskillen so that they can benefit from it is another matter. *[Laughter.]*

The Chairman (Mr Molloy): We will stick with educational matters.

Dr Birnie: Thank you Chairman, and thank you, Minister, for coming. I have two questions. Recommendation 9 of our report refers to the fact that no single Department has the authority — or over-

lordship — to drive regional economic development. Some might point to the fact that the regional economic strategy, which was supposed to develop out of the Economic Vision for Northern Ireland, is roughly a year late. Therefore, is the argument behind the subgroup's recommendation fair?

I note that you described the local economy as “unsustainable”. Is that a fair comment? I am tempted also to ask whether the Secretary of State was fair in last night's ‘Belfast Telegraph’ when he described the schooling system as “an economic disaster”. If unsustainability refers to the fact that the Northern Ireland economy receives a net transfer from the Treasury, I put it to you that you would also have to argue that the economies of Scotland, Wales and the north of England are similarly unsustainable because they also receive net transfers from HM Treasury.

Ms Eagle: When I said “unsustainable”, I was not referring to the fact that there is a net Treasury transfer or that the Barnett formula applies in some parts of the UK but not others. I was referring to the balance in which 60% of economic activity is undertaken in the public sector and 40% is in the private sector. That is unsustainable, and we need to change it. However, that is easy to say but not so easy to do. Therefore, I am not arguing that unsustainability equals having any kind of net transfer from the Exchequer.

The Secretary of State's comments — which I strongly endorse — about the education system's being “an economic disaster” referred to the fact that 24% of Northern Ireland's current workforce has no qualifications and that children, especially those from the more deprived sections of society, are still leaving school with no qualifications. Thankfully, however, that figure is declining.

This is an economy in which we are all seeking a step-change improvement in activity and output and for which we must create many jobs over and above employment trend increases. To affect the shift from 60% public-sector activity and 40% private-sector activity to something rather different, we must exploit the potential efforts and talents of all our people. I suspect that many believe that that shift is desirable; however, I have not yet seen all the Committee's recommendations, so I do not quite know what it has said. The Northern Ireland economy is quite small, and we cannot sustain leaving out of economic activity those people who are of working age and unable to contribute. Those people have the talent, capacity and will to contribute. The Secretary of State was referring to the fact that people who are at the bottom end of society do not gain qualifications and, over time, have not succeeded in our current school system. That is the disaster.

If we are going to make these step changes, which we all agree are needed, to harness everyone's abilities,

it is simply not sustainable for people to continue to fail in the school system. I believe strongly that if we are to improve the economy, we must make the system succeed for everybody to exploit the potential of all our people.

10.45 am

It is not just about the children of today and tomorrow; we cannot leave behind those who have been failed by the school system in the past. Half of those people who are economically inactive and are of working age have no qualifications, and 24% of the workforce has no qualifications. That level of economic inactivity must be linked to the fact that those people have no qualifications, and if we want to succeed as we aspire to, that cannot continue. I think that that was the point that the Secretary of State was making.

There is no argument about the fact that the top end of the school system in Northern Ireland works extremely well and provides good graduates and good quality staff for economic activity. However, too many of those people are employed in the public sector, and too few opt for entrepreneurial careers or jobs in the private sector. We waste the talent and opportunities of too many of our people.

Ms Ritchie: Minister and officials, you are very welcome to the subgroup. The Minister mentioned the importance of the structure and delivery of an economic package. Have the Minister, the Secretary of State and her other colleagues on the ministerial team given any thought to the components of that economic dividend or financial package? Would additional money be given as a financial incentive to establish an Executive and to restructure the economy and regenerate Northern Ireland, or would that money come from departmental underspend, or from a possible sale of land, such as Belfast harbour?

What discussions has the Minister held with her colleague who has responsibility for the Department for Regional Development and the Department of the Environment about the possible delays in processing planning applications for business and economic development? What discussions has she had on the need to address the infrastructure deficit and the need to develop the economic opportunities identified by the collaborative investigations and report into the all-island spatial planning strategies, namely the regional development strategy that Stephen Quinn referred to, and the national spatial strategy produced by the Republic of Ireland? The collaborative strategy was produced some months ago.

Ms Eagle: I am looking forward to the subgroup's comments on the financial aspect mentioned in its terms of reference. The subgroup's report will be a basis on which discussions can proceed. I will not be drawn into listing a set of meetings that I may or may

not have attended. However, the issue will continue following the work of the subgroup.

The subgroup has an advantage over me in that members have seen the report and have in their minds the recommendations that will be made. I have not seen the report, but I am looking forward to reading the subgroup's recommendations. I am sure that they will form an important basis for ongoing discussion, and that is about as much as members will drag out of me today.

Ms Ritchie: I had hoped to drag more out of you.

Ms Eagle: I accept that, but I am afraid that that is about as far as I can go.

Ms Ritchie: Chairman, could I suggest to the Minister that it is an either/or situation? Either the Secretary of State and his group of Ministers, of which she is one, have given no thought to this; or, more likely, they have given thought to it, but she does not wish to discuss their thoughts with the subgroup at this stage. Perhaps the Government are using departmental underspend for that purpose.

Ms Eagle: I am not going to be dragged into that debate. I am looking forward to seeing the subgroup's recommendations, and, therefore, it would not be appropriate for me to go any further. I do not blame Ms Ritchie for trying to get me to go further, but I hope that she can understand my reluctance.

Ms Ritchie: I am a trier.

Ms Eagle: I know Ms Ritchie will not agree with or approve of my stance, but I hope that she at least understands it.

Mr McNarry: Would it be in order for the Minister to write to the subgroup when she has read the report? Then we could read —

Ms Eagle: I am certain that there will be discussions between yourselves, as MLAs and local politicians, and Government Ministers in all Departments, and with the Secretary of State, on the issues at the centre of the report's recommendations. It is work that we will all refer back to in the next few months and discuss in great detail.

With respect to planning, I am not the Minister responsible — and one has to be thankful for small mercies. However, as a Minister, and the chair of the Economic Development Forum, I hear many views and have some understanding of the many issues with the planning application process and the delays that can arise. My colleague, who is responsible for planning, has, of course, a greater understanding of it.

Mr Quinn may be more up to date than me on all-island issues.

Mr Quinn: When the British-Irish Intergovernmental Council (BIIC) met in July, it commissioned an audit

of existing North/South economic co-operation and an examination of where scope for further co-operation might lie. The audit will cover a range of matters such as business and trade promotion, energy, and telecommunications.

In July, the intention to have further joint trade missions was announced. When the Taoiseach went to India earlier this year, a number of Northern Ireland firms participated in that joint trade mission. Further joint trade missions to Canada and Russia will take place soon, and that kind of co-operation is likely to develop.

In July, BIIC asked for a comprehensive report to be prepared by October on the scope for existing and potential co-operation between North and South. That work is continuing intensively between relevant Departments and business people.

Mr Paisley Jnr: Minister, you are most welcome, and thank you for your presentation. No doubt, we will want to consider some of those issues. I want to deal with two cross-cutting issues, and I will try to be neither cross nor cutting.

At the strategic level, it is important that a positive message goes out about Northern Ireland. I am sure that the Minister will agree that it is absolute folly for the Government to speak about the problems of Northern Ireland in a way that demonstrates that it is a failed economy, a failed enterprise or a failed opportunity. People listen to Government. People outside Northern Ireland are listening to the Government, and if they hear that negative message coming down from the Secretary of State, no matter how it is intended, it will tell potential investors that the Government think the place is a basket case, and they, therefore, should not bother with it.

China and India have the worst pay rates and conditions for workers, but one never hears their Government Ministers telling us how bad their economies are. All one hears is how positive and wonderful those economies are. The Minister will agree that, despite the problems, Government must constantly send that sort of positive message about Northern Ireland.

We must reach out more to countries where although opportunities exist, we do not exploit them. I am thinking of China. Recently, I spoke to the British Ambassador to China and his chargé d'affaires. In the past three and a half years, there has not been a single trade delegation from Northern Ireland to that country. China is the biggest single opportunity in the world, yet more investors from Yorkshire have visited it than from this island. A person who has never been to Northern Ireland runs the agency to promote Northern Ireland in China from an office in Malaysia. The agency is trying to promote Northern Ireland to the

Chinese from a country towards which China is hostile. There is an opportunity for us to project a positive message about Northern Ireland and to reach out to other countries, but it is not being taken.

I would also like you to address the issue of impediments to progress and economic opportunity. Our report says that there is too much Government bureaucracy and too little delivery — many witnesses shared that sentiment; that delays in planning approvals are frustrating economic opportunities; and that there is a growing realisation that public services must focus more on supporting the economy.

There is something sick at the heart of Government machinery when businessmen tell us that the economy has lost over £1 billion of investment in the past three years because planning regulations and red tape have prevented commercial and entrepreneurial spirit from flourishing. What are the Government going to do about that?

Ms Eagle: It is important that we be positive and do not send out negative messages about Northern Ireland. I hope that my presentation did not give that impression. I started by listing some great successes and I said that it is important that we recognise those. It is fine for the business community and stakeholders to debate how best to go forward economically in the medium-to-long term, but that is not to suggest that the Northern Ireland economy is a basket case and needs to tear everything up and start from scratch. I agree that it is important that positive messages be sent out. The Government do their best to ensure that everyone from the Secretary of State down sends out such messages.

With regard to outreach, I do not know the specifics about China, but I will ask questions about it, because the situation there does not sound great. Nevertheless, Northern Ireland has been a success, and INI and its predecessors deserve a great deal of credit. We have had great success in attracting FDI to Northern Ireland. Since it was established in 2002, INI has encouraged over £2 billion into the Northern Ireland economy. In fact, in regional terms, Northern Ireland is punching well above its weight. Its population share would suggest that it ought to have about 2·7% of UK FDI, but it has achieved about 10%. A lot of that is down to the efforts of INI, so I do not wish to suggest that it has been deficient. We can always aspire to do better, and that is an important part of ambition.

I will not go into specifics, but I have some sympathy with the fact that people often feel that there is too much bureaucracy. I am not responsible for planning issues and that area of Government. However, I have heard what members have said, and I will report that back to the Minister responsible for those matters. It is important to strike a proper balance between, on

the one hand, safeguarding the environment and ensuring that standards in development are correct and, on the other hand, ending up with delays that cost investment or development. Bureaucracy issues are often raised when one is dealing with Government. Some people will complain that one person's basic minimum standard is another person's bureaucracy and red tape. We need to strike a balance and debate where the line ought to be drawn.

It is important to realise that it is not simply the job of Government to remove regulations and assume that everything will be hunky-dory. We need to ensure that we have more entrepreneurial spirit and that the private sector and business leaders take more responsibility for innovation and R&D. They should consider R&D as an investment, rather than a cost.

Everyone in Northern Ireland must raise their game — not only the Government, but the private sector, business leaders.

11.00 am

Mr Paisley Jnr: I agree that the Minister is neither responsible for day-to-day planning issues nor personally responsible for many of the issues mentioned this morning. However, in the big strategic picture, she is responsible. The buck stops with her; not with anyone in this room. Local investors, and those who might like to inwardly investment, are turned off by the Government's regulations. We should compare our regulations with those of our neighbours. Before this meeting, I spoke to Margaret Ritchie about Ikea. Ikea may want to come to Northern Ireland, but it is turned off because there is so much bureaucracy. The Republic of Ireland had the same bureaucracy, but it changed the law overnight and invited Ikea to open a store there.

Hotels have been seeking planning permission for four to five years, but they have not yet been built. Even the Minister mentioned the importance of getting the tourism enterprise up and running. The regulations are a huge turn-off. The Minister must take a grip of all Departments for which she is responsible, inform them of the regulations and the shortcuts that must be taken to ensure that Northern Ireland can start to deliver for investors.

Mr Quinn: It is worth putting on record that Peter Hain led a successful trade and investment delegation to India in April, returning with a couple of substantial agreements on deals and investments.

Mr Paisley Jnr: I did not mention India.

Mr Quinn: In addition, the then Minister, Angela Smith, visited in Hong Kong and China during November and December last year.

Mr Paisley Jnr: The British ambassador and the Consulate General in Guangzhou — the biggest city in the south of China — said that they had not even heard

of a trade delegation from Northern Ireland. That is a bad message for a Department that has 86 people working in it.

The Chairman (Mr Molloy): Members are permitted to ask only one question; otherwise we will run out of time.

Mr Quinn: Mr Paisley is right that DETI has an overarching responsibility for business regulation. The Department intends to review the 'Better Regulation Strategy', which was published in late 2002, and will initiate that consultation during this calendar year. The fact that the Department is doing that four years after the strategy was published indicates that it is not complacent about the need for better regulation.

Mr Ford: I welcome the Minister and her team. Further to Margaret Ritchie's comments, the Minister said that she looked forward to reading our recommendations on fiscal issues, but that she did not wish to discuss them at present. The subgroup should therefore record its gratitude to the Minister for saying that she will return to discuss them in the future. I will now extract my tongue from my cheek.

I wanted to follow up on some of the points that the Minister made about the development of enterprise. I am an MLA for South Antrim, which, historically, has had low unemployment rates by UK standards. Until the 1980s, that was because there were many skilled jobs, particularly in the man-made textiles industries. However, there is now a problem with the many jobs in lower grade services and retailing. The Minister has already highlighted the problem of declining GVA per employee as opposed to increasing GVA, and it seems that we are not making use of the skills in our workforce.

Many people are underemployed. When DETI is reviewing innovation policy, how will it enable skilled people who have jobs that do not demand all their abilities to set up their own businesses? There is not a major problem with those who are unemployed, because there are grounds to encourage them into enterprise, but it is a leap in the dark for those who are underemployed to set up a business. One is less likely to do that if one is half comfortable in one's present employment.

Ms Eagle: That is an important point, which links, in part, to what I said about the need to develop a more entrepreneurial culture. I outlined some statistics in my presentation that show the achievements of our strategy to develop a more entrepreneurial spirit since its introduction in September 2003. That is the way forward, and it must be encouraged. I accept what Mr Ford said about it being more difficult for someone who is half comfortable in his or her job to set up a business. However, if we can provide more support and ideas for setting up businesses, particularly when

the inevitable blockages or difficult situations arise, progress will be made.

I certainly agree that there are not enough business start-ups, that the SME economy is not large enough and that many people who could be successful will not dip a toe in the water. Our strategy has, to an extent, tried to address those issues. I accept that more needs to be done.

Mr Quinn: I would make a couple of points. First, the issue is not so much that people are underemployed, but that they are employed in sectors such as construction and agriculture, where there is relatively low-value added. That has a depressing effect on regional GVA. There is, therefore, a need to change the economic structure in order to increase employment in high value-added sectors, relative to low value-added sectors. That must be part of the strategy.

Secondly, the proportion of business expenditure on R&D is low and must be increased. That is a concern. However, it is a catch-22 situation. One reason for the low business expenditure on R&D is because Northern Ireland is a small-and medium-sized enterprise (SME) economy. SMEs tend to view R&D as a cost rather than an investment. We endeavour to change that culture. Invest Northern Ireland's programmes, such as Compete and Proof of Concept, try to address that problem, but Mr Ford is absolutely right to put his finger on it.

Mr McNarry: Good morning, Minister. I trust that you are refreshed after your break. I am not surprised that you have not had the opportunity to read the report. I commend it to you. I assume that you have been briefed on it.

Ms Eagle: I am aware that it was considered by the Preparation for Government Committee yesterday, but I have not been briefed on its content. I do not believe that any of my Departments have seen it.

Mr McNarry: We have been pressed for time. However, my understanding was that our meeting with you was delayed so that the subgroup could gather as much evidence as possible to discuss with you. I am aware that there are time limitations. I have, however, a few questions on education, and one on enterprise, trade and investment. We have moved away from the original order.

The Chairman (Mr Molloy): We are pushed for time.

Mr McNarry: I understand that.

The subgroup has recommended that Northern Ireland should have a knowledge bank similar to that in Wales. Does the Minister support extra resources being made available in order to secure a knowledge bank for Northern Ireland?

The Department of Education's business plan for 2005-2006 does not mention science. We find that astonishing. Recommendation 7 of the subgroup's report calls for the creation of a dedicated post in the Department with overall responsibility for driving improvement in science education. How long would it take to implement that recommendation?

I want to ask a question on recommendations 5 and 21. I understand that it is difficult for the Minister, as she has not read the report. Those recommendations reflect the evidence provided to the subgroup in both oral and written submissions, which clearly attributed factors such as underachievement and poor literacy and numeracy skills, which are holding back the Northern Ireland economy, to failings in the education system.

The Minister has addressed that in some of her earlier comments. However, what assurances can she give to small businesses, large businesses and industry that the education reforms will satisfactorily address and reduce the effect of those drawbacks on the Northern Ireland economy?

The Chairman (Mr Molloy): The subgroup's report is not actually in print. The PFG Committee is having it printed.

Mr McNarry: I thought that the Minister might have had the benefit of receiving our recommendations or even the report's executive summary. They are not secret. I understand the Minister's position and, for once, I sympathise with her.

Ms Eagle: Thank you. Having had a preview of the subgroup's recommendations, I am looking forward to reading the report even more than I was when I came to the meeting. I am grateful that Mr McNarry understands my predicament. As I have not had a chance to read the executive summary or the recommendations, it is difficult to give precise responses to some of the specific and detailed points.

As regards the first point, I do not quite know what a knowledge bank is, so I will have to respond on that point after I have seen the subgroup's deliberations.

Mr McNarry: How will you respond, Minister?

Ms Eagle: I am certain that there will be many mechanisms through which Ministers — not just me — will respond to the report's recommendations. If it would be helpful, I am happy to write to the subgroup to answer the questions that, not having seen the report, I am unable to answer today.

Mr McNarry: Do you know what a knowledge bank is per se, irrespective of what it says in the subgroup's report?

Ms Eagle: The description can refer to a number of things. I hope that Mr McNarry will forgive me but, not having seen the report, it is difficult to deal with the

point in detail. That is not to say that I will not do my best to accommodate the subgroup in an appropriate manner at a later stage.

Again, not having seen the report, I am not quite clear whether members envisage the extra post being in DE or DETI.

Mr McNarry: The post would be in DE.

Ms Eagle: I will respond in writing to the detailed points raised by Mr McNarry.

Mr Woods: A member of the Education and Training Inspectorate sits on a science and technology committee and feeds back to DE issues on the promotion of science and technology in the curriculum. As Mr McNarry said, there is no specific post, but that does not mean that the issue is not on our radar.

Mr McNarry: There is a fear that Government will take science and similar subjects off the curriculum, and that is why we made that point. What assurances can the Minister give that Government reforms will reverse the failures that have been identified across the board by everyone from the business sector?

Ms Eagle: I strongly believe that using curriculum reform to tackle underachievement at the lower end of the ability scale, widening the opportunities available to all children to include professional and technical subjects, and promoting collaboration between schools through the entitlement framework will ensure a much better capacity to tackle the skills shortages that business people highlight as a problem and to cater to all ability ranges. Children, who in the past have failed because their talents have not been reflected by the academic curriculum, will have the chance to succeed. I believe that the reforms will achieve that.

11.15 am

Mr Simpson: I thank the Minister for attending and her opening comments. Although she may not have read the 21 recommendations, the Minister's researchers must have done some work because many of her opening comments hit on matters on which the subgroup has agreed. In saying that, however, one party does not know to what it has agreed. Nevertheless, the vast majority of us have a goal for Northern Ireland's economy; some of us know what we are talking about.

The Minister referred to trade and industry and said that corporation tax, for example, is not a silver bullet. The subgroup and I accept that, but corporation tax is part of a cocktail of measures that could be introduced in Northern Ireland to attract inward investment and to help businesses to become established. The chairman of the Opposition's policy group on economic competitiveness, Mr John Redwood, said that the Conservative Party would be in favour of different rates of corporation tax across the United Kingdom.

Corporation tax is not the only answer, but everyone would agree that it would help.

I have declared an interest in the manufacturing sector. We must get to grips with capping industrial rates. Last Thursday, I spoke to Minister Hanson in his constituency office, and I fear that the working group on industrial rating, which he will chair, will have a predetermined outcome and that we will get nothing from it. It is an exercise, and the Government are bent on forcing the full rate on the manufacturing industry. That would have a devastating effect in Northern Ireland and would destroy the manufacturing sector. That issue must be addressed.

The Minister mentioned also young enterprise programmes. I have referred to the funding of those programmes several times in the House of Commons. A representative of Invest Northern Ireland assured me that an extra funding package has been introduced, but neither I, nor those people who organise the programmes, have seen any evidence of that. I would like some details on that.

I know that we are stuck for time, but I have one final question. What is the Government's strategy for the next 10 years to create the 140,000 jobs that, if we are to believe the figures supplied by the Northern Ireland Business Alliance, are necessary?

The subgroup could sit until next September and make all the recommendations that it likes. All the information could be put into papers, and Ministers, such as Ms Eagle, could exchange pleasantries with members of the subgroup. However, unless there is action from Government, we are totally wasting our time. The longer it goes on, the more businesses will wane. The manufacturing sector is going down the tubes, and, because of its corporation tax and other incentives, inward investment is going to our neighbours in the Republic of Ireland. Northern Ireland needs action, not talk; and it needs it now.

Ms Eagle: With respect, there has been some action in Northern Ireland. I said earlier that, in UK regional terms, Northern Ireland has been punching above its weight in, for example, foreign direct investment. That is as a result of increased action and money and of the work of Invest Northern Ireland and Government and their partners, such as local business people and local politicians. As Mr Simpson's colleague said, I do not think that Northern Ireland should undersell itself too much. I understand Mr Simpson's concerns about the manufacturing sector. It is a problem throughout the UK.

Where will 140,000 extra jobs come from? That is a lot of jobs. We all have a role to play. It is a significant task to ensure that we can meet those aspirations and that we can jointly agree the number of jobs and the time period in which they will be created. It will not be

easy. We must all work together — local politicians, local business and the Government, as long as we are responsible for dealing with these issues. We must ensure that we spend wisely to get the most from our money, that we boost our economy as much as possible and that we stop failing — and writing off — those who have not succeeded at school.

We must all take action to try to get our growth rate off its current trajectory. That will be a significant challenge. It is not simply about what the Government will do; it is about what we all will do. The subgroup's work is valuable in that it may help reach some kind of consensus on the best way forward over the medium term.

Mr Simpson: What about the funding for the enterprise programme?

Mr Quinn: That is essentially a matter of fact. Chairman, may I reply to Mr Simpson direct on that at a later stage?

The Chairman (Mr Molloy): Yes.

Three members have yet to speak, and we are pushed for time.

Dr McDonnell: I thank the Minister and her colleagues for attending this morning, and I apologise for missing the first couple of minutes of her presentation. I also thank her for her kind words on the subgroup's report and its potential. She realises that some of us have spent the summer working on it.

This morning, the Minister heard at first hand a positive approach from a positive DUP — it was worth working through the summer to create that. I have no doubt that as a result of Mr Paisley Jnr's positive efforts this morning the Minister will find herself out of a job on 25 November.

Mr Paisley Jnr: That is because I aspire to have a house like yours one day, Alasdair. *[Laughter.]*

Dr McDonnell: I could not help but draw attention to that positive DUP approach because it is an unfamiliar phenomenon.

I have a few quick questions, the first of which is quite simple and straightforward. Although the Minister has not seen the detail of the report, does she plan to pick up on some of its ideas and recommendations between now and the restoration of devolution?

The subgroup spent a lot of time chewing over R&D, and I refer the Minister to paragraphs 30, 39 to 42, 102 to 107, and 150 of the report. However, the problem with R&D is that it has become a catch-all term, referring to something that nobody quite understands. It is bundled into a corner and becomes the perfect solution that we can never quite reach.

Are there plans to make it easier for small and medium-sized enterprises to engage in R&D? There is an opportunity and a need to increase efficiency and

effectiveness in small and medium-sized enterprises by introducing them to R&D and making it easy for them to access it.

More importantly, are there any serious plans to ensure that applied R&D within universities is put to work? We can chew around all day about bringing in a few extra tourists or opening an extra coffee shop in Bushmills or whatever. However, my biggest frustration with the economy is that there is a vast brains trust within our universities, and a vast potential to create intellectual property, and thus wealth. However, by and large, that is not happening — or, where it is happening, it is only a trickle.

I welcome the Minister this morning because she has her fingers in a number of pies; in DE, DEL and DETI. If she has not already done so, I urge her to find a mechanism to reward universities. I make no apology for advocating the American approach: its universities generate wealth and spin out businesses. Has she any plans to do anything about that?

Ms Eagle: Specific references, as well as recommendations, to the report have now been made, and I am even more at a disadvantage.

Mr Paisley Jnr: I feel a leak coming on.

Ms Eagle: I hope that the report will be published soon and that it will not have to be leaked.

Mr McNarry: You can have it now if you like.

Ms Eagle: I will ask Mr Quinn to deal with the question of applied R&D.

As to whether the Government will leave the subgroup's report until devolution and let the Assembly deal with it, good ideas and ways forward should be picked up when they are generated. I see no reason to leave it to moulder on a shelf. I hope that the subgroup and the Government continue to engage in sensible ways at various levels to take forward whatever is in the report.

Mr Quinn: Before I deal with applied R&D, I will return to Dr McDonnell's point about SMEs. Such businesses can contact INI to see whether it can offer any opportunities. INI has a number of relevant programmes. I mentioned earlier Compete and Proof of Concept; I doubt that SMEs would be interested in the latter, but the former is one of several INI programmes that are worth considering. INI is certainly open to talking to businesses about how they might productively increase their business expenditure on R&D.

In relation to further education, the Minister referred to the fact that DETI, DEL and INI are working together to strengthen the links between higher and further education and business. All those interests are represented on the EDF, which the Minister chairs. We are also trying to ensure that support to the Northern

Ireland universities is focused on areas of research that have productive economic potential. We are working with the grain of what Dr McDonnell suggested.

Dr McDonnell: We are not getting the spin-outs.

Mr Quinn: There are some. Dr McDonnell mentioned a particularly glowing example the last time that I met the subgroup; QUBIS and others have been a success. However, Dr McDonnell is right in that it has been a trickle rather than a torrent.

Mr McCarthy: David Simpson said that manufacturing is going "down the tubes". In my constituency, agriculture and fishing are going in the same direction. All that we are left with is tourism.

Our coastline is under real threat at present. Does the Minister agree that the coastline and beaches are precious and are major attractions to visitors and tourists? Some stretches of coastline are in the ownership of public authorities, such as in my constituency. Would the Minister discourage those authorities from selling coastal land, as it will inevitably fall into the hands of developers, thereby denying the public and visitors enjoyment of a special amenity? The Minister said that she was not responsible for planning, but surely joined-up government would allow Departments to work together to prevent that happening, so that the tourist industry can survive, and even thrive.

Ms Eagle: Tourism will be an important part of the future here. It is already an important sector in the economy, representing 8% of total jobs. Given that tourism is underdeveloped, there is clear potential for it to significantly increase. It is important that we take these issues seriously. Any area that is underdeveloped for tourism and decides to encourage more tourism will end up with the difficulty of balancing development with natural beauty. The natural beauty of the environment — of which the coastline is an important part — is undoubtedly one of Northern Ireland's greatest tourism assets.

Moreover, if tourists are to be encouraged to come here, there must be places for them to stay and facilities for them to use. An appropriate balance must always be struck between, on the one hand, the natural beauty of the country attracting people and, on the other hand, their having somewhere to stay and something to do. It is not appropriate for me to decide what that balance should be; local communities need to decide that. I do not want to get involved in any arguments about who might own which piece of natural beauty. Undoubtedly, local people will have views, and locally elected, democratically accountable councils, if they are sensible, will listen to the views of the electorate.

11.30 am

Mr Quinn: May I add a point to the Minister's comments? The development-planning and develop-

ment-control processes are designed to achieve the kind of balance that is being discussed. Under the Review of Public Administration, responsibility for most of those processes will go to the revised local councils, so there is scope for locally elected politicians to get to grips with the issues of concern.

Mr McElduff: I welcome the Minister and her colleagues. I support Michelle Gildernew's comments about historical discrimination and regional disparity west of the Bann.

David Simpson argued for a lower rate of corporation tax in the North. The logic of adopting a single-island, harmonised approach to corporation tax is staring us in the face. To erect political barriers when we are trying to solve economic problems is plainly silly. That is a political rather than an economic approach. We should ensure that the people of the North's interests are put first and that a level playing field is created with the rest of Ireland. Any other approach would be silly.

I want to take this opportunity to say to the DUP that it could assume the reins of power in late November, or even before that, and perhaps take the education, employment and learning, and enterprise, trade and investment portfolios. The DUP should not shirk its responsibility.

The Chairman (Mr Molloy): Can we keep to questions to the Minister?

Mr McNarry: Well done, Barry. That was all over the place.

Ms Eagle: I hear the point that is being made, although I do not get the sense that there is consensus in the subgroup. However, in view of what I have heard today, I shall look closely at your recommendations on corporation tax. I shall be interested to see what the report says.

Mr Quinn: I remind the subgroup that the comparison of the two headline rates is not the be-all and end-all of the matter. Most Northern Ireland businesses have SME status, and the rate of corporation tax for SMEs is 19%, not 30%.

The Chairman (Mr Molloy): One issue that came out of the subgroup's discussions is how SMEs could become exporters and more entrepreneurial. Is there any way in which your Departments, along with Invest NI, could come together to make that happen?

Ms Eagle: That is important, because the domestic economy is too small to support the kind of growth for which we are aiming. Therefore, being outward-looking and internationalist in the way in which home-grown companies do business is a tremendously important part of enabling growth, not just through a reliance on foreign direct investment, but through locally generated investment. Invest NI has quite a good record in that respect.

Mr Quinn: Since it was established in 2002, Invest NI has encouraged nearly 500 companies to export for the first time. That is exactly your point, Mr Chairman. It has encouraged about 1,100 existing exporters to enter new markets. If you are asking us whether we agree with what you have proposed, we do — absolutely. In fact, we want to do more in that area, rather like we want to do with R&D.

Mr Paisley Jnr: Minister, responsibility for some of what we shall press for in our report will always fall to the Westminster Government, and to the Treasury in particular. What clout does the NIO have with the Treasury to get it to think imaginatively and outside the box when it comes to rejuvenating Northern Ireland?

Ms Eagle: That is an important point, as those fiscal issues are excepted matters. I probably have less clout with the Treasury than the NIO does. Debates in Whitehall about those issues are important.

Mr Paisley Jnr: Are those issues being flagged up?

Ms Eagle: The way in which Whitehall Departments work with each other allows for such issues to be flagged up and debated. The subgroup's report will greatly assist the NIO and Departments here when they raise those issues in other forums. It will serve as a boost, and that is another reason why I look forward to seeing the report when it finally lands on my desk.

The Chairman (Mr Molloy): I thank the Minister and her officials for coming this morning to make a presentation and to take so many questions. When you get our report, your responses to it will be important. Thank you.

Ms Eagle: Thank you.

The Chairman (Mr Molloy): We now move on to our next presentation. I welcome representatives of the Youth Forum. After you have made a short presentation, we shall take questions from members. The names that I have before me are Ellen Donnelly and Paddy Campbell. What are your colleagues' names?

Miss Ellen Donnelly (Northern Ireland Youth Forum): They are Helen McNamee and Ruth Porter.

The Chairman (Mr Molloy): You are all very welcome. Please do not feel intimidated.

Miss Donnelly: That is a bit difficult.

Mr McNarry: We are intimidated by you, so do not worry.

Miss Donnelly: That is good to know.

The Chairman (Mr Molloy): This presentation is being recorded by Hansard. Would you like to begin?

Miss Donnelly: Thank you for inviting us here today. I am the chairperson of the Northern Ireland Youth Forum.

Mr Paddy Campbell (Northern Ireland Youth Forum): I am the treasurer of the Northern Ireland Youth Forum.

Miss Donnelly: There would have been more young people here but for the fact that the schools have started back. It is difficult to ask young people who are really committed to the education process to take time off school in their first week back.

We have been asked whether our education system and our schooling prepare us for work, and we have taken an approach to the meeting from that perspective. My experience of school was really good; I got my GCSEs and A levels and am now at university, so I suppose that the system did work for me.

I cannot really distinguish between what I learnt in school and where the skills came from that helped me to become the person who I am now. I was very involved in youth work. A lot of the skills that I have developed around teamwork, communication, public speaking and decision-making, which I will use in my work, came from the Youth Forum and other youth activities that I was involved in. School gave me the one-plus-one stuff, the academic stuff, but it did not really give me the opportunity to have that sort of dialogue and to learn those skills that will be helpful in my job.

In thinking about what could have been different in school to help me to prepare better, I considered how young people learn and the way that teachers teach. In school, it was all about didactic teaching: we were told to look at the board and write this down. It was about knowledge. However, in the workplace that high-level stuff is not used, except in very specific jobs.

How are the necessary skills assessed? For example, in English it is not enough just to be able to write; you also need to be able to talk and listen. Are those skills assessed in school in a balanced way that helps young people realise that there is just as much need to develop them, as there is to develop the written skills? That is one thing that needs to change in schools. Young people should learn in a participative way, so that they get to speak and interact with each other in a way that will help them to develop those skills.

I also thought about careers development. I did not really know what career I wanted to follow until a year or two ago, and I feel that I was led into that career. I want to be a youth worker, but I did not have a good knowledge of what other careers are out there. I listened to somebody talking about the business sector and asking how people could be encouraged. Nobody comes into schools and says, "This is my job, I am a manager in a company and these are the things that I want to talk about." An inventor does not come in and say, "I invented this, and it is really going to help

Northern Ireland." How do you engage with those people who are really passionate about what they do?

Whether it is science or business, how do you get those people to inspire young people about the sorts of jobs that are out there? Teaching is an easy option for a lot of people, because they do not know what to do, but more inspiring careers development, concentrating on, as I would call them, unconventional jobs might help those people to live up to their fullest potential and realise that teaching might not be for them. Getting hold of people with those skills and abilities, and those who have the potential to be inventors, would help to inspire the economy. The people who could bring Northern Ireland forward are the people who go off and become teachers because nobody really gives them that guidance. A lot of things could change in schools to help young people to realise their potential.

It is also important to say that this is not just about the young people who do not achieve the adequate levels of numeracy and literacy, because the Department of Education does lots of things to help them. However, what about people who go on to do mediocre jobs? Society would say that those people have succeeded because they are teachers or nurses, but what about the things that they could have done instead? How do you work with young people to help them to be the creators and boost Northern Ireland's economy? Doing that would actually help the economy, as opposed to concentrating on its failures.

11.45 am

Mr P Campbell: I agree with everything that Miss Donnelly said. I want to talk about what could be introduced into the education system to prepare people for work. I come from Ardoyne. I went to Hazelwood Integrated College, with Catholics and Protestants, and it was quite an experience for me. At sixth form, I left to go to St Gabriel's College; a really run-down school with 300 pupils, including six people in the sixth form. That was also quite an experience.

I have thought about business skills, and what I would like to be included in the education system in a few years' time. Minute taking could be taught in English classes, for example. Maths and personal and social education (PSE) classes could teach financial know-how, perhaps in fifth year. That would give pupils an idea of what a credit card is and how interest rates work in order to prepare them for when they reach the age of 18. From our experience, teachers are simply thrown into PSE classes. Teachers think that they are not really part of their jobs. To my fellow pupils and I, PSE was a homework class.

Careers advice is also important. In Hazelwood College, everyone in my year had a careers teacher. We were given a personality test, the outcome of which was meant to give us an idea of the jobs that we could

do. The outcome was a choice between two jobs, with no other alternative. It did not help me. I did not want to train to be a football or sports coach, which was my outcome. Now, I am now a treasurer on the executive board, so things have changed.

Giving young people knowledge about debit cards and credit cards and teaching them financial know-how would help. It would have helped me; I got into a lot of debt when I left school. I have got rid of it all now, but that knowledge would have helped me and many of my friends who have had the same experiences.

Mr McNarry: You are very welcome. Thank you very much for coming. We went out of our way to ensure that your generation was represented. We did not think that we could produce a report on the future of the economy in Northern Ireland without hearing your voices. You have articulated the views of your generation very well, and I respect that. I will be interested to read your questions in Hansard, because we need to find the answers. That is positive.

Mr Campbell mentioned credit cards. He will be interested to know that our report recommends that an enterprise culture be developed in schools, right from the primary sector. We are on the same wavelength, at least.

This is not a subgroup on education, but education is a priority when considering the economy. Mr Campbell outlined his experience. In education, we seem to be heading towards good schools and bad schools. As a politician — and I am sure that I speak for others — bad schools are not acceptable.

I take this opportunity to wish you all the best for your futures. I hope that, wherever you find yourselves, you will become stakeholders in Northern Ireland. We are anxious about what we call the brain drain, where a number of young people, for various reasons, leave our country to go elsewhere, and too many of them do not come back. I hope that you will stay and make a fist of it.

Speaking as a parent myself, what did your parents see as the impediments or drawbacks to getting you through school? What obstacles did they think confronted you in assessing your employment future? It is very important to address the family aspect of this. Those of us who are parents know how tough it is to get our children through school and university. I wish to see whether you took on board your parents' thinking. What help did they get from the school to face the challenges that they saw ahead for you? Did they agree when you decided what you wanted to do? I do not wish to get too personal because your reply will appear in Hansard, and I do not want your mum or dad to hit you over the head with the report. However, I am interested in that perspective.

Miss Donnelly: I would like to reply to your comment about our being future stakeholders. We are

stakeholders already — that is important. The Youth Forum is about young people being stakeholders now, as opposed to in the future.

Mr McNarry: That is me put in my place.

Miss Donnelly: We would have appreciated having the subgroup's recommendations before coming here today so that we could have commented on them specifically.

My parents found it difficult to support me after primary school, because they did not have the skills to help me with my homework. Then, they did not know what university was all about because they had not gone to university. I suppose that it is difficult for parents who did not have that experience to advise their children. My mum wanted me to try to do better than she did — that was the direction in which she pushed me. My mum could not give me other support in choosing a career — she did not really know enough.

Mr P Campbell: With me, there was just one thing: the whole way through my secondary education, my dad told me that experience and attitude were more important than qualifications.

Mr McNarry: Thank you for your openness. That is refreshing.

Dr McDonnell: A couple of things spring to mind. I welcome you here, and I welcome your constructive criticism. Do you have any channel for articulating that criticism back into the education system, or is this your first opportunity to be heard?

Miss Donnelly: When I was at school, there were no such things as schools councils.

Dr McDonnell: I am sorry; I am not talking about your school. As a Youth Forum, do you have links to the education system?

Miss Donnelly: Yes, the Youth Forum was set up by the Department of Education, and it is linked through the Youth Service to that Department.

Dr McDonnell: Do you raise criticisms and ask the questions that you asked this morning with the Department?

Miss Donnelly: Not very often. The Youth Forum does not normally get that opportunity because it does not get as much support from the Department of Education as it should.

Dr McDonnell: What would it take to get you that support? It is very important that your criticisms and questions be heard, whether they are right or wrong. You said this morning that circles should be completed. I speak for myself, but I am sure that colleagues around the table would be very glad to see the circle completed, because it would be a waste of

your time and our time if your criticisms were not grounded somewhere.

Secondly, I would like to pick up on the matter of English and the need for lessons in speaking and interacting as much as for reading and writing. Do you have any programmes in that direction within the Youth Forum or within youth organisations? I believe that that is a vital point.

All of us round this table arrived here as public representatives with little or no training in public speaking or other required skills, so I am very sympathetic to your point. The abilities to speak publicly and to stand up and perform are as important as being able to interpret.

Miss Donnelly: I could harp on about youth work, because I feel passionately that it gives me those sorts of skills. I am also passionate about the funding that youth work receives. Only 1% of the education budget goes towards it, yet I learned the skills about which I am talking through youth work. I feel that youth-work leaders have skills that teachers do not, and we have time to communicate with young people, but there is no support from the education system. Maria Eagle talked today about schools, schools, schools, but youth work is also part of her remit. Youth work is not seen by any part of Government as a specific area in which investment is necessary.

I have been with the Northern Ireland Youth Forum for four years, and for the majority of that time, I have harped on about the fact that we do not get enough funding to allow us to engage with young people properly and to gather their thoughts. There is no point in Paddy Campbell and me discussing the views of young people when we do not really represent them — we represent ourselves as individuals. If we are expected to bring young people's views to Government and engage with them, there must be investment in how we engage with those young people and gather their views. That needs to be a youth-led movement.

I do not know whether any of you know that Angela Smith, Maria Eagle's predecessor, announced the establishment of the Northern Ireland Network for Youth (NINFY). We are working on consultation on that, and we are part of the steering group of young people that is developing what that network will look like and how it will help young people to interact with Government. We must ask how young people can bring their views to Government, but also how Government can consult better with young people on the things on which Government know that they have an agenda. For us, it is important that there be investment in that model so that it will be successful.

Ms Ritchie: It is most unusual for us to take evidence from anybody under the age of 20. Your presence is welcome and uplifting, and it is refreshing to hear

different views. Given that you have just completed secondary education, you know at first hand some of the deficits that exist in training for your future. Further to that, how should the curriculum be adapted to suit the worlds of work and life so that young people can make their contribution to the economy and help Northern Ireland to grow?

Miss Donnelly: When we were talking about this meeting, we tried to envisage what school could be like. For example, what is the point in learning about subjects, such as history, that do not interest you? How can we adapt the curriculum to help students to learn about things that they have a passion for and really want to learn about? If young people are passionate about what they are learning and come across someone who is passionate about communicating that knowledge, they could be inspired to follow through on the subject. The curriculum needs to be adapted to take account of that.

I left school before citizenship education was introduced. If that were taught in the right way, it could be a good way of helping pupils to understand where the Government sit in their lives and the impact that they have. I have done some work in helping young people to understand that the Government have a big influence in everyday life. More than voting is involved; Government affect the music that you listen to, the decisions that you make and the taxes that you pay. Helping young people to understand that might help them to realise that they have a part to play in the big system and that it is not just about voting on election day. It is actually about all those other things that impact on your life. It is about young people feeling part of their community and part of the wider society of Northern Ireland.

The education system needs to continue to adapt. It has started to do that through organisations such as youth schools' councils and through citizenship education and learning for life and work. All that is beginning to happen, but we must ask how we can continue to make the small changes that will help young people to realise the connection that school makes to the life that they will lead when they leave school.

There is no point in my giving specific examples. However, young people at the end of their first year should be asked what could be changed and improved for their second year. If that process of feedback continued, it would help to develop the system for young people. That is how it works. Listing what would have helped me will not necessarily help other young people.

12.00 noon

Mr Simpson: You are very welcome. I am interested to hear that Miss Donnelly is involved in

youth work. I have been involved in youth work for over 25 years — despite my age.

Miss Donnelly: You are 26, then? *[Laughter.]*

Mr Simpson: I was brought up in the countryside, in a generation when education was not important. Parents wanted their children to get out to work as soon as possible. I was interested in Paddy Campbell's comments about his father's advice. My father's advice was — and everyone knows the old saying — if you make your bed, you lie in it. That is exactly what he told me. Young people must use their initiative and gut feelings for what life has in store.

I was interested in what Alasdair McDonnell said about closing the circle between education and industry. It should be closed, and it should incorporate more from the educational point of view, which is important, and more from the industry's point of view. Industry should have a bigger input.

We can learn all we want theoretically, but applying theory in industry does not always work. When I tried to apply to industry what I learnt in theory at the College of Business Studies in Belfast, I was laughed at, because no one had a clue what I was talking about.

This is a different generation, and young people have great opportunities. The subgroup has talked about encouraging young people into entrepreneurship and the programmes that are available to help with that. Young enterprise programmes are fantastic. I visited the Belfast city hall recently for presentations. Several schools from my constituency and across the Province won prestigious awards for innovation. That is where industry's role lies. We need to tighten and close the circle.

Can you comment on the apparent lack of fear of failure in the business sector among young people today? I raised that matter in the subgroup, and David McNarry supported me on it. Young people have a fear of losing everything. When I started my business, I was 21 years of age and my wife was 19 — probably not much older than yourselves. We started with nothing, and it has been a hard journey, but we did not have that fear because we started with nothing. Young people today must have everything now, which is why there is a fear of failure. How do young people see industry or the education sector solving that problem, or helping to solve it?

Mr P Campbell: Fear of failure? That does not apply to me. *[Laughter.]*

Miss Donnelly: The subgroup mentioned young enterprise schemes. In my school, only business studies students could participate in young enterprise schemes. I love geography, so I decided to do geography at GCSE, which cut my opportunity to take

business studies. Even though I might have enjoyed the subject, it was not an option.

Some subjects should be compulsory at every age in secondary education. It is expected that everyone can use a computer, and computers are needed in every industry. Even in jobs such as hairdressing, there is an expectation that employees can use a computer. However, when I was at school, not everyone had the opportunity to do computer studies unless it was a chosen GCSE subject. The system should change, and people should experience different subjects without necessarily studying for a qualification.

As for the fear of failure, I am not business-oriented. I would not like to invest all my money into something that might not go anywhere. My sister, who has just turned 18, has been working full time since she was 16. She does not think about the fear of failure; she has a fear of returning to education and losing her income. I have been encouraging her to do a training course that pays £40 per week. At the moment she is earning the minimum wage, which is about £120 per week. How can she go back from £120 per week to £40? She is not afraid of failure, but she wonders how she is supposed to live for two years while she does the training course. That is not about failure.

Mr Simpson: I think that you are a budding politician. You can certainly talk.

Mr Paisley Jnr: As a young person, I welcome you —

Dr McDonnell: It is a long time since you were a young person.

Miss Donnelly: That grey hair might give away your age.

Mr McNarry: Your Grecian 2000 is falling out of your pocket. *[Laughter.]*

Mr Paisley Jnr: It is good to hear the voice of young people, and it is important that the subgroup sends the message that it does not want to send platitudes to young people or to patronise them. It wants to hear their voice. Miss Donnelly has said some challenging things. To say to a history graduate with an honours degree, that history is useless —

Miss Donnelly: I did not say that — *[Laughter.]*

Mr Paisley Jnr: The purpose of history is to examine the past and to learn from its mistakes. It is not to become trapped in the past, like some people. It is important that we grasp the opportunities before us.

I want to quiz Miss Donnelly more on the challenging things that she said. Did you feel under pressure from your school to get a professional qualification rather than pursue employment in a skills area, such as plumbing, heating, or bricklaying? That might especially apply to pupils who get good GCSE and A level results and who are considering third-level

education. Was the education system pushing you towards a professional qualification rather than real work?

Miss Donnelly also mentioned some challenging things about innovators and inventors. History shows us that inventors were practitioners; they got their hands dirty. They discovered a problem and solved it. Whether it was jet engines, Dyson vacuum cleaners or environmentally friendly engines, they all began with practitioners on the ground. That starts at primary school, when children are encouraged to get their hands dirty and to be innovative and creative. Was there a huge gap between academic and practical skills? Were you pushed towards a professional qualification?

I appreciate what you said about how education should be taught in a participative way and that careers advice should engage with people already employed in various careers. Mr Campbell said that learning should be about the application of practical skills. Those are three crucial aspects for which the subgroup should find space in its report.

If there were a pot of money, how would it best be spent to get the results that you are talking about? Should it be directed towards homework clubs, after-school clubs and computer clubs to help kids? Should it be directed to YouthBank and youth services? Or, should it be directed to addressing the debt problems that kids in third-level education have when they go to university? Many of my generation would not have gone to university had grants not been available.

Where should that cash be directed? How would it best be targeted to get the results that you have talked about?

Mr P Campbell: I would direct money towards all of those objectives. Homework is already based in and is compulsory in schools. I do not know anything about debts at university.

Miss Donnelly: Did you feel under pressure at school?

Mr P Campbell: No. I totally loved school; I never felt under pressure.

Mr Paisley Jnr: Were you pressurised to go down a particular route? Were you pushed towards professional qualification and entering third-level education?

Miss Donnelly: I think that I was pressurised. I went to a high school, so there was a big distinction between – I do not know the politically correct term – the abilities of different people in school. In some cases, students who obtain GCSEs are pushed into going to university and becoming teachers or doctors, and students who are unsuccessful are encouraged to become plumbers or hairdressers. Wade Training visited our school and informed us of its courses, whereas my friend went to a grammar school and Wade Training never visited it. There is a distinction there.

In some grammar schools, pupils who do not achieve an A grade in a GCSE subject are not allowed to pursue it to A level. It does not matter whether you enjoy the subject — it is about producing the best grades for the school to maintain its profile. Some schools are performance-driven and interested in the school succeeding as a whole, but that does not necessarily allow individuals to grow. Success will only be achieved through a person-centred approach where it is about the individual, as opposed to the bigger system.

If I had a pot of money, I would change how teachers are trained. If teachers taught subjects in a different way, it would really change the system. That approach would perhaps start when students begin teacher training. Some teachers are perhaps not right for the job. Teachers should perhaps undergo assessment once they have been in the job for a while. If members recall their school days, there was always one teacher who was not good, no one enjoyed their classes, and students did not even like the subject as a result of that teacher, yet that teacher is allowed to remain in their job. There should be an assessment of such teachers to help them to address the problems that are hindering the students' progress.

I also feel passionately that young people should be part of the process. They should help in the employment or assessment of teachers, because they know which teachers are good. If young people were involved in such processes, they would learn about responsibility and decision-making, and about what skills they can gain from a teacher to help them learn. I would put money towards that; young people would learn a great deal, as well as helping the school to learn.

Ms Gildernew: You are all very welcome. Thank you for your contribution and for the way in which you have answered the questions. I am the youngest member of the Committee. Some of your comments have been thought-provoking.

I was lucky enough to attend St Catherine's College, which is one of the best all-ability schools in the North. I take on board what Miss Donnelly said, because my school also interacted with different sectors to examine where we fitted in and in what direction we were going. I did not know what I wanted to be when I grew up until very recently, so do not be too hard on yourselves if you do not know.

I am concerned about young people opting out. The subgroup has heard that many people of working age are economically inactive — they do not work for whatever reason. I am concerned about young people who enter the education system at a disadvantage and who are left behind from the beginning. They leave primary education with low levels of literacy and numeracy and enter post-primary education only to be

left behind again. Not only do such young people opt out of education, in some cases, they opt out of society and take no part in making a contribution. Some of those children and young people may come from families where there may be third-generation unemployment.

I wish to take Ian Paisley Jnr's question a step further and ask whether investment should be made in children. A previous witness said that the best investment was before a child even started school, when they would learn the ability to learn so that, if they came up against that teacher such as Miss Donnelly described, who was no good, they would still have a desire to learn and could overcome that.

What are your views on investment in children? Sinn Féin wants young people to emerge from the education system with skills, and with confidence and ability to travel the world if they wish and to return here to settle, work and to raise families. Like David, I am concerned about young people leaving Ireland and not coming back.

12.15 pm

Mr McNarry: I did not say "leaving Ireland".

Ms Gildernew: You talked about the brain drain, David. I am also concerned about young people opting out. David said that we are stakeholders in the future. I agree with that. Sinn Féin's policy is to lower the voting age to 16 so that young people are encouraged to become politically active, vocal and opinionated on issues at an early age. Therefore, by the time they are 18, they might have made some decisions. A 16-year-old might be more easily enamoured —

Dr McDonnell: Is this a question or a lecture?

Ms Gildernew: It is a question, Alasdair. I have listened to many lectures today from other people. How do you feel about young people's participation —

Mr McNarry: She has not mentioned Fermanagh yet.

Ms Gildernew: I do not need to, David. Do you see how I get a hard time? They pick on the young people in this subgroup.

The Chairman (Mr Molloy): We will hear the question yet.

Ms Gildernew: How can we stop young people from opting out? I have asked a number of questions, but do you agree that investment in children is as valuable or more valuable than investing in third-level education? How do you feel about young people's participation in all manners of public life?

Miss Donnelly: I am working on 'The Big Deal' programme, which is a project concerned with young people's participation in life in Northern Ireland. The project targets children and young people from infants to 25-year-olds. We are working with PlayBoard, an organisation that works with younger children. I have

had a few conversations with representatives from PlayBoard about such matters as creativity. They asked why a school playground should have swings, for example, when things as simple as boxes can help young people to develop their creative abilities.

I have not read up enough about children's development, but I am learning about parenting at university this year. I watched 'Supernanny' on television this morning, which was about how to help parents with parenting skills. Part of that is helping one's child to be creative and to develop. During my placement with the Southern Education and Library Board last year, I took part in a young mothers' project. Someone came to demonstrate how to make cheap toys for children and how parents can help to bring out their children's creativity.

Investment in young people should start when they are very young, and one must ask how best to change the culture of talking down to young people. I passionately believe that if children are told from an early age that they should be seen and not heard, they cannot be expected to automatically feel that their contribution is important when they decide that they want to participate in building the economy or to get a job when they reach 16. That is the age when many young people opt out of life or school. They are blamed for not wanting to participate, when, in fact, they have not been encouraged to do so up until that age.

The entire culture must be changed, but that cannot be done within the education system alone. Education, media, parenting and other areas must combine and work together to help young people who want to succeed in life and work.

Mr P Campbell: There should be more consultation. I have participated in many consultations, most of which did not concern education. Most of my experience is in the area of mental health, and I have not gained much experience of that through basic education in school. Therefore, I would like more consultation on young people's participation to be carried out within the Youth Forum. Ellen is speaking from a youth worker's perspective; I am not. I have only recently joined the Youth Forum, so this is all new to me. I am not used to public speaking or coming to Stormont. However, I recommend further consultation on the issue.

Miss Donnelly: If young people had a personal adviser from an early age to help with career development, the adviser could help them to choose an alternative avenue and support them, should they decide to leave school at 16. Sometimes, when young people leave education, schemes such as New Deal and other training courses do not seem accessible to them. Young people need to know where to look for information about such schemes, but they must also be

willing to look for it in the first place. That information should be made more readily available in young people's lives and living rooms, rather than them having to search for it. We believe that that can be achieved through personal contact with advisers.

Miss Porter: I am here to support young people, and I have discussed the personal adviser system with them. I was part of the so-called brain drain. I spent eight years in England and returned two years ago. In England, I was involved with Connexions Service, which provides a personal adviser service similar to that that Ellen described. Many strategic organisations in England deal with young people who are part of the "not in education, employment or training" group, or NEET. They keep track of young people who have dropped out of the education sector at 16 and who are not in employment or training, and examine what can be done to help them. In that respect, there is a gap in Northern Ireland. If I know that a young person is not in education, employment or training because he or she comes to the local youth club, I can take action. However, there is no strategic overview to allow colleges to work with youth workers and schools in order to address the problem.

Mr Ford: Miss Donnelly and Miss Porter have made a crucial and interesting point. In welcoming them, I ask how they envisage personal advisers fitting into the lives of young individuals over a long-term period? That strikes me as a potentially major problem. It is essential that advisers have that long-term involvement. Should the system be developed in schools, careers services or wider youth services? Those services all seem to have an advisory element within them.

Miss Donnelly should be pleased to learn that Ian Paisley Jnr stole my hobby horse, which concerns issue the frequency with which more academic pupils are directed towards safe professions, such as the Civil Service, administration posts, and so on. I am saddened that Miss Donnelly also believes that to be the case. We must examine how the range of options can be widened.

Paddy Campbell mentioned the curriculum. As the governor of a primary school, I have seen how the enriched curriculum works because my school has piloted it. It seems to reflect some of what Mr Campbell has suggested. The enriched curriculum requires that primary schoolchildren do not sit behind desks and be taught in a formal learning environment, but are instead taught the basic skills of literacy and numeracy through project work, individual research and collaborative group work. Does the Youth Forum suggest that that approach should be undertaken in secondary education or should the current range of academic subjects be expanded? There is a difference between what is taught and how it is taught. That must be addressed before progress can be made.

Miss Donnelly: A bit of both is required, rather than either one or the other. Research is required in order to find out what is best for young people. I am passionate about the different methods that are used by teachers. However, I believe that a combination of appropriate methods and subjects is necessary. For example, a decision must be made about whether a knowledge base or a skills base needs to be built. At present, the emphasis in education appears to be on knowledge rather than on skills. There are few jobs for which knowledge is essential. However, young people can develop the skills that are essential in order for them to get jobs and to succeed in their jobs. I believe, therefore, that it is important to examine both what is taught and the way that it is taught.

Mr McElduff: Many words of wisdom have been spoken this morning, such as experience and attitudes being more important than qualifications, and people following their passions. What types of job inspire people? The word "inspire" was used earlier, and it was said that people want to be assured that business is an inspirational route. My daughter is 10 years old, Alasdair, and she wants to be a doctor because she thinks that that is where the money is. My 10-year-old thinks like that.

Mr McNarry: She must have been reading 'The Sunday Times'.

Mr McElduff: Are 17-, 18- and 19-year-olds thinking about rewarding, fulfilling careers or are they thinking about money?

Miss Donnelly: A guy at my school loved motorbikes, but realised that they would not make him his million. However, if he was passionate about motorbikes, why should he not pursue that option? There must be a balance between what interests people and making money. However, not everyone is money-oriented. With my qualifications, I could have got a job that paid much more, but I would not have been happy in that job and may have failed in it at some level.

If someone is passionate about a job, how can that passion be conveyed to the school system? As MLAs, your job involves being on television every day, but someone else might be passionate about working in a science laboratory and could inspire others who are also into science. A friend of mine is studying for a degree in physics, and feels that his only option is to be a physics teacher. Students can be inspired by being shown that a wide range of jobs is available, as opposed to just one.

Many jobs inspire people, and it is all about engaging with people on what inspires them. Students are not given the necessary information and opportunities about different jobs until they are 18 years of age. Students should be told about such jobs when they are much younger and are making choices about what

subjects to study. Students should be told what school activities would help their careers.

Mr P Campbell: I agree with Ellen. From a young age, I have always wanted to be a social worker. As Ellen said, it is probably better for students to get some idea about jobs at a young age, as I did through personal experience. My dream and mission in life has been to become a social worker. That is partly why I am here.

My father gives me advice on business, and I have a brilliant business plan, which I have had for years and which has inspired me. From my experience, parents have a big part to play in what happens in their children's lives.

The Chairman (Mr Molloy): You are saying that there is a gap between education and being able to find out about jobs and get work experience. There should be an option, or flexibility, to be able to go in and out of the education system; it should be more accessible. People should be able to pick up skills.

One suggestion, which ties in with our role as local representatives, is that youth councils should link with district councils or with the new super councils. Are young people interested in participating in local democracy and being involved with district councils?

Miss Donnelly: I am really into it, and I know many other young people who are. The issue is how to make the connection between young people and the councils.

At a Northern Ireland Network for Youth (NINFY) residential last week, one of the young people said that councils are only responsible for bin collection. How do young people learn that their councils are responsible for more than just the bins? Do young people know that in two years' time councils will have bigger remits than they did in the past? Young people should be educated and asked what they would like to change in their areas. It is about signposting and directing them by saying that if they became part of a youth council or made connections, they would be able to effect change.

Outcomes are also necessary. If young people do not see change as a result of their contribution, why would they bother wasting their time in making their voices heard? That is the biggest part of youth participation practice. There is no point in having a shadow youth council in Derry if it does not help to change decisions taken by Derry City Council.

Those are the processes that make things work for young people, as opposed to making things work for councils and consultation with young people being a mere PR exercise for councils.

12.30 pm

The Chairman (Mr Molloy): So, it is not just about participation; it is about inputting into the

decision-making process. Are there any other points that you would like to raise?

Miss Donnelly: We are encouraged by the fact that you wanted us to come here today. There are barriers to our participation in something like this. They include young people being back at school, and practical matters, such as sitting round a table, that make the experience intimidating. I can do it, but we were asked to bring 14 and 15 year olds. I worked with a few groups last year, and had to ask myself whom, out of those groups, could I ask, with a few weeks' notice, to speak here? Many of those young people would need a few months' notice. For us, it is a question of how to help each other and get young people's voices heard round a table such as this in a way that is effective for them and for making changes and improvements in society.

We welcome this opportunity, and we can work together to improve our contribution round the table.

The Chairman (Mr Molloy): It will be important to continue this dialogue. On reading Hansard, I discovered that, from the start, David McNarry was one of the main advocates of getting the Youth Forum to contribute to the subgroup's discussions.

Mr Simpson: You mentioned breaking down barriers. It is vital to do that. When I was Mayor, Craigavon Borough Council introduced youth councils, and there is a youth council in the central area of Craigavon. We let them give presentations and come to council meetings as elected representatives. That is how we saw progress being made in the borough.

The ideas and initiatives put forward by the young people on major issues such as recycling and the environment were remarkable, and the council adopted some of them. We have seen a marked improvement in several areas. Making presentations to local councils and letting them hear what young people have to say is a good way to break down barriers.

Miss Donnelly: I agree. It is about changing the culture, and recognising that what those young people did in your council area was not surprising, because they could have done that any day of the week. They live in that environment and know what is going on. Why would they not have good ideas? It is about people like you making that commitment to listen to young people. The Youth Forum has held many events at which the political parties failed to show up. Small things like that tell us whether politicians listen to us and support what we do. How can they do that when they do not even attend our events?

Mr Simpson: Some of you attend university and some are still at school. Get your politicians to go to the schools. As elected representatives, the responsibility lies with us to do that. Later this month, I am starting a programme with eight schools in my constituency,

from both sections of the community. They have asked me to describe the role of an MP, and I will listen to their responses.

St Michael's Grammar School in Lurgan has invited me in October. The pupils will present a paper on how they see things moving forward in Northern Ireland in general and economic terms. Some of their suggestions could be completely off the wall, but at least they are trying. They are breaking down the barriers between young people and politicians, and I encourage you to do as much of that as you can.

Mr McNarry: Too often young people get a bad press, and that is something that we have to cope with in our work. With good reason, we have not heard an opinion from you about other young people who get that bad press: those who engage in antisocial behaviour and crime. It is obvious that you give guidance to, and are good role models for, those young people with whom you are in touch.

As politicians, what could we do to help the Youth Forum, or to help us all, get the message across to those who will not engage in the way that you are? How can we help those who have given up, who have come out of school with no qualifications, or even with good qualifications but have decided to go the rogue way? How do you attract them into your organisation so that they can learn about what you are doing?

Mr P Campbell: I do it myself. I was out last night talking to a few guys about The Big Deal applications.

Mr McNarry: Could you come to our subgroup meetings to sort out a few things? *[Laughter.]*

Mr P Campbell: There has been a great deal of talk about how to get the word out, but nothing has been done.

Miss Donnelly: It is about investing in young people and believing that they can make a positive contribution. It is about preventing the fallout before it happens. For the people working in the youth sector now, it is about reaching out and investing time. We talked last week about detached youth workers and the role that they play. Their role must be specific and not just about going out and talking to young people. They must be able to draw in young people.

It is a combination of relationships. Antisocial behaviour orders (ASBOs) instruct people that they cannot stand on street corners even if they are not making a nuisance of themselves. The work must be about the way young people engage with the police, with older members of the community and with one another. It is a combination of investing in young people, working with them, listening to them and helping them to re-engage with society, rather than putting the blame on them and telling them that they are failures.

Miss Porter: As a youth worker involved in youth participation, I have worked with young people in England who have been subject to ASBOs, and I have been involved in youth council structures. I believe that the answer lies in building relationships while, at the same time, recognising that although some young people might not yet be at the point where they could sit round a table like this, they could present their findings in a different format. We need to put in resources so that we can work on a one-to-one or one-to-two basis, as there are some who, because of their personal circumstances, cannot engage with a full group of other young people. In that way, their voices can still be heard.

I have worked with young people who had a lot of personal issues but who got involved in youth councils and found that they changed their lives. It is a slow process, however, and it cannot happen overnight.

The Chairman (Mr Molloy): Thank you very much for your presentation and for answering our questions. It was important that we communicated with you and it is important that we follow up this discussion at a later stage. The subgroup has some other work to complete. Would you mind waiting for 10 or 15 minutes so that you can join us for lunch? It is just sandwiches.

Mr McNarry: It is £2.50 a plate.

Miss Donnelly: We would have had a lot more people here if we had known that there was a free lunch.

The Chairman (Mr Molloy): There is no such thing as a free lunch. *[Laughter.]* Thank you.

Members, a number of business items must be addressed before we finish. It should take about 10 minutes.

First, I take it as read that members are content that this extensive Hansard report will be the addendum to the subgroup's report. Members should clear their contributions as soon as they receive the report. Do not wait the full 24 hours; please get back to Committee staff immediately. We have set a deadline by which the report will be ready, and it will be met whether members get back to us or not.

Secondly, the revised report —

Mr McNarry: I understand what Alan is saying about the Hansard report. I do not know how other members feel, but I was disappointed that the Minister was not able to speak about the subgroup's report. It was perfectly understandable, however, given that she had not read it or had time to see it.

The Committee Clerk: She had not received it.

Mr McNarry: Even allowing for that, I thought that she would have been better briefed or that she might have asked to have been briefed. That could have been done relatively easily. She has offered to make herself

available once she has read the report. Could we take advantage of that offer at a later date?

The Chairman (Mr Molloy): The subgroup has further work to do.

Mr McNarry: It is important that the subgroup has a session with the Minister once she has read the report and has been fully briefed and brought up to speed.

Planning issues have continually cropped up in subgroup meetings. Now that the subgroup has been granted an extension to its remit, can it not use that extra time to arrange a meeting with the Minister who has responsibility for planning? There was evidence from Maria Eagle that we really do not have joined-up Government — she was not going to go down the route of discussing planning. I do not blame her. Can we make arrangements for Maria Eagle to return to the subgroup and for the Minister who has responsibility for planning to appear, too?

The Chairman (Mr Molloy): We can address planning in relation to economic development, but we cannot deal with the broader planning issue.

Mr Paisley Jnr: The Minister sat here this morning and told us that she is not responsible for planning, and then Stephen Quinn said that, yes, strategically, DETI is responsible for planning.

Mr Ford: That is why I said, tongue in cheek, that we want her to come back. She did not say no.

Ms Ritchie: I was shocked that, in general, the Minister was not particularly well briefed on economic development, enterprise, education and skills. She simply read from a prepared brief — perhaps that is what Ministers do. Having said that, I thought that she did not necessarily answer the questions that were put to her. That is a matter of deep regret, and it is quite shocking. It shows the disregard for us and for this Assembly — although this is not even the Assembly to which we were elected. No doubt, the subgroup could explore other issues under its extended remit; namely, fiscal challenges, education and skills and the economic dividend.

Mr Paisley Jnr: Mr Chairman, I got the impression this morning that the Government were laying the foundation for their response to our report. They would like us to gather information, but, ultimately, they gave us a hint that their skills-expert group will report to them, their consultation on a better regulation strategy will be launched, and their Science and Technology Committee will look consider the report. It would be an absolute disaster if the Government's response were to consult on our report with those three groups, of which the public and business people have never heard. The buck must stop with the Minister and her Departments or, indeed, with her colleagues' Departments.

12.45 pm

Mr McNarry: Those points were well made. It appears to me that, from the start, the Secretary of State was responsible for setting this up. He gave us the remit and the work, and he has tried to hinder us at every turn. He will not make himself available to the PFG Committee, and, when a Minister attends the subgroup, it seems that she is hiding something and will not share ongoing work with us. The Secretary of State and Ministers want to know what the subgroup says and does, but they will not share their work with us. The PFG Committee made it clear in the proposal that it adopted, and the subgroup also made it clear, that our report is as much for the Government as it is for MLAs. The subgroup is putting down a marker that, in the absence of its being able to debate the report in the Assembly, the pressure is on the Government. The subgroup needs this report to wave at them.

Ms Gildernew: That is typical of British direct rule Ministers. They are neither held to account by the people here nor do they give two hoots about the issues. Until we are making decisions for ourselves, that will be their attitude. That should be a lesson for us all.

I am sure that Maria Eagle is a very nice person, but she does not have the same investment in this place that we have.

The Committee Clerk: Now that the subgroup has a further agenda, it needs to discuss the arrangements for meetings. Getting the Minister to return to the subgroup will not be an issue, particularly once she has read the report. The report's release depends entirely on the PFG Committee. It is embargoed until a plenary is confirmed. The report will be published on Friday if there is a plenary on Monday, but that is outside the subgroup's control. When the Minister has read it and given us an undertaking, it will be put on the draft programme of work for the subgroup to consider.

Mr McNarry: Is the Committee Clerk saying that the Minister will not see the report until the PFG Committee releases it?

The Committee Clerk: The subgroup cannot give it to her because it is the PFG Committee's report.

Mr McNarry: Can we ask the PFG Committee to release it to the Minister? The Secretary of State commissioned it and surely he will see it.

The Committee Clerk: The subgroup could ask, but it would be a matter for the PFG Committee.

Mr McNarry: If that is the route the subgroup must take, members should take it.

The Chairman (Mr Molloy): Whether there is to be a plenary will be a factor.

Mr McElduff: The Civil Service seems to make a distinction between receiving a report and "officially"

receiving a report. The Secretary of State and the Ministers could have received it and read it long ago but not have “officially” received it.

The Committee Clerk: They have not received the report. It would have been entirely inappropriate of me to issue it to them. The Minister and her officials can access the website and read Hansard, so I assume that that is from where they get their briefings.

Mr McNarry: Although we received a briefing, it was a very poor briefing.

The Chairman (Mr Molloy): Should the subgroup go through the small editorial changes that have been made to the draft report?

Mr McNarry: Will we invite the Minister with responsibility for the environment to the subgroup to discuss economic issues to do with planning?

The Chairman (Mr Molloy): Yes. Do members agree that we should invite back Minister Eagle and also invite Minister Cairns, whose portfolio includes planning, to talk about economic development?

Members indicated assent.

The Committee Clerk: The Chairman will take members through the minor editorial changes. It is a matter of reading them out to ensure that members of the subgroup who are not members of the PFG Committee know what they are. A revised version is contained in members’ folders.

The Chairman (Mr Molloy): Does the subgroup agree that “needs to” should be replaced with “should” in recommendation 10?

Members indicated assent.

The Chairman (Mr Molloy): Does the subgroup agree that recommendation 15 be moved to the executive summary and that the remaining recommendations be renumbered as appropriate?

Members indicated assent.

Mr Paisley Jnr: Is this the same revised list of recommendations that was in front of the PFG Committee?

The Committee Clerk: Half a dozen editorial changes have been made, such as the insertion of commas. That is all.

The Chairman (Mr Molloy): Do members agree to delete the third bullet point from new recommendation 17 and insert:

“Undertake further work on how an economic package/peace dividend could contribute to economic regeneration.”?

Members indicated assent.

The Chairman (Mr Molloy): Does the subgroup agree to insert new recommendation 18, which reads:

“If an extended mandate for the sub-group is agreed by PFG, the sub-group recommends that approval should be given to temporarily contract an economist(s) as a special advisor to provide expert insight and advice on the sub-group’s work and to assist in the preparation of a further report to PFG.”?

Members indicated assent.

The Chairman (Mr Molloy): Does the subgroup agree to replace “agree” with “recommends” in recommendation 20?

Members indicated assent.

The Chairman (Mr Molloy): The subgroup has the PFG Committee’s new terms of reference for the work that we are to carry out.

On the economic package —

Mr Ford: Is the Committee Clerk still tidying up typographical errors or has he finished?

The Committee Clerk: I have finished.

Mr Ford: There is a fairly glaring error at the top of page 2. Given the expected arrival of Rhodri Morgan next week, the reference to “the Welsh National Assembly” should be corrected. Recommendation 6 refers to that body by its proper name, the National Assembly for Wales. It is a pity that that did not carry over into the executive summary.

The Committee Clerk: Where is that?

Mr Ford: It is at the top of page 2 in the executive summary. I noticed that it was correctly referred to in recommendation 6. That mistake is not just a missing comma; I would hate Mr Morgan to point it out to us next week.

Mr McNarry: If the Minister cannot get hold of it, how the hell is Mr Morgan going to get a copy?
[Laughter.]

Mr Ford: It might be printed on Friday.

The Chairman (Mr Molloy): Those changes will be made. The new terms of reference are to:

“Consider the results of the ERINI research and the commissioned DETI study into the fiscal options, to prepare a costed case for consideration by a restored Executive and the Treasury;

Consider and report on the measures required to develop an integrated skills and education strategy capable of meeting the current and future needs of the economy and based on best practice elsewhere; and

Undertake further work on how an economic package/peace dividend could contribute to economic regeneration.”

As regards the package, the Minister said that there is not much organised for it, so this is our opportunity to put that package together.

The Committee Clerk: The PFG has set two deadlines for this: 4 October for the economic package report, and 23 October for the rest. The subgroup will need to meet twice weekly. It would be impossible to complete the report in less time. It is difficult to say on which days the subgroup can meet, since plenary meetings may begin in September. I understand that, as of next week, the PFG Committee will meet on Wednesdays only, which rules out the subgroup's meeting on Wednesdays. Thursdays are free at the moment; Tuesdays might be ruled out because of plenary meetings.

The Chairman (Mr Molloy): The PFG Committee dealing with law and order will meet in the morning and the PFG Committee dealing with the institutions will meet in the afternoon. Those two meetings will take up all of Wednesday.

The Committee Clerk: Effectively, Thursdays and Fridays are free.

The Chairman (Mr Molloy): The PFG Committee dealing with equality will still meet on Fridays, but only for one more week.

Mr McElduff: What are the deadlines?

The Committee Clerk: It is 4 October for the economic package report, and 23 October for the two other terms of reference: the skills strategy and the fiscal measures.

The Chairman (Mr Molloy): What is the best day for the subgroup to meet?

Ms Gildernew: Can we sit all day on Thursday?

The Chairman (Mr Molloy): All day on Thursday: would that be enough?

The Committee Clerk: As long as a quorum can be maintained, that should be enough. To be kind to members, I do not think that you need start this Thursday. A work plan will be issued to members on Thursday and will contain the terms of reference for the economists. The PFG Committee has agreed the subgroup's recommendation that an economist should be employed. We need to go through a process to comply with procurement rules. It will be a short-cut process.

Ms Ritchie: Is there a meeting this coming Thursday?

The Committee Clerk: Yes. The next meeting will be this Thursday at the normal time, 10.00 am.

The Chairman (Mr Molloy): That is a normal meeting, in relation to the report.

The Committee Clerk: No, it will be the first of your next series of meetings. It will address three

issues. First, it will update the subgroup on whether there will be debates on Monday and Tuesday. Secondly, the subgroup will agree a work plan — a draft plan will be provided. Thirdly, terms of reference for employing an economist or economists will be agreed. It will be a morning meeting.

Mr McNarry: At what stage will we need an economist or economists?

The Committee Clerk: As soon as we can get them. I am not sure of the time frame. If we had to advertise for them, we would not get them in time; we will take a call-off approach.

The Chairman (Mr Molloy): To finalise the dates: this Thursday morning, and, from then on, all-day meetings every Thursday.

The next item of business is options for the recruitment of two economists.

The Committee Clerk: The way this call-off, short-cut approach works is that the subgroup can suggest names, which will be put in a list that is sent out. If members want to suggest names, they should feel free to do that now.

Graham Gudgin and Mike Smyth spring to mind as individuals who have the necessary broad academic background for the post or posts. If members are content, I will ask that procurement branch includes them on the list, as we have taken evidence indirectly from both. John Simpson is much more involved in media work now, so he may not have the current academic expertise that we require. However, the first two may be appropriate people to include for consideration.

Ms Gildernew: Given Graham Gudgin's previous role, would there not be a conflict of interest?

The Committee Clerk: I do not think so. He has written about corporation tax. There would be a direct conflict of interest for someone like Victor Hewitt because he commissions research on FDI. I do not think that there would be any conflict of interest for Graham Gudgin or Mike Smyth.

The Chairman (Mr Molloy): Do members wish to suggest any other names?

Ms Ritchie: I am aware of Mike Smyth; he would be very good. I am aware that Graham Gudgin previously worked for the First Minister.

The Chairman (Mr Molloy): That is the conflict of interest to which Michelle referred.

Mr Paisley Jnr: Can we not forgive him for that?

Mr McNarry: There will be a conflict between the economists that the Committee Clerk has suggested.

Ms Ritchie: They are two very different people.

Mr McNarry: They are. We will have a job working out who is correct.

The Chairman (Mr Molloy): I suppose that the idea is to get two different positions. Do members wish to suggest any other names?

The Committee Clerk: Are members content that Graham Gudgin and Mike Smyth be included on the list?

Members indicated assent.

The Chairman (Mr Molloy): Is there any other business?

The Committee Clerk: There is a great deal of information for inclusion in the press release. If members wish to recommend that anything be included in the press release and are content for me to do it, I will prepare it.

The Chairman (Mr Molloy): It is important that the press release shows that the subgroup met with the Minister and with the young people.

The Committee Clerk: I have eight pages of quotes on which to draw.

Ms Gildernew: From the young people's presentation, I would like to see included in the press release the knowledge-versus-skills argument that they raised and their suggestion that there be a personal advisers' scheme to assist in the mentoring of students. It would be interesting to revisit those points at a later date.

Mr McNarry: We should also say that we benefited from the Northern Ireland Youth Forum's presentation. I benefited from it much more than I did from the Minister's.

Mr Ford: As David suggests, we should say that we benefited from the Northern Ireland Youth Forum's presentation and not say anything about the Minister's presentation. *[Laughter.]*

The Chairman (Mr Molloy): There is no other business. The meeting is closed.

Adjourned at 12.57 pm.

SUBGROUP ON THE ECONOMIC CHALLENGES FACING NORTHERN IRELAND

Thursday 14 September 2006

Members in attendance for all or part of proceedings:

The Chairpersons, Mr Jim Wells and Mrs Naomi Long
Dr Esmond Birnie
Mr John Dallat
Mr David Ford
Ms Michelle Gildernew
Mr Kieran McCarthy
Mr David McNarry
Lord Morrow
Mr Edwin Poots
Ms Margaret Ritchie
Ms Kathy Stanton

Economic adviser to the subgroup:

Mr Mike Smyth

Witnesses:

Mr John Compton	}	Northern Ireland Business Alliance
Dr David Dobbin		
Dr Michael Maguire		
Mr Mark Sweeney		
Mr Victor Hewitt	}	Economic Research Institute of Northern Ireland
Mr Tony Hopkins		
Sir George Quigley	}	Industrial Task Force
Mr Aidan Gough		
Mr Liam Nellis	}	InterTradeIreland
Mr Tom Clarke		
Mr David Ferguson	}	Planning Service
Mr Pat McBride		

The subgroup met at 10.14 am.

(The Chairman (Mr Wells) in the Chair.)

The Chairman (Mr Wells): We are ready to go. I remind members that the quorum is seven. Mr McLaughlin is not here: Kathy Stanton will replace him.

Ian Paisley Jnr cannot attend, but we hope that Peter Robinson will replace him. Although Peter Weir is not here yet — I suppose that he is still talking to ‘Good Morning Ulster’ — he has said that he will need to leave at 11.00 am. Edwin Poots will replace him. Mrs Long will be here at 2.00 pm to chair the afternoon session. Sean Neeson has sent his apologies, and I

hope that Kieran McCarthy will be here at 11.00 am to represent him. Are there any other apologies?

Some Members: No.

The Chairman (Mr Wells): I can see trouble ahead. The subgroup is going find it difficult to maintain its quorum, and I may need to talk to the Committee Clerks. Witnesses are due to attend right through to 4.00 pm, and we do not want find ourselves in the embarrassing situation of not having enough members present to continue.

10.15 am

Ms Ritchie: I have to leave at 2.00 pm.

The Chairman (Mr Wells): Can you get an SDLP body in to replace you?

Mr Dallat: Just a body?

The Committee Clerk: It does not have to be a live one.

The Chairman (Mr Wells): We have had members who have basically performed the same functions as an inflatable doll. *[Laughter.]*

Ms Ritchie: I am utterly shocked! *[Laughter.]*

Ms Gildernew: If a member has one in the boot of his or her car, please bring it in. *[Laughter.]*

The Chairman (Mr Wells): I meant to say puppet —

Dr Birnie: We know what you meant.

The Chairman (Mr Wells): — or an equivalent word. *[Laughter.]*

Mr Dallat: Stop digging.

The Chairman (Mr Wells): I may have to have a word with the Editor of Debates later. This shows you how innocent I am.

We will move on to something more serious. Please ensure that all mobile phones are switched off. We will consider the draft minutes of 7 September.

I think that it is safe to say that myself and another DUP member have said things that we regret in the past 24 hours. *[Laughter.]*

Ms Ritchie: The minutes are in order, but can issues be raised in them that cannot be raised at a later stage? The Committee Clerks may have addressed this matter already, but I want to know whether any common themes or attitudes emerged from the debate on Monday and Tuesday that might be helpful to the subgroup’s work.

The Committee Clerk: I sat through most of the debate and took notes. Members welcomed the recommendations in the report, and I noted that some general themes emerged. There was general support for the fiscal incentives, with the caveat that they need to be researched carefully to identify the best mix. The need to address the education and skills deficit came

across strongly, and the need for closer alignment between the priorities of the two universities and the interests of business and industry was another theme. Finally, the potential to boost the contribution of tourism to the economy also came across. Those are the four main themes that I noted.

Ms Ritchie: We must be mindful of those issues, as they may inform future sessions of the subgroup. I thank the Committee Clerks for their observations.

The Chairman (Mr Wells): Are members content that the minutes are an accurate record of proceedings and can be published on the website?

Members indicated assent.

The Chairman (Mr Wells): The next item on the agenda is matters arising.

Mr Ford: May I digress slightly, Chairman? You mentioned publishing information on the website. Today, a journalist asked me about next Monday's public meeting between the Secretary of State and the PFG Committee. It appeared to him that although press releases are published on the Assembly website, they are not circulated. Could the Clerks take up that matter?

The Committee Clerk: That is not within our remit. Press releases are issued through Information Services.

Mr Ford: Would you ask Information Services what it is doing? It seems bizarre that press releases are being written but not distributed.

The Committee Clerk: Are you referring to PFG Committee press releases?

Mr Ford: Yes.

The Committee Clerk: You should raise that issue with PFG Committee staff. It is not our concern. I will mention it to Information Services.

Mr Ford: I assume that Information Services works for the PFG Committee and the economic subgroup.

The Committee Clerk: Press releases are issued to the list of press people.

The Chairman (Mr Wells): Perhaps the issue is that nobody publishes them?

Mr Ford: That is a separate issue. My point is that members of the press are claiming that they are not receiving press releases.

The Chairman (Mr Wells): So, members are content for the minutes and future press releases to be put on the website.

Members indicated assent.

We shall proceed to the appointment of the economic advisers. Responses from Mike Smyth and Graham Gudgin are in members' packs. They need no introduction to members of the subgroup. Have

members had a chance to look through the responses or do they want to do so now?

The Committee Clerk: Mike Smyth and Graham Gudgin were the only respondents. I spoke to John Simpson and John Bradley at Queen's University, neither of whom, given their work commitments, was able to respond during the time frame. However, John Simpson will provide evidence to the subgroup when it meets next Thursday.

The question before the subgroup is whether to approve formally the appointment of the economic advisers. In anticipation of that, Mike Smyth is waiting outside. Last week, Graham Gudgin apologised for his not being able to attend today due to other commitments.

Mr McNarry: I propose that we accept the appointment of the economic advisers.

Ms Ritchie: I second that.

The Chairman (Mr Wells): Are members content?

Members indicated assent.

The Chairman (Mr Wells): That is in line with the tender document.

Good morning, Mike. The subgroup has accepted the tender that you and Graham put forward. I welcome you as a joint economic adviser to the subgroup. You have advised us many times. We know, therefore, that you can hit the ground running. I believe that you have met all the subgroup's members. You met some of us at the weekend. Does any member who has not met Mr Smyth wish me to introduce them?

Ms Stanton: There is no need; we met at the weekend.

The Chairman (Mr Wells): Everyone's face should be familiar. We expect Mr Edwin Poots, Mr Peter Robinson and Mr Kieran McCarthy to join us later. Unfortunately, Graham has a prior engagement today and cannot be here.

I want to go over what is expected of the economic advisers. It is outlined to some extent in the tender document. Have you read the first report?

Mr Michael Smyth (Economic Adviser): Yes.

The Chairman (Mr Wells): You will, therefore, be aware that it does not make light reading. The subgroup requires that a written review of the evidence compiled in the report, and the evidence given today, be provided at the next meeting on 21 September. We will provide you with the Hansard reports, which are also available on the Assembly website. Unless we stipulate that both economic advisers must be present, we expect at least one adviser to attend every meeting.

Mr Smyth: Graham has communicated to me that he may have a problem next Thursday as well.

The Chairman (Mr Wells): We will leave it to the two of you to arrange ongoing cover. We also expect ongoing provision of advice and possible questions for potential witnesses, etc. You have done that in the past. I would prefer both advisers to attend the next meeting. However, is it correct that Mr Gudgin has a prior commitment?

Mr Smyth: He did tell me that.

The Committee Clerk: Is that for the whole day?

Mr Smyth: He did not say.

The Committee Clerk: I will have a word with him. We were hoping that the two advisers would facilitate the afternoon meeting, which will concentrate on the evidence that the political parties and others have produced to date. We also want to hear their views on the options, so that we can take a balanced approach. If Mr Gudgin is unable to attend, I am sure that we will be able to get something from him in writing.

The Chairman (Mr Wells): It would be helpful if Mr Gudgin could drop in for even part of the meeting or towards the end. It would be good to have both advisers present at some stage.

The subgroup is required to provide substantive written input on the first report by 25 September and on the second by 12 October. That is a tall order, but it should be of no surprise to Mr Smyth and Mr Gudgin. It does not leave us with a lot of time, considering that it is already 14 September. That input should include placing the detailed economic projections against the recommendations and conclusions, as well as researched advice on best practices in education and skills provision elsewhere.

This is a case of teaching granny to suck eggs, but the advisers are expected to work as a team. However, that should not be a problem, because they have worked together frequently. Their advice should be balanced, and it should facilitate decision-making in the subgroup on issues such as the preferred fiscal measures.

I accept that, given the time span, it is a tall order. However, the advisers have been following the subgroup's deliberations quite closely, so much of the information will not be a surprise. The subgroup has been given the authority to continue its work, and that is why members have asked for experts. From now on, either Mr Smyth or Mr Gudgin will be well-established figures at our meetings. I hope that they enjoy their time with us and that they find it fruitful. I cannot guarantee any employment beyond 24 November.

Ms Gildernew: A bit like ourselves.

The Chairman (Mr Wells): It could be a short-term appointment, but I am glad that they were able to take up the offer so quickly.

The 'First Report on the Economic Challenges Facing Northern Ireland' was debated on Monday and Tuesday. The PFG Committee has ownership of it. Therefore, responsibility for following up the recommendations and receiving comments on the report falls within its bailiwick. The subgroup can make representations to that Committee, but feedback on the report will not come directly to us. However, I will ensure — as will the other Chairmen — that any comments received by the PFG Committee are relayed immediately to the subgroup. I hope that members understand that and do not hammer on the Committee Clerk's door to ask why he is not pursuing a particular matter. Do members understand the protocol?

Members indicated assent.

The Committee Clerk: The Minister has said that she will be happy to return to the subgroup, and I have been checking available dates for that meeting. I am sure that members will want to ask for her response to the report's recommendations. Members should remember that, as the timeframe is tight and the terms of reference are set, they should not use too much time going over what has already been done, as that would not give them time to complete what they are currently required to do.

10.30 am

Mr McNarry: Could we work on the basis that the Minister has already attended a meeting of the subgroup and that she has made the promises that have been mentioned? Could we also request that she reply to the first report in advance of her next meeting with the subgroup in order that we have an idea of what she thinks of it? Better that than her greeting us with the waffle and tittle-tattle that she offered in the previous meeting under the guise of being unprepared. I am not prepared to listen to a Minister go through a brief that civil servants prepared for her — and which meant very little to me — and then dodge our questions.

I sympathised with her for not having had time to read the report. However, it was lamentable that the Minister had not been properly briefed. She has said, and Hansard has recorded, that she would respond in writing to two questions that I asked, and she said something similar to Margaret and other members. I would like to see those answers, and I am surprised that we have not yet received them. The subgroup is owed a response that shows what the Minister makes of the report, particularly its recommendations.

The Chairman (Mr Wells): Can we ask for those responses, or would that have to be done through the PFG Committee?

The Committee Clerk: We can do two things. In making the preparations for the Minister's return, I can certainly mention to the Department of Enterprise, Trade and Investment (DETI) that it would be helpful if —

Mr McNarry: I am not asking that you “certainly mention” it. Let us get this straight: I am asking that that be done.

The Committee Clerk: I can also speak to the PFG Committee about the formalities.

Mr McNarry: I propose that we write to the PFG Committee formally. It is meeting tomorrow, is it not?

The Chairman (Mr Wells): It will be meeting tomorrow and Monday. Mr Molloy will be chairing tomorrow’s meeting.

Mr McNarry: A formal request could be tabled.

The Chairman (Mr Wells): Are members content that we write to the PFG Committee and ask for it to request the Minister’s responses? That is the proper protocol.

Members indicated assent.

The Chairman (Mr Wells): That is a good idea, because we need to keep the ball rolling. We cannot let a report and a meeting with the Minister just sit there. We must keep returning to the important issues in the report.

Mr McNarry: I know that jokes have been made about the deadline of 24 November, but, joking aside, the report has also gone to the Government, and we would want the Government to pursue the issues in the absence of restoration.

Dr Birnie: Chairman, I want to be clear about the procedure for questioning witnesses today. We have two different reports to produce. Do we ask questions about the full range of subjects for the two reports or simply questions that relate to the first report?

The Committee Clerk: Questions should mainly relate to the report on the economic package, but fiscal incentives are relevant to that report. However, the difficulty is that research on fiscal incentives will not have been completed in time for it to be included in the report on the economic package. Therefore we need to cover both issues, and get an up-to-date position on fiscal incentives as well.

Dr Birnie: Thank you.

The Committee Clerk: There is a list of six potential core questions on the financial package in members’ packs. At the subgroup meeting of 7 September, it was agreed that such a list would be useful. It is important that the core questions are asked, and we suggest that each member ask one core question in addition to his or her own questions. At the end, the Chairman will ask those core questions that have been left unanswered.

The process will then start again for each new set of witnesses, with the first member to speak choosing the first core question, and so on, until all have been asked.

Not all core questions are relevant to the Planning Service.

The Chairman (Mr Wells): Are members content to go down that route?

Members indicated assent.

The Chairman (Mr Wells): Mrs Long will be chairing the meeting later, but I hope to sit at the back of the Committee room while witnesses from the Planning Service are giving evidence.

The witnesses from the Northern Ireland Business Alliance are currently waiting outside.

Mr McNarry: How are we going to apportion the questions? Is Michelle likely to take the first question? Is that how we plan to do it?

The Committee Clerk: The easiest way to proceed is for the member who happens to be first on the list of speakers, which the Chairperson will develop as we go along, to ask the first question, and so on. Who the first member to ask the first core question will be will vary with each new set of witnesses, and the Chairperson will ask any remaining core questions at the end.

Mr McNarry: Are questions other than the core questions allowed?

The Chairman (Mr Wells): Yes, providing they are directly relevant to the question that is being answered.

Ms Gildernew: I thought that David would understand that I would ask the questions about Fermanagh and South Tyrone and west of the Bann. *[Laughter.]*

Mr McNarry: Had Sinn Féin attended the plenary debate on Monday and Tuesday, Michelle could have been in her element. She could have had the whole Fermanagh and South Tyrone angle to herself.

The Chairman (Mr Wells): The work plan has been updated.

I am conscious that we have kept witnesses waiting outside. Please remember that we are required to maintain a quorum. Does anyone have to leave during this first evidence session?

Mr McNarry: I have to take a telephone call at about 11.15 am.

Mr Dallat: Not again.

The Chairman (Mr Wells): The difficulty is, David, that as soon as you walk out, we shall have to stop. Only seven members are present today.

Mr McNarry: I have to take the call.

The Chairman (Mr Wells): Is there no prospect of anyone else coming, so that we can avoid becoming inquorate?

Mr Ford: Kieran McCarthy should be here by 11.00 am; that would allow David five minutes’ breathing

space. I hope that he will need only five minutes; otherwise we will be back to the minimum number of members for a quorum.

Mr McNarry: We are running a bit behind schedule now. Victor Hewitt was due to come in at 11.15 am, so I assume that that will now mean 11.30 am, and my call will only take five minutes or so.

The Chairman (Mr Wells): On a broader note, if this subgroup is to continue, it needs to take evidence. Therefore, we simply must ensure that members sort out substitutes. I say that in reference to all parties, not just one. There is nothing more embarrassing than calling witnesses, who have prepared documents, only for a member to leave the room, leaving the subgroup inquorate.

Mr McNarry: That is a good point, which I accept.

I do not know how other members feel, but I find it pretty difficult to move immediately from one group of witnesses to another. There are times when I would like a five-minute time out to gather my thoughts.

The Chairman (Mr Wells): We have built in a little time between witnesses.

Ms Gildernew: I suggest that if witnesses intend to read through a presentation verbatim, we ask them to summarise it. At some previous evidence sessions, witnesses read through three or four pages. We can all read, so perhaps that would cut down on time.

The Chairman (Mr Wells): Witnesses hand in their documents to us anyway.

Mr McNarry: That is a good point. Will each group of witnesses be giving another 15-minute presentation?

The Committee Clerk: That is up to members.

Ms Gildernew: They may do that.

The Chairman (Mr Wells): It is to be hoped that their material will be new.

Ms Gildernew: We do not need witnesses to read out their presentations.

The Committee Clerk: Witnesses have been asked specifically to focus on the new terms of reference. They have been asked to present material that is additional to their previous evidence.

The Chairman (Mr Wells): Some of today's witnesses are big players. If the press get hold of the fact that the subgroup is constantly becoming inquorate, we shall look rather silly. It is important that we try to sort that out. Perhaps I, or the Committee Clerk, will talk to the party Whips over the next few days to try to ensure that parties take the subgroup seriously and get their representatives to attend. We are now ready for the first witnesses.

Welcome, gentlemen. Dr Dobbin, it is good to see you again.

Dr David Dobbin (Northern Ireland Business Alliance): It is nice to see you, Chairman.

The Chairman (Mr Wells): I met some of these folk over the weekend. Dr Dobbin is well known to you all, and with him today are Michael Maguire, Mark Sweeney and John Compton. You have been extremely helpful to us in the past.

You have seen the new terms of reference.

Dr Dobbin: If I may interrupt, Chairman, we are not sure of the purpose of, or the preferred outcome from, today's session. We want to ensure that our evidence, or input, contributes to the outcome that the subgroup seeks, as opposed to going down any side roads.

The Chairman (Mr Wells): The Committee Clerk will deal with that.

The Committee Clerk: I have been in discussion with all the witnesses about what they could possibly add. There is a recognition that we are going over some of the old ground. However, given that the subgroup has been given new terms of reference, you must ensure that your evidence is specific and enlarges on your previous contributions where possible.

One of the difficulties that the subgroup has had, and which I experienced when compiling the draft report, is that previous evidence has tended to be fairly unspecific, particularly on the economic package. Therefore, we are trying to gather evidence both from witnesses and from the political parties in a form that enables us to argue a case. Today's meeting is an opportunity to expand on previous evidence and to give more specific details.

Dr Dobbin: First, we would like to congratulate the subgroup on its work. Sick and sad person that I am, I have read almost all of the report's 1,000-odd pages. The executive summary and the main output of the subgroup's work are excellent and very encouraging, and any businessperson to whom I have spoken has said the same. The subgroup has not yet reached the end point, but we were very encouraged by the consensus that was reached and by some of the output, with which we largely agree.

The Chairman (Mr Wells): Thank you very much, Dr Dobbin. You made similar comments at Oxford University in front of some quite influential people, and those comments were much appreciated.

Would you like to make a short introduction? We have a series of questions for you.

Dr Dobbin: I wish to make a few points, and then we can get a dialogue going to tease out any issues that the subgroup might like to explore.

We need to move from a broad range of recommendations to the development of a strategic action plan, and we must ensure that there is evidence to back up any recommendations. We must be careful not to abandon or duplicate the work that has already been carried out. We have brought with us today a number of documents that we recommend that the subgroup explore.

The Economic Development Forum (EDF) carried out a great deal of work and produced 'Action Plan: Working Together for a Stronger Economy', which business, trades unions and the voluntary sector endorsed. Some of the events mentioned in it are out of date, but its content is still quite relevant, particularly on some of the areas about which the subgroup has asked questions. We recommend that the subgroup, and any economic advisers that it may have, examine that action plan and identify the areas that are still relevant to today's agenda. It contains some relevant material.

In Southern Ireland, the Enterprise Strategy Group, under the chairmanship of Eoin O'Driscoll, produced an economic strategy report, 'Ahead of the Curve: Ireland's Place in the Global Economy'. If the subgroup has not already done so, we recommend that it look at the report from two perspectives: that Southern Ireland is a colleague and an ally; or that it is a competitor. Either way, the subgroup should understand where Southern Ireland is going and what it is doing. It contains some relevant material about what the South is doing now and what it has achieved to date, which would be useful evidence to include in any further studies or in the preparation of an action plan.

As regards the three areas covered in the new terms of reference, we believe that, without foreign direct investment (FDI), we shall not achieve the levels of growth that are essential to the development of a much more vibrant economy and to the creation of the necessary opportunities. We stress that the challenge is to create higher-value-added jobs, as opposed to just jobs. We are nervous about the fact that some of the jobs that are currently being created in the service sector do not mirror the value added by the jobs that they are replacing, perhaps in manufacturing and elsewhere. We must be more specific about what we want. We cannot build an economy on just retail and catering, although we welcome new jobs in those sectors, because they are, of course, better than not having any jobs at all. We would like to focus on how we can create more value-added jobs.

If there is to be some form of peace dividend or financial support for a fledgling Executive, it should be directed at areas that can provide a sustainable outcome, not at measures that will be good for a short time, only for Northern Ireland to find itself back where it started.

It is vital that any money or financial package be directed towards building a sustainable future.

Fiscal incentives have been focused on to quite an extent. A flexible fiscal policy is essential. Northern Ireland will not hit the necessary targets by pursuing principally UK policies, given that its competitor on the island has a much more attractive regime. Northern Ireland needs a tailored policy, and fiscal flexibility should play an important part — without that, it will be difficult to compete on an all-island basis.

10.45 am

We are not entirely in agreement about whether it would be better to have a reduction in corporation tax or to increase, or add to, the fiscal incentives.

The studies by Sir George Quigley's Industrial Task Force and by Prof Richard Harris — and perhaps a future study by the subgroup — should offer an evidence-based assessment to help to decide what will provide the best outcome and what will be easiest to deliver. There may have to be a compromise between what we would like and what we can get. The subgroup should adopt a pragmatic view between what might be the optimum economic outcome and what might be best in terms of delivery.

A formal economic strand to the talks process is essential, so that any economic deal will be enshrined in embryonic legislation. We would be worried that a handshake on tax, in particular, may not be deliverable. In an economic strand, there should be a layout of the legislative path to delivering the so-called peace dividend. Without that, the legislative process, the Treasury or other Westminster Departments could derail the consensus on how we achieve our aims.

We must emphasise the investment required in software — by software, we mean skills, innovation, and intellectual property — as well as in hardware, which is the infrastructure. We are pleased that one of the subgroup's new terms of reference relates to an integrated skills and education strategy, as we believe that that is crucial. Together with fiscal incentives, we need a package of three or four key activities that will make an economic difference. Skills and innovation are core areas. In the absence of a reduction in headline corporation tax, fiscal incentives to encourage innovation may do the same job.

I know that the subgroup has agreed its new terms of reference, and that we cannot unpick or change them, but we would like businesses to be offered an incentive to invest in the appropriate areas, which are skills and innovation, and probably marketing. One point that perhaps is missing from the subgroup's first report is an emphasis on how to encourage more exporting. I am not suggesting that the subgroup has not discussed that matter, but it should be a stronger

element, and should include fiscal incentives for companies that export.

We would like to add three or four points not in the terms of reference that we believe may have some relevance. The subgroup's report notes the £30 million package that was announced by the then Minister responsible for the economy and finance, Ian Pearson, three years ago but, as yet, has not been implemented because of state-aid difficulties. The report states that perhaps an alternative use should be found for that money. My view will not fall under Chatham House rules, because this meeting will be recorded in Hansard, but when the business bodies negotiated with Ian Pearson when he wanted to introduce rates, it was agreed that the £30 million package would be a way in which the burden on manufacturing could be offset.

We told him that we had the highest energy costs in the British Isles. We also said that the relief on manufacturing rates, to some extent, offset those energy costs. Ian Pearson agreed to provide an energy-relief package, and one, to some extent, that would offset the additional rates burden. To date, we have seen almost none of the £30 million. We would be content if that money were considered as a way of providing rate relief for the manufacturing industry, because, originally, it came in a package when we were negotiating a measure to offset the additional rates burden. We have state-aid approval for manufacturing rate relief, but we do not have state-aid approval for anything else. To give up state-aid approval would be foolhardy. Therefore, this is something that can be done immediately, because it would be a case of using the existing state-aid approval and money that would largely go to the manufacturing industry anyway.

Mark Sweeney will say something about that later, during the question-and-answer session. Manufacturing is still a core part of the economy and is the area that has the highest value added. We should not be bewitched by the philosophy that there is no room for manufacturing in the economy as it goes forward; we believe that there is, but that manufacturing may take a different form as regards product and the part of the supply chain to which it applies.

Finally, we believe that some elements must be further built on, and the report covers, to some extent, innovation and research and development (R&D). We have two universities with fantastic graduate and R&D output, and we have a good set of colleges. We want to see them posed the challenge of delivering on an economic outcome. Indeed, I have talked to representatives of both universities, and they are preparing an economic plan that addresses what they can deliver.

We wish to see the universities and colleges becoming more involved as stakeholders and being

placed under some pressure to provide more bang for the considerable buck that is being provided to them in the shape of public money. We really want to see a price tag placed on the public money that is going into higher and further education when it comes to what it will deliver to the economy and to society. We recognise that societal issues are also involved.

In summary, we recommend that an evidence-based study be conducted to determine the best path to follow, and that a pragmatic view be taken as to the ease of implementation. There should be a scoring system that marks economic benefit, ease of implementation, and so on, so that one can take a balanced view on what can be done. That then should be enshrined in some form of embryonic legislation. The legislative path for delivery must be examined; otherwise one could come up with an outcome or a recommendation that cannot be implemented.

I shall ask Michael Maguire to provide some evidence on the integrated skills and education strategy. That will end our formal submission.

Dr Michael Maguire (Northern Ireland Business Alliance): Chairman, this is an area in which, from a strategic point of view, we do not need to reinvent the wheel. A Department for Employment and Learning (DEL) skills strategy is in place, and it was widely consulted on during its development. That sets out the platform for what we want to do. We do not need to go back and rethink what we are trying to achieve on the skills side.

The critical issue is implementation, and there are two points that I wish to make on that. First, the Business Alliance's submission identifies a number of areas in which the skills strategy is currently underfunded. An opportunity exists to put additional money into programmes that could be developed to deliver on some of the objectives that have been set out in that strategy.

Secondly, a huge amount of money is spent on the training and education infrastructure in universities and in the further education (FE) sector in Northern Ireland. There must be a much greater push to look at the responsiveness of that sector. I will give one example: in the late 1990s, the Department of Economic Development identified a number of skills priority areas for the FE sector, such as construction training, hospitality, and so on. As a member of the Economic Development Forum subgroup, I asked recently for information on the profile of training across the FE sector in Northern Ireland. From memory, only 30% of vocational, professional and technical skills in the FE sector related to the priority areas that had been identified.

We have a huge infrastructure, which is, in some cases, top class. Rather than work off a blank page, we must start to push on with the objectives that we wish

to see achieved. We must start to push through the delivery mechanisms that exist in the educational establishment.

Dr Dobbin: I want to add one final point, which I forgot to mention earlier. To add to what Dr Maguire has said, I believe that the business community recognises the social need issues that exist in Northern Ireland. For any economic drive to encourage growth in both the economy and in jobs, we must direct it to the areas where there is greatest need. We are not talking about just geographical need, because we could find wards in Belfast as well as in Derry, or wherever, that have some of the highest levels of deprivation in Europe. Thus far, public expenditure and, indeed, the economic growth that has been achieved are still not reaching those communities.

In Protestant communities, particularly around greater Belfast, the demise of the engineering industry has removed a vocational route for young people wishing to pursue careers that have been traditional in their community. Similarly, the demise of the textile industry in and around Derry has removed a route for people to enter that industry.

One of the key elements of the third term of reference is to find a route that allows people with even basic formal qualifications — or none at all — to end up in a worthwhile job. At present, although vocational education is widely talked about, no one has come up with an ideal pathway by which citizens, no matter how poor their starting position, can realise their potential. We are not going to address the issue of social need unless we can find a pathway for young people from deprived communities to follow. These young people have only a few low level opportunities of employment, few role models and little work ethic, because they have been cut off from opportunity for so long.

Vocational education is one of the key issues, balanced with what we do at the top end to ensure that we do not lose all of our best young people to employment outside Northern Ireland. There is a top-and-bottom challenge to the skills agenda. How can we get young people with no qualifications to have a worthwhile career and realise their potential while, at the top end, not lose our best young people, who are disappearing because we cannot create job opportunities for them?

I am not saying that those are the only two problems that we face, but if we were to deal with these problems, that would make the greatest contribution to our economy. We must keep our best assets and switch on an asset that we are not using at all.

Mr McNarry: Gentlemen, you are most welcome. It is good to see you again. Thank you for your encouraging remarks and for your recommendations, of which I have taken note, particularly what you have

said about there being an economic strand to the negotiations. I am pretty sure that that there will be. You have our word that we will try to ensure that that happens.

I have a couple of questions. How would you prioritise the broad areas that require investment and to which a financial package might be put to best use? I say that slightly tongue in cheek. We have hedged our bets as to what the big sum of money that we want for an economic package might be. You are in the hot seat, so I expect some guidance on that. Secondly, if the Government were to agree to an economic package and to a sum of money — not on a handshake, but in writing — but said that it would have to be paid for by cuts in services, how would you respond?

Dr Dobbin: I shall answer the second question first. It is essential that the political parties set up a devolved Government in order to succeed. Members have a huge task ahead, socially and economically, and to do it without the necessary assets in place is close to being a mission impossible. The local voters would feel let down, because there would be a high expectation on the new regime to deliver.

There are some looming issues. The economy is in for a more difficult time than it has experienced in the past year or two. It would be very difficult for a new Executive and Assembly to come into power without there being some ring-fencing of public expenditure and some support for initiatives to create more social and economic development.

The Treasury will try to play a zero-sum game; it will say that it is about choices and about how we spend the money that we have got. Our argument should be that if one is going to build a new house or create a new business, one starts off by investing at the beginning and expecting a return. We need additional investment now, whether that comes in the form of infrastructure, fiscal incentives or education. That would produce a return for the economy, both locally and nationally, through a reduction in subvention and an increase in the tax take.

The mission is to get Northern Ireland out of its dependency culture and out of the situation in which subvention is the only way forward. That debate, Mr McNarry, will be difficult, as the Treasury has been pre-programmed to take rather than give.

11.00 am

As regards getting more bang for the buck, as Dr Maguire said, there are areas of waste in Northern Ireland's expenditure, and I am sure that a new regime could identify those. It will take time to review current spend, and how it could be better utilised, and it would be unfair to ask a new regime to suddenly take stock of a quite complex set of Departments and identify where savings could be made.

Departments will argue that, under the current spending review, the Department of Finance and Personnel (DFP) is already identifying where savings could be made. In fact, a new comprehensive spending review (CSR) is imminent. At all costs, members should avoid being sucked into a situation in which Departments are asked to make sacrifices before the Assembly has had the chance to open the books and study them. The Assembly would become a hostage to fortune.

Mr McNarry: That is very important. The subgroup has identified the need to see the books. The sequencing is the issue. It would be fine to go into an Executive — if we get that far — but getting to see the books before that point will be difficult, because the hidden agenda of the NIO and the Civil Service is to protect everything and tell us nothing.

Dr Dobbin: Therefore, you understand what I am saying: without that evidence and knowledge, how could members be expected to legitimately answer the point regarding sacrifices?

Mr McNarry: I understand.

Dr Dobbin: I would stick to the position of not going in that direction. If members open that particular box, they will be sucked into a discussion about what sacrifices can be made. That said, there are areas to which funding could be directed that would give a better outcome. That is the case in any regime, including the UK-wide regime.

Dr Maguire talked about further and higher education. There are other areas of Government in which we could get more bang for our buck. Under NIO rule, the public sector has been going for reform and driving for efficiency, but what savings have been made and what efficiencies have been identified? There are very few. It would be hard for a new regime to make savings early in their term. Current spend should be ring-fenced for a period, with the policy commitment that, following the honeymoon period — and having looked at the books — the new regime would initiate an efficiency drive.

Mr McNarry: Do you believe that there is a case for drawing down an additional sum for the amount that the Executive wish to spend?

Dr Dobbin: The answer is twofold. First, there is an argument for ring-fencing current spend, indeed current real levels of spend, in key areas. For example, economic development spend is under significant pressure and has been cut in real, and actual, terms over the past three or four years. If we are going to grow the economy — and we reckon that the private sector needs to be doubled, and maybe more — there must be additional money for FDI and local business development.

There are initiatives that could be embarked upon, such as skills innovation and fiscal incentives, which would carry price tags. Members need to be careful about opting for measures that cannot be sustained, or those that involve only the offer of a fixed sum of money in year one. In taking that approach, members could find that they have started initiatives that are not sustainable or that they have spent money and have little to show for it.

If there is money to spend, put it into infrastructure. We need to avoid getting into too much hock with PPP and PFI. A significant proportion of the forward budget is already committed to the unitary repayments for PFI and PPP contracts. In education, in particular, there has been a wake-up call in that officials have realised that their future money is spoken for by unitary payments for the investments that they have already made.

If I had a sum of money, I would pay off my mortgage. In other words, I would pay for infrastructure items with Government money, rather than take out a mortgage through PPP/PFI. With such an approach, the Executive would be free of the debt, or future payments, that it otherwise would usually have to make. That would allow the Executive to go forward faster because it would not have the unitary repayments to service. It would be clever footwork, because the Executive would have swapped debt for a dowry. Members would have to decide to what extent they want to do that.

Your economic adviser is nodding. There is clever footwork to be done in not taking on debt. No one wants to start any type of venture too heavily in debt. However, the Government are cleverly opening schools, hospitals and God knows what without paying for them. Taxpayers have to pay for those projects on the never-never, and the costs are starting to rack up. Although I am on the Strategic Investment Board (SIB) and believe that there is merit in PFI and PPP, we do not want to get to the stage where the amount of unitary repayments becomes difficult. If members look at current figures, they will see that the repayments are becoming a problem, particularly for schools and the wider education sector.

If the Executive were allocated the additional money, it would be difficult to avoid their being besieged by thousands of single-issue groups that want money to be spent in their communities. The lesson from the European money in the 1970s and 1980s was that the South made long-term investments, particularly in infrastructure, business development and education, and created the legacy of the tiger economy. Northern Ireland tended to spend that funding on voluntary-service activity. I am not saying that that was bad, but Northern Ireland did not create the same legacy. The EU likes to put a flag on everything and sees investments as hard assets. In order that Northern Ireland can create

its own money and avoid the need for its citizens to get sucked into debt, it needs to spend money on economic enabling activities.

Dr Maguire: We talk about ring-fencing public expenditure, but it would not be right to assume from that that we are happy with the profile of that expenditure. We mentioned education and the need to put greater emphasis on reshaping and refocusing the further education sector and the universities.

There is an opportunity to “economics-proof” expenditure, whether it be on planning or the Environment and Heritage Service (EHS) or whatever. There needs to be an economic dimension to the spending decisions in those areas that touch upon the economy — almost all aspects of Government here.

The Review of Public Administration (RPA), which is looking at how money is spent on health, education and a range of other areas, is an opportunity to create such an economic dimension. To get the kind of change that is needed, an active look at reshaping expenditure in those areas, by taking it away from administration and putting it into front-line services, must be taken.

We are not saying that public expenditure should be ring-fenced: leave it as it is and ask for more money. We are saying that, as part of the agenda, the profile of that expenditure should be considered closely from an economic viewpoint, and in a way that allows for meaningful decisions.

Dr Dobbin: That will take time, and members must be careful that they do not give up-front promises about sets of books that they have not studied. If they do, they will end up having to deliver savings without knowing how to do so.

Mr McNarry: We could mislead the electorate.

Mr Sweeney: I will just comment on the first question about economic priorities. FDI is a critical requirement, but it is covered very well in the first report. Exports follow FDI closely and are associated with it, but that area has not had the same emphasis. To reinforce Dr Dobbin’s point, almost by definition, exports bring jobs to the sector where they have an added value, where some skills can be exported. As managing director of a company that provides almost 10% of Northern Ireland’s total exports, and as president of the Northern Ireland Chamber of Commerce and Industry (NICCI), which is very focused on exports, I think that that is something that needs to be developed further.

Over the past year, I have chaired a NICCI forum on exports. The forum will close its report at the end of the month; perhaps we could submit it to the subgroup for its consideration. It is an extensive study of small-to-medium-sized enterprises (SMEs) and focuses on

barriers to export and what Government and business organisations could do to bring greater exports to the indigenous sector, which would be a second step from bringing in FDI to raise the level of the economy.

My final point touches on the cost base for manufacturing businesses in Northern Ireland. Having a competitive cost base would increase the table stakes as far as being able to compete is concerned. It is often said that Northern Ireland’s energy costs are the highest in the UK. My company competes not only with companies in the UK, but globally, as do many other companies. Gas prices here are higher than in the rest of the UK and mainland Europe.

Therefore, as regards £30 million to make that cost base more competitive, I support Dr Dobbin’s point strongly. Whether the money is targeted at rates or at energy is not really that important. The cost base should be competitive in its totality. It should not be the case that one element is competitive and another is not. If that competitive cost base could be created by using £30 million to offset some of the increases in rates, as distinct from £30 million that we cannot apply to the energy situation, that would be the smart thing to do.

Mr Compton: I have one observation to make on the second part of Mr McNarry’s two-part question. About a year ago, NIBA met representatives of the US Department of State. At the meeting, it was commented that, since 1945, whenever the US has been involved in post-conflict situations, only one of those has not involved a peace dividend. It was Northern Ireland, and the reason given was that nobody asked for one.

Mr McNarry: That is an amazing comment. What have we been going to Washington for all these years?

Mr Compton: To deal with part one of the question, the broad priorities will have to be based on where Northern Ireland is today. There are about 57,000 VAT-registered businesses in Northern Ireland, and 89% employ fewer than 10 people. About 40% have no employees other than the owners. Northern Ireland has the second lowest level of business formation in the 12 UK sub-regions and the second lowest level of business growth. It has the highest level of business survival, which, believe it or not, is not a good thing. Ten companies account for something like 60% of all Northern Ireland’s exports. Therefore, that is where we have to start.

I noted the significant amount of work that the subgroup has done to examine how to generate additional FDI. Mr Smyth will be aware of a report produced 10 years ago, which involved 9,000 businesses and was the single largest review of FDI in the UK since 1945. First, it asked which regions of the UK foreign direct investors considered and why they picked the regions that they did. Not surprisingly,

Northern Ireland was the least-selected option and the reason was the security situation.

The second question that the review asked was whether, once a region was chosen, pre-investment hopes were realised. Northern Ireland, of all the UK regions — and compared to the Republic of Ireland — delivered best and delivered most on the pre-investment promises. That was interesting because, when that was measured, the report determined that, over the period, Northern Ireland, with 2·8% of the UK population, consistently attracted 9% of all FDI into the UK. Equally surprisingly was that grants were not one of the top three reasons for investment. The main reasons were available labour, labour skills, infrastructure and a business friendly environment. Also featured in the top ten were strong business and industry links and proximity to markets. In that sense, it would be wrong to assume that Northern Ireland's FDI is, and always has been, through the floor. It has performed reasonably well, having regard to the prevailing political and security situation.

During the second Clinton visit, a meeting took place with some of the leading business chairpersons who accompanied him. Someone made a comment that stuck in my mind. It went along the lines of: US investment goes where it is welcome, where it is profitable and where it is safe, and you guys still have not cracked the third one. That comment reinforces the necessity to restore the political institutions and to demonstrate political stability to a wider potential FDI market.

11.15 am

It is not by accident that the report from the review that Eoin O'Driscoll chaired has as its second headline: "Ireland's place in the global economy". If we want to know where the broad priorities lie, we have to start by looking at Northern Ireland's position in the global economy. Only by doing that can we decide what we need to do to move Northern Ireland up the value chain and, as my colleagues said, create additional attractions for FDI and drive indigenous businesses into international markets and to increase their export potential.

Ms Ritchie: Gentlemen, you are very welcome. Mindful that Dr Dobbin said that we should concentrate on economic-enabling activity, infrastructure and developments that have a sustainable future and outcome, can NIBA suggest initiatives in which a one-off investment could make a tangible difference to our economy? What would be the costs and benefits of such initiatives?

Dr Dobbin: I want to set infrastructure aside for a moment, Ms Ritchie, as I have already identified areas in the infrastructure plan which, if I had control of the country, rather than take out mortgages, I would get

the Government to pay for as much of the implementation of that plan as possible.

Apart from infrastructure, which includes specific projects, there are certain other areas of activity that merit consideration. Before we came here today, Michael Maguire and I discussed skills. We are nervous about the amount of money that is going into some areas: unless there is a coherent delivery plan, there is a risk that that money may be chasing markets that do not exist.

In addition, I have a couple of examples of the sort of innovation that we may need. There is a slight weakness in the subgroup's report in that it does not give sufficient detail on how to take forward innovation. I want to distinguish between innovation and research and development: research and development is about creating knowledge; innovation is about creating money from knowledge.

Both the universities say that funding for PhD students is being cut and that, despite Northern Ireland's having some of the best graduate output, it is producing far fewer PhD students for key research areas, such as technology, than other UK regions and Europe. The universities say that we should spend money on creating posts for PhDs in nanotechnology, electronics and life and health sciences, etc. The output of those higher-degree students will feed into the economy in two ways: it will increase Northern Ireland's knowledge base, and it will increase the ability of our skilled people to feed into industry.

The universities say that although such expenditure would be relatively modest, it would address the skills and knowledge bases in one fell swoop. They say that although the Department for Employment and Learning (DEL) has cut its expenditure on higher degrees, PhDs and postgraduate study, such investment is crucial.

The other area of innovation on which I would spend money would be a programme to encourage inactive companies to become more active in design and product development.

I would also spend more on encouraging companies to market outside the Province. I would spend money on product development linked with sales drives. I am not sure whether we need to spend more money on skills or just spend it differently. A business analogy might be useful: if people want to grow their businesses, they beef up their sales teams to more effectively go out to look for business; they beef up their products so that they have something that somebody wants to buy; and they ensure that they have the necessary skills and capacity in their businesses.

Lack of ambition is an issue in Northern Ireland. Companies must be encouraged to be more outward looking. The Department of Enterprise, Trade and Investment (DETI) is cutting spending on trade

missions; whereas Southern Ireland is increasing the amount spent on them. We need to spend more on marketing and getting our companies to export, and we need to spend more on encouraging them to innovate and to develop products and skills.

When Michael and I debated the matter before today's meeting, we were nervous that we would not be able to identify specific skills-development projects that were almost ready for — if I may use this word — cash.

Dr Maguire: David and I are members of a skills group, the objective of which is to examine the future skills needs of the Northern Ireland economy. One would expect some of the outputs of the thinking of that group to provide a framework within which the education sector could deliver. Anecdotally, my son had to choose recently between A-level English and A-level chemistry because timetabling meant that he could not do both. He chose English.

Through the entitlement framework, the Department of Education (DE) is beginning to open up the range of options for children. It is not just about having a narrow range of academic A levels in subjects that we regard as acceptable; rather, it is about having a much broader range, as you move further along the skills' spectrum to professional vocational skills and considering the range of options that can deliver those. A way to do that could include schools working together — rather than protecting their sixth forms — in a way in which they have not done previously. It could also include bringing in further education colleges, which can be much better than schools at delivering some of those skills. It is a case of going back to that level and saying that we need a wider range of skills to move the economy forward. Of course, we need to be able to make some uncomfortable decisions on how to do that.

Ms Ritchie: Would joined-up Government between DE and —

Dr Dobbin: If representatives of Invest NI were here they would say that they have bypassed, or almost missed out on, FDI opportunities because they do not have enough money. The team is not looking as actively as it could for inward investment because it knows that it does not have the money to provide the support that the investment would normally require. We need to ensure that a kitty exists to encourage FDI. At our previous session, David McNarry talked about the inward investors' happy hour and their promiscuity to Northern Ireland. That is an issue. I would like to think that we are cleverer now at attracting the right type of FDI. We still need that investment, but we also need to spend time and money growing our own.

If we grow indigenous business, we would have a much better chance of securing commitments to stay in

the Province, to put money back in and to keep headquarters here. Our first choice is to grow home investment. However, Northern Ireland does not have many large companies turning out good managers or economically viable expertise. The South has used FDI companies to create a legacy of capability, which feeds into the economy. Mark's and my companies are two of the biggest in Northern Ireland, yet, on a global scale, they are quite small.

To improve the economy, movers, such as Mark's company, must invest in and train graduates and managers. Right now, we should look at how we create the seedbed of future managers. I was trained at a multinational that arrived in the 1960s. It has now gone. My company is doing its best, but it cannot provide the same personal development opportunities as a multinational or create the same calibre of people coming through its books.

The Chairman (Mr Wells): As we are running out of time, would the two Sinn Féin members ask their questions in tandem? If they do that, Dr Dobbin could deal with both at the same time. I am sorry about this, but time is against us. This is good stuff. It is extremely relevant and it is exactly what we are after. The idea behind the questions is to elicit information, and, to some extent, you are providing information without having been prompted.

Mr McNarry: If you have any information about Fermanagh, would you perhaps skip over it?

Ms Gildernew: It is good to see that I have moved Mr McNarry along. Gentlemen, you are welcome. Thank you for this morning's presentation.

I shall deviate slightly. I am interested in some of your comments. Dr Dobbin made a point about ensuring that people at the top and bottom of the scale have opportunities to get into the workplace. At the bottom, the voluntary and community infrastructure was built up using European money. That took some people out of third-generation, long-term unemployment and trained them and gave them the potential to enter the workforce. That money was spent wisely. It gave the communities in west and north Belfast a sense of being that had not existed previously.

Dr Maguire talked about the wider range of skills that are needed in schools and colleges. In the first report, we refer to the Twenty-six-County model. While we have A levels, the South's Leaving Certificate covers a wider range of subjects. Pupils are not asked to specialise in three or four subjects at age 16 or 17; they are given broader choice. Should we consider something like that?

Dr Maguire: We should not tinker with A levels. They are a good qualification, but I agree that they may not be right for everyone. Mechanisms are

available to broaden the education spectrum — a BTEC, for example, is the equivalent of three A levels.

The problem is that grammar schools are perceived to be under attack. We want to state firmly that we do not want to get rid of the best elements of the education system in Northern Ireland. However, other elements may need to be improved, which means that we must focus on the entire education structure and, possibly, make difficult decisions.

If some schools are bad, close them. If some further education colleges are not up to scratch, change them. We cannot allow everything to continue as it is and assume that we will see a difference. We need a radical examination of the current education provision so that we can maximise the situation. However, I am uncomfortable about tinkering with A levels, because they are a good qualification that employers recognise. They provide a good route to university for those who want to pursue a broad academic education.

Dr Dobbin: Ms Gildernew made a good point about the voluntary sector. In the past, we have not done enough to anchor the voluntary sector to the economy. Perhaps we need a hybrid model in which the business sector is more actively involved in transforming the output of voluntary programmes into jobs, as opposed to upskilling people but not getting them jobs. We have immigrants living and working in Northern Ireland, which proves that while jobs are available, local people are not filling them. Sometimes, nobody wants to do a particular job, but on other occasions, in certain areas, local people cannot fill jobs because they do not have the required skills.

Margaret asked earlier what we could do. We need more pump-priming. I could have gone to a university in England, but I did not. I was awarded a scholarship and, through a graduate-training scheme, got into a Northern Ireland company. That anchored me in Northern Ireland, and I stayed here. Money would be well spent on schemes to place young people, at graduate level and at the lower end of the ladder, in a local business environment.

I am aware that the subgroup has discussed ways in which the west and the north-west could be developed. SIB would like to see more money spent on roads. It would like to see good carriageway links to the west and the north-west because that would allow people to commute more easily to their jobs, and it would also be easier for businesses to set up in certain areas.

The Southern Irish Government put money into the north-west at City of Derry airport. I think that they should put a peace dividend on the table. I do not know whether that would be politically acceptable — I am looking at Jim Wells to see how he reacts.

Ms Ritchie: He has not reacted yet.

Dr Dobbin: What is Bertie Ahern putting on the table? In private conversations that we have had with officials, it has been hinted that the Southern Irish Government would be prepared to offer a peace dividend. If I were you, I would go to them and ask them to build a road from Dublin to Derry that links with the road to Belfast. It would help the economy in Donegal, which has not seen a boom, and the economy in the west of Ireland, which is struggling, even with its low rate of corporation tax. Members should say to Bertie that, as part of a deal, he should pay for that road.

Members should have a wish list for Southern Irish Government. If they want to help Northern Ireland, let them do it in the best possible way, by getting their chequebook out. You might get a pleasant surprise and be able to lever some money from them. I would bite their hand off and take the money if it meant that they paid for a road from Dublin to Derry. I am not proud and would take money from any source.

Mr Compton: It has been stated that one reason that the border/midlands/west (BMW) region of the Republic consistently failed to meet its targets for FDI was that it took longer to get from Dublin to Sligo than from New York to Shannon. If the infrastructure is not good, you will not attract FDI. I have been guilty of saying that if there were a motorway to Derry, it would do a hell of a lot of good for FDI and indigenous investment. Why, is there virtually no unemployment in Magherafelt? It is because it has a motorway at the end of its main street.

It is not a joke to say that linear infrastructure development can also bring with it economic development. A study that the Federal Highway Administration in the United States has been running since the 1950s shows that for every dollar it spent on new interstate highways it leveraged around 35 cents of private-sector economic investment and improved productivity, that would not have been the case otherwise. Here we have something similar in the “Antrim effect”. The Naas dual carriageway was the first example in Ireland of where the equivalent of interstate highway directly stimulated linear development.

11.30 am

Dr Dobbin: I hope that that is not heresy, Mr Chairman.

The Chairman (Mr Wells): As Chairman, I am totally neutral on those issues.

Dr Dobbin: Sorry, I am addressing you as the body politic, as opposed to you individually.

Mr Sweeney: If you are going to build a motorway to Derry, it should also go to Lisnaskea.

Dr Dobbin: I would like it to go to Armagh.

Mr Sweeney: I look forward to that time.

An example of community regeneration is Caterpillar in Springvale in west Belfast. F G Wilson Engineering Ltd, as it was then, decided to build a facility in west Belfast at a time when the area was not politically stable. They employed people from both communities in that area — people who might have been from the second or third generation of a family that had been without full-time employment — and there is now an exemplary plant there that employs 500 to 600 people.

There is a connection between attracting FDI or helping indigenous businesses to grow and getting people's skill sets to a targeted endgame. That is distinct from simply training people for the sake of training them, and then not having the jobs in place for them to do. Good examples exist of where that joined-up approach of training people for a purpose and utilising their skills has worked.

Ms Gildernew: I agree wholeheartedly with what you have said about roads. It is no coincidence that there is not an inch of dual carriageway in Fermanagh. We have had very little FDI, and we would have been in bad shape economically had it not been for the Quinn Group.

Do you agree that investment in infrastructure is probably the most sustainable route for a financial package to take? If money were going into physical infrastructure, particularly roads, would that be our best chance of attracting businesses that would provide long-term sustainability?

Dr Dobbin: If you wanted to know where to invest, roads would be an essential element, but more would be required. For example, roads and fiscal incentives together would make up a powerful package, because you would be creating better transport and a more favourable investment climate. However, for me, skills are up near the top. Skills and innovation will have the biggest impact on gross value added (GVA) of anything that we do. For example, in today's world it might be the information superhighway rather than the road highway that is most important.

The west would improve if there were better roads to and from it. A motorway to Armagh would be a good start, and there should be more carriageways. It takes a great deal of time to get around. I travel on many country roads, and they are very slow.

Ms Stanton: Do you agree that the same emphasis should be put on the community and voluntary sector as on the business sector, taking into account the safety measure that was mentioned?

Mr Compton: In everything that the Business Alliance has said, it has linked two phrases together: "economic regeneration" and "social inclusion". I do not believe that it has ever written anything where it has used the phrase "economic development" without

the phrase "social inclusion". The two are inextricably linked. If we were to have a two-tier entitlement to jobs, wealth and prosperity, we would have a major problem — perhaps not today, but in a year's time or in 10 years' time.

Dr Dobbin: We must ensure that the money that is put into the voluntary sector is generally for capability building. I accept that there are people who will never be economically active, because of their health or whatever reason. Those people will always need support. Some sections in the voluntary sector are addressing needs that are economically related. For example, foreign aid to Africa and other parts of the developing world has moved away from providing food aid to, where possible, trying to encourage farming. Foreign aid has moved away from giving handouts to trying to create self-sustainable employment.

The challenge for the voluntary sector is to ensure that it builds capability and thereby eventually builds itself out of a job. That is not to suggest that there will no longer be a role for the voluntary sector to play; however, a more joined-up approach is needed.

The voluntary sector in Northern Ireland employs, directly or indirectly, an estimated 40,000 people. That is a large figure for an economy of our size. The voluntary sector cannot, therefore, just simply be abandoned or cut off. We must examine what it delivers. To make progress, we must almost build it out of a job — we must kill the need. We must determine how the voluntary sector and the private sector can be used to build the capability in communities, so that they can stand on their own two feet and have their own jobs and incomes, instead of relying on the voluntary sector to make ends meet.

I am interested in that type of approach. There is a role for the voluntary sector. It does great work: it trains people and tries to create social coherence. I am not suggesting that it should be done away with. Instead, I urge us to be careful. We could spend a lot of money on the voluntary sector, but still not kill the need for it. We must remove long-term need by addressing its fundamental cause rather than offering handouts that will address only today's needs.

Ms Stanton: That can be measured by stability on the streets.

Dr Dobbin: Absolutely.

Ms Stanton: That cannot be produced using the safety measure that you suggested earlier.

Mr Compton: Having said that, it is equally important that the voluntary sector is efficient, effective and fit for purpose. Often, there is a tendency to allow the voluntary sector to take up the slack when the public sector steps back, without ensuring that a voluntary service can provide the same effective

service delivery that the private sector would. We must examine whether the voluntary sector is efficient and does the best job it can in areas where it is actively engaged; it should not simply rely on the goodwill of someone who comes to help out two days a week. It must be professional and efficient in its service delivery.

Ms Stanton: The Committee on the Administration of Justice's (CAJ) report indicates that the gap between the rich and the poor has widened. That must be addressed. It must be addressed at that level and on an equal basis.

The Chairman (Mr Wells): Time is running out. I suggest that our adviser, Mr Smyth, ask a question, but Esmond is next on the list. I will reluctantly ask David Ford not to ask a question during this round. I will give you absolute priority with the next witness, David.

Mr Ford: I will take up the first 20 minutes of questions.

The Chairman (Mr Wells): That is the only way in which we will be able to fit in everyone. Perhaps we should have allocated extra time for those topics.

Dr Dobbin: We can come back at a later date, Chairman.

The Chairman (Mr Wells): I am also conscious of the fact that Mr Hewitt has been waiting for quite a long time. I am sure that he must be anxious by now.

Dr Birnie: I want to thank the representatives from the Business Alliance for attending the meeting. They have made some fascinating points.

David mentioned manufacturing several times. How do we tailor any package and any change to fiscal incentives in order to promote tradable services?

I want to comment on the contentious issue of building roads everywhere. There are examples in the Mediterranean of economic development that failed because investment was made in motorways and bridges that literally did not lead anywhere. We must be cautious of that. *[Laughter.]*

I do not suggest that that would apply to Fermanagh.

Mr Ford: What Esmond meant was that if we were to start building the roads in Fermanagh, there is nothing to the east.

Ms Gildernew: Roads that go nowhere? Get outside, so that I can hit you a slap. *[Laughter.]*

Dr Dobbin: Esmond is correct to say that the building of roads is not a panacea. However, the north-west, where there is a gateway hub with ports, an airport and a large community, is also a tourist destination. The Armagh area also has huge opportunities for tourism. If carriageways or motorways were built to every destination in Northern Ireland, not all of them would be used. The Roads Service has done significant

work in identifying what the average journey times are on certain roads. Investment should be made in areas where the average road speed is low, provided that there is a traffic requirement. In some cases, however, it is a chicken and egg situation.

The EDF subgroup on innovation examined tradable services and identified two issues that are holding them back. Invest Northern Ireland evaluates its support to tradable services using its traditional model; that is, it helps companies with assets. It struggles to help companies that have a great deal of intellectual property but hardly any assets.

First, companies in the information technology (IT), healthcare and pharmaceutical sectors complain bitterly that they have a long-term return model because they are associated with intellectual property and have no assets, and Invest Northern Ireland is reluctant to support them due to the Treasury's Green Book and the way in which they are assessed. I am sure that Victor Hewitt, who is sitting behind me, is wondering what I am talking about. Those types of businesses require a different support model. Invest Northern Ireland must be given some latitude to support them.

Secondly, we want to avoid tradable services where there are "battery hen" jobs, with a lot of people doing call-centre-type work. We compete almost solely with India in that line of work. I am not saying that we do not want those jobs, but they are not in my hierarchy of preferences. I would prefer support-desk jobs in IT or in financial services, where the operative in the call centre is required to have some capability that cannot be replicated easily, and for which a graduate or someone with the necessary training is required.

Let us avoid replicating "sewing machine" jobs. We need to create a higher level of jobs in the tradable-services sector. We are particularly deficient in financial services. Edinburgh, Bristol and other regional capitals in the UK have vibrant financial-services sectors, as has Dublin. That is where the highest added value is and, generally, where more wealth goes into the community. Northern Ireland has almost none of that.

The biggest opportunity for us — this is not a political point but an economic one — is to take the overspill from Dublin. Dublin is overheating. Rents are going through the roof, and there are companies who would love to expand on the island, but they cannot get suitable people. Good arterial routes between Dublin and the north-west and between Dublin and Belfast are required, as is good office accommodation. We have the perfect broadband infrastructure. Northern Ireland could take the overspill from the South, because those guys are struggling, and they are keen to do it. As I said, that is not a political point, but if there is business

to be done, why not bring it here rather than let it go to Edinburgh, London or Bristol?

Northern Ireland is a relatively low-cost centre, and we have graduates whom we can get back to Northern Ireland or keep here. However, we must ensure that the education system is turning out the right type of skills. Invest Northern Ireland has started a financial security certificate programme — a good initiative and through it is trying to create some critical mass, but, at the same time, we should be bringing in one or two big players. Invest Northern Ireland is also doing that, and that might lead to a cluster and some good value.

Mr Smyth: I will push the challenge back to Dr Dobbin. I have been impressed with the subgroup's first report, which covered lots of territory. Aside from the fiscal incentives and the economic package, no one seems to want to talk about the longer term — although we have come close to discussing it this morning.

A few years ago, Northern Ireland had an advantage over the rest of the world. Northern Ireland is still the only place on earth where four- to 18-year-olds have broadband Internet access in support of the national curriculum. We are supposed to have a balanced learning environment around that — Classroom 2000. However, that is falling flat on its face. Apart from looking at the other interesting topics that arise, innovation in education is a clear instance in which there was no joined-up thinking. Someone took a big risk by spending £300 million on it. It is still not too late to rectify the situation, but bridges need to be built.

Dr Dobbin: Do you know why it is not working?

Mr Smyth: Yes.

Dr Dobbin: I have been reasonably close to it, and my feeling is that they put all the money into hardware. The infrastructure was created, but no investment was put into educating teachers on how to use it or on how to coach pupils. It was a classic example of opting for the nice, big, shiny vehicle and forgetting to teach someone to drive it. Many of our teachers are not exposed economically, and we have a particularly conservative bunch of teachers in both primary and secondary education. Money must be spent on marketing, and teachers must be sent out into business, so that they can be more informed about career choices and IT.

In IT, the kids are ahead of the teachers in some cases, and teachers complain that broadband Internet was installed but that they were not well enough prepared in order that pupils could benefit fully. Do you agree with that?

Mr Smyth: I do indeed.

Dr Dobbin: Is there anything that we have said that Mr Smyth thinks is economic heresy?

Mr Smyth: Not at all. I have some further questions, on which we will come back to you, no doubt.

The Chairman (Mr Wells): Unfortunately, time is running out. Do not get me wrong: you have provided us with good stuff. We should perhaps allocate more time the next time that you attend the subgroup, so that we can tease out more information.

Dr Dobbin: We are happy to return.

11.45 am

The Chairman (Mr Wells): If you have any further written evidence that you would like us to receive about anything that has arisen during discussions, we need to have it by 18 September. We are working to a tight deadline.

I thank you and your team for a comprehensive and detailed submission, which is what we expected. It has been extremely useful. The subgroup has been fortunate in the standard of evidence taken throughout this process, and you have added to that. If we continue beyond 24 November, I am sure that we shall be seeing a lot of you.

Dr Dobbin: You must continue. The one thing that we cannot afford, and I speak now as a voter —

The Chairman (Mr Wells): Can you tell us where your vote lies, first? *[Laughter.]*

Mr McNarry: There goes the Chairman's impartiality. *[Laughter.]*

Dr Dobbin: My vote is decided by manifestos, not by tribal politics. What I want to see are economically sound manifestos and momentum in this process. I hope that you do a deal by 24 November but, if you do not, you must bank something, so that the prospect after that is better for a deal.

Mr McNarry: The Assembly is finished if we do not do it.

Dr Dobbin: I want to see a deal. Without devolution, the Northern Ireland Office (NIO) will wreck Northern Ireland, whether through perversity or because Ministers are part-time and not that interested. National policy is killing Northern Ireland at present — we need to get away from it. The population is missing out on a big opportunity. We need devolution. How you guys do it, I do not know. Set aside constitutional politics and get stuck into making life better for all of us. That is the way forward.

Some Members: Hear, hear.

Ms Gildernew: You have just written our manifesto. *[Laughter.]*

Mr McNarry: The past 30 years did not happen then? We do not have terrorists, and we are not being asked to bring them into the Government, is that it?

Dr Dobbin: I do not want to minimise these issues, but we are where we are.

The Committee Clerk: On the practicalities, Chairman, we covered a lot of ground on education and skills near the end. That is for our third report. Would the subgroup like to invite the Business Alliance back to cover that particular area?

Dr Maguire: Are we not meeting on 28 September, in the guise of EDF, to talk about skills?

The Committee Clerk: Yes, and you could cover skills and innovation then. We should not duplicate unnecessarily.

The Chairman (Mr Wells): Thank you, gentlemen. We still have a quorum, but only just.

Mr McNarry: Is the DUP absent for a genuine reason? It is not a boycott?

Ms Ritchie: It is not a diplomatic absence, for want of a better word?

The Chairman (Mr Wells): Definitely not. There is a genuine reason for why the DUP is not here. As I speak, we — sorry, they — are trying to formulate a team. *[Laughter.]*

Ms Ritchie: Is that a slip of a cup?

The Chairman (Mr Wells): Mr Hewitt, I am sorry for keeping you waiting, but you can see why that has occurred.

Mr McNarry: Are you not in the same position as Naomi Long? Can you not double-up this afternoon?

The Chairman (Mr Wells): No. I am not a member of the subgroup.

The Committee Clerk: It would not be procedurally correct for Mr Wells to chair the subgroup, and then to sit on it as a member.

The Chairman (Mr Wells): Yes, and that is why I cannot constitute the seventh member to maintain a quorum, if that is what you were thinking.

Mr Hewitt, thank you for coming. We have got off to a good start, as you can see. We look forward to your evidence. Normally, we would give you an opportunity for a few opening comments. Mr Ford will be the first to ask questions. To be fair to members, I have reversed the order of questioners, to compensate those who felt rushed last time.

Mr Victor Hewitt (Economic Research Institute of Northern Ireland): Thank you, Chairman. I congratulate the subgroup on its remarkable progress thus far and for reigniting a long-overdue debate on the economy. That said, the hard work begins now. The problem is how to interpret the vast amount of evidence that has been accumulated and frame it into sensible proposals.

Economics is a difficult discipline. I know many amateur economists, even though I do not know too many amateur brain surgeons. However, economics is a good deal more difficult than brain surgery, although both make one's head hurt after a time. The problem with interpreting economics is that matters are interconnected, so that what appears on the surface to be straightforward is, in fact, anything but. There are all sorts of feedbacks in the economy, and apparently simple linkages turn out to be quite the contrary.

I hope that the subgroup will think everything through carefully and take the best advice that it can find. I have read the evidence that has been presented so far, and all the building blocks are in place. It is now a matter of assembling them. There is some confusion in the first report about cause and effect. Poor industrial structure and productivity are mentioned as though they are two separate things, whereas one leads to the other.

In my second submission, I have tried to clarify the distinction between various economic instruments, because there seems to be an assumption that some can be substituted for others, and that subsidies or grants for inputs, such as capital, training and skills, R&D tax credits, and so forth, are almost perfectly substitutable for other incentives, such as corporation tax. That simply is not true. They are qualitatively different animals.

When talking to people from the Republic, I find that it is perfectly clear that Northern Ireland is quite a few paces behind the game. The Republic is currently a much more sophisticated operation than Northern Ireland. That said, because we have the ability to see what has been happening elsewhere, we do not have to reinvent the wheel. I hope that what comes out of this process is a radical package to get Northern Ireland on the higher trajectory of growth that we all want to see. If we keep going as we are, everyone in this room, their children and their children's children will be dead before Northern Ireland ever achieves convergence with even the UK average.

The Chairman (Mr Wells): David, as you were squeezed out when the previous group of witnesses were being questioned, I promised you the lion's share of the early stages of questioning.

Mr Ford: Thank you. Mind you, after Mr Hewitt's comment on amateur brain surgery, I am deeply conscious that I am sitting beside Esmond Birnie.

Dr Birnie: I am not a surgeon.

Mr Ford: I should probably not declare my primary degree. You can look it up on the Assembly website if you wish, Mr Hewitt. I do not claim to be anything more than an amateur economist.

Thank you for your written submission. As the first questioner, I confess that I have not had as much time

to study it as I should have had. I want to tease out something on the issue of the balance that should be struck between attracting FDI and the growth in indigenous business. I did not have a chance to ask the previous group of witnesses about that, but it featured in their evidence. David Dobbin, in particular, rightly emphasised that one virtue of indigenous businesses is their commitment to Northern Ireland, and yet, on the other hand, because there is not a critical mass, FDI may be necessary. I am interested in your thoughts on that, Mr Hewitt.

Your submission specifically referred to where resources should be targeted to bring about growth. You mentioned schools, particularly those at the lower end. Will you tell us more about how you consider education to be linked to driving the economy forward? That crucial issue requires detailed consideration.

Mr Hewitt: When examining the balance between FDI and indigenous businesses, it is important to identify which growth model we are considering for this economy. On what basis can this economy grow to its maximum potential? The economy cannot grow on the basis of its population of 1.7 million. That simply is not a big enough market. Therefore, the only way forward is through what economists call export-led growth — it is necessary to access and export to the wider world.

Northern Ireland imports from the wider world, but is not exporting enough to pay for that. That leads to the question of who the exporters are. Many indigenous firms export, but 90% of them are small and employ fewer than 10 people, and getting into the export market is difficult for small firms. The real heavy lifters in the export world are FDI companies, because, almost by definition, they work globally. They are attempting to sell their wares around the world and organise themselves in a way that will maximise their profits around the world. Without accessing the FDI market, the prospects for growth on the back of the indigenous sector alone are fairly minimal. It is as simple as that.

There is a moral imperative, as well as an economic one, to improve our schools and our education system. For decades, we have endured a situation whereby the top end of the schools system is producing excellent people, but the output at the bottom end is relatively dismal. That is partly a matter of resources, but it is as much a question of management as anything else.

The schools system is unique in that it holds a vast amount of information — the history of individual pupils can be traced right the way through the system. We know who taught them and what schools they attended. That is a fantastic database to interrogate. However, we are not making use of that information to improve the system, especially at the bottom end.

‘The Irish News’ has published some school tables. I know that there are problems with those; nonetheless, it is rather disturbing to note the huge disparities between the top and bottom ends — that is in the secondary sector alone, never mind the grammar schools. It is really not acceptable that, in some schools, only 4% of pupils are obtaining A to C grades at GCSE. We must address that problem.

Educational performance relates to economics in that the less educated people are, the less able they are to interact with the labour market and the world. We must interact with the world, because that is where our future lies.

Mr Ford: Should the curriculum be changed to focus more on vocational aspects, or is it simply a matter of schools doing what they are currently doing, but doing it better?

Mr Hewitt: It is more a case of the latter than the former. The curriculum is, of course, important. A great deal of thought goes into developing it — sometimes new ideas come along that are somewhat suspect, but, by and large, we have a reasonably solid curriculum.

As I said, this is really a management issue, not a policy issue. The information is available, as, by and large, are the resources, although some skewing and additional pump-priming is probably needed. However, it is a matter of starting the hard slog needed to achieve the objective. That is what we are not doing; we are not putting in that management. It will probably take a decade, but if we made a start and if we knew what we wanted to achieve, good management would deliver it.

Dr Birnie: Thank you for coming here today, Victor.

I have two questions. You used the expression “radical package”. Could you give us any hints as to what such a package might contain?

Secondly, my interpretation of the final paragraph on page 2 of your written submission is that corporation tax is the best fiscal instrument. Is that right, and, if so, why do you argue that?

Mr Hewitt: The two matters are somewhat linked. The most radical dimension of a new package would be a refocusing of our fiscal incentives away from grant packages and towards a tax-based package of incentives. Why is corporation tax the superior instrument? The reason, to put it simply, is that it is simple.

12.00 noon

Companies seek simplicity in the packages that they are offered, so that they can calculate easily the effect that they would have on their bottom lines. I do not decry skills or the availability of labour and good infrastructure. They are important. However, when courting companies, those attributes only really get

interested parties on to the long list. Beyond that, companies seek sophistication and understanding of their wider needs, and that means their profits. Corporation tax is an instrument that goes to the heart of that. It does not influence companies' behaviour in matters such as R&D or capital investment — that is their choice.

The Chairman (Mr Wells): Mr Dallat was to ask the next question but he has been called away. Perhaps Ms Ritchie would take his place.

Ms Ritchie: In your submission, you refer to the need to move to a high-growth trajectory. Emphasis has been placed on corporation tax, but, on a totally different slant, where could savings be made to cover the costs of fiscal incentives?

Mr Hewitt: In the longer term, there should be no costs for fiscal incentives. The purpose of the exercise is to ensure that someone else takes a hit on tax — that works to one's advantage.

Microsoft has intellectual property rights in the South. Therefore, its profits are channelled through there. It generates about £9 billion turnover in Europe. It paid €300 million corporation tax in the South and €17 million in the rest of Europe. That is the game in the South — even if it gets nothing else from Microsoft, at least it will have gained €300 million in tax. If corporation tax works, it is as a revenue generator. There are upfront costs, because one cannot be selective with corporation tax — all companies must pay it. Inevitably, companies will take a hit upfront of 30% or 19%, but they only pay 12.5% in the South. However, there are ways in which that tax could be minimised. FDI will not be attracted for a couple of years, so there is no point in giving corporation tax upfront now — it could be phased in over three years. However, the whole purpose is to generate more activity here. That activity will generate tax revenue, which will more than compensate for any initial loss, and windfall gains to existing customers.

Lord Morrow: You said that our education system is good at the top end and poor at the bottom, but I am not sure what is happening in between. Could I take you to South Tyrone —

The Chairman (Mr Wells): We have been there already this morning.

Lord Morrow: There are entrepreneurs who have never set foot in a university, yet, today, they employ up to 900 people and have done exceptionally well. I mean no disrespect to anyone around the table, but those entrepreneurs put us all to shame with their performances, regardless of their education. They possess entrepreneurial skills, and those are more lacking than anything else in Northern Ireland. It is popular to knock our education system: it seems to be the fashionable thing to do. However, I have a higher

regard for it than most members. I am not saying that the system is perfect, but it is better than it has been given credit for.

Is there scope to look at those who have achieved success, in spite of, as you call it, a bad education system? They came through the existing education system, and they are the main employers now — at least in my part of the world. I do not know about elsewhere. We get carried away sometimes and blame all our problems on the education system. I am not saying that it should not be improved on, but we are moving towards scrapping the whole system and starting over again. That is a dangerous route to go down.

Mr Hewitt: I want to make it plain that I have the highest admiration for teachers. I was involved with a school and I saw what teachers go through. It is no surprise to me that, at the end of, say, 30 years, they are pretty tired. Teaching is a hard job.

However, we must be aware that qualifications affect life chances. I will give you a specific example. Suppose pupils are in a good grammar school that has not produced a single A grade in chemistry for years. Effectively, that cuts the chances of those studying chemistry in that school to move on to subjects such as medicine, because they simply will not get into university without that qualification. That is a practical example; there may be other routes to university, but, in general, if a school does not produce the required qualifications, it cuts off people's life chances.

As regards those who come through school without formal qualifications, talent will always find its way to the top. I salute such people. However, we cannot rely entirely on that group of people for the future of our economy.

Ms Gildernew: As Maurice pointed out, there are parts of the country in which the future of our economy has had to rely wholly on people who do not have formal qualifications. Earlier, the Business Alliance talked about the importance of infrastructure. Have you any suggestions in respect of one-off investments from the peace dividend that would address some of the difficulties that we have, particularly the regional variations?

Mr Hewitt: Members may have seen Google Earth on the Internet; users can zoom in on maps of particular countries. We have facilities that allow us to map certain characteristics onto pictures of Northern Ireland using Google Earth. We produced one on wealth, with blue representing the wealthy areas and red representing the less wealthy ones. It was fascinating to see the dark blue over north Down become paler and to see the map become progressively red as it moved westwards. The regional imbalance is a serious problem — we cannot pretend otherwise.

I am in favour of opening up the west of the Province through infrastructural links. I listened carefully to

what David Dobbin said about mobilising not only ourselves, but the Government of the Republic to produce additional roads infrastructure. That is an interesting idea that should be pursued. I am wearing a political hat in that regard, but, on an island, infrastructure and networks are important. They should be considered in the round, however, rather than in small parts.

That is only one part of the jigsaw. Fermanagh is “out there”. It is not going to attract a vast amount of FDI. I am not saying that it could not; it has happened in the South. Fermanagh’s future, however, properly lies in exploiting tourism, sympathetically and to the maximum. The population base in Fermanagh is 50,000 in total — the equivalent of a medium-sized town.

It is very difficult to carry out economic development at a distance for a population of 50,000, which is well scattered around a fairly substantial piece of land.

Ms Gildernew: It is more than 50,000. I get almost 20,000 votes there.

Lord Morrow: Is that Fermanagh and South Tyrone?

Ms Gildernew: Yes.

Mr McNarry: You are only in two years — you will be taking out a mortgage on the strength of those votes.

The Chairman (Mr Wells): Let us not get into that. We have discovered this morning that one member’s view of the world ends at Dunmurry and another’s starts at the Ballygawley roundabout.

It does not look as though John Dallat will be back in time to ask his question. I am not sure what has happened to him. I was about to call him, but he has gone.

Ms Ritchie: May I go out to find him?

The Chairman (Mr Wells): If he gets back in time, John Dallat will ask the next question, followed by David McNarry.

Mr Smyth: I have two questions for you, Victor, and you are probably expecting the first one. As a second-best measure, would you care to speculate on the potential impact of a slightly more generous R&D tax credit than that considered by Prof Richard Harris — perhaps something in the order of 200% — on Northern Ireland’s attractiveness for FDI?

Secondly, will you consider the corporation tax relief grant legislation that is still on the statute book as a possible second-best measure? I am not sure whether the subgroup knows about that legislation, which was not operable at the time. I understand your arguments about simplicity, but it seems to me that that is a measure that we already have. It is a de facto 10% corporation tax rate, if we could make it work.

Mr Hewitt: I will answer those questions in turn. On the R&D tax credit, as members are aware, we sponsored a fairly extensive study by Prof Richard

Harris in Glasgow. I think that members have a copy of that. He found that if one throws money at problems, one can make things happen, but they tend to happen very slowly. It took 10 years for the effect of the tax credit to work its way through. That is a very slow-acting measure. The magnitudes that we are talking about are, at present, quite small.

Your question is really about whether we can attract FDI on the back of a more generous tax credit system. That is possible, but I do not think that there will be an enormous avalanche of companies coming in on the back of an R&D tax credit. That does not apply only to Northern Ireland. The UK experience with R&D tax credits has been really quite disappointing. The Chancellor has been reconsidering means to improve those measures. He was particularly interested in the take-up in Northern Ireland being so low, and what could be done about that.

Existing firms favour grants over R&D tax credits, because they immediately transfer the risk, whereas the R&D tax credit transfers some of the risk back to them — firms must do the risky bit to gain the credit. R&D tax credits are perhaps one weapon in the armoury, but I emphasise that it is an input weapon that deals with activities of firms and attempts to induce them to do more than they would perhaps wish to do in the hope that that would drive up output. That is not an output instrument.

In its entire history, only three firms considered corporation tax relief grant legislation. It was an attempt to use grants to produce the same result as a 10% corporation tax, which was then in existence in the Republic of Ireland. The conditions placed on that measure, with regard to its justification, meant that it was a dead letter from the beginning. One had to make 20-year projections of the profits of the likely inward-investment company. That was a nonsense, and the measure never really got off the ground. That measure fails the simplicity test massively. I cannot emphasise enough the importance of simplicity. The Republic has forged ahead on the basis of a very simple and well-understood tax rule, backed up by a fairly comprehensive set of double-taxation treaties with likely investors.

We have an enormously complex grants system, whereby firms have to go through business cases, green book appraisals and all sorts of things. If they have a choice, businesses will always go for simplicity rather than jump through hoops such as that.

12.15 pm

The Chairman (Mr Wells): Lord Morrow has reminded me that several members are involved in the Business Committee at 12.30 pm, so we need to work to that scheduling.

Mr Dallat: We are conscious of the millions of pounds that the Department for Employment and Learning (DEL) spends on basic skills. You said that the school curriculum is fine and that the examination system is good, and then you referred to the school league tables, which are very attractive at the top end but — and here I agree with you — an absolute horror story at the bottom end. Are we to believe that the teachers and pupils at the bottom end, who produced the 6%, are all dysfunctional and really bad, or is there a need to take a second look at the education system and how we treat people? I can see the revolving-door syndrome going on and on, with people who fell through the safety net being sent round and round on basic skills courses, which cost the sun and the moon, and never become part of the economy.

Mr Hewitt: I quoted the school league tables, which focus on GCSEs and A levels. There are problems at a much more basic level than that. Quite a few people have great difficulty with reading, writing and counting beyond 10. That is not acceptable. We should not write off those people, saying that it is too difficult and that they have problems. Of course, they have problems. Everyone has problems, but if we give up on those sorts of basics, we are taking ourselves out of the game altogether.

The Chairman (Mr Wells): Mr McNarry, you are the last member to ask questions. I am conscious of the time because of the Business Committee. Can you try to wind it up at about 12.25pm?

Mr McNarry: Yes. It is good to see you again, Mr Hewitt, and refreshing as usual.

The report was debated in the Assembly, and comments were made about corporation tax. I am glad to see that some of those comments have percolated into the public domain. I am asking this question in total ignorance: is there an accurate costing available that would show the benefits and the uptake of reducing corporation tax, which would make it easier for people like me and the general public to understand?

Going to under 12.5% is some drop. That point needs to be understood because there is a widespread perception — one that is growing because of what is happening in people's lives — that such a radical proposal, without explaining its merits and value, would only feed the fat cats more, while people are overtaxed, politicians do not know what they are doing, and hospitals are under pressure — the one just up the road from here certainly is. How can such a reduction be justified, and, above all else, if we are going to justify it, how can it be explained fully to the layman?

You mentioned Microsoft. Could some figures be produced so that people could actually see the potential value?

Mr Hewitt: At the beginning, I said that we must be very careful when interpreting economics, and I will give you an illustration. Corporation tax is a tax on the profits of companies. The natural assumption is that companies pay this tax. Companies pay no tax at all. The people who pay tax are the shareholders, the workers and, to some extent, the supply chain of the company. There is a difference between the formal incidence of a tax: who is legally responsible for paying it, and who actually pays it. Corporation tax is one of the taxes that shifts massively from the person who is charged with it to others.

In a sense, the distributional aspect of corporation tax is really a non-question. I understand why a layperson might think that we were giving companies a lot of money. The reality is that we would not be. What happens is that the tax payments that these companies would otherwise have made in their own countries of origin are diverted. If companies come to Ireland from the United States to get the benefit of lower corporation tax, the real losers are taxpayers in the United States. They are prepared to live with that because Ireland is a relatively small country. If the UK were to introduce a lower rate of corporation tax, it would be a different matter. There are a lot of misconceptions about tax that need to be cleared up.

One of the objectives of the study that we are working on is an attempt to quantify the benefits and the Exchequer costs of the exercise. The initial Exchequer costs would probably be about £250 million — that is a simple calculation off the top of my head. If everything went well, that would be more than repaid. Indeed, one of the practical difficulties is that if corporation tax were repatriated to Northern Ireland, it might bring in so much money that the Treasury would decide that it wanted a share of it and that Northern Ireland could not keep it all.

Mr McNarry: I have no doubt that you say that with some expertise, but how do you prove it? Can you show the subgroup that that benefit would arise? Bear in mind that if something came to pass, our political futures could rest on this if we were unable to explain the benefits to the public, who might have a different perception.

Mr Hewitt: The simplest way to do that is to look at where corporation tax works and to compare that with what we have at the moment. There are different estimates, but corporation tax brings in £600 million a year tops here. In the Republic, it brings in about 40 billion. Its population is three times the size of ours. You need only look at those figures to see the potential gain. If we could replicate that on our scale, we would be doing very nicely indeed.

The Chairman (Mr Wells): Is that figure in euros or sterling?

Mr Hewitt: It is probably in euros. I can get the actual figure.

Mr McNarry: How could we, as a region of the UK, argue for this, while respecting our membership of the UK with other regions such as Scotland and Wales?

Mr Hewitt: Now we are getting into the practical difficulties, which are, of course, very important. There are at least five, probably six, practical difficulties. Top of the list is making a case for Northern Ireland's being so unique that it needs this differentiated corporation tax. There are the political arguments, but I shall leave you to make those.

Mr McNarry: I was looking for a bit of help.

Mr Hewitt: There is the legacy of conflict, and we are literally on the border of a country that has such a tax regime. You can play it around that. This is probably a one-off opportunity that will not come again.

I can tell you this much on the practicalities: it is doable only under devolution. It is not available under direct rule. That is not a political issue with the UK Government; it is a European issue. The findings in the Azores case made it absolutely clear that one cannot get a reduction in the rate of corporation tax under direct rule.

There are many other difficulties, such as the European Union. One of the difficulties that I have run across, and which no one has mentioned yet, is the matter of double taxation treaties with the countries from which we might expect FDI. The Republic has a whole series of double taxation treaties with various countries. Northern Ireland would need to get the UK to modify its double taxation treaties on its behalf, and that might involve major difficulties. The Northern Ireland Act 1998 would have to be amended, because it does not contain powers of taxation.

There are difficulties, but sometimes the difficulties argue for themselves, so they should not intimidate us. We should consider them, analyse them and find ways round them.

Mr Smyth: That was a very clear articulation of the problems. My reading of the Azores decision is that it addresses the issue of making up the deficiency in taxes. That is an internal decision. In addition to being autonomous, we would have to take a decision on corporate tax unilaterally, as it is a matter for a geographical sub-region. My only question is: if a reduction in corporation tax is not doable, what is the next best fiscal incentive that we should campaign for?

Mr Hewitt: We are back to more of the same. We would be tinkering at the margins of matters that we have been involved in for years anyway. There are no other really big ideas floating around. That is the blunt

truth. If we keep doing what we have always done, we will keep getting what we have always got.

The Chairman (Mr Wells): Thank you, Mr Hewitt; that was very helpful. Our witnesses have opened a rich seam of information for us.

That is the end of the public hearing. As I am conscious of our quorum, I remind members to be back here at 2.00 pm.

Mr McNarry: When the report for which we are anxiously waiting is complete, perhaps Victor will come back to us.

Mr Hewitt: I know that you are very keen to get the report — so am I. Given the subgroup's timetable, it is unrealistic that a full report will be available in time. We might be able to give you a preliminary view, one that may not be fully articulated and that may be based, to some extent, on a review of the existing literature. It might answer such questions as whether there is clear evidence that corporation tax has a substantial impact on FDI. I will not promise a quantification of matters, but, by next week, I may be able to provide a helpful statement along those lines. Of course, there will also be a full report in due course.

Mr McNarry: We can meet beyond next week, can we not?

The Committee Clerk: Yes, but the difficulty is that the economic package report is due by 4 October.

Mr McNarry: Could we have an extension on the fiscal issues report?

The Committee Clerk: Yes, but the timeframes are related.

Mr Hewitt: With your permission, we will take a two-stage approach. Initially, we will try to get you a statement of the likely outcome, without giving absolute guarantees; and the report will follow when it is available.

The Committee Clerk: You mentioned 16 October, but the subgroup had hoped that you could get the report out by 5 October.

Mr Hewitt: I am dealing with academics; I hesitate to give absolute assurances on anything.

The Chairman (Mr Wells): You are welcome to stay for lunch.

Naomi Long will chair the 2.00 pm session.

The Subgroup was suspended at 12.29 pm.

On resuming —

2.04 pm

(The Chairperson (Mrs Long) in the Chair.)

The Chairperson (Mrs Long): Members, we have a quorum.

Mr Ford: It took an economist to make up the numbers.

The Chairperson (Mrs Long): This afternoon, we shall take additional evidence from Sir George Quigley, and also evidence from InterTradeIreland and the Planning Service. The questions that we hope to ask the delegations can be found in the members' pack. I remind members to switch off their mobile phones completely because they interfere with the Hansard recording system.

Mr McNarry: Have the witnesses been told to keep their presentations short? Some presentations have been a bit lengthy.

The Chairperson (Mrs Long): I intend to ask the witnesses to state their cases coherently and concisely, allowing them 10 to 15 minutes for their presentations. That would give the subgroup more time to ask questions, and the witnesses can raise further points during the question-and-answer sessions. I hope that members are happy about that.

The Committee Clerk: When Sir George first appeared before the subgroup, he read from his presentation. You might discourage him from doing that today.

Mr McNarry: Witnesses tend to ignore that guidance. I can understand that.

The Chairperson (Mrs Long): If witnesses have written presentations, I can ask them to circulate their papers in order to expedite the presentations. That would leave us more time to ask questions, which is the more important part of the session. If everyone is happy with that, we can move on.

Ms Gildernew: Before we do, Naomi, I want to say that the staff has done excellent work over the past hour or so. A lot of hard graft has gone into all that photocopying.

Some Members: Hear, hear.

The Chairperson (Mrs Long): Good afternoon, Sir George, and welcome to this meeting of the subgroup. We thank you for agreeing to attend. If you have a mobile phone with you, we would be grateful if you would switch it off because it interferes with the Hansard recording equipment.

The evidence session will last approximately 45 minutes, and your presentation should be as brief as possible — about 10 minutes. If you have a written presentation, you may wish to circulate it among

members, who would be grateful to receive it. That would allow us to use the remainder of the time to focus on the question-and-answer session, when we can tease out in more detail the points that you wish to raise.

We thank you again for attending the evidence session, and you may now start your presentation.

Sir George Quigley (Industrial Task Force): Thank you very much indeed for your welcome. May I introduce my colleague Mr Tony Hopkins, who is joining me in this project?

The Chairperson (Mrs Long): Thank you, Tony. You are also very welcome.

Mr Tony Hopkins (Industrial Task Force): Thank you.

Sir George Quigley: Nobody could fail to be impressed by what the subgroup has produced so far in such a short time. I offer my congratulations to the members and to the staff. I am sorry that we were unable to provide written evidence in advance of this evidence session. There was simply not enough time, but we shall let you have something in writing no later than Monday. I hope that that written evidence will reinforce what I intend to say briefly this afternoon.

The challenge is to find ways to develop and implement a new model that delivers a high-value-added, export-driven, well-balanced economy and closes the persistent wealth gap, and the growing productivity gap, between Great Britain and Northern Ireland, and still more between the Republic and Northern Ireland. Only a highly productive economy is capable of remaining competitive and, therefore, sustainable.

Only thus can we get out of the rut of an economy that provides low value-added, low-paid jobs, with all that that entails for access to opportunity, quality of life and standard of living. Only a radical change of direction will enable a move to a new growth path that achieves the necessary fundamental structural change — and I stress “structural”.

A reduction in corporation tax to not more than 12.5% is an indispensable element in any package, and one that challenges the status quo to such an extent that, if those who will be responsible for the economy cannot secure a reduction before the establishment of an Executive, the chances of reducing the rate after that will be minimal. That is a critical point, so timing is of the essence.

Our previous oral evidence and papers that we submitted to the subgroup set out our stall. However, our further written evidence will elaborate on a few points. First, the most recent authoritative evidence demonstrates how buoyant global FDI flows will be over the rest of this decade and, one assumes, beyond. Western Europe is set to be the world's largest recipient of FDI.

Secondly, that evidence expects the Republic of Ireland — a country with a population of about four million — to attract approximately 1.5% of all global FDI. Between now and 2010, average FDI inflows to the Republic are expected to be just short of \$5,000 per head of population. If Northern Ireland were to receive FDI on that scale, it would amount to £4 billion per annum. That is more than 10 times Northern Ireland's total FDI in the past 10 years. That starkly shows the urgent need for Northern Ireland to equip itself to emulate, as far as possible, the Republic's performance.

Thirdly, with regard to the location of investment, the relevant tax rate is the effective average tax rate, not the effective marginal tax rate. The marginal tax figures were quoted in evidence to the subgroup a month ago. The Centre for European Economic Research (ZEW) figures for the effective average tax rate for the UK and the Republic are 28.9% and 14.7% respectively.

Finally, assembling a package of other forms of fiscal incentives, such as tax credits, tax allowances, and so on, for R&D or whatever, would not equate to a reduction in the rate of corporation tax; they are apples and oranges. Other fiscal incentives would not have the same significant attraction factor as the corporation tax proposal would have.

Following a chief executives' forum in Queen's University last week, a senior figure in the Republic's business world took the trouble to write to me, saying:

"I thought I should let you have a brief comment to support your arguments in favour of a 12.5% rate, rather than maintain a higher rate with targeted capital allowances and research credits. The low rate of tax is automatically far more attractive to high-profit margin companies and constitutes a self-selection process for such companies."

"These are typically ones which are at the most profitable phase of the product life cycle and who have written off, or incurred elsewhere, R&D expenditures at an earlier phase of product development. The profits margins of such companies can be very high, so a low tax rate without conditions is most attractive."

He also said that a high corporation tax rate with generous offsets might appeal to low-margin industries, such as those in many traditional sectors, but that we should not be trying to attract such firms to Northern Ireland.

2.15 pm

I shall move on to the other elements of the package that we suggest. Coupled with tax, the subgroup should major on the remoulding and development of the human-resource element in Northern Ireland — the human capital. That takes us into the field of education and training. It is useful to have an overarching theme,

not only for local consumption but for the outer world. The theme that we suggest is "tax and talent", which could become the brand to characterise Northern Ireland and be the key selling point to the outside world.

The human-capital agenda is huge and all-embracing, and it touches every man, woman and child in the country. An Executive looking back after a first term could take pride in having touched Northern Ireland significantly and in so many ways.

In a way, the human-capital agenda defines itself. The first task is to eliminate the underachievement that starts at primary level and, very often, persists throughout secondary level. The second task is to diversify opportunity for all at secondary level, so that those who want to pursue vocational accreditation are as well placed as those who have traditionally followed A-level programmes.

The third task is to reinforce that greatly by strengthening the role of the FE sector. There is a parallel here with the community colleges in the United States. I have often read of companies that have moved within the US saying that the colleges, with their tailored training programmes, have been absolutely crucial in their being able to establish themselves in that new location. In the world of the knowledge economy, it will be the postgraduate level and the sub-degree level that will be critically important — not so much the graduate level, although we shall obviously need many graduates. The FE colleges have a key role to play.

The fourth task is to shape higher education so that its output, at both graduate and postgraduate level, matches the economy's changing profile. That may happen at the expense, if necessary, of publicly funded provision of less relevant activity. The higher-education sector must deliver in the relevant areas, and that takes us back to the school system, because the mix of disciplines coming out of schools must match the access requirements of the universities.

The fifth task is to tackle adult literacy and numeracy deficiencies more decisively. A couple of weeks ago, I visited one of our community training centres in west Belfast — in fact, it was just off the Shankill Road. I was saddened when I talked to potential joinery trainees who have to spend weeks learning the basic literacy and numeracy skills that are required to enable them to start their joinery training programmes. What a comment on our society in 2006 that is.

The sixth task is to equip the economically inactive in order to make them capable of rejoining the workforce. I am familiar with the role that the job assist centres play, and that type of activity needs to be reinforced. Much good work is being done at the subsequent training stages, but one must determine what is working and what is not working. It is very difficult territory, and one should reinforce the

successes and roll out best practice. If we could begin to raise income levels in the way in which the tax change and inward investment would do, we would give people more incentive to go into jobs that pay real wages.

Reconnecting people with the world of work, whether they are economically inactive or long-term unemployed, is the best way to draw the margins into the mainstream. That would raise communities' self-esteem and give the hard edge to community regeneration that would ensure its sustainability.

The subgroup may say that there is nothing startlingly novel in any of that. We do not need new schemes — we have oceans of schemes. Rather, it is the political direction, the planning capability, the management effectiveness and the professional delivery that make things happen. Success will be down to how we score on execution.

Ultimately, the elimination of underachievement requires a transaction between a pupil and his or her teacher or instructor. In order to beat skills deficiencies in the community, we must identify the need — what the deficiencies are and what occupations are affected — and connect that need to those who are able to provide the relevant training. That is not rocket science — it can be done.

The specifics can only be worked out within Government. One could pluck figures out of the air and say that it will take this or that amount of money to achieve. There must be a commitment from Government that the resources necessary to carry out that massive programme will be provided in addition to the Northern Ireland block, independent of any adjustments that may be made to the block as a result of the comprehensive spending review (CSR).

As an earnest of intent, political parties could commit themselves now to setting up a unit in the Executive that would be responsible for co-ordinating the delivery of that comprehensive agenda and ensuring that stretching targets are set; that accountability for their being met is established; that progress is audited; and that causes of failure are identified and corrected promptly. Far too many programmes have been launched, only to be deemed failures seven or eight years later. We cannot afford those long delays and feed-loop periods. Finally, a comprehensive annual report to the Assembly on all those issues must be produced.

A key role of the unit would be to interface with the Government's economic-development policy process. I am surprised by the extent to which there seems to be a gap between that function and the education function. They must be closely linked.

Implicit in what I have said is that all the functions that relate to education and employment should be held in one Department. Those functions and activities should not be discrete, operating in silos on their own

terms and to their own objectives. There must be a holistic vision. Those functions and activities must interconnect if they are to be delivered effectively.

That is a massive and exciting agenda. The spotlight must be kept on the totality of that agenda and on its implementation, under strong ministerial direction, in a way in which has not happened in the past. Government is not about thinking about what should be done, but about ensuring that it is done. If Northern Ireland is to provide an environment that will host world-class companies, those companies must be assured that the human resources will be of a world-class standard.

I suggest another agenda, which could be subsumed under the general rubric of the business innovation agenda. Although the existing industrial base is unable to deliver the goods in the quantity that we want, it must, nonetheless, be encouraged to make its best contribution to the totality. That requires a step change in export performance. To say that companies will only be successful if they are competitive is a truism, but, more importantly, they will only be competitive if they master the art of innovation. That means multidimensional innovation right across the board: business models, strategy; product development; processes; materials; management; logistics; and human resources.

Nobody can work out what the innovation agenda should be for a particular company; that is a matter for the company and depends on its circumstances, its ambitions and its markets. However, it can be assisted. The role of Invest Northern Ireland is to provide direct assistance or to ensure that the assistance is available elsewhere. I agree with the suggestion that Invest Northern Ireland should be comprehensively reviewed. Invest Northern Ireland should be aware of the extent to which it is making an impact in the areas that I have mentioned and of why it may not be making enough impact, and it should be able to suggest how those deficiencies might be remedied. That is critical.

The Industrial Task Force recommended the establishment of a technology centre, probably within the universities, in which the existing facilities should be drawn together, refocused and reinforced. Its aim would be to provide a resource by which companies — particularly small and medium-sized enterprises (SMEs) — could pinpoint their position on the global technology map. They would be able to see where they were in relation to worldwide trends and what adjustments they would need to make to remain competitive. They would also see what it would be nice to do, and what it would be absolutely essential to do. The Industrial Task Force suggested that Invest Northern Ireland should give assistance only to companies that could show that they had undertaken that exercise.

The subgroup's first report contained a section on tourism potential. Northern Ireland has a chance to

increase tourism revenue from 2.5% of gross domestic product (GDP) up to 6% or 7.5%. That is a considerable contributor to economic growth and performance. As well as that benefit, it also permeates the whole economy geographically and helps rural regeneration.

The Chairperson (Mrs Long): Thank you for your comprehensive presentation. I have a list of members who wish to ask questions, and I am sure that other members will express an interest to speak as we proceed. Michelle Gildernew will ask the first question.

Ms Gildernew: You are welcome, and thank you for your presentation. I have a two-pronged question. Leaving aside corporation tax, can you suggest any specific initiatives in which a one-off investment could make a tangible difference to the economy, particularly with a view to addressing poverty and regional imbalances?

Secondly, after yesterday's comments by Ian Paisley Snr, without some kind of a deal on 24 November, do you think that we are wasting our time here? You mentioned the need for strong ministerial input, but we shall not have that if we are relying on direct rule Ministers.

Sir George Quigley: I was greatly encouraged by the content of the subgroup's report. As to whether a deal is likely to be reached on 24 November, I would put my money on that happening. It was interesting that Dr Paisley, in another part of the interview, said that he thought that business could be done. I shall, therefore, pick up on that remark rather than the more negative comment. If Northern Ireland is going to go anywhere, it needs devolved government. We are motoring along without the necessary momentum or direction. You politicians are the people who can put that right. However, you need the proper equipment and tools for the job. That is why the Industrial Task Force focused on tax, the huge human-resource agenda and the business-innovation agenda. Those are important issues. The task force's written evidence, which the subgroup will see in a few days, contains details on what is perhaps a bold initiative.

It is often the benefits trap that prevents economically inactive or long-term unemployed people from getting back into work. That is revolutionary heresy, but why should I not say it?

South of the border, there is a much more graduated progression from being on state benefit to getting back into work. If that is a significant factor in getting approximately 120,000 economically inactive and long-term unemployed people back into work, why do we not do something about it? I have heard the matter discussed for at least the past 25 years; we keep on discussing it, but we have not jumped over the hurdle. That would take us into UK Government territory, because it is related to social services payments, and so

on, but it would do as much as anything to transform our human resource situation.

There is a risk associated with putting more money into local communities to compensate for the fact that they are not in the mainstream of our regional life. The difficulty with that is that money must be continually invested. It is an unsustainable situation.

People can be reconnected with the labour market and progressively encouraged up the value chain by having their skills increased and being given the right qualifications. That lifts up a community. It also encourages people not to see opportunities as being limited to their own communities.

Once again, I use the example of my visit to the Shankill training centre — I have been all over the place, but that visit was just 10 days ago. People there said that their expectations are limited to within about a half-mile radius of where they live. As far as the labour market is concerned, we want people to feel that the world is their oyster, and that they have as much right to jobs that are five, 10, 15, 20 miles away, as anyone else does.

2.30 pm

Furthermore, there should be public transport provision so that people do not have to make three journeys to get to work. Think about people who have been unemployed and economically inactive. They have all the difficulties of getting back into work. One of the difficulties that they have to overcome is the disincentive of moving from benefits to low-paid jobs. Then they have the disincentive of perhaps having to make three journeys to get to work. Would any of us want to make that kind of effort? It is in such practical areas that we can make a real difference to communities.

As momentum gathers, role models will emerge, and people will begin to say that they know half a dozen people who have taken a certain approach that works. Once a person is on a roll, things begin to happen.

The Chairperson (Mrs Long): There is a long list of members who wish to ask questions, and I am conscious that we might be pressed for time.

Mr McNarry: It is good to see you again, gentlemen. I hope that the subgroup will be allowed to see you for a third time. You spoke passionately about education. You might be surprised to hear about allegations from normally reliable sources in the Council for the Curriculum, Examinations and Assessment (CCEA) of downsizing science in the curriculum. I am talking hypothetically, but I suspect that the allegations might prove to be true. How damaging might that be?

Secondly — and forgive me if I have misinterpreted you — it seems that all your eggs are in the reducing-the-corporation-tax basket. If the Treasury were to show no desire to treat Northern Ireland differently

from any other region of the United Kingdom, would you dismiss the cocktail of incentives that it might offer as useless?

Sir George Quigley: I will be blunt: it would be absolutely appalling were schools to diminish their efforts on science. That would demonstrate to the wider world that we are not serious about economic development and would reinforce my point that this must be considered holistically. To do such a thing might make good sense in someone's narrow terms, but it is nonsense in wider terms.

As to your second question, a cocktail of measures that excludes reducing corporation tax is like purchasing accessories for motorised equipment. The accessories are useless without the motor, because that is what makes the equipment work. A package could be put together that would stimulate the existing industrial base, and everyone, including me, would be very happy were that to happen. However, that is as far as it would go. It would never take Northern Ireland into the higher league: it would not provide the motor that will get Northern Ireland from where it is to where it wants to be. We are confident that the only way to do that is to participate in the huge global FDI flows that members will read about in my written evidence.

For the past 30 years, FDI has been pouring into the South of this island, whose population is four million, with the result that its stock of FDI is now one of the highest in the world. It is amazing — the Republic of Ireland's stock of FDI is twelfth in world rankings that include the US, China, Japan and Germany. The Republic of Ireland's stock of FDI is at least one third of the next six countries above it in the rankings. If 1.5% of all global FDI is going to the South, I want to know why Northern Ireland cannot get a decent share.

Mr McNarry: Sir George, do you know whether your opposite numbers in Scotland and Wales, if they exist, are making the same representations to the Scottish Parliament and the Welsh Assembly as you are to us?

Sir George Quigley: I am putting my neck out again, but my guess is that within the next 10 years, Scotland will receive the tax regime we seek. If Northern Ireland does not push for, and succeed in getting it, we will end up asking why Scotland was successful and Northern Ireland was not.

Northern Ireland has a much stronger case than either Wales or Scotland. One figure illustrates that: to achieve the same balance between the public and private sector in the Northern Ireland economy, as exists in Wales and the north-east of England, which are not regarded as star economic performers, requires a 43% increase in the size of the private sector. As members know, I am not suggesting reducing the public sector to achieve that balance. That figure

demonstrates how much ground must be covered.

Therefore, when productivity statistics, and the way in which the productivity gap is developing, are considered, we can hold our heads up and say that Northern Ireland has a good case, and we should really take it to the world.

Mr Hopkins: I want to add to that. If I make only one point this afternoon, I want it to be this: the last time that the Industrial Task Force came to the subgroup, I approached this topic from a slightly different perspective than Sir George. However, I have joined him in his campaign, and I applaud his efforts, largely because I spent about 25 years in the front line competing with the Republic of Ireland and other parts of the UK for inward investment. I can say, without anyone disagreeing, that in every case of competition with the Republic of Ireland for major, quality investments, the corporation tax rate was fundamental. I could not emphasise that enough if I were to swear to it three or four times. It is a vital component: do not diminish it. I do not speak for the entire group, but if I had to settle for one thing, I would settle for a lower rate of corporation tax. Everything else would fall into place.

I have watched the Republic move forward over the past 10 years, and everything has been given a lift, including the regions. I go to Donegal, the forgotten county, and see investment in roads, infrastructure and the telephone system. Regional imbalance is addressed when we raise the game.

I see that from my position as the chairman of the Liganside Corporation. There are now 14,000 people working around the River Lagan. Many of them, although not enough, come from disadvantaged communities. The main reason for that is that the jobs are there, and, after the jobs were introduced, we and other agencies made efforts to ensure that people moved on a level playing field. However, there would have been no point to a level playing field without the jobs.

The key factor is to attract quality companies, not low-value-added companies, and not, with due respect, call centres, but companies that really stimulate growth. They will put the pressure on the universities. The universities have money for R&D now, but there is no cluster of companies shaping the demand for R&D in the local economy.

Dr Birnie: Thank you for coming back to the subgroup. Since we last met, the European Court of Justice has delivered its judgement on the Azores case. What relevance has that to Northern Ireland's position and potential request for a differential rate of corporation tax?

Supplementary to that, some say that the Irish Republic has had a low rate of taxation on corporate profits since as long ago as 1958. The Celtic tiger economy only became obvious in about 1988, so there

is a 30-year lead time. Are you confident that the process, and thus the effect, would be much shorter in our case?

Sir George Quigley: I will start with your first point about the Azores case. I have read the very lengthy judgement a couple of times, and I will have to read it many more times to ensure that I am fully abreast of it. As far as I can tell, the European Commission was prepared to accept Portugal's case for reducing the corporation tax for the non-financial intermediation sector but had baulked at doing likewise for the financial intermediation sector.

Every case hangs by its own tail: they all have their own circumstances, twists and peculiarities. Interestingly, our argument would not be about the internal UK situation; rather it would be about the fact that the disparity in tax rates between two states that sit cheek by jowl within the European Union is distorting our position. Although we have pretty much all the attributes that would be attractive to international investment, the investment flows are simply passing us by and going to the southern half of the island. Therefore, the European Union is bound to say that that situation needs to be at least considered. There are strong arguments to be advanced. I am not suggesting that this is a walkover, but one would have to mount a very strong case and support it in all kinds of ways.

An important element is whether the two Governments will stand shoulder to shoulder to get the change made. It is one thing for one Government to say that they want the change to be made, but it is an entirely different matter for two contiguous Governments to say it. It is important that the Governments can see the benefits to both economies, not through North/Southern *per se*, but simply through the interaction that will occur from both parts of the island having buoyant economies. Meaningful interaction cannot occur without that.

Dr Birnie: What about the 30-year gap in the Irish Republic?

Sir George Quigley: The Republic was in a peculiar situation. We could discuss this at length, but I think that the kick-in time for a lower corporation tax rate would be much quicker here, because Northern Ireland would not have to overcome a 15% to 20% unemployment rate and huge emigration. There are a number of reasons.

The Chairperson (Mrs Long): I am conscious of the time, so I ask members to be as brief as possible. Four members have yet to ask questions, and we are drawing near to the end of our time.

Lord Morrow: Sir George and Tony are very welcome. It is good to see you both.

I am sure that you would agree that the basis for economic activity is a stable society that fully supports

the agencies of law and order and that does not have to contemplate what happened in Newry, in my town of Dungannon, and what happened to Denis Donaldson and people such as him. We are reassured all the time that they have not gone away, you know. Until we can get past all the nonsense that has been going on for 35 years and achieve a stable society, I suspect that it will be difficult to generate the wealth and economic drive that could bring contentment to the whole country.

Sir George spoke about engaging the economically inactive. The unemployment rate is probably the lowest on record, yet the highest influx of eastern Europeans live and work in my town, many — if not all — of whom provide a very useful service. How can we have so many poorly paid jobs and the highest influx of immigrant workers, yet also have the lowest unemployment level on record? The two matters do not tie up. How can that be?

Sir George Quigley: It is a conundrum.

I will start with your first point. I hope that the work of the Assembly will enable us to go out to the world at large with a dual message that this is the start of a new political era and a new economic era. That would be a powerful message, because there have been many sorties into the outer world to sell Northern Ireland, but something has always happened to bring us back down again. We must decide whether Northern Ireland is going places and whether we have that ambition. If we have that combined political and economic message, we will be unbeatable.

2.45 pm

On the second point, unemployment figures have been going down, but the economically inactive figures have been going up. That has been a phenomenon throughout the UK, although it is more severe in Northern Ireland, partly due to the fact that a considerable proportion of the economically inactive give stress as the reason. It is a question of accepting that some of those people are incapable of work, but others could be induced back to employment. It would not be easy, but it could be done.

Everyone focuses on unemployment, but we ought to focus on people who are not actively engaged in the workforce. In some Northern Ireland communities, at least half of the working-age population does not work, either because of unemployment or, largely, due to economic inactivity.

Mr Dallat: Your example of young trainees learning basic literacy and numeracy skills at the centre on the Shankill Road was very touching, and I am sure that that scenario is repeated many times. If we cracked that deficiency, would it attract FDI? Do you agree with Lord Morrow that political stability, greater self-esteem and a lessened likelihood of going back to the past would also attract FDI?

Sir George Quigley: Yes. Acting on the human side is critical and makes Northern Ireland more attractive. Political stability is also important, because investors are interested in societies that are competent in settling their own problems. Companies know that they will face problems — they face plenty of problems in the Republic — but they are interested in whether their problems will be solved. If we cannot solve our own macro problem, those companies will think that we will be unable to solve their problems.

Potential investors tend to take it for granted that they will get the skills, the infrastructure, and so on. Then they question what their investment will do for their shareholders, and that is where the tax issue becomes critical.

Mr Ford: Let me add my welcome. You restated your case on fiscal incentives so eloquently that I shall leave that and turn to the financial package that we may receive.

This morning, the Business Alliance talked about human skills and what they termed “software”, as you have done. The Business Alliance also talked about “hardware” in the context of infrastructure and physical improvements, but you addressed little of that. Do you think that is important?

When considering issues such as a skills package, you also talked about unemployment and about attracting people back to work from long-term sickness. How do we deal with the problem that I classify as “under-employment”, that is, those who work in the low-skills sector of the economy who ought to work in the higher-skills sector, but who may have acquired some comfort in that sector?

Sir George Quigley: We have not mentioned infrastructure, because, if I were examining the key impediments to growth in Northern Ireland, I would not say that the money that has been allocated for that is a priority issue. Rather, we should examine that budget and consider whether the balance is right. An objective observer, with experience outside Northern Ireland, told me privately that he was surprised at the balance in the proposed infrastructure package and at the extent to which it is still skewed towards education and health and does not focus on economic development. That made me question whether we need to consider the proposed infrastructure budget, because, although it may not require more money, it may be that we need to reprioritise and decide what will increase our attractiveness for investment.

One can work endlessly at infrastructure, which is the ultimate great black hole. However, there comes a point at which the law of diminishing returns kicks in. Let me give you an example: some people are about to sell their house and are told that if they spend £10,000 on it, it would add 5% to the sale price, but that if they

spend £100,000, it would be counterproductive. We must get the balance right. I do not wish to controvert anything that the Northern Ireland Business Alliance might have said, but our approach would be more cautious. We want to see what the priorities are and ask whether we can re-prioritise without looking for more money.

Ms Stanton: You are most welcome. I want to refer to your example on corporation tax in America, particularly with reference to the Republic. The gap between the rich and the poor is growing by the day. The Committee on the Administration of Justice (CAJ) published a report this morning, ‘Equality in Northern Ireland: The Rhetoric and the Reality’, which highlights the problems in the Six Counties. There is a low rate of corporation tax in the Twenty-six Counties, but the gap between the rich and the poor has widened. The Government in the Twenty-six Counties are trying to tackle long-term unemployment through measures that Sinn Féin would support, such as allowing certain people to continue to claim housing benefit until they feel secure enough to get out of the benefit trap.

That is to be welcomed; however, there are still winners and losers. The Conference of Religious in Ireland (CORI) has highlighted research that was conducted by the Central Statistics Office in the Republic on the widening gap between the rich and the poor. It compared the incomes of the richest 10% of Irish households against the poorest 10% and concluded that methods could be used to eliminate poverty worldwide. We should think outside the box about what radical changes could be made. That gap will continue to widen if there is no professional help available to create stability in communities and if there is not sufficient regeneration and development in those communities that are being treated like poor relations.

I disagree with people who say that we should not throw money at communities without measuring outcomes. I have seen the outcomes of community regeneration and development, and it should be given the recognition that it deserves.

Sir George Quigley: There are two issues. First, how do we create wealth? Secondly, how do we distribute it? The Republic is in the beautiful position of being collectively, in national terms, a very wealthy country. It is amazing. In global terms, the Republic ranks highly on GDP per head, and absolute poverty has diminished. However, you are quite right; the gap between the rich and the poor has widened, including in the UK.

The challenge for any rich society is how to spend its wealth, which leads into issues such as taxation and redistribution policies of all kinds. Eleven per cent of the Republic’s tax yield comes from corporation tax, whereas in most countries, it is fewer than 7%, which

demonstrates the contribution that corporation tax makes to the wealth of the Republic.

Let me paint a scenario for Northern Ireland. Let us suppose that we had that kind of wealth machine in Northern Ireland plc; let us suppose also that the Treasury subvention started to come down, as it should, on all the usual phenomena. The tax take has gone up in 11 of the 14 Organisation for Economic Co-operation and Development (OECD) countries that have reduced their tax rates. If the Treasury subvention started to come down, how much more strongly would Northern Ireland be placed to go to the Treasury and make an argument? I would love to be in the delegation that goes to the Treasury to say that we have put our house in order, and that the wealth machine is going through the tax change, for which we thank you, and you, oh Treasury, are now reaping the benefits of that. I would say that I am here to talk very toughly about how Northern Ireland can get more public expenditure to deal with the relevant issues.

We will be in a far stronger position if we can do that standing on the high moral ground, instead of going along, cap in hand, and pleading for some miserly addition to Northern Ireland's public expenditure block. I would love to be there on the day that that happens.

The Chairperson (Mrs Long): Thank you. There is one final question — a second one from Edwin Poots. Please keep it brief because we are running over time.

Mr Poots: It is my first question, Madam Chairperson.

The Chairperson (Mrs Long): You were on my list. Were you called?

Mr Poots: No.

The Chairperson (Mrs Long): My apologies. It is your first question.

Mr Poots: I will be relatively brief, nevertheless. Sir George, you are very welcome. You make a very strong and concise case for the rate of corporation tax to be reduced. You made that case with great clarity. However, that is not to say that the Treasury will accept that case. Do you have a fallback position? If not, and if the case is of such importance to the Northern Ireland economy — and if we in this room were agreed — should we hold out and state that we are not setting up an Administration until we get that issue resolved?

Sir George Quigley: It is always very comforting when one's medical adviser tells you that he or she will give you the best advice possible and that if he or she were in your shoes, this is what he or she would do.

Mr McNarry: Esmond wants to know whether you will join us on the barricades.

Sir George Quigley: Frankly, If I were in your shoes — given that, as a member of the Executive, I would have to carry the can in the future — I would simply not be prepared to undertake that responsibility, knowing what lies ahead, unless I were given the corporation tax weapon.

There is no more buoyancy in the public sector. One might get the gap between Great Britain and Northern Ireland up from around 80% — one might get it to 81% or 82%. That may slip down again as public expenditure slackens off, so we would still be teetering at around 80% for the next 10 to 20 years. The population would then ask members of the Executive what they are doing, what differences they are making and what value they are adding?

I would dig in and say that getting the economics right is as important as getting the politics right. I think that you will win it on that basis. There is a very strong case to make, and you, as politicians, are as entitled as any other politicians in these islands to tell the Government that you have to watch your political backs. When you come into office, the Government will be over the hills and far away, having told you to live within the block grant. I would dig in and I think that I would get the reduced rate.

Mr Hopkins: Just a final word, if I may. This morning, I was thinking that we have a choice, perhaps, economically, of being a South Korea or a North Korea. I do not say that jokingly. All my children are back home and are bringing up families here, so I hope that we choose to be a South Korea, and I hope corporation tax will give us a chance to do that.

The Chairperson (Mrs Long): Thank you, Sir George and Tony, for your presentation and for answering members' questions. This has been a very useful session for the subgroup. We appreciate your coming along and giving us your time and experience for the second time during this process.

Sir George Quigley: Thank you very much, Madam Chairperson. I was grateful to you for not suggesting that the answers should be shorter, as well as the questions. *[Laughter.]*

If there is any further help that we can provide, we will be only too delighted to do so.

The Chairperson (Mrs Long): Thank you. We look forward to receiving your written submission.

The Subgroup was suspended at 3.00 pm.

On resuming —

3.12 pm

The Chairperson (Mrs Long): I am aware that a number of members have other engagements and must leave at around 4.00 pm, which will make it difficult to work through the rest of the agenda. Therefore, we should concentrate on getting the evidence on the record as quickly as possible. If members could make the effort to stay at least until all the evidence has been received, we can consider how to deal with the remainder of the agenda.

On behalf of the subgroup, I welcome Mr Liam Nellis and Mr Aidan Gough from InterTradeIreland. Gentlemen, thank you for attending. It was intended to allow 45 minutes for each presentation. However, given the time constraints, presentations will be restricted to 30 minutes. It will be appreciated if your opening statements are kept as brief as possible, to about 10 minutes, to allow more time for fuller questioning.

Mr Liam Nellis (InterTradeIreland): Thank you for giving us a second opportunity to talk to the subgroup on the economic challenges facing Northern Ireland. We have looked at the paperwork that came out of the first round of discussions, and it is coming together well.

We have been asked to give further evidence on several issues that the Committee Clerk identified, such as infrastructure, education and skills, community regeneration and fiscal incentives. We shall talk a little bit more about some of those than others — given our all-island perspective, it might not be appropriate for us to talk in detail about fiscal incentives for Northern Ireland. Although we do have some ideas on the matter, we shall focus mainly on education and skills and on infrastructure.

First, I welcome the subgroup's conclusion in its first report that:

“there are no economic borders in the global market and that, where possible, all practical initiatives should be explored to examine the mutual benefits of enhanced collaboration and market exploitation”.

There exists a broad scope for co-ordination in the public service and in infrastructure delivery on the island. An economic peace package or dividend could contribute to economic regeneration.

3.15 pm

A significant element of any peace package or dividend should be ring-fenced for initiatives, such as those that we shall outline later, to improve the flow of economic resources across the island for the mutual benefit of all.

However, before we address those issues, I want to draw the subgroup's attention to the work of the British-Irish Intergovernmental Conference (BIIGC), with which we have been closely involved in a secretariat capacity. The conference has identified several of the same issues that we shall consider today: infrastructure; labour-market and skills development; science, technology and innovation; the promotion of trade and investment; and enterprise and business development. Those are the areas on which the conference is concentrating. At the conference's meeting in July, it was agreed to pool resources in trade promotion — specifically to try to bring more synergies to trade missions, North and South. It agreed an all-island approach to labour and skills forecasting that recognises that a skilled workforce is a vital resource for a globally competitive economy, North and South. The conference wants to organise work to identify skills gaps and how those might be addressed. The conference pushed for a new, all-island approach to international collaboration on science and technology. At our previous meeting with the subgroup, we talked about what we are doing with the US-Ireland Research and Development Partnership. InterTradeIreland is pushing hard for an all-island approach to business development through collaboration and network clusters.

Our view of all-island competitiveness is pragmatic: we want to use the resources across the island to the mutual benefit of everyone on the island and to drive success in global markets. Such co-operation, if strategically organised, could give mutual advantage in lower costs, higher levels of innovation, higher productivity and greater wealth creation across the island.

The main economic resources at the disposal of Governments — North and South — are primarily the people and the physical and institutional infrastructure. Investing in those resources sensibly over the next few years will pave the way for the development of a sustainable and equitable economy on the island for the next 20 years. Collaboration is important in attracting and retaining those resources. Each jurisdiction faces a common set of challenges that are unbounded by geography; each has developed a separate, but largely similar, response to those challenges. However, we feel that there is an imperative to develop some form of complementarity that enhances the competitiveness of both parts of the island.

People and infrastructure are the two key resources. Both have been highlighted by the subgroup, and we have addressed them from an all-island perspective in some of our reports. We feel that it would be appropriate to emphasise those two areas first.

A significant element of any economic package or peace dividend could be ring-fenced for initiatives that will improve the flow of resources across the island to mutual benefit. Where the public sector is a provider of

goods and services in both jurisdictions, there is likely to be much greater opportunities for co-ordinated action.

The effect of low-cost competition from within the EU and further afield means that, to be successful, firms will have to rely increasingly on the superior skills of their workforce. Given the productivity gap in Northern Ireland, to which we referred in the previous meeting and which is 86% of the UK average, the economic package will have to address the skills deficiency. Managerial, sales and marketing and technical absorption capabilities must be addressed as part of that deficiency. At company level, one approach that we hope to pilot in the near future is the extension into Northern Ireland of the business-led training networks that are being developed so successfully in the Republic through Skillnets Ltd. Indeed, we are talking to that group at the moment.

On a wider level, a recent report that we commissioned — ‘Engineering a Knowledge Island 2020’ — highlights the requirement for collaboration to ensure that people on the island are equipped with the necessary skills to drive competitiveness in a knowledge-based global economy. The report, which we commissioned but which was carried out by the Irish Academy of Engineering and Engineers Ireland, sets a target for the island to be in the top five global economies for income per head by 2020. That represents quite a challenge. The report also believes that we can achieve that through a 4.5% per annum growth rate until 2020 and that the creation of a “knowledge island” should be adopted as a feasible target.

Achieving those targets will require much closer collaboration in fulfilling people’s economic and skills potential. Qualified engineers, IT staff and those with PhDs are of key importance in the development of world-class centres of research. However, to improve human capital in Northern Ireland, the so-called brain drain of non-returning students needs to be stemmed or reversed by increasing the number of local university places.

Collaboration between the expert skills groups of both jurisdictions is ongoing, and we encourage the development of an all-island approach to skills forecasting. The key points of that are that: future success in the tradable services sector will rely on superior skills; business-led training networks such as Skillnets Ltd are important; we need to increase the output of qualified engineers, IT staff and PhDs; we need to increase the number of university places; we need greater policy collaboration on areas to do with in-migration; and we need to collaborate in the development of world-class centres of research.

We also commissioned the recent report ‘Spatial Strategies on the Island of Ireland’. The International Centre for Local and Regional Development worked on that report, which articulates the vision of where:

“all citizens throughout the island will gain from access to better markets, higher quality public services, economic growth and reductions in regional disparities.”

An economy that has the capability to innovate, compete and adapt successfully will create win-win outcomes for Northern Ireland and the Republic of Ireland. The island is embarking on a demographic growth path with a trajectory that indicates that the population will be almost seven million by 2021 and eight million by 2031. Therefore we need to have a much higher-level framework for collaboration than merely spatial and strategic planning. We could: inform future investment programmes in both jurisdictions; maximise the synergies between the different aspects of our investment programmes; underpin a balanced regional competitiveness; and reposition and re-image the island as a globally innovative and competitive location.

The report concentrated on some key areas, which I will go through again quite quickly, given the time constraints. The report talked about infrastructure, particularly road and rail, and the City of Derry Airport was identified as a particular area for further collaboration.

Telecommunications, particularly an improved connectivity for broadband and mobile across the island were mentioned in the report. That has been largely sorted out in the North, but we need to get it rolled out further. Co-operation on energy was also discussed, as was developing cross-border planning corridors for areas such as Newry and Dundalk, Derry and Letterkenny, Enniskillen and Sligo and Omagh and Cavan-Monaghan. The report talked about tourism initiatives, waste management and so forth.

Broad agreement exists on the requirement for a cross-border road infrastructure, particularly on the Belfast to Dublin corridor. One potential problem is that the resources that have been committed to transport infrastructure in Northern Ireland are significantly less — measured by proportion of total spend — than those that are available under the National Development Plan in the Republic.

A table in our paper shows that the investment pot in the two parts of the island is divided quite differently. In the South, 38.1% is spent on transport; in the North, 15.7% is spent on transport. There is more alignment in the South, where there is an integrated transport system. That reflects the greater priority given in the North to the social infrastructure, and it also reflects a difference in historical endowments. However, if the issue is not addressed, it will slow down the implementation of co-ordinated road provision.

Both spatial plans recognise the importance of the city of Derry to the development of the north-west

region, including Donegal. A precedent has already been set, in that the Irish Exchequer is part-funding the City of Derry Airport, based on the fact that it also provides a service to Donegal people. However, the decision to upgrade the road from Belfast to the city of Derry is probably the most important measure that could be taken in infrastructure terms to enhance the growth prospects of that region. The Secretary of State announced recently that the A6 road from Derry to Dungiven will be dualled at a cost of £250 million, and work will begin within 10 years. Dualling is also planned for the road from Castledawson to the M22. Further benefits could be realised if the road from Dublin to the city of Derry were upgraded. We will push strongly for the stretch of that road that runs south of the border to be improved as part of the South's National Development Plan.

InterTradeIreland's remit does not include health, but there are several possibilities for collaboration on health issues — for example, on hospitals, the infrastructure and healthcare provision. Altnagelvin Hospital could be a regional hospital for the entire north-west, and, given that the new southern regional hospital will be located near the border, it could have a cross-border catchment.

Electricity is another area that has been moving forward at some pace. Both Governments are committed to a single wholesale electricity market by July 2007, and we feel that, over time, that will remove market distortions and help to reduce the wholesale cost of electricity.

Many issues constitute a win-win situation. The key points about infrastructure are: there should be a high-level framework of collaboration between the two planning authorities on spatial and strategic infrastructure plans; the Dublin to Derry road link should be a priority; there should be an integrated plan for key health service facilities in the border regions; and the energy needs of the island might require additional investment, perhaps in the shape of a second east-west electricity interconnect to Britain. That might be built from the Republic to Britain, but the entire island would benefit.

Borders represent the interface between national, economic and social systems. Borders tend to break down natural hinterlands. In Northern Ireland, economic activity is currently concentrated in the Belfast metropolitan region. In order for sustainable development to occur in Belfast and, more particularly, across Northern Ireland, spatial planning must provide the basis for the economic regeneration of communities outside Belfast. The Regional Development Strategy for Northern Ireland recognises that and has prioritised the strengthening of the city of the Derry as the hub of the north-west.

In addition to that, Newry and Enniskillen, two of the three urban centres that the strategy identified as having major inter-regional development roles, are located in border regions. The adoption of an all-island approach to policy development could put border counties in the centre, rather than on the periphery, of a new functional all-island economic area and would help to regenerate those border communities. The development of the Dundalk to Belfast and Derry to Letterkenny corridors, as well as the Dundalk to Sligo corridor, with links to Armagh, Cavan, Monaghan, Enniskillen and Omagh, should be prioritised, as that would significantly benefit border communities.

InterTradeIreland does not have a detailed remit on fiscal incentives, but we want to say something about that. Our strategy has been to try to develop all-island sectoral networks in a range of areas, and we feel that, in the shorter term, the financial-services sector could benefit Northern Ireland quite significantly. We undertook a review of the all-island financial services sector and found that the industry contributes £5.5 billion to the economy, North and South, and employs more than 93,000 people, 80% of them in the Republic.

However, in the Republic, the sector has benefited from the establishment of the International Financial Services Centre (IFSC) by the Irish Government in 1987 in Dublin docklands. At the time, it was thought to be a bit of a white elephant, but it is now a leading location for a range of internationally traded financial services. The IFSC is host to half of the world's top 50 banks and half of the top 20 insurance companies.

3.30 pm

Recent data suggest that, in 2002 alone, the Irish Exchequer collected more than €700 million from IFSC companies in corporation tax. Twenty thousand people work in the IFSC, and more than 430 international companies are approved to trade there, with a further 700 managed entities approved to carry out business under its auspices.

With a very strong political leadership and goodwill, that model could be replicated in or extended to Belfast, and that would bring obvious benefits to Northern Ireland and would help the sustainable development and growth of the IFSC in Dublin, which has issues of overheating, and so forth. The idea should at least be explored in the current context of preparing for Government.

The Chairperson (Mrs Long): Thank you very much. Members, we are extremely short for time. Five people have indicated that they wish to ask questions, and we have roughly seven or eight minutes available. I ask members to put their questions as succinctly as possible and not to make long statements.

Mr Ford: Welcome, gentlemen. The subgroup has been looking at prioritising areas of investment. You

talked about ring-fencing social capital and infrastructure investment — what is the balance between those? If the subgroup were to consider replicating the IFSC in Belfast, what timescale would be involved?

Mr Nellis: As regards the balance between the economy and social capital, we are talking more about barriers to developing an all-island economy. I would push much more strongly for creating the environment for a better economy, as that would increase the social advantage of people who come into contact with it.

One follows the other. We should concentrate initially on rolling out any dividends to the peripheral areas on both sides of the border that have been starved, not only for the past 20 or 30 years, but since partition. There is a clear case for rolling out infrastructure across the border to get those economies moving again, and the spin-off would help local communities.

In Dublin, the IFSC was thought to be one of Charlie Haughey's more hare-brained ideas at that time. People thought it would never work, and getting any kind of investment for it was very hard. My chairman, Dr Martin Naughton, was one of the first private investors to put money into it. He was very happy to have done so, and there have been spin-offs and benefits from that. What was an idea in 1987 has proved its worth less than 20 years later.

Replicating the IFSC would take a bit of time to get going. However, such an idea could attract significant private finance. With public finance added to the mix, it could be up and running in the next few years.

Mr McNarry: I am indebted to Liam and Aidan for their presentation. I am grateful to them, and wonder whether we, as a subgroup, can pick up on it. With the greatest respect to everyone — and I hope that they will be sensitive to my views — political alarm bells are sounding in my head with reference to the subgroup. I have genuine concerns, and I feel that we should ask the Secretary of State for a full report and details of the Government's activities and their remit arising from the BIIGC and of the aspect of further economic collaboration in areas of mutual benefit. I can see where it is mutually beneficial to —

The Chairperson (Mrs Long): Mr McNarry, I am sorry to interrupt. That is a matter that we can address later. Given the time constraints, do you have a specific question for InterTradeIreland?

Mr McNarry: No. Will you allow me to address that point? It is extremely important.

The Chairperson (Mrs Long): Could we address it in our closed session? It would allow us to get the evidence.

Dr Birnie: In the table on page 5 of your statement, Liam, you seem to be implying that the percentages of

investment should be much more similar between the Republic and Northern Ireland.

I put it to you that that may or may not be the case. However, it may be that people in the two jurisdictions have chosen differently, so why should they be similar?

My second question relates to the IFSC. Why does investment in Northern Ireland run at only 20%? What has gone wrong, or, to put it another way, what has gone right south of the border?

Mr Nellis: On the first question, the two jurisdictions have chosen to invest their money in different areas. My point is that if we are serious about developing a coherent and co-ordinated infrastructure strategy, there must be a little alignment in funding. That is not to say that there are not different priorities for the Governments on the two sides of the border. For example, the Governments clearly have different priorities for the public sector: in the North, it is about the Review of Public Administration and rationalisation; in the South, it is about decentralisation. No one is saying that everything should be the same but, to capitalise on the potential benefits of North/South synergies, there should be a little more alignment in those areas.

On the second question, the difference between the IFSC garnering 80% of the investment on the island, compared with 20% in Northern Ireland, is the fact that the Southern Government went for it. The Government put their money where their mouth was and put the infrastructure in place. That, in itself, created a cluster, which generated more activity, and so on. A snowball effect was produced.

Ms Gildernew: Gentlemen, you are very welcome. Can we attract the IFSC and the level of investment that we need without changing the rate of corporation tax? As you said, the financial-services sector in Dublin is overheating. We have the skills, accommodation, and so on, here, but if corporation tax is not addressed, can we still attract investment?

Your statement is very good. The Business Alliance gave evidence to the subgroup this morning and made a similar recommendation that money should be sought from the Twenty-six County Government to invest in infrastructure, particularly roads — especially the Dublin to Derry road, which runs through my constituency. Members knew that I would mention my constituency sometime. *[Laughter.]*

However, there are definitely tangible benefits to be made from asking the Twenty-six County Government for help. Can you suggest any specific, one-off initiatives, such as a fiscal package, that would help to turn around our economy?

Mr Nellis: Tax is one issue that has attracted companies into the financial-services sector, but the availability and concentration of skilled labour and the

attraction of a quality destination were major contributing factors. That could just as easily be created in Northern Ireland, and there would be a spillover effect. The Southern system would welcome that spillover into the North, creating a greater island cluster, rather than that spillover leaving the island.

Given my position in a North/South body, it is not for me to comment on whether there should be alignment or parity on tax. From a business perspective, however, I would be happy if tax were to be reduced. It would help to attract some high-profile investment here, but it would not be absolutely critical.

To answer the question on infrastructure, the precedent has already been set with the City of Derry Airport, which has been mentioned at different events by different officials, North and South. I have attended meetings to discuss the Donegal area. For the Southern Government, Donegal is certainly one of their greatest difficulties and highest priorities. Donegal comes top in all measures of deprivation, even coming above inner-city Dublin. The Government have a significant imperative to get economic activity into Donegal. It is not as if it would be a handout; it would be of great benefit to the Irish economy to regenerate Donegal.

The timing is right, but the best way in which to regenerate Donegal would be to improve the corridor through Ms Gildernew's constituency, which she mentioned, and also by improving the traditional road.

Mr Aidan Gough (InterTradeIreland): To follow on from that question, and Dr Birnie's, the impact of corporation tax on developing a centre similar to the IFSC in Belfast docklands would be to speed the achievement of that centre greatly. There is no doubt that it hastened the achievement and growth of the IFSC in Dublin, but there are other variables, such as the telecoms infrastructure and skilled labour, and many of those are in place.

The second issue relates to prioritisation of initiatives. Collaboration and taking an all-island dimension is a source of competitive advantage: it is not the only source, but it is a new source, and we should exploit that.

Mr Dallat: I was glad to hear you mention the word "rail" — I think it was the only time that it was mentioned — and tie it in with the City of Derry airport. The case was made that Donegal, and probably Sligo, benefited from investment from the Republic. Is there a case to be made for the Southern Government's investing in the Belfast to Derry railway? It would also complete its own rail strategy for the island of Ireland, and in particular the west, where rail transport has been sadly neglected on the southern side and in the North — both neglected and a victim of the troubles.

Mr Nellis: If members were look back at any map of railway infrastructure on the island one hundred

years ago, they would see a complete network of railways — north, south, east and west. Unfortunately, that was allowed to fall away, and it would be take significant investment to reclaim it. Whatever shape the Government take, they will need to prioritise, because they cannot do everything. If they want a good, strong road network, they will not have the investment to put into the rail network as well. It is up to people like yourselves — if and when you go back into the Assembly — to take those hard decisions. In value for money terms, getting the network up and running to move goods and services by road would be considerably easier and more cost effective in the short term. However, if the money were available, I would encourage an all-island rail network.

The Chairperson (Mrs Long): That concludes the questions. Thank you very much; your presentation has been very useful. Thank you for your co-operation in sticking to time, and I apologise for the delay. Thank you for your written submission and for your time and effort this afternoon. If members have any questions, I am sure that they will contact you.

Mr Nellis: Thank you very much. If members would like us to follow up in writing or by telephone, I will be happy to assist.

The Chairperson (Mrs Long): The next presentation is from the Planning Service, and its representatives are Mr David Ferguson, Mr Tom Clarke and Mr Pat McBride. Thank you for attending and giving evidence to the subgroup, and thank you for your patience: we are well behind our scheduled time. The subgroup has about half an hour to hear your evidence. However, could you keep your initial opening remarks brief, so that we can tease out additional issues during the question-and-answer session?

3.45 pm

Mr David Ferguson (Planning Service): Thank you. Pat McBride is our operations director and Tom Clarke is the strategic plans and policy director. The subgroup received our paper some weeks ago. I have three quick sets of points about context and our experience of the planning process and the planning system that I would like to make before we get into discussion.

First, with regard to context, I think it is important to bear in mind the pressure on the agency from the well-documented increase in applications in the past number of years, which has far exceeded forecasts. The Planning Service also has ministerial commitments to an ambitious programme of area plans and policies.

Secondly, the planning system has become more complex because of EU directives, legislative changes and case-law precedents, and the increase in interest and involvement in the planning process from a wide

range of organisations and individuals, who, almost invariably, have conflicting views.

Thirdly, as well as trying to keep the show on the road and respond to demands, the Planning Service has had to work through an ambitious modernisation programme that involves legislative, administrative and process changes. It has also begun to prepare for the implementation of the Review of Public Administration (RPA), which will see the Planning Service out of existence in less than three years' time.

Fourthly, at the heart of the modernisation programme, there are two objectives — speed and transparency — that pull us in opposite directions. Everyone wants the Planning Service to make quick decisions. However, more and more people want to know how those decisions are made and to have their say in the outcome.

That was a quick thumbnail sketch of the context in which we believe any debate about the planning process should take place. Concerns about the process are well known to the Planning Service and have, indeed, been well documented. They have been reflected in the subgroup's report and in its recommendations. We have had only a quick chance to read the report and the evidence that was submitted. I want to summarise those concerns, if I may.

There are general concerns that the process is slow and unresponsive and that it is a deterrent to investment. There are also specific concerns, in particular the need to review, streamline and have adequate resources and tighter controls over response times by our key consultees.

The Planning Service recognises those concerns. It agrees with much of the broad thrust of the report's recommendations and has, it believes, responded to them. That is critical. Before I elaborate on how the Planning Service has responded, I want to explain the profile of our operational work.

Some four fifths of our business is bread-and-butter stuff — small house extensions, single dwellings and small housing developments. Those applications comprise about 80% of the Planning Service's business. Around one fifth of our business covers applications that might be classified as major — big retail developments, significant infrastructure projects, and so on, of which only a small proportion is truly regional.

The Planning Service does not dispute that the overall process is slow. We could discuss the reasons for that. However, with regard to economically significant projects, which we assume are at the heart of the subgroup's interests and concerns, we believe that the picture is not as bad as it has frequently been painted. For example, the planning requirements of the Investment Strategy for Northern Ireland — one of the mainstays of the Government's drive to prime and

support the expanding economy — are being met. We work with our Strategic Investment Board (SIB) colleagues to ensure that the planning process continues to support that programme in a timely way.

In other areas, Belfast City Council recently published figures that show that 93% of all developments in the city during the past four years have received planning permission within, on average, three and a half months. Planning permission for other major private sector projects — Coca Cola's all-island distribution centre; Bridgewater Park, a major development outside Banbridge; the North/South gas pipeline, and so on — has also been granted quickly.

The Subgroup became inquorate at 3.49 pm.

On resuming —

3.55 pm

The Chairperson (Mrs Long): Members, we are now ready to continue taking evidence. I offer the witnesses from the Planning Service our apologies. Please continue.

Mr McNarry: I have a problem in my constituency that I must deal with. I needed to make a couple of phone calls.

The Chairperson (Mrs Long): That is all right. Please continue, Mr Ferguson.

Mr D Ferguson: Perhaps I could pick up from the general points that I was making: the context of our work, the profile of our operations, what we treat as major and what we do not. We do not dispute that the overall process is slow. However, we do not believe that the picture with major applications is as bad as it is painted. I gave examples to show that, ranging from the investment strategy through to specific private-sector projects.

We acknowledge, however, that perception is as important as reality, and we have responded to that with significant internal changes at headquarters. They are aimed at providing a sharper focus on the effective management and processing of economically significant applications, placing more emphasis on pre-application discussion with, and advice from, an internal, multi-disciplinary group of planners, roads engineers and so on. We work with consultees, especially the Environment and Heritage Service (EHS), which, as I said, acknowledges that there are problems with its response times. That is not in dispute.

We recognise too that certainty is very important for prospective investors. On the area plan side of our work, we deserve greater recognition, if not credit, for what has been achieved. Just under 80% of the region's land area, containing over 70% of the population, is now covered by up-to-date draft or fully adopted area plans. Work is in hand to secure coverage of the remaining five district council areas over the next couple of years.

I have just a few brief concluding remarks. There is a wider debate about public confidence in, and the performance of, a planning process that the Planning Service has a clear responsibility to manage, but over which it does not have complete control. There is also a wider debate about a process that is growing in complexity and that has at its heart two objectives: speed and transparency, which are almost invariably in conflict. We want to promote, and are happy to be involved in, a balanced and informed debate about improving the system, starting with recognition of its conflicting objectives and of the fact that everyone

involved, including us, has a part to play in its efficiency and effectiveness.

In the meantime, and in the context of the subgroup's first terms of reference, we are trying to respond to its recommendations and the critical role that planning has to play in the expanding economy by completing the suite of up-to-date area plans; continuing to sharpen our focus on the effective management and processing of economically significant applications; putting more emphasis on pre-application discussion and advice; and working with key consultees on service level agreements.

The Chairperson (Mrs Long): Thank you for that presentation. We appreciate the information that you have provided. I ask members to be brief and succinct.

Ms Gildernew: I am sure that that is not directed just at me. *[Laughter.]*

It is good to see you again. I will begin with a declaration of interest. Many fine people work in the Planning Service, my sister among them.

My constituency must contend with highly competitive neighbours. Towns such as Carrick-on-Shannon and Monaghan are frequently nipping at our heels in relation to private investment. People who want to develop or expand businesses often cannot do so because of planning restrictions and the slowness of the planning process. The backlog is causing huge difficulties in Enniskillen and Fermanagh in particular. Does the Planning Service intend to employ extra people to deal with the current backlog and to get to grips with the problem that impinges on development and expansion?

4.00 pm

Mr D Ferguson: The Planning Service has no immediate plans to put in place extra resources, because they are not available. Planners, especially good, experienced planners, do not grow on trees; they require a certain amount of training and experience. Therefore, we do not have the resources for a quick fix.

However, as I said in my presentation, we are trying to sharpen, and have been significantly sharpening, the focus on the big projects that pump-prime the economy. Other smaller bread-and-butter applications have got in the way, and we are tackling that separately in a different way. Our view is that we should focus our effort, both at headquarters and throughout our divisional network, on the big projects, and that is what we are doing.

Mr Pat McBride (Planning Service): I am conscious that Draft Planning Policy Statement 14 has resulted in specific problems, particularly in two divisions, where there has been an influx of single-dwelling applications, and we are trying to manage that. I do not want to go into the nitty-gritty but, as David rightly says, it is difficult to attract experienced, qualified staff into the system. However, I am not sure that that is the solution.

Our internal mechanisms, particularly those applicable to divisional managers, prioritise key applications, not only the high-level ones that David mentioned, but the significant localised commercial and industrial applications. Those mechanisms are already in place, and were drawn up in response to the large increase in single dwellings in the countryside.

On a more functional level, Tom and I work together closely to see how the available resources can best be used to fill gaps and deal with the appeals process and so on. Currently, there are 1,200 live appeals. We attempt to manage those as far as we can with the available resources and by working together to recognise pressures and achieve results, particularly in relation to commercial development applications.

Mr Tom Clarke (Planning Service): Part of our message to the subgroup is to acknowledge the general slowness in the process. However, perception within the Planning Service is that there are certain applications, such as commercial applications, that must be monitored and kept moving through the system, even though other applications are also in the system.

Mr D Ferguson: Could I just add to that and stress the point that I made in my presentation? Part of the slowness is due to the sheer level of demand. However, it can also partly be attributed, in different ways and to varying degrees, to all participants in applications — from a large retail application to the smallest house extension. Every participant has the capacity to speed up or slow down the process, according to taste. It is extremely important to remember that the slowness does not derive only from the sheer volume of work; it derives from the quality of applications, the strength of opposition and so forth.

Mr Dallat: The existing influx of applications will disappear. What future plans does the Planning Service have to engage more fully with economic recovery? To give an example of what prompted my question: as members know, there is a campaign to identify all small businesses in the countryside that have existed for 20 or 30 years without planning approval. In my constituency, that applies to the wee filling station in Garvagh that has had a Maxol sign for 40 years for which it has no planning approval.

The Planning Service is probably the last organisation that I know of that does not have to answer to anyone. In fact, it does not even have to answer its telephones.

Mr D Ferguson: What is your question?

Mr Dallat: Sorry, that is fairly typical of what happens. My question is: where is the interrelationship between people like ourselves, who want to regenerate the economy, and the Planning Service, which must have the flexibility to do that in an open and accountable way? The Planning Service must not operate in a

manner that is contrary to how, for example, the Department of Agriculture and Rural Development operates. What plans does the Planning Service have to talk to the Departments that are engaged in economic development?

Mr T Clarke: The overall answer is that every Planning Service policy has been through a consultation process with all the Departments — there is no policy that has not been through such a process. That consultation is part of our normal procedure.

For instance, recent draft planning policy statements such as Draft PPS 14 and Draft PPS 5 were passed to Departments for comment before being published and placed in the public domain for public comment. Therefore, there is integration at a policy level — for example, a policy that deals with rural businesses will have been through a consultation process. Likewise, the Planning Service is producing area plans that zone areas for industry, which will also be subject to an internal Government consultation process before being put out for external consultation. There is full integration at that level too. Thus, there is full Government awareness of policy and zoning plans. There may well be some differences about the minutiae of policy, but there is certainly co-operation and consultation prior to publication.

Mr McBride: Just to clarify; Mr Dallat, you mentioned a campaign against rural businesses. I am assuming that your experience is that the Planning Service exercises enforcement functions when it thinks that it is expedient to do so. There is no campaign as such.

Mr Dallat: It is partly that. Take the businessman in the rural area who runs two or three buses —

Ms Gildernew: Or woman.

Mr Dallat: My apologies. I was using the word “man” in the biblical sense.

The small rural bus provider, who provides a service to rural people because there is no Translink service, cannot get planning approval to park buses. That is only one example. Small garages that are servicing farmers are told that they must close down because the Planning Service has discovered them. Draft PPS 14 has taken care of the human element; there will be no more planning approvals in that respect. I can see Jim Wells smiling about that.

Mr McBride: This is not meant to be a fudge, but I do not know whether you want to go into the details. We have our own priorities and responsibilities in relation to enforcement, if that is what is being said.

The Chairperson (Mrs Long): These issues are perhaps better addressed on a one-to-one basis, although I understand their relevance to economic development.

Mr Dallat: Chairperson, I was trying to connect the Planning Service with economic development, but I admit that I have failed miserably.

The Chairperson (Mrs Long): Thank you for that admission.

Mr Ford: I welcome the gentlemen here today.

I acknowledge that there has been some significant improvement in the backlog, particularly in the area-planning process. Of course, Edwin Poots and I were on the Committee for the Environment and got the Planning Service some additional resources, so we can take credit for that.

Half of my constituency is in the Belfast Metropolitan Area Plan (BMAP) and the other half is in Antrim, Ballymena and Larne — and I shall not ask any rude questions about that. You have talked about economically and socially significant applications, and I do not dispute that key schemes have gone through reasonably well. However, I am concerned about Pat McBride's comments about small-scale schemes. A small workshop that provides four or five jobs or a farm diversification project that underpins a couple of jobs are actually very significant applications. Some 40 such schemes could create the equivalent number of jobs that were lost at the Daewoo Electronics factory in Antrim last month. Some of those schemes are not strategic in any sense, but are nonetheless very important to small businesses. Those schemes are getting lost in a welter of patio doors and single dwellings. How is the Planning Service endeavouring to deal with that?

Mr D Ferguson: That is a fair point. Pat McBride has already mentioned this, and perhaps he will say a bit more about it. However, at the divisional level, the bigger projects that I mentioned are managed in two ways.

First, the regionally significant ones are handled directly by a special unit at headquarters. If an applicant seeks advice early in the process, the unit can carry out much of the work beforehand in co-operation with professional people from other Departments, such as the Roads Service and the Water Service. Secondly, our team at headquarters monitors the economically significant applications being handled at divisional level. If a blockage of applications arises, we can ensure that the matter is elevated to senior management level as quickly as possible. That is paying dividends. I would accept, however, that there are clusters below that, such as small commercial operations, which are not caught by those arrangements.

Pat McBride will elaborate on how divisional managers try to manage that, in addition to dealing with the other issues that have been described.

Mr McBride: Guidance was issued to managers on the prioritisation of planning applications, largely due

to the influx of single-dwelling applications. It was of some comfort to know that managers already prioritise a range of commercial, industrial, social and grant-aid applications.

There is a perception that planning processes have militated against farm diversification, for example. I could provide a list of those applications, but there are not that many. I am not answering the question with a question, but is the Committee saying that current rural planning policies do not make enough provision for small rural businesses?

Ms Gildernew: Yes.

Mr Ford: Mr Dallat referred to grants and planning processes being tied to a timescale. I was thinking of a particular case where an application seemed to take a long time. In that instance, the fault did not lie entirely with the Planning Service, but it seemed that the service was treating the case as it would any other routine matter. When I queried the matter, there was some speedy movement. However, there was no process in place to ensure speedy movement, because the case was not big enough economically.

Mr McBride: Recently, another Department introduced grant-aid schemes, without any reference to the Planning Service. If it is any comfort, we picked up on that and have developed new working relationships with Departments to ensure that not only is the service actively engaged when such a grant scheme emerges, but actively involved in any new schemes that Departments may introduce.

Of the many cases in Northern Ireland, only one, in the Omagh Division, resulted in a refusal. However, there were strong amenity reasons for that. Those who had provided information about that grant had not identified certain planning issues, which, we must all agree, are important. That is also our responsibility.

The Chairperson (Mrs Long): The subgroup should note that interlinkage, because it is important to provide measures that would aid the Planning Service in helping developments.

Mr McNarry: From the evidence that we have gathered, it is clear that the Planning Service has an image problem. I cannot do anything about that, but you should be able to do something about it now that it has been pointed out to you.

Invariably, expressions of interest, particularly for large sites, are leaked. Can the Planning Service, within its constraints, pick up on that? Can the service anticipate problems that could arise if the application were to go ahead? That could be equally useful to the applicant and to potential objectors.

I sympathise greatly with the Planning Service, as it may be aware of matters that are likely to arise. However, is the service restricted in reacting to those

matters until an expression of interest becomes official? If so, that seems to be an impediment and is a resource issue. I would not want the Planning Service to waste time and effort on something that may not come to fruition.

4.15 pm

However, the message seems to be that it would help an investor if he could get quick answers to his economic needs, including planning, so that he can ascertain whether he — or she — was wasting his or her time.

Do you have a think tank that could address something that you heard was in the offing, and, if so, how would that work?

Mr D Ferguson: The short answer is that we do. The unit that I mentioned earlier, which is at our headquarters, can do exactly that. I will come back to restrictions in a moment, but the unit is there to do exactly the sort of thing that you suggest — it is there to engage with prospective investors and developers on sites, large and small. As regards planning applications, the more pre-application discussion that we have, especially if the proposal is fairly certain to progress to application, the better, and there is a greater chance of the application going through the system once it comes in. Therefore we would encourage that, particularly for bigger projects.

The only restriction is that we discharge a dual function. We have an advice-giving role, which is critically important for the larger applications, but we also have a regulatory role. We must decide on applications when they come in, sometimes to the dissatisfaction of the applicant, and sometimes to the dissatisfaction of the objectors, but we still have to decide on them. In giving pre-application advice, however, we need to be absolutely clear that we do not step over the important dividing line between giving advice and being a regulator.

We are not the only ones in the business of giving advice. I would strongly advise applicants, especially for large projects, to get private advice as well.

Mr McNarry: That is very interesting, and I want to feed into it. I am neither objecting to it nor am I against the entrepreneurial spirit of people going into business, but the business of planning consultants is growing. In some cases they are rip-off merchants and in other cases they are genuine people. It depends on what end of their brief you are at.

Do they have access to the unit in any special way? Could I access the unit? The money that is spent on making an application is not small beer.

Mr D Ferguson: Yes, you could, but we are not a substitute for applicants — particularly applicants for larger projects — engaging their own planning

consultants. However, if you had a major development, you could engage —

Mr McNarry: Or a small development?

Mr D Ferguson: It depends. The unit deals with the larger projects that we have assumed in all our discussions are the focus of the subgroup's consideration. I would strongly encourage an individual making an application for a smaller project that the unit would not normally deal with to approach the divisional office.

Mr Poots: We referred in our report to creating an enabling environment for the planning of our economy. However, what we have is a restrictive environment, because in an economy one wants to grow things. We want the economy to grow and to create jobs and wealth. However, that can be done only if we have people.

Area plans that are particularly restrictive and drive up house prices to an extortionate rate — by more than 50% this year in many areas — need to be addressed. How are we to encourage people back to Northern Ireland to take up employment if they have to spend much more on buying a house here than they would in mainland UK? That must be addressed. The area plans are not meeting the housing growth indicators (HGIS), and the Belfast Metropolitan Area Plan (BMAP) is an example of that. When it was originally produced, it contained more housing than was required, but, before we have reached the public-inquiry stage, there are now fewer houses in the plan than the HGIS show are required.

Leaving aside the issue of single dwellings in the countryside, Draft PPS 14 hugely restricts tourism and rural diversification. As I represent a largely green-belt area, that may not seem to make that big a difference. However, I have discovered that some £2.5 million of European grants from a budget of £7.5 million has had to be handed back because, although the grant aid had been approved, planning permission had been refused. Those projects were almost exclusively in the green belt, and similar policies will now be applied throughout Northern Ireland. As a result, we shall not be able to make use of a lot of European money that might otherwise have been available to us.

When can we move from what is essentially a restrictive planning environment to an enabling one?

Mr D Ferguson: I shall make a general observation in response to that. Northern Ireland's economy is growing, and there are a number of reasons for that. Northern Ireland is also rich in natural and, to some extent, built heritage — it is a very rich region indeed. Planning policy, in broad terms, is aimed at striking a balance that allows the economy to flourish in a way in which that rich natural and built heritage is not destroyed or unreasonably affected.

That is what is at the heart of planning policies that have an effect on the economy. I assume that you are not suggesting that development should be let rip.

Mr Poots: You assume correctly.

Mr D Ferguson: Since that is the case, some sort of balance must be struck, and we are trying to do just that with policy at the minute. We may not, in your view, get the balance right, but we are trying to ensure that the economy can flourish in a way that does not have a deleterious effect on the natural and built heritage.

Mr T Clarke: One of the biggest contributions that we can make to an enabling environment is to provide the certainty to which David refers. That is why all our area plans contain clear policies. Members can argue about whether they are restrictive or not, but they do give a degree of certainty, and that is really what developers are after. We intend to have them all out in the next 18 months or so, and then we shall be in an almost unique position in the British Isles in having such a level of up-to-date coverage, and that should give us an advantage.

Mr Poots knows that the area plans that we produce are controlled by the figures in the Regional Development Strategy and in the HGIs. Those were changed recently, and all our area plans are adjusting to reflect that. You mentioned BMAP, which was published with figures that were above the then HGIs. New HGIs came out, and we are seeing how we can revise the plans in the light of those indicators. We do try to make adjustments as HGIs come out. The figures show that we have been approving increasing numbers of houses each year for a while now. From 1998 to 2004, we increased the number of permissions granted for housing by close to 100%, so there is more to the rising cost of housing than any lack of planning permission. We are trying to facilitate, but there are key factors at work here other than planning.

Mr Poots: One matter that has to be addressed is land banking. As a result of having a comprehensive set of area plans, people can identify land that can be developed. Developers are banking land — they make more money by buying land and sitting on it than by building on it. Has any thought been given to how we can counteract that process for the benefit of the people, as opposed to for the benefit of the developers?

Mr T Clarke: The Government are aware of that. The Planning Service does not see itself as the lead agency in solving that problem, but we know that our Department for Social Development (DSD) colleagues are addressing it. For what it is worth, our contribution is to grant time-limited permission for housing, and that will ultimately lapse if it is not implemented. I do not argue that that is the key solution to the problem, but it is an area to which we can contribute.

The Chairperson (Mrs Long): Michelle Gildernew has one further brief question to ask to finish the session.

Ms Gildernew: As a supplementary to David McNarry's question, what is your definition of the word "major"? Developments that are major in Belfast may not necessarily be major elsewhere.

Mr D Ferguson: That is a good question. We do not have a specific definition of that word written down as such. However, I take your point that what is big in Belfast may not be big in Enniskillen or Omagh. A large acute hospital in Enniskillen is as important as a big acute hospital in Belfast. Work on one of the projects that I mentioned has been proceeding well, because of the time and effort that applicants put in before their application was received.

Ms Gildernew: However, to be more specific, 60 additional jobs with expansion potential in Beleek is different from 60 additional jobs in Belfast.

Mr McNarry: Do not forget that I also represent a rural constituency, so that point applies just as much to Newtownards. However, the planners do not know where Newtownards is. *[Laughter.]*

The Chairperson (Mrs Long): On that high point, Mike Smyth, as adviser to the subgroup, will ask a question about some of today's presentations.

Mr Smyth: What could planning bodies generally and the Planning Service in particular do as part of a comprehensive economic package to rebalance Northern Ireland's economy? What positive contribution could you make? I notice that your presentation discusses the current situation and perhaps reflects on past bad publicity, but do you have any positive and proactive suggestions for the package?

Mr D Ferguson: To pick up on the recommendation in the subgroup's report, which was debated in the Assembly, we think that we are already doing most of the work that the subgroup wants. Planning is pivotal to the development of the expanding economy, and we have been positioning ourselves in recognition of that in order to deal with what is coming through the system and with the perception of the slowness of the process. We have been positioning ourselves to ensure that the big stuff, which we assume is at the heart of the subgroup's interest, goes through the system as quickly as possible and that the not-so-big stuff is adequately and quickly handled at divisional level.

I return to a point that I made at the beginning. I cannot stress that point enough, along with the fact that we know that we are pivotal and that we have a responsibility to manage the process. However, there are limits to our ability to do that, because others are involved. It is important that the subgroup look at where and why there are delays. I suggest that there is a combination of reasons for those delays. I freely

admit that some are down to the Planning Service and some are down to difficulties that our consultees are having. However, some are due to applicants and their agents not supplying us with the information that we need in order to process an application.

An application, large or small, will go through the system at the speed of the slowest in the column, which is made up of individuals and organisations. It is in everyone's interests to ensure that everything moves through the system quickly.

Mr Poots: The Environment and Heritage Service (EHS).

The Chairperson (Mrs Long): Thank you very much for coming before the subgroup this afternoon and giving us your time. I am sorry about the delay; I thank you for your patience. It has been a useful session, albeit robust at times. The documentation that you have provided for members will be very useful. Thank you for that.

Mr D Ferguson: Thank you.

Mr McNarry: If Jim Shannon were here, he would be running after the witnesses saying: "There's a couple of wee applications that need sorted out." *[Laughter.]*

4.30 pm

The Chairperson (Mrs Long): We are now in closed session and will deal with the remaining items on the agenda.

A number of members are under considerable time pressures because they have other engagements and should really have left the meeting before 4.00 pm. We should try to deal with the rest of the business as quickly as possible. I suggest that the review of today's evidence session be postponed until the next meeting of the subgroup. Are members content?

Members indicated assent.

The Chairperson (Mrs Long): There are three other items on the agenda. We should deal with the first item — the quorum — as quickly as possible. At present, the quorum is seven; members have demands on their time, attending PFG Committee meetings and plenaries, and it has become increasingly difficult to maintain the quorum. It has been suggested that the quorum be reduced to five, with one member from each party being present, which would be a significant enough quorum to ensure that we meet our obligations on all-party consensus on issues. Are members agreed that that proposal be forwarded to the PFG Committee for its consideration?

Members indicated assent.

The Chairperson (Mrs Long): The second item was raised by David McNarry during the question-and-answer session with InterTradeIreland, and it relates to his concerns about increasing all-island economic

collaboration and pressure being applied by Government to move in that political direction. We discussed that issue during the suspension of the meeting and were unsure whether it fell within the remit of the subgroup. Given that the issue has political overtones, it would be an appropriate item to raise at the PFG Committee. Mr McNarry, are you happy for the matter to be referred to the PFG Committee, at which it could be discussed and any information fed back to the subgroup?

Mr McNarry: I cite the precedent of the subgroup's writing to the Secretary of State about the working group on industrial rating, which includes the Northern Ireland Manufacturing Focus Group. The Secretary of State established that working group without informing us. The Government would appear to be working on all-island economic collaboration. I am concerned about the issue, and I think that we are due an explanation from the Government about what activities they are involved in and what decisions they are taking, especially given that this subgroup is meeting and reporting back to the PFG Committee. After all, the Secretary of State is the genesis of all this.

The Chairperson (Mrs Long): There is a difference, in that the working group on industrial rating came under the remit of the economic challenges subgroup at the time that the letter was sent —

Mr McNarry: That is not true.

The Chairperson (Mrs Long): — whereas North/South co-operation is not. It is an important issue that should be dealt with, and, although it has implications for the subgroup, it would be best dealt with by the subgroup's asking the PFG Committee to write to the Secretary of State, as it falls more under a political remit.

Mr McNarry: I shall not get into an argument with you, but this is an economic issue. I have concerns about the political aspects, but it is an economic issue, in that the Government are taking economic decisions about our country.

We have had an extension to our time, and we have been charged with producing further evidence. We raised some of the matters that arose in InterTradeIreland's statement today. We raised them, and they are included in the subgroup's report, which was endorsed by the PFG Committee and accepted by the Assembly, so it relates specifically to economic issues.

The Chairperson (Mrs Long): Do you wish to put a specific proposal?

Mr McNarry: I propose that we request of the Secretary of State a full report and details of the Government's remit in this economic collaboration, as outlined in the InterTradeIreland statement.

The Committee Clerk: The UK Government's remit?

Mr McNarry: Well, this is the United Kingdom.

The Committee Clerk: I appreciate that; I am just writing it down.

The Chairperson (Mrs Long): Is there consensus on that proposal?

Ms Gildernew: No, there is not. First, it is political, and people have come to give evidence who may be more closely aligned politically to Mr McNarry than I am. However, it makes absolute economic sense to piggyback one of the most successful global economies. Many people have said that increased collaboration means more economic success for the people who live here. I am very disconcerted about David's opposition —

Mr McNarry: I am not denying that. I need to know what they are doing.

Ms Gildernew: The more the better.

Mr McNarry: You cannot just say that.

Ms Gildernew: I can.

The Chairperson (Mrs Long): Members, let us have some order. We are not going to enter into discussion on the pros and cons of that issue. We asked whether there was consensus. There was not, so can we vote to establish whether we ask for a report from the Secretary of State? That is the crux of the matter. I am aware that we could lose our quorum, so we need a decision in order to progress.

Ms Gildernew: Take it as an individual, rather than a subgroup, proposal. I appreciate that Mr McNarry has his opinion, but —

Mr Ford: David has not explained why the work of InterTradeIreland, as opposed to that of all the other agencies that have a remit on this subgroup, should be singled out.

Mr McNarry: Let me make it clear: I picked up from the InterTradeIreland statement more information than I was previously aware of. I expressed my gratitude to those who presented the statement for producing that information. However, I read from it that our Government are doing things in Northern Ireland's so-called economic interest about which I know nothing and about which this subgroup should know more, so that it can be included in its deliberations and its second report.

The Chairperson (Mrs Long): You have put your proposal, and we have advice on that proposal.

The Committee Clerk: The practice would be that David would ask the PFG Committee to request a report, so if the proposal —

Mr McNarry: No, I am sorry. That is a cop-out.

The Committee Clerk: It is the only thing —

Mr McNarry: No, it is not. I will challenge you on that.

The Committee Clerk: It is not the subgroup of the PFG Committee's —

Mr McNarry: We have a voting situation, because it was agreed that this subgroup could agree proposals by a majority vote. If my proposal is knocked back to the PFG Committee, consensus will be required. We have already heard from Sinn Féin that there will not be consensus, so I may as well not put my proposal.

Some substance must be applied to the fact that we can vote on a proposal. I am quite prepared to accept the decision of that vote, but we should not play at ducks and drakes with it by knocking it back to the PFG Committee. Everybody knows fine well that we have knocked other proposals back there, and, because there is no consensus, they go out the window.

The Chairperson (Mrs Long): The substantive point is that if we put David's proposal to a vote and it is agreed by a majority, it will have to go to the PFG Committee in order to be progressed, because this is a subgroup of that Committee. We can take the vote today, but the issue is what subsequently happens to the proposal. We are simply making you aware of that, David. You have put your proposal —

The Committee Clerk: To be fair, David has a point, and I would want clarification before saying that that would be the procedure. What you say, Chairperson, is my impression, but we have in the past invited the Minister without going through the PFG Committee, so, in deference to David's point, I would prefer to check that first. However, it would be useful, irrespective of whether we have to through the PFG Committee, to be clear about David's request. I have written:

"To request of S of S a full report and details of the UK Government's work on North/South economic collaboration with the Republic of Ireland" —

Mr McNarry: Through the British-Irish Intergovernmental Conference.

The Chairperson (Mrs Long): That is the proposal. It will be put to a vote and, depending on whether it is successful and on the advice that we receive on protocol, will be passed either to the PFG Committee or to the Secretary of State. Are members clear? The proposal will be put to the vote, and everything will become apparent afterwards. The Committee Clerk will read the proposal.

The Committee Clerk: Mr McNarry's proposal is to request from the Secretary of State a full report and details of the UK Government's work on North/South economic collaboration, through the BIIGC.

Members should bear in mind that each party has one vote on the proposal, so members should not vote contrary to their colleagues. *[Laughter.]*

Dr Birnie: That would never happen, would it?

The Chairperson (Mrs Long): Are members agreed? Can we have a show of hands?

Mr Ford: I agree to seeking the information, but I certainly do not agree that it should hold up the subgroup's work.

Mr McNarry: No.

Mr Poots: All we want is the information.

The Chairperson (Mrs Long): Are members agreed?

Members indicated assent.

The Chairperson (Mrs Long): The third issue, which Esmond Birnie raised, concerns the industrial rating subgroup. For information, Dr Birnie asked why the Minister had not responded to our enquiries. We have been advised that the Minister is on leave until October, which explains the delay.

The Committee Clerk: An interim reply was received a couple of weeks ago.

Dr Birnie: Is David Hanson on leave?

Mr McNarry: Goggins, or whatever you call him.

Dr Birnie: Has the responsibility moved to another Minister?

The Committee Clerk: Hanson was due to reply, and a holding reply, which I put before the subgroup, was received a couple of weeks ago.

Dr Birnie: We should probably write to the Minister in any case, so that the issue is dealt with as soon as possible. A number of members are concerned that we are working in a very similar area to the working group on industrial rating, and we want to know what it is doing. My understanding is that the working group on industrial rating will meet David Hanson on 18 September. The fact that the NIO claims that Minister Goggins is looking after it seems to be a discrepancy. What is going on?

The Committee Clerk: It may be a question of names in my mind, but I will check.

The Chairperson (Mrs Long): Are members content that we consider the matter further?

Members indicated assent.

The Chairperson (Mrs Long): The next item of business is the date, time and place of the next meeting. Before that, we must agree the press release. The Committee Clerk has a draft.

The Committee Clerk: The draft press release covers all witnesses that appeared before the subgroup today, except the Planning Service.

The Chairperson (Mrs Long): Are members content with the press release?

Members indicated assent.

The Chairperson (Mrs Long): The subgroup will meet again at 10.00 am on Thursday 21 September in room 135. The subgroup will take evidence on an economic package/peace dividend, and fiscal issues. The Department of Enterprise, Trade and Investment and the Economic Development Forum will attend the morning session, and John Simpson will attend after lunch.

Members will be asked to briefly outline party views on an economic package and fiscal issues in the afternoon. That will be followed by a facilitated discussion, led by the two economic advisers. It is therefore important that parties submit written documentation on their position, as that will ease the discussion. The economic advisers will also give their views. The meeting will run until late afternoon. The objective is to achieve consensus on the basic ingredients of a peace package, including preferred fiscal measures. Are members clear on the tone of the next meeting and about what is required?

Ms Gildernew: As the meeting is likely to go on until late afternoon, is the quorum issue likely to be resolved by next week?

The Committee Clerk: That depends on the PFG Committee. When will it meet next?

The Chairperson (Mrs Long): Tomorrow.

The Committee Clerk: I will write to the PFG Committee immediately.

Mr Dallat: As a mere substitute on the subgroup, can I ask an entirely innocent question?

The Chairperson (Mrs Long): Yes.

Mr Dallat: Thinking positively, as I always do, if a new Assembly is up and running from 25 November, the Budget will be announced the following week, detailing all the various proposals and the new industrial rating system. Should the PFG Committee address that issue now?

The Secretary of State, with his usual arrogance, said that individual MLAs could not address the rating system. However, because the Secretary of State established the PFG Committee, it could provide some input into how the rating system will function. Political parties would not then be hung out to dry for having to operate a system into which they had had no input.

The matter should be mooted at the PFG Committee. The subgroup is like Alice sitting in Wonderland discussing matters that may never happen. On the other hand, we shall inherit a direct-rule Budget — and everything associated with it, such as rates, which we were crucified for on the radio this morning — that we have had nothing to do with. We were not allowed to have anything to do with it.

4.45 pm

The Committee Clerk: Speed is always an issue when the subgroup needs to raise issues with the PFG Committee. I suggest that the quickest and best approach would be for each party's representatives on the PFG Committee to put the matter on the agenda if they feel that it is appropriate.

Mr Dallat: How do we get it on the agenda?

Ms Gildernew: Talk to your PFG Committee representative.

Mr Dallat: That could be difficult.

Mr McNarry: I want to return to the question of producing papers. The Ulster Unionists would prefer to hear what the economic advisers have to say, if that were in order, so that we could work out some balance.

I have a fair idea of what the Ulster Unionists will say, and a fair idea of what everyone else will say, but we would be interested to hear what the economists have to say.

The Chairperson (Mrs Long): The timing is difficult. The subgroup has had to move the review of evidence from today's session until the start of the next meeting.

Mr McNarry: The Ulster Unionists could produce a paper 48 hours after they have listened to the economists, if that would be of help.

The Committee Clerk: There is a practical issue to consider. The deadline for the report on the economic package, which includes fiscal measures, is 4 October. That means that the subgroup will have to consider the draft report at the meeting before that, which is 28 September — the week after next. The reason why it was suggested that we discuss the draft report on the afternoon of 28 September was that all the evidence would have been heard, except for more from the political parties. The idea was to have an open forum discussion informed by the economic advisers, who would also submit their views, and try to reach consensus. The difficulty with the timing would be that there would be no space to do that if you leave any views out, unless we were to hold a further meeting.

The Chairperson (Mrs Long): The other option would be that members could arrive equipped with their overview statement and with a draft report that they could amend after the discussion. At least there would be some basis for progress. If that were acceptable, it would allow the Ulster Unionist Party to firm up its position in the hours following the meeting, as opposed to being tied to a final draft at the meeting.

Mr McNarry: I feel that we are being rushed. I do not live too far away, so I am asking for something for members who have to travel greater distances. I would prefer to slot in another day and get it right rather than — with all due respect — rush something, only to find

that it is incomplete, because the further evidence that the economists will have presented will not have been included.

Ms Gildernew: You have great faith in the economists.

Mr McNarry: We are paying them.

The Chairperson (Mrs Long): The meeting would need to take place on Monday or Tuesday of next week, so we need to agree that we shall meet.

Ms Gildernew: Monday does not suit me.

Mr McNarry: Monday is a difficult day, as the Secretary of State is giving evidence and all sorts of crap to the PFG Committee.

The Chairperson (Mrs Long): There could also be a plenary on Monday or Tuesday.

Mr McNarry: There is a plenary on Tuesday.

The Chairperson (Mrs Long): I have just been told that there is a plenary on Tuesday and Wednesday. I take on board the points that have been made, but there does not appear to be any way of extending the deadline. If members could work on the basis of draft reports, that would allow the subgroup to move on.

Adjourned at 4.48 pm.

SUBGROUP ON THE ECONOMIC CHALLENGES FACING NORTHERN IRELAND

Thursday 21 September 2006

Members in attendance for all or part of proceedings:

The Chairmen, Mr David McClarty and Mr Francie Molloy

Mr Roy Beggs
Dr Esmond Birnie
Mr Wilson Clyde
Mr John Dallat
Mr David Ford
Ms Michelle Gildernew
Mr Fra McCann
Mr Kieran McCarthy
Mr David McNarry
Mr Ian Paisley Jnr
Ms Margaret Ritchie
Ms Kathy Stanton
Mr Peter Weir

Economic adviser to the subgroup:

Mr Mike Smyth

Witnesses:

Dr David Dobbin	}	Economic Development Forum
Dr Michael Maguire		
Mr Seamus McAleavey		
Mr John Simpson	}	Economist

The subgroup met at 10.10 am.

(The Chairman (Mr McClarty) in the Chair.)

The Chairman (Mr McClarty): The meeting is now quorate and we can begin. I thank members for attending in good time despite the inclement weather.

I have received apologies from Dr Alasdair McDonnell, who will be replaced by John Dallat. Sean Neeson will be replaced by Kieran McCarthy. Ian Paisley Jnr has to leave about noon, and he will be replaced by Wilson Clyde. Peter Weir will not arrive until about 11.00 am. Roy Beggs is substitute for David McNarry. Francie Molloy will chair the afternoon session, which begins at 1.15 pm. Are members aware of any other apologies or changes?

Ms Stanton: Michelle Gildernew is on her way; she has been caught in traffic.

The Chairman (Mr McClarty): Members have the draft minutes of the meeting of 14 September in front of them. Once agreed, they will be placed on the

Assembly website. Are members content that they are an accurate record of proceedings?

Members indicated assent.

The Chairman (Mr McClarty): Item 3 on the agenda is matters arising. At its first meeting in July, the subgroup agreed that Hansard should record all subgroup meetings in their entirety. That has been done to date, aside from meetings when the subgroup has been considering its draft report.

The suggestion is that Hansard should commence recording at the start of the open session, omitting the administrative business conducted in the closed session at the start of each meeting. What are the members' views? Any decision reached in that part of the meeting would be recorded as usual in the minutes of proceedings. Today's meeting will be recorded in full, but if members agree to the suggestion, it will be implemented from the next meeting.

Mr Beggs: That was normal practice in previous Assembly Committee meetings. It would save unnecessary work.

The Chairman (Mr McClarty): Are members content that this meeting will be recorded in full, but that for future meetings the business part at the start will not be recorded?

Members indicated assent.

The Chairman (Mr McClarty): I have received a number of pieces of correspondence. Recent correspondence with the Preparation for Government (PFG) Committee is included in the members' pack. As agreed last week, the subgroup wrote to the PFG Committee regarding its quorum and also to request a written ministerial response to its first report. The subgroup requested that its quorum be reduced from seven, excluding the Chairperson, to five, excluding the Chairperson, with the proviso that a representative from each party is present. The PFG Committee has approved our request.

Mr Beggs: If members from one party are absent, the Committee cannot meet. It is a restrictive requirement. The onus is on members to attend, but I wish to highlight that potential difficulty.

The Chairman (Mr McClarty): That has not occurred this morning, thankfully.

Mr Beggs: At one stage this morning five members were present, and we had to wait until others arrived.

The Chairman (Mr McClarty): It can cause a difficulty.

Mr Ford: It has been the practice, both in the PFG Committee and in the subgroup that meetings do not start in the absence of any of the five main parties. Therefore this formalises that practice.

The Chairman (Mr McClarty): I do not think anyone was getting at you, David, for your late arrival this morning. *[Laughter.]*

Mr Ford: I thought Roy was getting at Esmond, after what David was saying about Esmond.

10.15 am

Ms Gildernew: I am not normally last. Sorry for being late.

Mr Ford: It is me he is getting at, Michelle, not you.

The Chairman (Mr McClarty): Thank you for your attendance, Michelle.

With respect to a response to the first report, the PFG Committee did have time, at its last meeting, to consider our request that it urge the Secretary of State and his Ministers to respond promptly to the first report.

A request was made for this to be considered at the next PFG Committee meeting on Monday 25 September.

Last week, David Ford raised the issue of the distribution of press releases agreed by the PFG Committee. We checked with the Assembly's Information Office staff, who told us that all press releases issued by Assembly Committees and subgroups are faxed to approximately 85 newspapers, journalists, TV and radio stations in Northern Ireland, the Republic of Ireland and Great Britain. They are also e-mailed to several local journalists and to the Press Association. If members want individual journalists to be added to the list, secretariat staff will raise that with the Information Office.

It was agreed last week that a letter to the Secretary of State requesting a full report on North/South economic collaboration through the British-Irish Intergovernmental Conference would be issued. A copy of the letter is available for members to note.

Information requested from Minister David Hanson on the industrial derating working group is included for members' attention. Mr Hanson will chair the group, which includes representatives from the Northern Ireland Manufacturing Focus Group (NIMFG), Amicus and departmental officials. The draft terms of reference for the group are attached. These will allow the group to reach conclusions by late November 2006.

Ms Ritchie: Do we know anything about the timings and frequency of those meetings?

The Committee Clerk: We have not been briefed on that as yet.

Ms Ritchie: Can we obtain the details? We are entitled to know.

The Chairman (Mr McClarty): OK, Margaret. We will take that on board and try to find out.

Dr Birnie: My point is similar to Margaret's. The industrial derating working group says that it is to

reach conclusions by late November, but has it reached any interim conclusions at this point? After all, the group does something similar to what we are doing.

The Chairman (Mr McClarty): We will make enquiries, Esmond.

We move to the evidence from the Department of Enterprise, Trade and Investment (DETI). Departmental officials were invited to give further evidence on the new terms of reference, including priorities for public expenditure to support economic growth; how an economic package might best be deployed; the potential costs and benefits of various fiscal measures; additional information on the case for corporation tax variation; and any legal advice that the Department would be willing to share.

We have received a reply from the Secretary of State; a copy of his correspondence is included for members' information. In summary, DETI officials cannot attend, as to do so:

"potentially breaches the relationship between them and the Government Ministers they advise; and in effect might cause them to anticipate conclusions which only Ministers could reach."

The Secretary of State explains that he is seeking the Assembly's views on how the impediments to the economy should be addressed in policy terms. If officials were to give evidence on the said matters, the independent advice that Ministers receive could be compromised. He also points out that DETI was being asked to address excepted matters such as Government fiscal policy, which is the responsibility of the Treasury.

The Secretary of State also explains that DETI cannot undertake the specific research envisaged by the subgroup, but will:

"do all they can in the areas where factual information or analysis may be available".

Have members views on that response?

Mr Paisley Jnr: Is that a guarded "no"?

The Chairman (Mr McClarty): How do members wish to take that forward?

Ms Ritchie: That response is a follow-up to the question that I put to Maria Eagle, when I asked her what the Government considered to be the contents of an economic package or dividend. She blankly refused to answer in an obvious attempt to redirect the question to us. We need some idea of what Ministers may be thinking. If they can provide us with information, could we get around it that way?

The Committee Clerk: The decision could have implications for the subgroup's new terms of reference. In its first report, at recommendation 16, bullet points 2 and 3, the subgroup recommended that DETI should commission an independent study of the benefits and

strengths of the fiscal incentives. Part of the new terms of reference is to consider the results of that research, and also Victor Hewitt's research on corporation tax. Clarification may be required on that issue.

Mr Smyth: Is there inconsistency? The subgroup has already taken evidence from the Department of Finance and Personnel (DFP) on those issues. In my reading of the minutes there was no issue of our terms of reference being compromised. What is the difference between DETI and DFP?

The Committee Clerk: From my reading of Hansard, I recall that DETI officials expressed concern about constitutional constraints. We have drafted a response from members to the Secretary of State. Has that letter been tabled?

The Chairman (Mr McClarty): We will circulate the draft response.

Mr Paisley Jnr: You could be kind about the Secretary of State's letter and describe it as froth, but I am not in the mood for being kind.

Ms Ritchie: Are you ever?

Mr Paisley Jnr: The letter is evasive and does not address the issues that we raised with the Secretary of State. It is patronising; it kicks the ball into the long grass so that the subgroup does not put agreed decisions to the Secretary of State on which he would have to act. The worst thing that could happen to the Secretary of State would be the subgroup's agreeing something that he would be forced to act on. We should keep that in mind when looking at the issues.

Dr Birnie: I agree with Ian that the response is disappointing. I note that in his letter of 18 September, Mr Molloy asked specifically about further information on DETI's understanding of the implications of the Azores judgement on corporation tax. However, the Secretary of State has not dealt with that. The Azores judgement is a separate issue to which we may have to return later in the meeting. Further research may be needed, and although it is a lengthy judgement, it would be helpful if we all could have a copy of it.

The Chairman (Mr McClarty): Have members been given the draft response?

The Committee Clerk: No. It can be read out and then tabled.

The Chairman (Mr McClarty): This is the draft response to the Secretary of State:

"Dear Secretary of State,

I am writing in response to your letter of 18 September 2006 to Mr Jim Wells MLA, in relation to the sub-group's request for further evidence from DETI officials. Your letter was considered by the sub-group at its meeting on 21 September 2006. Members welcomed your positive comments in relation to the

work of the sub-group but were disappointed that DETI officials were unable to attend to give evidence.

In issuing the invitation the sub-group had hoped that scope would exist whereby the DETI officials could provide further evidence which would inform the sub-group's work on its new terms of reference. Whilst noting the constraints on officials, as described in your letter, the sub-group has asked me to write to you to seek clarification on the following:

whether the recommendation in the sub-group's first report to the Committee on the Preparation for Government, namely that DETI commission an independent study into the costs and benefits of the various fiscal incentives, can be met by DETI;

whether DETI can provide the sub-group with any factual information which it may have on the benefits and costs of the various fiscal incentives; and

whether DETI can provide the sub-group with the results of the research which it is undertaking on the issue of Foreign Direct Investment.

The sub-group would welcome early clarification on these matters."

Mr Beggs: That is a very reasonable response.

The Chairman (Mr McClarty): Are members happy to accept that?

Mr Paisley Jnr: I think that it is too reasoned.

Look at what the Secretary of State says in the last paragraph on the second page of his letter:

"I trust that you and your colleagues on the Sub-group recognise my dilemma and accept that I remain committed to a successful outcome to your important work, and to giving your analysis full and careful consideration."

That is some patronising stuff. We are not here to provide an analysis for the Secretary of State; that is not what we have been tasked to do. Yet he expects us somehow be sympathetic to his dilemma. We should send a fairly robust response to the Secretary of State asking him if we are wasting our time. Does the Secretary of State think that we are here to provide him with an analysis that he can then set aside? He should be asked to recognise the dilemma that he has caused us by his refusal to allow us to probe officials on the issues, as we consider necessary, to enable us to put forward a demand for a financial package. We should be more robust with the Secretary of State.

Mr Ford: The tenor of the letter might reflect the precise constitutional niceties had we been asking for advice given by Treasury officials to the Chancellor, or something of that nature. However, this is a subgroup of the Committee for the Preparation for Government, established by the Secretary of State and with a remit to explore economic issues in depth; it is completely

ridiculous that he is not prepared to allow officials to meet us.

I have no doubt that if the officials were to attend, they might have to apologise for not being able to answer some questions, or say that certain matters were currently under consideration. However, to refuse to allow them to attend meetings at all is ridiculous, particularly when we have asked specific questions. "What is your understanding of the Azores judgement?" is a perfectly reasonable question to ask in any circumstances, and the Secretary of State ignores it in his letter. Our letter to him needs to be slightly beefed up.

Ms Gildernew: I agree that in normal circumstances the letter would be grand, but not in the current situation. I sense a general grumpiness around the table this morning, and that should be conveyed to Peter Hain.

I was in the Senate Chamber on Monday morning when the Secretary of State said that within reason, the PFG Committee had his full support and that of his ministerial team. Obviously, permitting officials to attend meetings of this subgroup is not considered to be within reason. The letter should be a bit crankier; we should let the Secretary of State know that we are not happy with his response.

The Chairman (Mr McClarty): Going by the comments that have been made, the Committee Clerk will have to take a leaf out of Ian's book and not be so kind in future.

Ms Gildernew: There is no need to go that far. The Clerk is a lovely fellow. *[Laughter.]*

Mr Paisley Jnr: I advise everyone to avoid reading a book called, 'How to Win Friends and Influence People'.

The Committee Clerk: I will draft a slightly more robust letter.

The Chairman (Mr McClarty): New evidence has been received from the Industrial Task Force following last week's evidence session. There is also a further written submission from UUTech Ltd. A minute outlining legal advice from Assembly Legal Services in relation to the scope for varying corporation tax in Northern Ireland has also been tabled. I ask members simply to note the new evidence at this stage, as it will be discussed later today.

Ms Gildernew: I would like some clarification of George Quigley's paper on behalf of the Industrial Task Force. At present we come under the UK tax system, and the UK corporation tax rate is shown here as 30%. However, for small and medium-sized enterprises, the rate is 19%. If there are two different tax rates, we need the fuller picture in order to make a proper comparison.

Mr Smyth: The effective average tax rate (EATR) is a weighted average of the two rates and reflects the fact that in Northern Ireland more than 96% of businesses employ fewer than 100 people. In Britain, the figure is 91%, which is similar. Therefore, there is a heavy weighting towards the top rate of 30%. We will return to that issue throughout the day.

Mr Paisley Jnr: Are you saying that that is the effect on the ground?

Mr Smyth: Yes. For purposes of comparison, you need to look at the EATR, in the right-hand column of the table.

The Chairman (Mr McClarty): Additional information from Victor Hewitt of the Economic Research Institute of Northern Ireland (ERINI) has also been tabled.

Mr Paisley Jnr: Before we leave Sir George Quigley's evidence, I want to point out that the heavily weighted figures that he provided must be recognised. Perhaps we will get a chance to discuss them later. He lays down some heavy markers with regard to the economic package, tourism and other headline issues. I want to put a lot of emphasis on those points.

10.30 am

The Chairman (Mr McClarty): I must correct myself: the economic subgroup has not received that information from Victor Hewitt as yet. It is hoped that members will have received it by this afternoon. The legal advice that the subgroup has received has been passed around.

All organisations and individuals who gave oral evidence and sent written submissions for the first report have been contacted in order to determine whether they wish to make further submissions. Apart from those who were present last week, and those who are here today to give oral evidence, only UUTech Ltd has sent further information.

I remind members that as we are now in open session, the discussion will be recorded.

Good morning, gentlemen. You are extremely welcome.

Dr David Dobbin, Mr Seamus McAleavey and Dr Michael Maguire represent the Economic Development Forum (EDF). They have been allocated one hour. They did not provide a written submission in advance, but I believe that they have brought a paper with them.

The three witnesses are the outgoing chairpersons of three of the four EDF vision subgroups, namely the innovation, skills and enterprise subgroups. In discussing our terms of reference, they are likely to refer to the work of their respective subgroups. I ask members to keep their questions brief and focused on the terms of

reference that have been included at the front of members' packs.

Mr Seamus McAleavey (Economic Development Forum): Thank you for the invitation to the meeting of the economic subgroup. We are non-governmental members of EDF. Some of the economic subgroup's members will have experience of EDF. On Tuesday, EDF held a meeting at which party representatives were present.

We have been to meetings of the economic subgroup with our own organisations: I have been here with the Northern Ireland Council for Voluntary Action (NICVA), David Dobbin attended with the Confederation of British Industry (CBI) and Michael Maguire represented the Institute of Directors (IoD). Today, we will deal with matters from an EDF perspective and from that of the subgroups in which we are involved.

I chair the medium-term strategic priorities subgroup, which developed the seven medium-term strategic priorities that EDF set. Those priorities are outlined in our document 'Working Together for a Stronger Economy', copies of which I have provided for members in case they are not familiar with them. I am sure that some members will be.

David chairs the innovation subgroup, and Michael chairs the skills subgroup. I have also been involved in the enterprise subgroup. Lord Rana, its chairperson, could not be present today, and, in the time available, we were not able to rustle up the chairperson of the infrastructure subgroup.

The strategy document was created before the 'Economic Vision for Northern Ireland', which built on it. We laid out a series of strategic priorities, and then set high-level targets or indicators for them — there was also a secondary set of indicators — to look at the interventions that could make real progress with the economy in Northern Ireland. We have begun to monitor those indicators and to examine how the economy has performed.

Over the past year, Regional Forecasts, which is led by Graham Gudgin, has been carrying out work for us on those indicators. Some members here may have been present at a meeting a year ago when the EDF received a report that said that if Northern Ireland continued with its current policy interventions, there would be flat-line development on almost all those indicators up to 2010 and further to 2015, and, on some indicators, the situation would get worse. If we continue as we are, there will not be much improvement. That appears to be the empirical evidence, and that is our forecast.

The EDF has been trying to consider possible Government interventions that could make a difference. We have started setting up and testing scenarios but, unfortunately, we do not have the results of that yet.

We have a first draft, but the medium-term strategic priorities subgroup has only begun to consider that. It would have been great if the results had been available for the economic subgroup. The areas that we are examining relate to employees in tradable services. For example, if employment in those services were to increase to 5% of total employment by 2015, what realistic difference would that make?

Other scenarios being considered and modelled are total value-added-tax (VAT) registrations per 10,000 businesses. If that were to increase to the UK level by 2015, what would be the likely impact? What if, by 2015, the number of jobs created through inward investment were to increase to 3,000 per annum; business expenditure on R&D, as a percentage of gross value added, were to increase to 70% of the UK level; or the percentage of the working-age population qualified to at least level 4 were to increase to 30%?

The model is unlikely to produce a set of results that will show where all the policy interventions should be made. There will be a lot of debate and nuance around that. However, we hope to find some evidence to suggest what changes Northern Ireland could make that would make a difference.

The main issues that have arisen on the enterprise subgroup, of which Lord Rana is the chairman, concern the low level of exports from Northern Ireland. Only about 10 serious companies are involved in major exports. The majority of exporting from this region is to the Republic of Ireland and Great Britain, although Mr Smyth might consider goods sold to Great Britain not to be exports at all. A great deal of work needs to be done on that.

The enterprise subgroup has also considered the problem of the low enterprise culture in Northern Ireland. That issue has been around since the discussions on 'Strategy 2010'. It is not a question of simply telling the private sector that it should be more enterprising and entrepreneurial: the public and voluntary sectors also need to be more enterprising. We need to think more innovatively — that is the challenge. The enterprise subgroup believes that the public sector must take the lead, because it is such a big player in Northern Ireland. We need to change the culture of enterprise in that sector. When I gave evidence to the subgroup on behalf of NICVA, I drew on some of the conversations from the enterprise subgroup.

Therefore a future Northern Ireland Executive will have to consider how it uses its Public Accounts Committee (PAC). It will also have to examine the performance management structures of the Northern Ireland public services and how people are recognised and rewarded for being enterprising and innovative

towards change. Dr Dobbin will now talk about innovation.

The Chairman (Mr McClarty): Before we continue, I remind members to switch off their mobile phones because, even in silent mode, they interfere with the recording equipment.

Dr David Dobbin (Economic Development Forum): The vision document that was published a while back, and was launched by the Minister, was worked on by all the stakeholders. It addressed the four main drivers — innovation, skills, infrastructure and enterprise — that are required for the development of a private-sector economy. Four subgroups relating to the four main drivers were set up by EDF in addition to the original medium-term strategic priorities subgroup. Each of those subgroups examined what could be done better or differently in the four key areas. They examined new initiatives that could make a difference or enhance what was already happening.

I have a handout that summarises what I am going to say, but I will give members a synopsis of the work to date and the status of the innovation subgroup's work. The Government talk about the importance of more R&D spend. At the outset, we want to differentiate between innovation and R&D. Innovation is concerned with the commercial side, where ideas can be turned into a product or service that can be sold and on which money can be made.

R&D is about discovery and creating new knowledge; innovation is about exploiting that knowledge in product and services. Innovation is nearer to the market, and it has a much more economic relevance than R&D. That is not to say that R&D is not important, because, ultimately, innovation flows from R&D. However, businesses can have innovation without R&D. The innovation subgroup is focusing on innovation — the creation of wealth from the exploitation of knowledge.

To date, the innovation subgroup has focused on nine key issues: tradable services; nanotechnology and key technology areas; collaboration between business and higher and further education; research centres of excellence; the regional science-industry council; clustering; innovation skills; innovation metrics or measurement; and foresight. One of the key areas on which the innovation subgroup has focused is tradable services. Most commentators believe that progressive western economies will grow in tradable services and decline in manufacturing and that manufacturing will move to lower-wage economies.

Tradable services are services that can be sold across frontiers and that can be exported, as opposed to services that are provided only in the domestic market. Tradable services include IT-related services, R&D, market research, architecture and engineering, technical support, advertising and creative entertainment, etc.

They cover services that can be worked on locally but sold globally. Northern Ireland's economy is under-represented in that sector. We have just over half the level of tradable services activity of the UK economy.

There is a big drive to expand the tradable services sector. However, there is a fear that we will attract tradable services that are low in added value. For example, some call centres — which are technically tradable services — are competing with low-cost call centres in China and elsewhere. In my previous evidence to the subgroup on the subject of call centres, I made an analogy with battery hens. We want to avoid those types of tradable service jobs, although they are better than no jobs. We want to create jobs that require higher skills and command higher fees for the service, and therefore provide more wealth for Northern Ireland.

The good thing about tradable services is that they generally create high employment. They are employment-concentrated, unlike manufacturing, which is asset-centred.

10.45 am

We are exploring ways to address this issue, and the view is that we must look at innovation and more novel tradable services, as opposed to those that already exist. We have therefore considered what innovation could bring to tradable services. We have commissioned DETI's research unit to prepare a report, which will be ready shortly, to analyse where the value and growth is in tradable services and to identify the areas in which innovation plays a bigger role. We can then start to encourage Government and business to invest in R&D and innovation in tradable services — at the moment, investment in R&D and innovation tends to be focused more on technology and science.

One of the key technology areas that is emerging globally is nanotechnology. Nanotechnology has commercial applications in almost every industrial sector: food; pharmaceuticals; engineering; electronics; and so on. We already have quite good research strength in nanotechnology, and we could become strong in that area if we can get in on the ground floor. We have discussed how that can be achieved. The universities believe that more investment is needed in PhD-level capability in universities. That would support research and, ultimately, feed skilled students out into industry.

That discussion led to a wider debate. Five key technology areas have been identified in the vision: agrifood; aerospace; ICT; life sciences; and nanotechnology. Progress in those areas will be important for the economy. Our work was extended from nanotechnology into all those areas. We talked to universities, and others, about how we could do more. The talk was generally about how capacity could be created through

additional PhDs. A couple of years ago, the Department for Employment and Learning (DEL) cut its funding for higher degrees as part of a reduction in spending. The universities said that that was foolhardy. Northern Ireland has one of the lower levels of PhD students in the UK, yet it has a very good graduate output.

That has led to the innovation subgroup challenging the two universities. They continue to say that they want money for various bits of research and PhDs; we have said that it would be better for the universities to put their heads together and say: "If we had more resources, these are the outputs and outcomes that we could offer the economy." As a result of the innovation subgroup's work, the universities are now preparing an economic strategy and development plan outlining what they can do for the economy and what they need to be given to enable them to do it. That will be a very valuable contribution for the economic subgroup to consider. In the past, the economy was built around labour or natural resources; in the future, most people will regard universities as being key economic centres in the creation of knowledge that can feed out into jobs and wider economic activity. It is essential that we push the universities to be more economically aware. They are receiving huge amounts of taxpayers' money, and we want to see more bang for our buck.

We have also explored how small businesses can become more active in innovation and R&D. We have a small-business economy, and small businesses generally find it hard to interface with universities or to get involved with research, either because of a lack of resources or a lack of sophistication. DEL has come up with a higher education/further education collaboration fund, and the Minister has now approved £3 million over the next three years. That fund is to be used to encourage small and medium-sized companies to interface with colleges and universities so that business can avail of some of their intellectual expertise. We call that technology transfer.

There is a bit of wrestling going on between the innovation subgroup and DEL. We think that the resources should be directed at people in further education colleges who face towards businesses, so that they can visit businesses, build links with them, try to understand their problems and enable them to access the expertise in colleges and universities. DEL and the universities want the money to go into general university budgets. The matter is currently out for consultation, and DEL is reviewing how it will spend the money.

The idea is good, but we must ensure that its execution delivers the objective.

Over the past number of years, there has been significant spend, funded by European Peace II and Invest Northern Ireland (INI), on R&D centres of

excellence. We asked INI for a report on how well the centres of excellence are performing; whether they are generating commercially exploitable output; whether they are helping the economy; and, indeed, whether they are active. We have received a stage-one report, although it is not quite finished. The results are a mixed bag. Some of the R&D centres are doing very well; others are not. We want to identify those centres that have the legs to be world-class and to drive research, innovation and the economy. We have commissioned INI to look specifically at those centres that could become internationally competitive in research.

We asked INI to look at the island as a whole, because some local companies feed off research from Southern Ireland institutions. INI is to determine what else is happening on the island and gauge whether we could lock into R&D centres in the South, and, indeed, in the Great Britain and world markets. Work is being done on the island of Ireland, globally and nationally to see how we can tap into the knowledge generated by other markets.

An initiative designed to help with that is the formation of a regional science industry council. Most other regions in the UK have a group of, if you like, wise men.

Ms Gildernew: And women.

Dr Dobbin: They are mainly people from industry and academia who advise Government on what research should be carried out, whether current research spend is in the right shape and what technological advances should be pursued. We are forming a regional science industry council in Northern Ireland that should hit the road in October. Its job will be to consider areas of R&D and technology in the Province, stimulate technology transfer and encourage the development of R&D.

We have also considered foresight. That means creating a vision of where technology will go in the future so that companies have a roadmap of the ideas and knowledge that they should be acquiring. The results of that work have been a mixed bag. Some of the foresight exercises in the five key areas, which include agrifood and aerospace, have been excellent; others have been weak.

One of the weak foresight exercises was the agrifood industry. Northern Ireland has a strong agrifood industry cluster, but weak foresight. As a result, we commissioned, through the Northern Ireland Food Strategy Group, a report from a team chaired by John Gilliland. It has just produced its findings that show where the agrifood sector could go and how it could move from a commodity-focused basis to generating products that could create great wealth and secure the future of the industry. It is an encouraging report. The regional science industry council will take such work forward.

There are two other areas, the first of which is measurement. At the moment, as part of an EU survey, we measure innovation activity only once every three years. We have recommended that it be measured every year so that activity can be tracked and a watch can be kept on whether policies to stimulate innovation are working. Measuring innovation only once every three years creates too long a feedback loop to know whether an approach is working. Therefore we instituted the yearly survey for Northern Ireland, the first of which will be published in spring 2007.

The second area, which is skills, might lead into Michael Maguire's contribution. It is vital that we build innovation into the curricula for schools and further and higher education colleges. We must create in our young people the skills to innovate and an awareness of the need to innovate. Therefore, through Michael Maguire's group, we have been working on how we can embed those skills in the curriculum, particularly through the new learning for life and work element.

Dr Michael Maguire (Economic Development Forum): As with David Dobbin's innovation subgroup, the skills subgroup took as its starting point the skills issue that was identified in the 'Economic Vision for Northern Ireland'. One of the four drivers is to ensure that our people have the right skills for future employment opportunities. The subgroup's first task was to decide the priorities of such a broad area.

There are four areas on which we felt we could focus. The first is to consider how to increase the literacy and numeracy skills and qualifications of the workforce. The second is to use labour market information provided by employers to clarify what skills Northern Ireland industry will need in the future. The third is to survey managers to gauge their capacity, competence and capability to lead innovation and economic development. The fourth is to review careers information, advice and guidance for all levels of the population.

The subgroup of which I am chairman comprises deputy chairmen from the trade unions, representatives of the voluntary sector, members of the business community and civil servants. In just over a year, the subgroup met approximately nine times. When deciding the subgroup's remit, members agreed on a number of issues around which to cluster discussions. In the beginning, the view was that the subgroup should not try to reinvent the wheel. The subgroup was aware of the fact that DEL was due to publish a skills strategy that would act as the blueprint for future skills development in Northern Ireland. Therefore in the early stages of the subgroup's work, members spent a lot of time with civil servants from DEL, as they produced and refined the skills strategy. As it developed into an implementation plan, the subgroup used the strategy to offer advice and to challenge the issues that were

coming forward. As that discussion evolved, a number of points emerged.

As I have said at previous meetings, the skills strategy is good. It sets out objectively what we should be trying to achieve with FDI, such as encouraging SMEs and entrepreneurial growth in the local economy and enhancing literacy and numeracy, so that individuals have the skills that they need to enhance their employability and that employers have the necessary skills to develop their businesses. Having considered the strategy's aims, the subgroup's starting point was to agree that, in the main, that was the direction in which it should go.

I shall highlight two issues that emerged from the subgroup's discussions. The first is that we need to accelerate work on the future skill needs in Northern Ireland, and the subgroup strongly encouraged DEL to establish the expert skills group on future skills needs, the objective of which is to map out where the economy is going and what kinds of skills will be needed to put it where we want it to be.

The second issue links with some of the points that Mr McAleavey made. Performance management, particularly that of outcomes, is extremely important. Compared to DEL's aims, that area was quite weak. Therefore the subgroup encouraged the establishment of a project to consider specifically how the strategy's outcomes would be measured.

The subgroup presented the strategy to EDF, and there was general consensus that that was the correct way forward. Having set out the strategy, I asked for a breakdown of the funding for the four main themes associated with its delivery. At that point, several issues emerged. Members will have seen my EDF report, which raised questions about the focus of the money and the fact that it was concentrated on one particular theme. That led people to question whether some areas are not funded adequately and whether we have ensured the maximum return from the areas that receive block funding.

The subgroup also considered careers information and advice. Its view was that the concerns go right through the value chain. As young people go through school, their perceptions and career aspirations are shaped by the advice that they are given. The subgroup had concerns about the quality, independence and objectivity of that information and advice. In that context, the subgroup asked for a series of presentations from DEL and the Department of Education (DE) to find out what needs to be done in that area, where the weaknesses are, and what needs to be addressed.

An outcome of those presentations was a three-day conference with DEL, which brought together stakeholders to address what are we trying to fix and identify the problem. At the last EDF meeting, the subgroup presented a series of recommendations from that

process, which gave a much clearer view of what is needed from a careers information and advice service.

The next question — although I will not be around to ask it — is: what will the remodel look like? It is not just about retaining the service in the schools or giving the teacher another qualification; it is about objectifying and providing an independent service to a broad range of young people in Northern Ireland. The question is: how do we move forward?

11.00 am

The next issue that we looked at was management development and leadership. It is not too trite to say that everybody believes that the quality of Northern Ireland managers is critical to the development of the economy. Therefore we invited presentations from the Management and Leadership Network, DEL and others to talk about what is happening in management and leadership.

The first thing that strikes one is that a huge number of people are involved in the delivery of management development initiatives. That raises many questions. What we are trying to achieve? Are the relationships joined up? Is there a context in which all this work takes place? We welcome the work of the Management and Leadership Network, which tried to set out a policy on management development. It looked at the private sector, the voluntary sector and the public service to map out the competencies that are required to improve our management capability.

There were many strengths in that respect. At one meeting we had a large number of representatives from the universities, Departments and private companies who felt that that approach was a good way of addressing management development. We in Northern Ireland are very good at strategising; however, the question is what to do about it. Will there be funding to allow appropriate implementation?

The next issue that we addressed was the development of links between further education colleges and schools. We spoke to the Department of Education and to others about curriculum development and about the options that are open to young people. It is our view that a focus on a particular form of academic education — which is very good in its own right, and I am not suggesting that we touch it — can limit those options. Not everyone is an academic, and there must be other routes into employment. One way is to move the debate beyond the schools to bring in further education colleges to examine the wider range of options that are available. People who may benefit from a non-academic approach could avail of other options through their school career. That is very much part of curriculum development in the Department of Education.

We took presentations about the vocational enhancement programme, the objective of which is to

build strong links between further education colleges and schools. We were very impressed by how the programme has grown, albeit in the face of some resistance from schools with regard to broadening the curriculum. Moreover — and this issue has emerged elsewhere — one bumps up against a perception of the value of what used to be called “vocational education”. The proper term now is “professional and technical skills”. There is more to the education system than doing an A level in English; there are other things that we need to do. We were impressed by the vocational enhancement programme’s attempts to build the relationship between schools and further education colleges.

The vision is in place, and we have tried to align with DEL’s delivery of it. We need to look at the other key players. One of them is the Department of Education. A year or 18 months into the process we began to talk to the Department about the economic intent of the education process and about the Department’s economic intent. As it set out its stall on school performance, curriculum development and improved levels of literacy and numeracy, it became clear that there is a strong economic dimension to education; it is not education for its own sake. I shall come back to that point.

In considering the role of further education, we were impressed by the work that has been done in North Carolina on the role of community colleges in foreign direct investment. We asked for discussions with DEL and Invest Northern Ireland about the links between Invest Northern Ireland and the further education sector, and between it and DETI more generally. The impression that emerges is that there is activity, but it appears to be ad hoc and fragmented. There is no strong awareness of the capability, the value and the relevance of the further education sector in professional and technical skills development. It is either a way of encouraging current employers to develop their in-house training or, equally important, it is a vehicle for part of the package for foreign direct investment. We learned from North Carolina that its community colleges are strongly linked up with foreign direct investment and that they provide an in-house training service to companies that want to locate in the area.

It is about tying the education and training infrastructure into a more economic focus.

Those are the general issues that we examined. I reflected on the economic challenges subgroup’s terms of reference to see what themes were emerging. I want to draw a number of points to your attention.

First, Northern Ireland is good on strategy, but it cannot escape implementation. If you focus on the expenditure profile of DEL and question the funds available for the delivery of some issues on the education side, the presentations raised some questions for me, and certainly for the EDF skills subgroup,

about the Departments' abilities to deliver on their agendas. We can all sign up to those agendas, but will there be follow-through, and is the necessary funding available? In the economic challenges subgroup's report, I referred to the fact that there is a tendency for funding to be based on historical allocations rather than on a planned approach based on the implementation of strategies. We are caught up in past funding decisions rather than working on the basis of present needs.

Secondly, cross-departmental collaboration is critical. The issues that we have already discussed — careers, management development, links with further education colleges and schools, and economic development — cannot be taken forward if Departments are working in isolation. There must be strong links between DEL, the Department of Education (DE) and the economic development agencies in order to progress the relevant and appropriate aims. In the absence of those links, departmental silos might override our common objectives.

Thirdly, we need to examine the education infrastructure; David Dobbin has already mentioned this issue, on which we have a shared view. Higher education receives an allocation of £230 million; further education receives an allocation of £163 million. The extent of DEL's influence in this sector is variable. Universities in Northern Ireland operate under charters, and they can decide what they want to do. David Dobbin has already spoken about the important issue of reaching agreement on the economic contribution of universities.

I asked for a profile of students in further education — whether they were full-time or part-time students and what they were studying. An interesting point emerged. In that, in 1999, priority skills areas were identified to help the FE sector to move forward. Currently, only 30% of students are studying in priority areas; 64% of students are studying general vocational skills; and the rest are in the hobbies and lifestyles category. No one questions whether a child can do A-level English or A-level chemistry. It is a question of supply and demand. For maximum benefit, we need to join the dots between the FE sector, the universities and the economic development agencies.

The fourth theme to emerge from our research was the approach taken to professional and technical skills. People often have outdated perceptions about the nature of vocational training and the quality of FE provision. The EDF skills subgroup's view is that further education is critical in widening the options available to young people. An increase in the number of smaller colleges would help to crystallise and develop that sector. However, we need a different mindset about vocational professional and technical skills, because they can be undervalued.

Expenditure on skills development could be driven by a GB initiative. Why does Northern Ireland, with a population of one and a half million, have 13 sector training councils and 25 licensed sector skills councils? The reason is that England and Wales have that number of councils, and that is not necessarily the best logic to use in trying to develop a training infrastructure in Northern Ireland. Departmental officials did not agree with us on that issue. We must focus on the needs of our local economy.

Finally, it is important to set some parameters that will establish, as Dr Dobbin has been doing in his area, where the future skill needs are. The work that the Department has started in that area is important in the context of the expert skills group.

I have a written paper, which I shall leave with members when we are finished.

The Chairman (Mr McClarty): I thank Mr McAleavey, Dr Maguire and Dr Dobbin for those interesting and informative presentations. No doubt they have generated a number of questions in members' minds.

Ms Ritchie: Thank you for coming along today. We seem to have met on various occasions now.

Dr Dobbin, in your submission, which follows on from last week's, you say that we need more PhD students in five specified technology areas. Do you think that that is an area in which some of the economic package could be invested? What do you see as the benefits and costs of those initiatives?

You also referred to the fact that our two universities are developing an economic development plan. When will they have that ready? It could inform some of our work, given the limited nature of our timescale.

Dr Dobbin: The costs will be part of the report that the two universities are working on, to some extent. The subgroup could contact Prof Gerry McCormac at Queen's. He is working with both universities, and he presented the draft report. I could contact him and ask him to get in touch with the subgroup.

When we talked initially about nanotechnology, the universities said that £1 million a year would make a big difference. I do not know whether that figure would scale up, meaning that the five sectors would need £5 million. Some of the sectors have currently more PhDs students than others. We have asked that, rather than come along with ad hoc requests, the universities give us a proposal across the economy. It may well be that some of the money might come from the redirection of existing spending. For nanotechnology, they are talking about £1 million per annum making a big difference and taking us from under-provision to being well provided for. I am assuming that the sort of spending levels that they are talking about across all

the sectors would be £3 million to £5 million. However, the universities are looking for money for other things as well. We have not asked them to tell us what they want but how much they want, what we would get for it, and how it would make a difference.

Mr Paisley Jnr: Thank you for the informative presentation. I have a couple of quick questions and one substantial one.

When will John Gilliland's report on agrifoods, and the universities' report, be ready? Can we have access to them?

Dr Dobbin: John Gilliland's report on the food foresight exercise is complete and documented, and he presented it at an EDF meeting this week. I can contact him and get him to forward the report to you. It is now in the public domain. The agrifood sector is now looking at how to take the report forward, based on the recommendations that it contains on what areas should be looked at and what we should be doing. That report is available.

We can get you a draft of the universities' report. I will contact Gerry McCormac today, if the subgroup will tell me whom he should get in touch with.

The Chairman (Mr McClarty): The Committee Clerk.

Dr Dobbin: If somebody will contact me —

Mr Paisley Jnr: We can do that in the margins of the meeting.

To liken the Northern Ireland economy to a car, it is driving along reasonably well. There are some structural problems; a bit of rust on the chassis; it might need some new wheels and a couple of go-faster stripes. Generally, it is moving along, but it wants to be in the fast lane and to take off.

Based on what you gentlemen have told us, there are a couple of things that we can do. We can pull over and do a restoration job from the ground up, which will cost money that we might not have. Alternatively, we can pull over, open the bonnet and stick a turbo-charger in, and get out into the fast lane. Bits might still fall off, and it might eventually need to make a pit stop at some future point.

What would the turbocharger look like? What do we need to put in to really make the Northern Ireland economy take off into the fast lane?

Mr McAleavey: That is a hard one. That is what we are trying to find out.

There is much argument on the subject. We do not know what the cost would be if we decided to pursue the outcome of one or all of the five or six scenarios that we are talking about creating.

We have all examined the issues and considered what form a quick fix might take. The subgroup has focused on matters such as fiscal incentives. We have discussed matters such as corporation tax, but none of us believes that one measure alone will fix it or make the difference. We have all come to the conclusion that we need a number of measures in place, such as foreign direct investment, skills, infrastructure, R&D, and innovation.

11.15 am

Dr Maguire: To use Mr Paisley Jnr's analogy, we have a car that is moving forward. There are times when different people are steering, working the gears, and working the foot pedals. It would be nice if we all worked in unison so that we could all go in the same direction.

As for the skills agenda, the medium-term issue is to ensure that what we are doing is bound up in a manner that places investment in areas in which it is needed, so that we can build and raise the skills levels in areas of need.

There are two answers to the question of where those skills are needed. First, we must set out our stall and state precisely the areas on which we wish to focus. The expert skills group will be examining, in a manner that has not yet been decided.

Secondly, one must examine the DEL skills strategy in deciding the areas that require more funds. If one examines the profile of DEL expenditure on management development, one sees that that is quite low — something of the order of £1.3 million. Let us not forget that there are many others occupying that sector. The universities do management development work, as does the private sector. We must consider how to bring that together so that the sum total is bigger than the individual parts.

We must also consider the skills that are provided to those in employment and how we can maximise and up-skill what people do in the workplace. Raising skills levels can contribute to the longer-term objective of creating a more attractive economy.

Mr Paisley Jnr: I certainly agree that, in the immediate term, we must seek a united voice on what we want the future of the economy to look like in order to get us to our destination. We need that united political voice, but we also need a united business voice that can inform us. We certainly do not have a united voice at a political level, but that does not exist at business level either. We must get to the point at which we really can agree on the issues and move forward.

There will be negotiations in the next few weeks with the British Government. All the parties represented here will attend those negotiations. Others who have come before this subgroup have told us not to sign up

to anything until we secure a financial package. They told us that we have optimum strength before we sign. In the next few weeks, what demands of the British Government should be on our blank sheet of paper? What demands must be fulfilled before we sign on the dotted line?

Dr Dobbin: One of the difficulties that we have in answering that question is that we are here today to represent the EDF. I gave evidence last week as to what the business sector would do. If we were to ask that question to the EDF, there would be a different answer, because it includes stakeholders from trades unions and the voluntary sector.

There has been general agreement within the EDF on the four key drivers that we have discussed today: infrastructure; skills; enterprise; and innovation. Besides those drivers, there is the issue of fiscal incentives, on which there is no unified consensus, particularly when one considers the trades unions' views. There is no consensus on whether fiscal incentives alone will be the big weapon or the silver bullet.

In my opinion, leadership is the big dimension that would make a difference. I do not wish to be controversial, Ian, but I do not think that anything will happen until we have local politicians who are accountable to the electorate; who have Northern Ireland's best interests as their top priority; who are listening to local stakeholders; who are agile; and who can override the wheels of government and the bureaucracy of our Departments. The car is hardly out of the garage — no one wants to drive it fast or take a chance in case they crash or run out of petrol. We must get the car out and put the foot down. It takes leadership to do that.

Civil servants will persuade you that, if you take the car out onto the road, you might get a puncture; so they will pack a puncture repair kit. The car might run out of fuel; so they will pack a can of fuel. By the time that the car is loaded down with all the anti-risk provisions, it has not moved. Political leadership is required.

The Southern Irish economy is different from that in Northern Ireland in that the public sector works with elected representatives and business to get things done. Here, the public sector has almost become the Department of sales prevention. One reason for that is our culture. There are good people in the Civil Service who want Northern Ireland to do well, but the system is built on stability and preventing things from happening quickly. A political hammer is needed to break that; we need devolved Government.

I must leave as I have another appointment, but I have started quite a row. *[Laughter.]*

Mr Paisley Jnr: Chuck a grenade and run.

Dr Dobbin: Everyone is so encouraged by the work of the subgroup. A wide range of stakeholders — not

simply people from the business community — could sign up to the subgroup's report. It would also be largely accepted by trades unions and the voluntary sector. There may be areas that they would like to see more or less of, but it would be generally accepted. Those sectors are very enthusiastic about how people with different constitutional viewpoints can come together to put economic benefit first.

To summarise my answer: we need leadership and intervention. We need Ministers to tell civil servants when something is not good enough and to encourage them to find a way to make things happen — to proactively attempt to find a cute way round the problem. Our guys will analyse a problem to death, and that is the difference. We know what must happen; we just cannot make it happen. You guys could, so we need to get your car out of the garage and into the fast lane. *[Laughter.]*

I accept that there are all sorts of reasons that devolution cannot happen: there are constitutional hurdles; criminality hurdles; policing hurdles. You guys could spend the whole day telling me those reasons. When I get up in the morning, I do not think about those things first. I talk to my kids, my wife and my friends; we do not talk about those things first.

Let us try to build a better way. None of you will argue against building a better way of life for our citizens. To do that, a clever way of boxing the constitutional issues needs to be found, allowing those issues to be dealt with in time, and another way needs to be found to open the box of things that we all want to get our hands on: a better way of life; jobs for our young people; secure homes for our older people; better hospital treatment; better schools; and better roads. We need all those things.

The DUP could sign up to it; Sinn Féin could sign up to it. Indeed, all the parties could sign up to it, but yet we cannot get the car out of the garage. Leadership is a vital ingredient to make those things happen, and leadership will drive forward the subgroup's ideas.

With that, Chairman, I must leave. I hope that I am not attacked on the way out. *[Laughter.]*

The Chairman (Mr McClarty): Thank you very much, David. What are you doing on 11, 12 and 13 October in St Andrews? *[Laughter.]*

Mr Weir: For a moment, I thought that you were going to say July.

Mr Paisley Jnr: He is playing golf.

Mr McAleavy: David enjoys doing that. However, the EDF is in full agreement on his point about leadership. The big issue for the forum concerns how priorities are set. The ambivalent situation that has existed for so long means that things move very conservatively. The risk-averse culture has really taken

hold and it needs to be broken; only the political leadership of a Government can do that.

Mr Paisley Jnr: What will happen if the leadership is constrained in an apparatus within a framework? Before the rubber hits the road, we need to get a signed-up deal on finance with the Government. What would be on the blank page of that deal? We must identify the critical issues so that, when we do put our foot on the pedal, the car goes in the direction that we want it to go.

Dr Maguire: At this stage, we know the range of activities in which we need to be involved. They are presented in the subgroup's report. As the report is being refined, what needs to be done is becoming clearer. It comes back to the issue of leadership.

Taking the skills agenda as an example, you can invest more money in developing skills. You can invest more money in management development or training for adults. However, unless you are in the driving seat in order to ensure that the dots are joined up, you will either under-deliver or the money will not be spent as intended. You cannot divorce the two; throwing money at this problem will not solve it. Money is part of the package, and you need to put that package together.

In a small way, one benefit of the EDF has been to bring together cross-departmental views and to challenge the silo-based approach. If that happened at ministerial level, things would get done.

Dr Birnie: Thank you for coming to the subgroup. I have two questions.

First, most experts think businesses must network, cluster and work together more. How can that be promoted?

Secondly, I want to ask something with particular respect to Michael's contribution about independent careers advice. John Dallat, Roy Beggs and I feel a sense of déjà vu about that issue. It has been going on for some time, and we thought that we had dealt with it five years ago through the Committee for Employment and Learning. How will independent careers advice be undertaken? Clearly, you are right.

Dr Maguire: I shall deal with your second question, and Seamus McAleavey will answer the first.

I was struck by a conversation that I had with a grammar school headmaster at a conference that we held on careers advice. I asked him how careers advice was undertaken in his school. He told me his teachers' hierarchy of duties: their subject came first, followed by departmental administrative work, followed by careers advice. He reckoned that he could improve the school's careers service were he allowed to appoint a qualified teacher to dispense careers advice.

My response was to advise him not to do that, because those who give careers advice to young people often have a vested interest. The careers advice that is given to young people often contains a lot of misinformation. Take, for example, the training shortage that now exists in the ICT sector. A number of years ago, people were advised not to enter that sector, so it is now experiencing a lag in recruitment.

Moreover, not everybody requires the same degree of support, advice and independence when it comes to careers advice. That is why the model that should be proposed must be first examined closely. I would not be in favour of simply throwing more money at schools in order to increase the number of careers teachers.

Dr Birnie asked how an objective, independent careers service could be put in place. My personal view is that it should be sited outside the schools system entirely. A range of information from a variety of different sources could then be accessed. Those young people who need a more intensive and supportive approach to careers advice can obtain that either through what currently happens in schools or through independent careers teachers.

The delivery model is important. One benefit of the conference that I attended was that recommendations on professional independence, and so on, came out of it. Therefore, it is a case of so far, so good. The next question to ask, however, is what an independent careers service will look like. My view is that an independent delivery mechanism is needed, because I am not convinced that the schools would be best placed to deliver it.

Mr McAleavey: Roy and David were in attendance when the permanent secretary of DEL reported to the EDF meeting on Tuesday that an independent careers advice service would be put in place for us all — from school onwards.

Apparently, many people are saying that the incentive for schools is to keep kids in the schools that they are already in. The FE colleges make that point very strongly.

Mr Ford: As the husband of an FE lecturer, I should probably declare an interest.

Unfortunately, David Dobbin has disappeared. I specifically wanted to follow up on a number of his points. However, I shall ask instead about the broad theme that arose from Ian's questioning. Michael Maguire, in effect, said that the DEL skills strategy is a good thing but then questioned Departments' ability to deliver.

David talked about the foresight exercises and, specifically, the weakness in the agrifood industry. That was highlighted in John Gilliland's presentation at Tuesday's EDF meeting. The one problem that I had

with his presentation was that he said that we need a champion; it is unclear to me where the champion for the agrifood industry will come from.

Seamus McAleavey made the interesting suggestion that we suffer from a lack of enterprise culture. He included the public and voluntary sectors in that. Ian had a point when he said that we must know how much money we shall demand for what from Governments as part of a settlement. How do we build the capacity to deliver that involves government, including MLAs; the business community; the voluntary sector, and trades unions?

How much has the success in the Republic been down to its having a much better partnership model than we have seen here? How much do you think that the working of the EDF could help that become a realistic achievement rather than its simply being an exercise in starting to bring people together?

11.30 am

Mr McAleavey: I have been a member of the EDF for quite a while, and it is far from the partnership agreements that they have in the Republic, because the EDF is an advisory body to the Minister. We have not reached the stage where differences are well aired and argued over before agreement is reached. The EDF must get to that point, because that would add something.

Everyone agrees that we have a problem with enterprise and in creating a more enterprising people. Risk aversion is the dominant force in the public sector economy of Northern Ireland. That is therefore where political leadership is needed, and much also depends on performance management. Michael Maguire knows more about that, because his company has carried out such work in the South, where there seems to have been a cultural change to a “can do” attitude in public service. Presumably, people are rewarded — and not just financially — to encourage them to do things quickly, take risks and be measured in the round. We do not have that in the North.

Mr Ford: Do we need to scrap the Public Accounts Committee? Sorry, John.

Mr Dallat: That was my question.

Mr Ford: Is there a problem with our risk-aversion culture?

Mr McAleavey: It is a matter of how it is used. Public servants are sometimes measured on one issue; that does not happen in the private sector, where judgement of performance is much more in the round.

Ms Ritchie: No PAC. *[Laughter.]*

Mr Dallat: I am glad that we have dropped the analogy of the car and innovation. At one stage I thought we were going to develop straight-through

exhausts for raising turkeys. We could have greased nipples for frogs as well.

Perhaps we could pick up on the last point, because it is important. How would you change the Public Accounts Committee to ensure that there was still accountability and that the level of service to the public was maintained? Any new Assembly — and certainly my party — will address that issue, but let us hear what was wrong.

Dr Maguire: No one questions the fundamental importance of the Public Accounts Committee. It is important in holding the public sector to account and in ensuring probity in public finance. No one disagrees with that.

However, there has been too great an emphasis on compliance, and I have no doubt that that has led to a risk-aversion culture in the Civil Service.

I remember the media hype around the situation in New York concerning the Northern Ireland Tourist Board and expensive bottles of wine.

Mr Dallat: Which was a scandal.

Dr Maguire: Perhaps you were involved in that. That missed the point. At that time I was working with another tourist body in New York, and I can tell you that unless people from the industry were brought to a good restaurant and looked after well, they would not even entertain you, because Northern Ireland is such a small place. The question is not so much what was spent on a bottle of wine, but how many people came from North America to Northern Ireland?

One area in which the PAC could develop its thinking is in examining outcomes, without always focusing on inputs. One of the difficulties of a compliance report that simply looks at inputs is that it makes people risk-averse. No one wants to be caught out; no one wants to be brought before a Committee and told off for what they are doing.

Compliance reports are important, but I am not sure that we examine outcomes enough, and that is an issue.

Mr Dallat: I am sure that all those suggestions could be taken on board. It was not the bottle of wine that bothered me, but the spa services.

My next question is more important. Until a few years ago, it was common for some teachers to tell pupils who had not done their homework that, if they were not careful, they would end up working in a factory. I am sure that that does not happen now.

There is still a problem with vocational education, so much so that it is now called “professional and technical skills”. I do not agree with that; vocational education is highly honourable.

Links between schools and colleges of further education are very welcome, though, as you say, they

are not evenly spread. I know that it works extremely well in Limavady. Outside of that, I do not know.

Is it not time to look at the overall education system, which vigorously promotes academia, but classifies 75% of students as failures? Is there anything to learn from models in the Republic, where community schools were developed in the 1970s? Is there a parallel between the community schools in the Republic and the community colleges in North Carolina?

Dr Maguire: Those are interesting questions. Previously, I was asked about A levels. My view is that they are important. Employers understand A levels, and they provide a good route for those who want an academic education. Good schools in Northern Ireland produce good students at A level who go on to university.

I do not want to get into a debate about the Costello Report, but it focused on specific issues, two of which were selection and grammar schools. I am nervous lest, through the education reform process — and I am not speaking now on behalf of EDF — we break up what is good in the education system. The grammar school system is good, and so is the A-level qualification. However, it is not right for everyone. Therefore we need to broaden the range of options that are available to young people.

I agree with you that professional and technical skills, as they exist in some FE colleges, are top class. However, there is a perception and baggage associated with that. The EDF has a role to play in encouraging the wider community to value that sector. I have raised that with the EDF. It could help to end the perception that it is a failure to be in the FE sector and to not do A levels.

That does not mean that we should stop doing what is good in the education system; it means that we must broaden the options. That is one of the benefits of what the Department of Education is trying to do, and it needs to be encouraged. However, quite often it focuses on the wrong things. The debate about education reform has led to discussion about curriculum development, broadening options and school performance. My personal view is that if schools are not doing well, they should be closed. Let us improve those parts of the education system that are bad, rather than simply attack what is good.

Mr Beggs: You have said that only 30% of students are in the high-priority skill areas. That is a dreadful situation. Presumably, those are areas in which there are job opportunities and likely vacancies. There is a need to address the needs of the economy. Independent careers advice is progressing very slowly. That is another indication of the slow pace of change. An Assembly Committee identified that as an issue in a report five years ago. Other than changing the careers advice that is available to students or pupils in schools, what other

mechanisms need to change so that our FE and higher education colleges reflect the needs of the economy?

You said that there is a collaboration fund of about £3 million, and you expressed a preference for that money to be spent in FE rather than HE, in order to improve links between small companies and educational establishments. The HE sector is remote from most small companies, whereas the FE sector is more spread out throughout Northern Ireland, and has better contacts with small firms. What reasons have you for preferring the money to be spent in FE as opposed to HE?

Dr Maguire: You have made several points, Roy. Good local links exist between employers and the FE sector to assist in developing the curriculum and courses that are specific to employers' needs. There are some very good examples of good practice in that area, and that needs to be encouraged.

However, the risk of using that approach on its own is that it can be a short-term exercise. Employers will look at what they need this month, next month or this year, and that can drive the curriculum. We need to complement that — and, to be fair, this is what the Department wants to do — with a top-down view that there are two or three areas, either in the development of generic skills or in particular areas such as nanotechnology, that we want to get involved in. In the main, the FE sector is probably closer to employers because of the nature of the local links. It has a much greater capacity to influence the shape of provision.

My point about the 30% of students in high priority skills areas was that getting more students to take those priority subjects was as difficult as turning a tanker. We can set out our stall and list the areas in which we are going to work, but when a student turns up at a college to decide what course they are going to do, that is their choice. How do we measure that individual choice? It can be done through the funding mechanism or by strengthening links with employers. That comes back to careers education, because people can be told that if they do one thing they can get a job but if they do something else they will not. Young people will vote according to where they need to go. That is what pushes us in that direction. Dr Dobbin and I have spoken about this before. The economic alignment, for want of a better word, of the work that is coming out of the universities will be important, because it will begin to crystallise the contribution of the universities to economic development. However, the links with the FE sector are closer.

Mr McAleavy: The FE sector can make links with small businesses more easily. Northern Ireland is a small-business community, and the vast majority of people are employed in small companies. Many of them would see themselves as being way down the

food chain from the universities. The FE colleges believe that they can do something in the way of local R&D for those people, and there are some good examples, such as the Greenshoots-Newry Ltd incubator units in Newry and Kilkeel Institute of Further and Higher Education. That needs to be enhanced.

Ms Stanton: It was good to hear your presentation on the integrated approach. When we talk about opportunities for all, we really have to believe it ourselves and break down the old system. Although we are talking about colleges, A levels and universities, we have to talk about a younger age group. As a parent who has one child at Queen's University, one at college and three at grammar school, I believe that we have to look at the individual needs of every child. If we do not change that old system in which the academic path is more highly valued than skills education, the economy will not progress at all. We are not identifying the needs of the individual, and there will not be opportunities for all. The brain drain out of the Six Counties will continue unless we recognise that situation and underpin it. Only then will the economy be successful.

Mr McAleavey: There is an argument that greater intervention in a child's early years would have the biggest payoff. The work that we have done in Northern Ireland is limited and has depended on specialist funds. The best example is the Urban Community Initiative on the Shankill Road. European money was put into a resource to work with children under five years old. That was because the situation with the 11-plus failure rate was so dire. The local community, voluntary organisations and others got together to run that. Usually, once those special funds run out, they are gone. We have not had a co-ordinated approach to deal with that issue.

Ms Stanton: Young people have their own individual qualities that appear in different ways. It is about recognising that and breaking the status quo. Otherwise, nothing will move forward.

Dr Maguire: I am coming to the view that if you build it, they will come, so to speak. Investment in education will result in a pay-off for the economy. We do not need to be too prescriptive; there needs to be some consequence in where we invest in education, but giving people the opportunity to progress, whether through an academic or a professional and technical route would pay off in the long term.

It is a very small anecdote, but a senior civil servant in the Republic of Ireland told me about one of the major multinationals that had located in the Dublin area. After it had gone through all the financial packages and spoken to various universities, it actually spoke to local schools and was very impressed by the quality of people in the local school system.

11.45 am

Ms Stanton: Research has shown that a child's birth order in the family can have an effect on his or her future. There should be an integrated approach so that everyone has the same opportunities.

Dr Maguire: One of the themes to emerge from the work of the skills subgroup is the need to champion and value professional and technical skills, as well as an academic education.

Mr McAleavey: The big argument in the United States at the moment is that investment should be focused on the knowledge economy, or the creative economy. It follows the talent; it no longer follows grant support. The leaders of the new technology industries will not just place their investment where the Government give them extra money to do so — they cannot afford to. They will not be bought to invest their money in the wrong place. The important issue for us is how to develop the talent.

Mr Smyth: I have one question, one observation and one point of information.

You talked about building knowledge transfer between business and higher education. One thing that you should be aware of, and which did not come out in your evidence, is that knowledge transfer has a very low priority in higher education. The real emphasis — wrongly in my view — is on research and the Research Assessment Exercise (RAE), and no real progress will be made on knowledge transfer until that issue is addressed.

With regard to the agrifood foresight report by John Gilliland, I did some work on a similar exercise with Teagasc, the Irish Agriculture and Food Development Authority in the Republic. I wonder whether Mr Gilliland is aware of that or whether he has dipped into it. It was a comprehensive exercise, completed about nine months ago, and it may have some relevance.

To help the subgroup to meet its terms of reference, could we have some clarity on the Economic Development Forum's analysis of Northern Ireland's key problem? Do you agree that that problem is low productivity and the need to tackle it and close the living standards gap?

Several witnesses have suggested that — although it is not a silver bullet — the sufficient condition for closing the productivity gap, to use a mathematician's language, is a corporation-tax break. All the other measures dealing with skills and so on are important and necessary conditions, but they are not sufficient to be used on their own within any kind of reasonable timescale.

Dr Maguire: I refer the subgroup to EDF's booklet 'Working Together for a Stronger Economy'. As Dr Dobbin said, the EDF, as a coherent body, has not

expressed a view on corporation tax because of the variety of different stakeholders in the organisation. If you asked me that question when I was wearing my Business Alliance hat — which I am not — my response would be the same as the previous time that we met, which was that there is a menu of options and that is one of them. However, going for that option on its own is risky. The EDF has not discussed whether corporation tax is the solution.

Mr McAleavey: Our position in the voluntary sector is similar. We do not think that a corporation-tax break would work on its own. If it were introduced tomorrow morning, I do not think that it would change everything — it is not magic. Our trade union colleagues on the EDF have a strong view that they do not want to race to the bottom. They also believe that the economic changes that took place in the South started to happen before the corporation-tax cuts kicked in. They believe that it was not the key factor.

The Chairman (Mr McClarty): Seamus and Michael, thank you very much for your evidence. I am sure that members found it extremely helpful, and it will add to the debate.

Mr McAleavey: Thank you. We will leave a copy of ‘Working Together for a Stronger Economy’ for members. It is fairly straightforward and easy to go through. Some members may have already received copies.

Dr Maguire: I have hard copies of my presentation.

The Chairman (Mr McClarty): That session overran slightly, but it was important to give as much time as possible to those giving the presentations.

Michael Smyth, who has collaborated with Graham Gudgin, will now review the evidence to date. Copies of Michael’s papers are contained in the members’ packs for today.

Mr Smyth: The papers that I have submitted are, respectively, a summary of my understanding of the evidence to date and a framework for considering the issues that we must confront. My presentation today is slightly more developed, and I will talk members through it.

This is rather embarrassing: the presentation is on my other laptop. In essence, the key issue on which we must reach some consensus — and Graham Gudgin agrees — is holding the line in relation to the “dismal science”. I look to Esmond Birnie to support me on that.

We must be clear on whether the subgroup agrees on the nature of the economic problem that faces Northern Ireland. One consideration is the legacy of conflict: our economy was produced by circumstances unique in the United Kingdom. Over the past 40 years, public expenditure has been used, with the best possible

motives, as a surrogate or substitute for private sector investment. That has produced the economy that we have today and, sadly, the distortions that were discussed in evidence. Two slides from my presentation, which I am unfortunately unable to show to members, demonstrate one of the main distortions apropos the evidence that we have just heard: the average non-manual earnings in the public sector are a degree above the average non-manual earnings in the private sector. In a normal economy, it should be the other way round.

The second slide shows the situation in Great Britain. Not only does it show that average private-sector earnings are higher than those in the public sector, but it shows that the gap is widening, as one would expect, because of development. The opposite is true of Northern Ireland, and, during the past decade, there has been no sign that that earnings gap is narrowing.

That is a product of the pervasive influence of the public sector here, which has happened for the best of reasons. Coupled with that, Northern Ireland — compared with its nearest neighbour, the South, and the United Kingdom — has had a relative dearth of value-added foreign direct investment. There has been some, but the consensus view is that it has not been of the right type. As a result, Northern Ireland is a lower-wage, low-productivity economy.

The evidence given thus far has shown that the key economic problems in Northern Ireland are low productivity and the low-wage levels that go with that. The challenge is to determine how to boost productivity levels in Northern Ireland within a meaningful timescale, and, in doing so, close the gap in average living standards with the rest of the United Kingdom. The time constraint has been understated. Evidence from Victor Hewitt of the Economic Research Institute for Northern Ireland states:

“It is clear that on present performance there is no prospect of the Northern Ireland economy making significant progress in converging with the average in the UK never mind the Republic of Ireland in the lifetime of anyone now present.”

Furthermore:

“Continuing to do what we have always done will by and large produce the results that we have always achieved.”

The question is whether we are prepared to accept that.

In his evidence to the subgroup, Sir George Quigley said that the challenge was to find ways to develop and implement a new model that delivers a high-value-added, export-driven and well-balanced economy. He highlighted that that would close the persistent wealth gap and the growing productivity gap between Great Britain and Northern Ireland, and still more between

the Republic and Northern Ireland. Sir George cautioned that only a highly productive economy is capable of remaining competitive and, therefore, sustainable.

My strictly economic interpretation of the evidence so far is that there seems to be consensus that a corporation-tax break would form a large part of the solution to the economic problem. However, it is not a silver bullet. Why is it so important? Victor Hewitt suggests that new instruments, of a different order of magnitude than have existed hitherto, are needed.

The proof, or exemplar, of the power of low corporation tax is on our very doorstep, in the Republic of Ireland. Victor Hewitt also said that no other big ideas are floating around. In my examination of the evidence, I have not found any other big ideas floating around. I am minded of Mrs Thatcher's famous, exasperated TINA words — "there is no alternative". Frankly, Graham Gudgin and I believe that there is no alternative.

Why is the focus on corporation tax? Time and again, we have heard about the simplicity of a lower corporation-tax rate versus other fiscal incentives such as enhanced capital allowances or R&D tax credits.

The evidence on R&D tax credits shows that, in the short term, they will have relatively little impact on the Northern Ireland economy. They take a long time to kick in, and, in the meantime, things move on.

12.00 noon

One may ask how the productivity gap will be closed. Consensus on that is unambiguous. Foreign direct investment will lead to higher productivity and will drive up wages and living standards; that is unambiguous. FDI jobs pay between two and four times the average earnings in the Republic of Ireland, and the working hypothesis of the Economic Research Institute of Northern Ireland's (ERINI) research is that the average FDI job is factored in at twice the average earnings. The subgroup should bear that in mind. It may be more, but that is the assumption that ERINI is making.

Evidence from the economist intelligence unit, which is provided in today's written evidence from the Industrial Task Force, shows that global FDI flows will continue to increase, particularly on a transatlantic basis between North America and Europe. Furthermore, until 2010, the Republic of Ireland will capture 1.58% of those global FDI flows. That is the equivalent of almost \$5,000 per head, and if that were applied pro rata to Northern Ireland, it would be the equivalent of £4 billion per annum. That would be greater than the amount of FDI that Northern Ireland has had, per annum, over the past decade.

My next question — if you accept my interpretation of the evidence, and you might not — is how long might corporation tax and the subsequent FDI flows

take to close the productivity gap? We might have our first insight into the answer to that question in Victor Hewitt's paper that is tabled for today; I have not seen it yet. He is trying — independently of David Greenaway and Frank Barry — to produce for the subgroup a flash estimate of the scale of FDI that we might expect and how long that would cross over with the shortfall in tax revenue. I do not know what the business case is, so I do not know how long it would take to close the productivity gap.

I will move away from corporation tax soon, but first I will consider how the modalities of the corporation-tax break for Northern Ireland might work and how they might come about. The Azores case, which I have read several times, points up three qualifying conditions that Northern Ireland must meet. If Northern Ireland meets those three conditions, it is my understanding that a corporation-tax rate in Northern Ireland that is lower than the UK average would not contravene EU state aid rules.

The first condition is that Northern Ireland must be politically and administratively autonomous within the UK, which means that there should be a devolved Government in place. The second condition is that the Northern Ireland Government must unilaterally decide to introduce the differential corporation-tax regime, without reference to central Government. That means that the devolved Government should have tax-varying powers. The third condition is that any tax revenue shortfall, resulting from the corporation-tax derogation, should not be made up by a fiscal transfer or grant from the national Government, but from within the existing fiscal arrangements. Northern Ireland would, therefore, have to take the hit and make up the tax shortfall from within its own public expenditure resources. Those are facts, and I am giving no views on them.

Witnesses have brought forward a number of points in relation to persuading Her Majesty's Government to agree to the corporation-tax break. First, there are the political arguments that are yet to happen, and I will say no more than that. However, I have pulled some evidence together on the economic arguments. I remind the subgroup of Northern Ireland's asymmetrical position within the United Kingdom. Northern Ireland is the only region of the United Kingdom that has a land frontier with the euro zone. That land frontier is the Republic of Ireland, which has undergone an economic transformation in the past 15 years. Comparisons are odious, but we keep making them.

Thirdly, there are the distortions caused by the differing fiscal positions on either side of the border, which go to the heart of the Azores decision. The key criterion for the European Commission is that a subregional derogation of tax must not create tax distortion. We are already dealing with huge fiscal tax

distortions. Is anyone in any doubt about the effects that the distortion in the corporation-tax differential has had here? I also remind the subgroup of the differential in excise duties, from which, I take it, we are all guilty of benefiting. Then there are the distortions created by the VAT differences, and our struggle to get a coherent response from Her Majesty's Treasury on the landfill and aggregates tax. Thus, we are the victims of fiscal distortions of an unprecedented scale in the United Kingdom, and that is an important argument.

Furthermore, Northern Ireland's legacy of political violence has long been recognised by our Government, by the Southern Government, and, more importantly, by the European Commission. The EU Special Support Programme for Peace and Reconciliation in Northern Ireland — the Delors programme — explicitly recognised that, and was followed by the Peace II programme. For many decades, we have successfully pleaded a special case for additional resources from Her Majesty's Treasury. We cannot do that any longer, but the precedent exists.

There are other issues, such as double taxation and the displacement effects in the rest of the United Kingdom of a derogation on corporation tax here. Would Northern Ireland suck away investment from the rest of the UK if businesses took advantage of a tax break here? What would the Southern Government's attitude be to a tax break here? Those are very real issues.

That is my broad summary of the big issues from the evidence thus far.

I now turn to the rest of the economic package. I had a severe case of *déjà vu* this morning. Last week, the Business Alliance urged a ring-fencing of spending in key areas of public policy for what it termed "a honeymoon period". In particular, it urged that the industrial development budget be ring-fenced in the context of increased foreign direct investment flows.

As expected, there was consensus in the Business Alliance that the £30 million energy package — previously agreed with Ian Pearson, Minister of State with responsibility for the economy — that was deemed to violate state aid rules should somehow be used to offset the impacts of derating and other cost pressures on the manufacturing industry because that would be within state aid rules.

Furthermore, the Business Alliance urged further education colleges and universities to play a more proactive role in economic development, and that view was echoed here this morning. Some plans on that are forthcoming. It called for evidence-based policies, prioritised by ease of implementation, economic impact and other criteria.

The Business Alliance urged us to look seriously at prioritisation in the skills agenda. We have the necessary

skills strategies, but we may not be prioritising and funding them effectively. It emphasised the importance of finding routes into worthwhile jobs for those with zero or low qualifications. It raised the fundamental "top and bottom" issues, or vocational education: how to retain our best and brightest, but also how to find worthwhile careers for those with few, or no, qualifications. There was some development of those arguments this morning.

The Industrial Task Force, in addition to its evidence on corporation tax, put forward a human resources agenda aimed at tackling underachievement in primary and secondary schools and strengthening the role of further education colleges to enable them to respond more effectively to the needs of their locality, especially in the context of foreign direct investment. It cited the US community college model, on which the research is encouraging.

The Industrial Task Force (ITF) urges that the output of higher education should be moulded to better fit the changing profile of our economy — perhaps that echoes an earlier point — and that measures to tackle adult literacy and numeracy, which are seen as serious barriers to getting on the lifelong-learning ladder, be introduced.

The Industrial Task Force stresses the importance of measures to address economic inactivity. I discussed this with Graham Gudgin; it is a bit like motherhood and apple pie: it is a big, big issue. Legislation and policies are forthcoming on it. We need to consider that issue in more detail when we discuss item 3 in the subgroup's terms of reference. Furthermore, the ITF urged the establishment of a unit in the Executive to co-ordinate the human resources agenda in its totality.

Turning to innovation, the ITF called for innovation-oriented, multifaceted policies. Logistics, products and processes, business models and marketing: all of these are capable of innovation. The ITF raised the question of whether INI, as it is presently constituted, is not quite fit for purpose, which raises serious implications for INI.

The ITF called for the establishment of a technology sector to help businesses to benchmark and reposition themselves within their sectors. Work on that is taking place, but the ITF urged that it be systematic.

The ITF also called, as did EDF, for more PhDs in the areas of life sciences and engineering, etc.

According to the ITF, tourism, which was for so long the Cinderella industry in Northern Ireland, holds the potential for a more even spread of employment opportunities. Evidence provided shows that Northern Ireland might not be exploiting its existing tourism assets effectively. That theory could be developed during this afternoon's focus group.

InterTradeIreland referred to North/South opportunities. Graham Gudgin and I agree that the rationale for policy co-ordination on a North/South basis must be underpinned by the identification of market failures. It must be shown that the two jurisdictions, acting in partnership, can give a more cost effective solution to market failure than when they act independently. To that end, there are four broad areas where North/South collaboration on policy co-ordination is possible. They are: science, technology and innovation; labour market skills formation; trade and investment promotion; and enterprise and business development. That is purely private-sector activity. For wider economic co-operation, there are opportunities for the joint supply of public goods, such as health and education services, transport provision, waste management facilities, and environmental services.

To meet its terms of reference, the subgroup must come to a balanced view on the key problem facing the Northern Ireland economy. The majority of the evidence suggests that the main problem is low productivity, which is leading to low wages, low skills formation and lower living standards. If that is correct, the solutions will be found by determining the necessary condition and the sufficient condition. Is corporation tax the sufficient condition? Are measures such as higher levels of public expenditure, ring-fencing investment in skills and training, reform of the secondary and further and higher education systems necessary, but not sufficient?

I hope to be able to help members to come to a conclusion on those issues in this afternoon's session.

The Chairman (Mr McClarty): As the first session overran, we asked Michael to tailor his presentation to the time available. Therefore, in just 20 minutes or so, he has given us the microwave-oven version. I thank him for that.

Members may wish to ask questions. There will be an opportunity to do so over lunch or at the focus group this afternoon.

12.15 pm

Mr Weir: I do not want to restrict anyone who wants to ask questions, but if we are having a focus group session, it may be more appropriate to ask them then rather than the slightly disjointed approach of asking some now and going back to them again.

The Chairman (Mr McClarty): Well, everyone has to have lunch, and it would be unfair to some if they had to ask or answer questions during the lunch break.

May I impress upon members the importance of a quorum this afternoon. The session will begin again at 1.15 pm with presentations from the parties. That will be followed by a presentation from John Simpson.

Please be here so that those sessions continue at the scheduled times.

Mr Weir: I will be here until about 3.30 pm, but I will have to leave then.

The Chairman (Mr McClarty): Members, thank you.

The subgroup was suspended at 12.16 pm.

On resuming —

1.23 pm

(The Chairman (Mr Molloy) in the Chair.)

The Chairman (Mr Molloy): I remind members to switch off their mobile phones, as they interfere with the Hansard recording system.

The next item of business is the parties' position papers. Some have been produced already; others have still to be submitted. Each party will have 15 minutes to make its presentation and to take questions. The Alliance Party will lead off.

Mr Ford: Is every party making a presentation this afternoon? I assume that all the papers we have just received will be spoken to, but there appears to be one missing. May I ask Sinn Féin what its position is?

Ms Stanton: Dr Dara O'Hagan, who is our economic spokesperson, is preparing a shorter version of our paper. It will be submitted.

Mr Ford: So it is not just our policy staff who write papers that are too long.

There is no point in reading through the paper. I intend simply to highlight a few points, in the expectation that there will either be some discussion on those or that the wider discussion later may inform views. The first part sets out the key points, which are largely a summary of what has been said before. One point has been queried by some witnesses this week: the need to direct investment towards redressing the needs for capital investment in infrastructure, both human and physical. We believe that that must be included. We cannot say that the infrastructure will look after itself. We must ensure that the infrastructure is in place to underpin economic development.

Corporation tax is a key, but unresolved, issue. We have to wait for the results of the research that is being conducted on that issue.

We must be careful about establishing our position correctly with the Treasury. This morning, Mike Smyth informed us of the European Court's decision on the Azores, which gives us some hope for movement — subject to devolution, which is still, of course, undetermined. If adjustments are made to corporation tax, we must ensure that that encourages innovation and foreign direct investment (FDI) and is not merely a reward for those people who are already comfortably off, in that they will pay less tax. It may be difficult to make that judgement. The benefits of FDI — which will consist of large companies investing in Northern Ireland and paying the higher rate of corporation tax — will be in direct opposition to our encouragement of existing small and medium-sized enterprises (SMEs), where there might be some benefit in reducing the profit threshold of £300,000.

There is a case for R&D tax credits, although that idea is not generally accepted. Over a long timescale, R&D tax credits could be beneficial in promoting the high-value-added businesses that we want to develop. However, the associated bureaucracy would be a major problem, especially for SMEs. Northern Ireland has suffered from a grants culture over the past 30-odd years, and tax credits, as opposed to grants, would send out a more positive message.

A case can be made for maintaining the cap on industrial rating at about 25%. That could be important if we run into problems with corporation tax, because it has been established that that is acceptable under European state aid rules.

The subgroup has had general discussions on social exclusion, and I am not sure how specific we will be. We should concentrate on establishing measures that directly help individuals in areas of social need into profitable and worthwhile employment. Our discussion paper refers to one or two peripheral issues.

We must examine cross-border incentives, particularly clustering and co-operation. This morning, we talked about the co-operation model in the Republic. We must find a similar model, because SMEs in Northern Ireland have many problems.

There are real issues surrounding the drive toward public-private partnerships (PPPs). The Alliance Party has no objection to PPPs as such, but even witnesses from the business community have said that there is a danger when the proportion of public expenditure committed to PPPs is seen against the potential fall in public expenditure. That could lock in certain operations and create little opportunity for growth and innovation. One witness said that if we received an economic package, we should pay off the mortgage rather than extending it. We could then use further incentives for export-based growth and the creation of wealth. Increased household taxation, in the form of higher domestic rates bills, the proposed water tax, and so forth, will reduce economic activity.

Without labouring the point, I repeat that the Alliance Party has estimated that £1 billion a year of public expenditure is wasted on dealing with the direct and indirect costs of segregation. Government research is being conducted that may be more specific on that figure, but I can give one obvious example: we have 50,000 empty school places, and in a few years that will grow to 80,000. A modest investment would ensure that the existing facilities are better used. Similarly, we need to develop a culture of shared civic space to enable wider access to the jobs market; that will benefit both those seeking employment and those running businesses. It is crucial that economic development be conducted in line with the Government's policy document, 'A Shared Future'.

As I said earlier, we should examine the social partnership model in the Republic. We must have sufficient resources to ensure that the strategy for private-sector growth gets off the ground and that we develop the social capital to allow that to happen.

My party has referred to tax-varying powers, and in particular to our belief that we should abolish the regional rate and replace it with local income tax. I shall not embarrass Mr Smyth by referring to what he said at lunchtime, but there are real issues about ensuring that we get the best possible taxation system and are no any longer in the current position, where the money to fund RRI is being raised through the second most unfair tax possible: the regional rate. The only thing worse would be a poll tax.

1.30 pm

Transport is a key area where investment is needed. A lot of road development — for example, the Westlink — is being driven by business considerations yet, because we have not had sufficient investment in public transport, those roads are clogged up by commuter traffic. The Enterprise express train and the Metro buses show how investment in public transport can free up roads and have major benefits in reducing pollution and for the local economic situation.

The subgroup has not considered tourism in sufficient depth thus far. Rates relief is an issue, because some aspects of tourism are relatively capital intensive in comparison to the service industries, which are more labour intensive.

Alliance has highlighted the need to ensure adequate childcare support. In recent years, there have been a number of problems with the dependence of childcare support on European funding from the Peace programmes and, on occasion, that system's having failed. Similarly, this morning has highlighted the need to look to education policies to enhance collaboration between schools and colleges and to develop the enterprise culture at secondary and tertiary level.

Our final point is on sustainable development. We have seen significant innovations in Northern Ireland, not just on the obvious things like biomass energy, where Northern Ireland has a significant natural advantage, but in firms that make equipment for solar panels, and so on. However, there are bureaucratic hurdles in the way of using those natural resources for domestic energy, and we have not yet provided adequate support for those who wish to develop alternative energy systems as an industry. That is an area where Northern Ireland has the potential to be a major leader on the world stage. In part, it is already a leader, and we must work on that.

Mr Weir: Like the Alliance Party, we have submitted a paper. There is no point in going through it word for word; I will pick out the key points. I regret that the

paper has only recently arrived with members. It is hot off the press.

In accordance with the remit of the subgroup, we have tried to divide the issues into various sections. All the parties will agree that the economic package is inextricably linked to the idea of fiscal incentives. Fiscal options play a vital role in any economic package. Other parties will refer to corporation tax, although it could be argued that that should come under the heading of "Fiscal Incentives".

We support strongly a wide-ranging financial package for Northern Ireland. That is not pleading for special treatment; there must be some recognition of the unique situation in which Northern Ireland has found itself over the past 35 years and the damage that has been done to our economy by the troubles.

Any economic package must be properly targeted. It must be directed at actions that will benefit Northern Ireland as a whole, and, in particular, at measures that are sustainable and will benefit business. If we were simply to seek a dividend of additional resources for the public sector, many of the problems that have been identified in the imbalance between the public and private sectors would be perpetuated.

Public-sector spending must be protected at its current levels.

On that basis, we do not believe in any rolling back of public-sector expenditure in an effort to rebalance the economy. Instead, we believe that money, in the form of an economic package, should go into measures that we hope and believe will boost growth in the private sector. Our view — and we hope that of all the parties — is not that the public sector is too big, but that the private sector is too small. That is the thrust of our paper.

Northern Ireland is in a unique situation, not simply because of the economic outcome of the events of the past 30 years, but because of our geographical situation: we are the only part of the United Kingdom with a land border. Owing to what we have suffered over the years, there have been huge obstacles in attracting outside investment and in retaining indigenous firms. Our location on the periphery of the UK and Europe has placed additional costs on industry here.

Our proposals state that a very large infrastructure gap has been created over the past 30 years, largely as a result of the need for public funds to go into the security budget. That has created a distinct disadvantage. An infrastructure fund must be targeted at roads, rail, air, ports, water, sewerage and telecommunications. That fund should not simply be focused on existing infrastructure, but could be used to lever funding from outside, for example, from Europe.

Our principal focus — which many others have mentioned — is on the need for a range of measures, although there is no silver bullet to solve every problem. However, we strongly support Sir George Quigley's view on corporation tax. We believe that fiscal measures, particularly on corporation tax, are, as Sir George said, an "indispensable element". We echo remarks drawing a distinction between necessary actions that must be taken and sufficient actions that can lead to changes in the economy.

I am loath to quote from any exponent of the dismal science, and I know that — as with all issues of economics — one will not necessarily get consensus among economists. I am reminded of the remark that was once made of economists: that if every economist were stretched around the equator, end to end, they still would not reach a conclusion. Despite that, there is as much consensus on corporation tax among economists as one will get. We believe that there are compelling arguments for that measure. As Sir George Quigley said, although there will be political difficulty in convincing the Treasury, our best option is to dig in on this matter. We can apply pressure.

We favour a headline corporation-tax rate of 10%. That would be the biggest single action that we could take on fiscal measures. However, we would also look at measures that would affect fuel duty and aggregates tax. Again, the land border has created problems in those areas.

We concur with others that, at this difficult time, if we are trying to rebalance the Northern Ireland economy, the last thing that it and business need are additional financial burdens. In particular, we have concerns about the removal of industrial derating.

The DUP welcomes the fact that the Government have agreed to set up a working group on this matter, albeit under a degree of pressure. However, we believe that industrial rates should be capped at the current rate of 25%. We also believe that the Government should address Northern Ireland's disproportionate insurance and energy costs.

In our paper, we identify a couple of areas in the community that have directly suffered as a result of the terrorist campaigns and others that have been left to lag behind as regards a peace dividend. We propose a fund for isolated Protestant communities in border areas, which have been particularly targeted by terrorism. We propose targeted investment in deprived unionist areas that have been left behind.

The DUP supports action on rural poverty, and while we support the principles of RRI, some of the terms negotiated for it were punitive. It is important that those terms are renegotiated in a way that will lead to reform in the public and private sectors, rather than

simply requiring higher taxes. Going down the road of higher taxation will be self-defeating.

Although the DUP appreciates the points made about the conditions that could be applied to corporation tax, we are highly sceptical that Northern Ireland should have much in the way of tax-varying powers. There are concerns that, if there were opportunities to vary the rate of income tax, the Treasury would use that as a device for saying: "You have the option to add an extra 5p to the rate of income tax; we assume that you are using that extra finance, and we will cut the block grant accordingly." The DUP believes that a lot of care should be taken before we go down the general route of tax variation, because that would lead to unfortunate consequences.

The DUP supports the need for targeted resources in the form of enterprise zones. There is also an inherent unfairness in the rating system. For obvious reasons, changes to the rating system have focused on the effect on domestic consumers. However, there are also implications for business rates. That matter needs to be re-examined.

Our paper highlights our concerns about water charges. I believe that there would be consensus on that matter.

Finally, I turn to the last two points in our paper: if we sell significant assets and if there are savings to be made from the Review of Public Administration (RPA) — and I use the word "if" advisedly, because many of us are sceptical about that — those savings must be made available to reduce the rates burden, rather than simply allowing them to be swallowed up by the Treasury.

It is important that there is flexibility on any Barnett consequential and that there is an opportunity to use those consequential to contribute to the general grant factor and potentially keep rates down. The DUP believes, at the broad level, that if we can keep to a reasonably low-tax economy, that will provide a degree of incentives.

That is where the DUP is coming from. I have covered most of the points in our paper.

Ms Ritchie: Chairman and members, you have been given a copy of the SDLP paper. Like other members, I will highlight the main points and emphasise what should be in an economic dividend or package.

Suffice it to say that the SDLP believes that the unique circumstances and history of the North of Ireland merit particular consideration and support as regards the rebuilding of our society and economy.

With the Budget heavily skewed for so long towards security spending, our economy is suffering as a result of the direct consequences of the conflict itself since partition and of the indirect consequences of the

infrastructure deficit. Those are some of the challenges that we must address.

1.45 pm

The focus of our proposals is on leveraging additional support and enough headroom from the Treasury to ensure and enable significant capital investment in hard and soft infrastructure while protecting our householders from the punitive effects of rate charges and protecting our capacity to maintain and enhance public-service delivery, on which our future depends.

It is important that the subgroup tries to achieve an agreed approach and negotiating position in order to secure the best response from the Treasury. It would be detrimental to our case to adopt a fractured approach, because the Treasury could see Dutch auction emerging and decide to back off on the issue.

We acknowledge the point that successive direct-rule Ministers have made about the need to rebalance our economy. Various parties in Northern Ireland and social partners make that point regularly. Our economy can be rebalanced only in the context of positive investment in private-sector growth. I accept Peter Weir's point that we have a weak private sector. However, we should not attack the public sector. There is a need for both to be pump-primed and operating in parallel. As a result of the unique circumstances to which Mike has already referred, such as the history of the conflict and the nature of our historical development, we have a weak private sector.

We seek long-term strategic capital investment, even if the funds are ring-fenced for such purposes. Obviously, that must be additional investment. We seek the fiscal latitude to adjust taxes that affect our competitiveness and inhibit the growth of our private sector. If the Government are serious about promoting growth, they must be serious about tackling the barriers to it so that we can protect and nurture it.

We want to see investment in research and development and in promoting a culture of entrepreneurship. Those issues have already been raised in the various submissions. Investment is also required to address the barriers to business growth and to help innovation and competition.

We want to tackle urban and rural poverty and disadvantage. Deprivation indicators highlight the range of challenges that our economy faces and the imbalance in opportunities across the North. With our dispersed, rural population, we shall probably face higher costs for using public services.

On that basis, we want funding, and we want the economic dividend to be concentrated on infrastructure and balanced regional development. To address those regional disparities will mean major investment in roads, rail and public transport across the North of

Ireland, tackling areas of underdevelopment in order to deliver long-term growth in public transport, particularly in disadvantaged areas, and looking at the issue of telecommunications, because roaming charges have yet to be addressed on a North/South basis.

There must be investment in our ports, taking on board the fact that the majority of trust ports want their status declassified, so that they will be better able to trade. Although it is mentioned in the Strategic Road Improvement Programme, which is currently subject to consultation by the Roads Service and the Department for Regional Development (DRD), the upgrading of the Belfast to Derry road has been earmarked, from memory, for 2015. That road and other areas highlighted in that programme that require infrastructural development must be fast-tracked. There should be investment and resources made available.

Investment in the North/South rail network, particularly between Dublin and Belfast, must be secured in order to shorten journey times and to improve and contribute to the economy. The same applies to the Belfast to Derry routes.

An all-Ireland transport and infrastructure body must be created. The results of the collaborative strategy on both spatial planning strategies must be looked at, because that was supposed to help to address the infrastructure and economic deficits that partition caused. Support must be given to the creation of sustainable and balanced economic, commercial and employment opportunities. We also require investment in order to implement the Regional Transportation Strategy.

Investment in renewable energy and support measures to eradicate fuel poverty are needed. We must make good the underinvestment in water and sewerage infrastructure.

That does not mean that we should double-tax the people of Northern Ireland — financial measures should be put in place.

The SDLP believes that job creation is another factor for consideration. Tax relief and rate relief should be introduced to offset spending on research and development. A new enterprise growth fund should be created, comprising loan and equity funds to work together to increase the number of business start-ups, promote the social economy enterprises — in rural areas — and to enhance the all-island business co-operation model.

A menu of reliefs should be established for businesses facing the end of industrial de-rating, which was mentioned by previous contributors.

There should be investment in a North/South strategy to maximise overseas investment, building on such

trade missions as the recent one to India and the other one that was to take place.

We should implement the 20 key actions of the Irish Business and Employers Confederation (IBEC)-CBI joint business council.

An all-Ireland research fund should be set up to develop capacity in target areas. The Business Alliance referred to that last week, and the EDF talked about it this morning.

We would welcome an all-island special programme for university research (SPUR) to capitalise on available innovation.

Economic and social dividends for the whole community would be generated by the release of under-utilised public land and assets and the further release of military bases.

Investment in our tourism industry is necessary, as is the establishment of properly funded further education colleges and training schemes.

Moreover, several all-Ireland funds could be created. That said, the SDLP believes that there must be a political imperative from the Irish Government to partly fund many projects.

My colleague Mr Attwood referred to that matter in the House earlier this week as regards the police college. The Irish Government have already provided part-funding for the City of Derry Airport; however, there must be a political imperative to do so on their part. We must move from talking to doing.

In that respect, there is a need for strategic capital funds to support infrastructure and capital spending.

Furthermore, there should be services, community and enterprise funds, and a common fiscal platform. A single all-Ireland corporation-tax rate of 12·5% should be created.

As well as North/South funds, British-Irish funds should be established to enable the island's different Administrations to come together to promote innovation and support pilot projects.

The SDLP wants to see concentration applied to soft infrastructure and the barriers to growth. Capital investment in health and education is essential for the general well-being of the economy and of our population.

With rapidly diminishing housing stock and growing lists for public and social housing — particularly in certain geographical areas — and severe pressure on first-time buyers, there is a need for major investment in social housing programmes.

We must develop accessible and affordable childcare and support integrated early-years care.

We need to examine the Skills Strategy for Northern Ireland and programmes that address the skills of the unemployed and the economically inactive.

Additional financial support must be secured to widen the access to education for many of those who have been unable, unwilling, or reluctant — perhaps because there was no incentive or impetus — to pursue it. Specific extra funding should be dedicated for mature students, disabled students and students with dependents, with the express intention of growing our economy and ensuring that we emerge from the dependency culture. For so long, that ability has been denied to us.

Dr Birnie: I am very happy to make this presentation on behalf of the Ulster Unionist Party. Our ultimate objectives of prosperity, fairness and sustainability in the Northern Ireland economy and in society can, and should, be obtained through promoting the competitiveness of that economy and the cohesion of our society.

An important point is that an economic package, whatever its size, will not be sufficient to solve all our economic and social problems. However, although it may not bring that good outcome, it is very probably necessary. An interesting parallel can be drawn with what could be considered the greatest peacetime economic package in global history: the Marshall Plan of the late 1940s. It contributed to the economic recovery of countries that were ravaged by the Second World War, such as Germany, France, Italy, etc. However, almost certainly, it was not the ultimate explanation for the rapid growth in those countries in the 1950s and 1960s.

The package should centre on three broad types of investment: in skills; in infrastructure; and in promoting the cohesion, or equity, of our society. Investment in skills is discussed in our submission. With respect to adult essential skills, it is a human and social tragedy that an estimated 250,000 adults in Northern Ireland lack the basic abilities to read and count. Since 2002, there has been an essential skills strategy. That is welcome, but it has dealt with not much more than 10% of that 250,000. We suggest that more needs to be done in that respect.

There is an obvious need for more higher education places. That is evidenced by the continued substantial migration of young people from Northern Ireland at age 18. Some go willingly, and to that there is no objection. However, we suspect that a large percentage are unwilling migrants and, therefore, are unlikely to contribute to our economy and society in the future. Our submission also highlights the role of the further education sector.

With respect to R&D, the submission emphasises public-sector investment. Evidence suggests a continued shortfall, particularly in spending on the universities.

Public-health investment is interesting. In many of the public-health league tables, which list cases of obesity, stroke, heart disease and certain types of cancer, Northern Ireland is at the bottom, not just in a British Isles context, but in a western-world context. Surely, if we could prioritise preventative and public health, we could transform Northern Ireland's position on those tables in some of the areas of chronic ill health. That would be a major contribution to human and social well-being. It would also be economically beneficial. The subgroup has heard how much higher Northern Ireland's rates of sickness and long-term-illness-related economic inactivity are, compared not just to Great Britain, but, even more so, to those of the Irish Republic. Some of the social and economic costs of the various illnesses are outlined in the submission.

Further investment in railways is important to tackle a problem that was highlighted in the media earlier this week: congestion. Congestion has a major impact on many of our lives. The average worker in the Greater Belfast area might spend between one and two hours each day travelling to work. Congestion affects other parts of the Province too. That has an effect on everyone's well-being and has a broader impact on pollution levels, carbon levels and global warming. Therefore investment in more fuel-efficient transport is needed to encourage the shift from the private car to public transport. Some form of rapid transit system within the Greater Belfast area — out to Newtownabbey, Lisburn and Bangor, for example — would assist that. Upgrading the rail and public transport networks is also desirable.

2.00 pm

We have all seen the horrendous figures on the shortfall in water and sewerage investment that has built up in the direct-rule period. Perhaps £3 billion of capital spending will be required to address that. There is a strong case, in equity terms, for making an approach to the Treasury. After all, when the English water service was privatised in the late 1980s, it got a green dowry to wipe out the costs of making necessary environmental improvements. Why should we be treated differently? Why should private households have that burden put on them?

There is a strong economic and environmental case for investment in energy efficiency.

In the area of investment in social cohesion, special needs education — given the hammering that that sector received in recent budget stringency — is an important priority, as are literacy and numeracy. We must try to prevent that tragedy from replicating itself in future generations. Spreading IT literacy, and ensuring free personal care for the elderly — following the Scottish Executive's example — are also essential.

In conclusion, any economic package must be additional to the Northern Ireland budget. There is no point in the London Government giving with one hand and taking with the other. We have not said much about incentives, because we know that we will be working on a separate paper dealing with that matter, but there is a sense in which some of the economic package may be used to pay for some of those incentives. As a witness to the subgroup suggested, perhaps the money that would have been spent on the Ian Pearson electricity price reduction for industry — which, of course, never happened — should be used to cap industrial rating at the current level of 25% rather than allow it to increase, with all the subsequent damage, to 100%.

We also note that, due to the Strategic Investment Board, the Northern Ireland Investment Strategy and public-private partnerships, Northern Ireland is gradually building up what will become an increasingly onerous mortgage, which we will be paying off over the next quarter of a century. If additional moneys can be secured from the Treasury, some could be used to control and reverse the growth of public-sector debt.

The Chairman (Mr Molloy): Perhaps Mike would like to present a summary. Do parties have any questions at this stage?

Mr Weir: I appreciate what Esmond has said about a separate document dealing with fiscal incentives, given the structure of our papers. However, each party has touched on the issue of corporation tax and linked that to an economic package. I know that Esmond has reserved his position on the basis that that subject will come up later.

Dr Birnie: It is sub judice.

Mr Weir: Is it possible for Esmond to clarify on behalf of the Ulster Unionists its position on corporation tax and whether it sees that as part of an economic package?

Dr Birnie: As I said in the Assembly debate — though we are still collecting evidence — at this time it looks as though the balance of the economic evidence suggests that a corporation-tax reduction would have more impact than tax credits and allowances. However, we must distinguish the question of what is theoretically best from what we are most likely to get from the Treasury. We also have to bear in mind the implications of the Azores case on our public spending block.

Mr Weir: I am not trying to score points but, in the wake of the debate, some newspapers placed a slightly different emphasis on that matter. When you say that the balance of evidence suggests that a corporation-tax reduction would be more attractive, is that an Ulster Unionist view, your personal view as an economist, or both?

Dr Birnie: I hope that my view is compatible with the general party view.

Ms Ritchie: I am mindful of David McNarry's proposition last week about North/South collaboration. What are the DUP and UUP views on that? I do not expect one member to answer for both parties.

Mr Weir: I could make an attempt at that.
[Laughter.]

Ms Ritchie: I am sure that you could. I am not seeking to embarrass anyone. What are your views of North/South economic co-operation and collaboration, and where do you see us going from here, since — as Mr Smyth said earlier — we have a land border with the euro zone? From a pragmatic point of view, how do we capitalise on the various things that could unite us? We are trying to get rid of the problems of the past and to improve the economy for everybody.

Mr Weir: Broadly speaking, the DUP tries to take a reasonably pragmatic approach on economic co-operation. Perhaps, in the past, some people on the unionist side would have described it as collaboration rather than co-operation — I am just quoting the member opposite.

Mr Beggs: Which party background are you referring to?

Mr Weir: From a pragmatic view, we are keen and happy to see co-operation in matters of mutual economic benefit. The DUP believes that it should be looked at on a case-by-case basis.

Ms Ritchie: Or a project-by-project basis.

Mr Weir: Or a project-by-project basis. It is not necessarily a one-size-fits-all situation. First of all, is there a case for co-operation? There are certain aspects of the economy that will be in competition, and therefore it may not be appropriate. The DUP also believes that it should be pragmatically and economically driven, rather than being done for political purposes. Any benefit might come from co-operation on an all-island basis, or it might be more localised, such as co-operation between businesses, sectors or regions. The DUP would take that on a case-by-case basis. It is not a one-size-fits-all situation.

Dr Birnie: Like Mr Weir, I will clarify which party I am speaking on behalf of: given something that was said on 'Good Morning Ulster', which I did not hear, I want to emphasise that this is the view of the Ulster Unionist Party and not the Conservative Party for Northern Ireland.

Co-operation is a good thing, subject to two qualifications: it should be accountable to locally elected politicians, and it should be for mutual benefit. Companies act in a global market, and they seek profits. The UUP does not have a problem with

Northern Ireland companies exporting to the Irish Republic or buying inputs or sourcing labour from the South. Those matters are usually governed by the normal working of the market economy.

However, the UUP would have reservations if it felt that policy interventions — which might or might not be designed to correct "market failures" of North/South activity, to use one of Mr Smyth's phrases from this morning — might sometimes, if excessively driven by primarily political considerations, actually run counter to what makes most sense for the market. There is a danger that we could be promoting North/South trade and economic activity at the expense of promoting it with Great Britain, continental Europe, the United States or the Far East. The proportion of Northern Ireland manufacturing output going to the Irish Republic is already around 11%, and probably rising.

I am not sure whether that proportion can be rationally increased by much, given that the Irish Republic has a market of only 4 million people, whereas the combined population of the 25 countries in the European Union is 450 million. North/South co-operation is a good thing, subject to those qualifications.

Peter mentioned the DUP's pragmatic approach to economic co-operation: the UUP takes a similarly pragmatic line.

Ms Ritchie: My question is to both Peter and Esmond. I take on board what you said and thank you both for your answers and for your pragmatic approach. Does either of you see a case for factoring in some level of pragmatic co-operation, given the potential economic dividend?

Mr Weir: Do you mean receiving or giving?

Ms Ritchie: It could apply to both.

Mr Weir: There could be a case for pragmatic co-operation on certain projects: for instance, the DUP envisages a fund for investment in infrastructure, some of the money for which could come from Europe. There could also be pragmatic co-operation on cross-border projects.

However, as we are trying to make a strong case, most of the money will probably come from the Treasury. I would be surprised, to put it mildly, if the Irish Exchequer were keen to provide a great deal of money. You may have more sources of information on that than I; However I believe financial co-operation may reach a ceiling fairly quickly.

The Irish Government may want to invest in certain projects, perhaps in order to demonstrate some commitment. However, in practice, the amount of money that could be levered into the economy here would be extremely small. Seeking investment from the South could distract from our case to the Treasury for an economic package. I am a bit sceptical, to put it mildly.

Ms Ritchie: Chairman, I am mindful that I am begging your indulgence, but I have a point of information: the Irish Government have already provided funds for the City of Derry Airport. They did so for mutual advantage and demonstrated a pragmatic approach.

Mr Beggs: It is a loss-making airport.

Mr Weir: I am not aware of that specific example. However, certain cross-border projects may attract funding from both the British and Irish Governments. The same principle applies to cross-border projects in Europe. I suspect, being utterly cynical, that the Irish Government would consider whether a project benefitted their citizens before contributing to it. That is perhaps what happened in the City of Derry Airport, which is near the border.

However, as we are giving practical consideration to economic measures and the money needed to finance them, only a small proportion of that is likely to come from the South. Should the Irish Government want to support a certain cross-border project, the DUP has no principled objection.

If we were to request a large amount of funding from the Irish Exchequer for a project — leaving aside the concerns or principled objections that unionists would have about approaching the Irish Government — it would not result in a significant amount of money and would, consequently, be something of a distraction.

Whatever fiscal measures we take or whatever economic package we seek, it is better to concentrate our efforts on the Treasury. At the end of the day, it will be the source of funding. Any international funding — although there is probably a case to be made about some level of European funding — whether from down South, America or wherever will have limited practical value.

2.15 pm

Mr Ford: Peter and Esmond referred to tax variation. I could parody their argument by saying, “Do not raise the issue or the wicked Treasury will dump on us”. It seems that the Treasury has already dumped on us through the reinvestment and reform initiative. The Executive, through their implementation of increases in the regional rate that were significantly higher than inflation, accepted that. I want to know how much of a danger they believe that to be. That point was made by a spokesperson for the SDLP.

I suspect that the Treasury has got it in for us anyway. Regardless of the mechanism it uses, it will ensure that it gets the money out of us in years to come. A move towards alternative taxes would, therefore, be less dangerous. We consider alternative taxes to be fairer than you suggest.

Dr Birnie: It seems that all the parties, to some extent, are moving towards tax-varying powers on

business taxes. However, the difficulty is that we would not have powers to vary personal and income taxes but, rather, to increase them. Do we really want such powers?

With respect, I question the Alliance Party’s position that we rely not on a domestic rate based on capital value but on local income taxes. Has any assessment been done of the effect that would have on the average-income family who are on a standard rate of income tax? That has been done in Great Britain with regard to the Liberal Democrats’ proposals. What would be the effect if conventional income tax were combined with the new property-related income tax? Given that Northern Ireland has the fundamental problem of a lack of entrepreneurship and business enterprise, do we want to become the highest income tax region in the UK and, indeed, have a rate that is higher than that of the Irish Republic?

Mr Weir: I share some of Esmond’s concerns. There may be some truth in Mr Ford’s claim that the Treasury is out to get us. Occasionally, it seems as if the Secretary of State pushes a particular line not because of a political imperative, but because he follows Treasury logic.

If someone wants to hang you, you do not stick your head in the noose to assist them. A case for corporation tax has been made with regard to business, although certain conditions must be applied to enable Northern Ireland to qualify. I have grave reservations about Northern Ireland ending up with a high-tax economy, which would not be of benefit to us. I agree with Edmond on that issue.

Outside the qualified position with regard to corporation tax, a move towards regional variations on income tax would break parity. When Northern Ireland no longer has parity with the UK on income tax, there is no guarantee that there will be parity on social security benefits or any form of public spending. That would open a Pandora’s box.

As the leader of the SDLP said, there is a problem with having tax-varying powers on income tax. Even if those powers were not used, the Treasury would have an excuse to say, “You can raise an extra £200 million” — or whatever the figure may be — “as we are going to cut the block grant by that much. If you want to complain, you can do so.” Additionality comes into that. I have grave concerns about the Alliance Party’s position.

The Chairman (Mr Molloy): We must move on quickly.

Mr Ford: May I make a quick riposte, Chairman? I seem to be being ganged up on. *[Laughter.]*

Dr Birnie: You asked the question.

Mr Weir: If you see a couple of sleeping dogs, do not throw a stick at them.

Mr Ford: I believe that, under the RRI, the previous Executive put our head in the noose.

Mr Weir: As David indicated, at the time, we both felt that the RRI had not been properly negotiated.

Mr Ford: I could not remember what party you belonged to at the time, Peter. *[Laughter.]*

Mr Weir: That assumes that any remark I made was a party remark.

Mr McNarry: You still assume that.

Mr Ford: The issue of a local or regional income tax should not necessarily be seen as conflating the general income tax position, if we are considering not paying tax on property as an alternative, as there are significant issues of fairness.

Furthermore, I am not sure that the Treasury is using the Scottish tax-varying powers as an excuse for cutting back on funding to Scotland. There is probably several weeks' debate on that.

Mr Weir: The fact that there are around 50 Labour MPs from Scotland, on whom the Government are highly dependent, may be a greater incentive for the Treasury to take that line.

Mr Ford: That may well be a factor.

Ms Stanton: This is only the second time that I have attended the subgroup. From those meetings, I have gathered that there was a recognition that border areas suffer the greatest deprivation. There was common ground on the fact that that must be tackled on a cross-border basis and that structures must be put in place.

We have talked about the need for 142,000 jobs to be created over the next 10 years. In the 1990s — said to be the golden years of the Six Counties — only 82,000 jobs could be created. We must move in a different direction, but is a radical change in thinking required?

Notwithstanding members taking offence at the existence of North/South bodies, they do exist and they are a way of creating jobs. We all have families in the Twenty-six Counties, and Sinn Féin is an all-Ireland party. We must move forward on that basis.

It is recognised that border areas are the most deprived. The Committee on the Administration of Justice report published last weekend, 'Equality in Northern Ireland: The Rhetoric and the Reality', cannot be contradicted. I do not want to play the bat-and-ball game again, but the research is there, the reality is there, and it must be faced.

Mr McCann: Republicans, and Sinn Féin, have never run away from the fact that deprivation exists in

unionist areas. It was a bit disingenuous of the DUP to say that republicans have denied that. It would have been much better for the DUP to talk about dealing with deprivation across the board, rather than to sectarianise it in a small sentence in its presentation. That hides, and goes against, all available statistics.

The Chairman (Mr Molloy): Mike, do you want to come in on this point? We are pushed for time, as John Simpson will appear before the subgroup soon.

Mr Smyth: I will concentrate my summary on the parties' presentations and the subgroup's three terms of reference. The common ground in all the presentations was an agreement that a financial package should achieve sustainable outcomes and measures with a reasonable prospect of addressing fundamental issues, which I shall cover later.

The DUP was pretty unambiguous in its approach to corporation tax, in what is a very pro-business policy statement.

The Alliance Party was slightly more sceptical about the impact of FDI. Indeed, David Ford posed the question of whether FDI works. There seemed to be concerns about the distributional aspect of FDI — the rich getting richer, and so forth. However, the subgroup has not yet considered that.

The SDLP did not come to a clear definitive position on corporation tax but seemed to express a preference for additional financial support. However, Margaret Ritchie mentioned tax measures to accelerate business growth in the private sector.

Ms Ritchie: This is perhaps not specific, but I suggested the creation of a single, all-Ireland corporation tax regime at 12.5%. Such an investment in the economy would pay for itself within 10 years in returns to the Treasury.

Mr Smyth: So that is de facto support for corporation tax. That is excellent. That is one fewer issue to finalise.

The Ulster Unionist Party placed most of its emphasis on investment — that is, spending. Its presentation contained some proposals for fairly radical policy reform.

Only the SDLP mentioned the North/South dimension, emphasising the need for a higher priority to be given to better North/South co-ordination.

All parties need to prioritise their spending plans and policy reforms. Such prioritisation is lacking in all presentations. The subgroup's terms of reference demand some kind of explicit prioritisation, if possible.

Parties need to determine whether they all agree with the analysis of the fundamental economic challenge, which is low productivity, which, in turn, creates low wages and relatively low living standards. If it can be clarified whether all parties agree with our analysis, we can move on to considering the timescale

in which an economic package would make an impact. That will, in turn, dictate the nature of the package. To produce an impact in the medium term, by definition, a fairly radical package is required.

I liked Esmond Birnie's analogy with the Marshall Plan — the necessary and insufficient condition. He seemed to argue that the Marshall Plan was a necessary condition for the regeneration of post-war continental Europe, but that it was not a sufficient condition. By the same token, we must clarify whether members view the spending plans as a necessary condition for the economic regeneration of Northern Ireland, and the tax break — however defined — as a sufficient condition.

One point that no party has touched on requires urgent consideration. The subgroup is meeting in the context of the expected comprehensive spending review next June. We need as much clarity as possible from the Department of Finance and Personnel on the likely time path of Northern Ireland's public expenditure allocations. The Department will need to be as specific as possible with regard to the likely nominal and real increases beyond 2008 and 2009. Figures that I have seen suggest that the increase will be just ahead of inflation, accepting inflation at 2.5%. I can interpret that as a real resource cut. That will affect the subgroup in respect of the choices that it must make.

Mr Weir: I appreciate that it is useful to ask DFP questions of that nature. However, the officials may be risk-averse to the suggestion that you have just made, and DFP may be likely to bat it back to us, with the explanation that that is the departmental view of the current environment and that any final decision will rest with the Treasury. I wonder how definitive the Department's answer will be; it could merely be some vague background information. I am not against asking the question, but there may be limitations in the quality of the Department's response.

Mr Smyth: I have seen some figures off the record. The Department is using working assumptions.

Mr Weir: Would DFP be willing to put any of those figures on the record?

The Chairman (Mr Molloy): The subgroup could perhaps write to the Department and ask for further information.

Mr Smyth: I was going to suggest that, Chairman.

Ms Ritchie: Mike said that the parties must be more explicit about their priorities. Could you define what you mean by that? I have had difficulty in getting my head round that, in discussions with the Committee Clerk and various officials. It would be helpful if we could try to understand what we should be doing.

Mr Smyth: It is difficult for me to do that without being slightly rude.

The Chairman (Mr Molloy): You can be rude for today.

Mr Smyth: From the presentations that I have received — and I imagine that, had Sinn Féin submitted one, it would have been as long, if not longer than the others — there is a tale in the measures that have been proposed. I could perhaps give the paper some coherence and group those measures under subheadings.

The subgroup's second term of reference deals with the measures that we must take in the areas of skills formation and education. As well as the overall package, that is a particular priority that the subgroup has been given. Therefore, I suggest that that issue be addressed as part of skills formation and education.

2.30 pm

Ms Ritchie: It is therefore a matter of what needs to be done to address that in terms of a financial package.

Mr Smyth: It must also be addressed in terms of policy reform within our terms of reference.

Ms Stanton: Perhaps I am speaking out of turn, but this is only the second time that I have attended a subgroup meeting. The subgroup looked at levels of corporation tax here, in the South and elsewhere, and the widening of the gap between the rich and the poor was mentioned. I would like more information on that before I could reach any decision.

Mr Smyth: If everyone in Northern Ireland had his income doubled right now, everyone would have twice as much money. The distribution would not change at all, but the gap would actually get wider. That is what has happened in the Republic. From an economic welfare point of view, is the situation in the Republic now better than it was 15 years ago? Yes, it is. Most parties mentioned the need to grow the private sector as opposed to cutting the public sector. However — although there are deviations from this — in the Republic about one third more people are employed in the public service now than in 1988, but more than twice the number of people are employed in the private sector. That exemplar is indicative of the route we must go down.

Mr Dallat: I am not sure how relevant my point will be, but I am sure that Mike will keep me right. I am being extremely positive and assuming that we will have responsibility for our economic future on 25 November. That will leave only a few days within which to produce a draft budget. I raised that issue at the Business Committee meeting last week, which, if I remember correctly, referred it back to the Preparation for Government Committee. I am not sure whether the matter will eventually formulate into a motion for debate, but would that be useful in helping us to set out our priorities — assuming, of course, that we get the inheritance back on 25 November?

Mr Smyth: It may be useful if it could bring clarity to the overall package. I am very conscious that the main people scrutinising our report will be the economists in Her Majesty's Treasury. I will try, as far as I can, to tie any suggestions that the subgroup makes into a theoretical economic framework. Prioritising public expenditure and policy reform is the format and structure that we must follow, and I will try to keep the subgroup within that structure.

Mr McNarry: I am sorry that I missed this morning's session. Just before lunch, I listened to some comments from the Secretary of State. In case the subgroup is interested, he still likes his residence at Hillsborough as much as he likes the option of looking for another mansion should he become the Deputy Prime Minister. His mind is clearly on the property market rather than focusing on Northern Ireland, but no matter.

He made an interesting comment — and he said it no greater than this — that if we make the case for a lower corporation tax, he is prepared to take it to the Chancellor. There was a sense of challenge in his remark too — he was talking about the CBI. He was clearly on a charm offensive, but it is not clear who he was trying to charm or whether he succeeded — he certainly did not succeed with me, anyhow.

Mr Weir: I am not sure that you were the target audience.

Mr McNarry: I think that the politicians were the audience. He referred to the number of us who were there — and the member's absence was noted, by the way.

Mr Ford: Prioritisation.

Mr McNarry: We have a bigger team to choose from than you.

Ms Stanton: That is below the belt.

Mr Ford: I noticed that senior members of the Ulster Unionist Party were here earlier.

Ms Ritchie: David the Rottweiler.

The Chairman (Mr Molloy): Do you have a question?

Mr McNarry: I picked up on what Mr Smyth said about prioritisation. We all knew that the subgroup would hit a patch where it would have to address the question that he has put to it. If we are being honest, we will admit that we all knew that because of other circumstances and other timetables we were probably going to dodge it. It is too close to the Ulster-Scots wingding that we have all been invited to at St Andrews for our party to divulge negotiating priorities at a subgroup that has no negotiating status. If that status were changed, we would be very happy to negotiate here, but we are not, and therein is a major difficulty for Mr Smyth.

The difficulty for us all is that we do not know what is going to happen after 24 November. It may be that we, as MLAs, will be redundant and irrelevant; however, the report should not be. I sympathise with what Mr Smyth is saying. We could be more helpful if the negotiations were over, because if I had a clear idea that devolved Government was going to be restored, we could really apply ourselves. However, I am not certain of that. If devolved Government is not restored, it will be a matter of who places himself in a position with the ability to pressurise direct rule. If the rug is pulled from under our feet, we revert to Westminster and councils. None of those bodies will have the clout to deliver a report that they did not write.

We have been given date — 4 October — and we should look for a greater understanding of the fact that Ulster Unionist hands, at least, are tied and that we cannot be as specific as people would want. We still do not know how the Government will respond. We are talking about a devolved Government responding to this, but we have no odds-on bet that a devolved Government would ever be in a position to respond to it.

Finally, I am still looking for costings, and I hope that we all are. We do not have any costings, and I say that with all due respect. I am not putting the onus back on to Mr Smyth and the officials, but even if he pitched us some costings in the air, there would be difficulties. Let us not go to the auction arena, but, to pluck the issue of special needs out of the report, I am damned if anyone can get a costing for that out of the Department of Education. How do we repair something if we do not know what it is going to cost? That is like going to a dodgy builder.

The Chairman (Mr Molloy): This is still the Preparation for Government Committee. It is important that we put a paper together that stands up for whoever is in Government later. Different Governments will respond in different ways, as you say.

Mike's job is to put together a credible paper, whatever the circumstances after 24 November 2006. He will prepare it with as much clarity and information as possible from the political parties, on the understanding that no one is going to negotiate with the subgroup. It is important that that paper is credible, and that is the whole emphasis in coming back to this. It is preparation for Government in the sense that it is what the parties would want if, on 24 November, the institutions were up and running again. That is all that Mike can do at this stage. Perhaps he could carry on working with the parties to create the vision.

Mr McNarry: I agree with that, Mr Chairman. I was not disagreeing. Credibility is important — but so is honesty. I am being honest when I say that where we are is holding back full credibility.

Mr Weir: I do not want to curtail the debate on this. However, John Simpson has been here for a while, and it would be rude to keep him waiting any longer. We can continue the discussion on those valid points later.

Mr McNarry: I did not see John there.

The Chairman (Mr Molloy): John, you are welcome to this afternoon's meeting.

Members have in their packs a copy of John's 'Belfast Telegraph' article and a copy of the paper that he has prepared. He will give a short introduction and then take questions on the issue of corporation-tax variation and so on.

Mr John Simpson (Economist): Thank you, Mr Chairman, for inviting me back. It is the same room, although some of the faces have changed. The quality has obviously gone up.

I have taken the liberty of preparing a short submission, Mr Chairman, and you will be pleased to know that I do not intend to read it in full. Indeed, I shall jump to the section that, it could be argued, contains some of the conclusions.

The subgroup is searching for a framework whereby it can make a submission that is coherent and persuasive with regard to the economy. I will do my best to help in that. As we commence this discussion, I want to register that it will require some agreement on the prescription, that is, on what you want to do. The diagnosis of where there are problems takes us into the area of appropriate policies and setting priorities. A weakness is that we tend to regard everything as a priority, which means that nothing is a priority. We need to consider what implementation arrangements there are in Northern Ireland. I join the club that believes that while there are many admirable mechanisms in place, there are some that I would describe as less than optimum.

That brings me to the institutions and the personnel in post. You will note that the word "personnel" ends in "el" and not "al". I remember that the last time I was here that there was an important debate about whether a certain word had one "p" or two.

I come to the issue of applying the framework and relating it to the questions that members have asked. I hope that they will agree that the three questions that they posed, or that have been posed for them, overlap significantly. It would not be possible to answer the third question on the economic package without making some acknowledgement of the questions on fiscal options and the integrated skills and education strategy. Whatever comes out of this, they must be part of the package rather than be left for another day.

Let me make a distinction about the word "package". What do we mean by the terms "economic package" and "peace dividend"?

Members must consider how they would set that out. I will give them a choice that might influence their thinking. Are they talking about a financial package or an economic package? Some elements of an economic package might not cost anything; they would go through a Budget. A financial package would come out of the overall Budget balance, whether it is current expenditure or capital expenditure. I could make suggestions about an economic package that will not add to the Budget for Northern Ireland but that will simply do things in a different way. They might give members some food for thought.

2.45 pm

The subgroup wants to focus today on the economic package. First, I want to comment on the issue of fiscal options. Mr Chairman, you were kind enough to refer to the recent scribblings of a modest author in a local small-circulation newspaper. If you have had the opportunity to read the article and were still awake at the end of it, I offer you my congratulations. I do have a serious intent.

It is apposite that the judgement from the European Court was issued less than a fortnight ago; people had been anticipating its ruling. I was surprised to learn that officials in many Departments were unaware that that case was going through the system. However, the British Government — I presume that means the Treasury — enjoined the court case. They were allowed an audience at the court and argued that the Portuguese Government were within their rights and that the tax advantage for the Azores that was written into Portuguese legislation should be sustained. At the European Court, the British Government were supporting the Azores position on lower rates of corporation tax, which is the issue that we have been discussing.

Some people might argue that, as part of a national agreement, we could introduce a different rate of corporation tax. However, the European Court has given a flat "no" to Portugal. Lawyers will continue to tease out the issue. The fact that the European Court has said "no" means that we could think about going down a different route. We might find out what other options could achieve the same result. This is an accident of European legislation, and presumably other countries have frontiers, and businesses may choose to locate on the far side of those frontiers where different corporation taxes apply.

It is significant that the British Government also recently lost a case at the European Court. The British Government thought that they were losing tax revenue, so they wanted to introduce tax laws that stated that if someone locates a business in another country to minimise taxes, but not to do business, the British Government could collect taxes from that person. The European Court said "no" to that suggested legislation.

For example, if someone sets up a genuine business in Dublin, the London authorities cannot tax that person at British rates because the business has been set up in Dublin to take advantage of lower tax rates. Therefore the European Court has been moving on two fronts.

That gives us reason to be somewhat ingenious or to seek some level of initiative in this matter. I wished to draw that to members' attention.

Chairman, I had the privilege of reading the four volumes that you and your friends must have sat late into the night preparing from the first report of the subgroup's work. Lest you got tired before you got to volume 3, I commend the submission from the Economic Research Institute of Northern Ireland. One of the most fundamental pieces of thinking contained in those four volumes is the argument deployed by Victor Hewitt in the ERINI presentation. He is leading a study on the potential impact of corporate tax changes. Obviously, he cannot produce a report tomorrow, but he is, nevertheless, one of the best people around to do that work. If that idea is to be taken further, I suspect that Mr Hewitt will be a very relevant contributor to the debate.

I shall leave that matter for a moment, because members may ask questions on it. I shall move on to the second paragraph on the third page of my submission, where I refer to the integrated skills and education strategy.

I should first declare an interest: the Department for Employment and Learning, in its wisdom, has asked me to sit on the expert skills group, which is trying to identify areas where the skills that are available in Northern Ireland should be further developed. I do not wish to detract from the ability to take part in — or from the merits of — that particular approach. However, I still wish the subgroup to register my opinion that we are playing with the problems amid a complete lack of urgency. We have the ambition to improve Northern Ireland's performance in integrated skills and education, but we are not delivering.

In a minor illustration of a matter that is related to that, some members will be aware that DEL is encouraging the further education colleges to increase enrolments and the efforts on six key vocational areas. DEL has been doing that for two or three years. I was able to ask for the figures and whether that strategy was working. When one examines the six key areas, one sees that there have been worthwhile increases over roughly five years. However, when one breaks down the figures into each of the six key areas, one discovers that the real increase is in only one of the six areas. The other five key areas are pretty much doing, year after year, as they did the previous year. That allows me to say that my ambition, which I commend to the subgroup, is that further education colleges be

given firmer guidelines on how they achieve their objectives.

I am concerned that further education colleges are still, essentially, free agents that can decide where they place their effort, year after year. As regards a skills and education strategy, we should state that we do not wish to interfere in the operational details of each college, but that, as a society, we have a view on the type of things that they should be doing. Save for the presence of the subgroup's adviser, we could say the same for a couple of universities. That would not go amiss.

In general, the structure of current work on integrated skills and education answers the question of whether we have the ambition. Has a diagnosis been made? Yes. Do policies exist? Yes. Are policies being implemented adequately? No. That is a theme that I wish to repeat on a couple of the other matters that I will put to the subgroup.

The importance of the strategy for skills and education is critical. We cannot have a package for the social and economic improvement of Northern Ireland unless we address what we are doing for an up-and-coming generation and perhaps some of the adults who will come back to continuous learning. We need a strategy that is operational and becomes quantified. We must have key performance indicators and ask questions every year. We must ask whether the work has been done and, if it has not, there must be some discipline in the system that states that that is not good enough.

I shall move from education to other items that should be included in a peace dividend.

On page four of my paper, I draw the subgroup's attention to five headings. Members might wish to consider how each of those could contribute to an economic package. My definition of economic package would include the phrase "any scope for the improved application of current policies".

Over the past three years, the development of RRI has been a new feature on the economic landscape. I am among those who say that it is overdue and welcome, and that it means that there are new financial arrangements to be developed. The Treasury has moved significantly to allow that to happen. I do not know why it did not happen many years ago, but it has happened now.

However, my concern is that the Strategic Investment Board (SIB) is the mechanism through which RRI is being delivered. That begs the question of whether SIB is making decisions about our capital programme. The answer is no: it does not have the authority to make decisions about our capital programme. Is the Northern Ireland public sector capital programme prioritised in one institution that has responsibility for ensuring that

the programme is delivered? The answer to that is, at best, ambiguous — and it may be worse.

My point is that SIB is not part of the Department of Finance and Personnel (DFP), which is the budgeting Department; it stands to one side. It is a non-departmental public body (NDPB), but it has no authority to commit or spend money; it has only the leverage to offer advice. SIB must be tightened up. We should be absolutely clear about its role, and we should be able to monitor its activities.

The improved functional role of SIB calls not only for the identification of a long list of projects — and SIB would agree with that — but for that list to be prioritised, and for an associated timetable to be drawn up. We have a 10-year strategic investment programme, involving approximately £16 billion. However, we do not have a set of priorities that tells us which elements in which functional areas are most urgent.

It is interesting that, in his first paper to the subgroup, Victor Hewitt made the point that it is easy to sell the idea that RRI should make a major contribution to the school-building programme. I do not want to take away from that idea because, for economic change, we may need to enhance the school-building programme and increase work on our hospitals. However, we need to focus on how to improve the economy, and it may be that that should be given a higher priority.

I suggest that SIB should be committed to a series of signature projects, provided that they are developed in short order, rather than taken over a lifetime. Some members will recognise the phrase “signature projects”, because it has been used recently in one or two parts of Northern Ireland to attract commendable publicity. I have suggested a few such projects in my paper.

I suggest that the SIB — or whoever is responsible — should have a single-energy market functioning on this island by January 2009. There must be no more going around the houses on that matter.

3.00 pm

There is no reason why we now need to have round after round of inter-ministerial meetings and discussions about where we should string the wires in order to build the second cross-border loop. If this were a business, people would be out there today putting up the pylons and hanging the wires on them, yet we are told that that will not happen until much later.

To aid vocational skills, I venture to suggest that it would not be a bad idea were we to say that the new Belfast Institute of Further and Higher Education (BIFHE) buildings should be up and opened by September 2009. The original intention was for the University of Ulster to expand on to the site of the Millennium Community Outreach Centre on the Springfield Road. We know what happened, but none

of us could agree that it was a good idea to have spent so long seeking something that did not occur. If we are to improve further and higher education facilities, let us get serious.

Not to please some of the subgroup members, but because I think that it is important, we need to reach a stage at which we are setting dates by which certain infrastructure will be completed. I do not carry the clout, but members might. I would be very happy to say to the SIB that I would like to see a commitment that the Belfast to Dundalk dual carriageway — at least a dual carriageway — should be finished by 2010. Four more years is a heck of a long time in which to do a bit of hard-core infilling and to build a few bridges. Alternatively, lest I divide the subgroup, I add that the dual carriageway from Belfast to Derry city should be finished by 2012. That is not really a bad idea, is it?

Mr McNarry: Not a bit.

Mr J Simpson: I shall outline one further Belfast-oriented idea. I would like to see the Westlink expanded to three lanes — from the M1 to the M2 or the M3 — by 2012. At present, the best prospect for that happening is that it will be considered in 2015. Are we serious about developing our economy? Are we serious about good communications and ease of movement playing their part in that growing economy? If we are, something must happen.

To prove that I have learnt where the north coast is, I add a supplementary point. At the Giant's Causeway, we should have an enlarged interpretative centre that serves an educational purpose. It should be large enough to accommodate one million visitors a year. It could also cater for 30,000 school pupils a year, which would mean that every pupil would get to visit it eventually. Could that not be finished by 2008? After all, the original little visitors' centre was burnt down a while back.

Where is the imagination? There has already been a waiting time of four or five years for that project. Nothing on any scale has yet been built. Chairman, I know that this may upset you, so I apologise in advance. Look at the cross-border example of Glenveagh National Park in Donegal. Is there any reason why what will be built at the Giant's Causeway should not be even more impressive, given its history? Do we even acknowledge that that we should build something on that scale?

I have said enough on the investment programme, so I shall move on. The operational framework for urban regeneration needs to be improved, and the institutions must be in place to ensure that that happens. I am one of those people who would be very critical of the lack of an adequate regeneration programme for the Belfast city region.

I use the words “city region”, because that is the economic unit. Frankly, what is happening is inadequate.

I shall use a comparison that some of you may have heard before. There is no way in which the plan for the Belfast region to have a population of just under 700,000 in 2015 will accommodate our current population growth. We must be more flexible, because, with the arrival of people from other countries, the population is growing much more quickly than we expected. It would be at least desirable to plan for the upper, rather than the lower, side of the possibilities, and we should therefore consider a Belfast city region that will accommodate up to 800,000 people. The other city region would have a similar read-across.

I make a point of principle and I have no reason to hesitate when I suggest that Belfast needs the equivalent of either Derry’s Ilex Urban Regeneration Company or, for a significant part of the city, a transfer of the Laganside concept. Both point in the same direction — choose whichever you think sets a role model.

Currently, we have no adequate urban regeneration programme for Belfast, and, as a consequence, the economy will be frustrated. Does any of us believe that the Belfast Metropolitan Area Plan is adequate for the purpose? That is the physical baseline in planning.

I read the evidence from the Planning Service, and I looked, in vain, for either defence or advocacy of the Belfast Metropolitan Area Plan. Neither was there. How can the Planning Service comment on the needs of the economy to groups such as this without mentioning the biggest institutional feature on the agenda?

Finally, I recognise that it cannot all be done simply by improving public infrastructure. Account must be taken of spending on incentives for innovation, R&D, knowledge transfers and the endowment of research specialisms. We should ask our DEL to consider how further and higher education institutions can make a bigger contribution. Currently, the game is that the money is allocated in proportion to what happened elsewhere in the UK. That is an implicit restraint on the way in which this economy can develop, and I wish it were otherwise.

The thesis running through all I have said is that we have the ideas. For some years I have watched those ideas, but I am increasingly aware that they are not converted into operational delivery. If I have any criticism of the public sector — hence the reference to personnel and institutions — it is that statements of good intent are inadequate to meet the problem.

The Chairman (Mr Molloy): Thank you very much, John. One of the problems is perhaps that planners spend more time in trying to close down rural development through Planning Policy Statement (PPS) 14.

Ms Ritchie: John, you are welcome. Our terms of reference — and our economic adviser — set some tall orders. How do you suggest that we address the economically inactive through the integrated skills and education strategy?

You mentioned the need to tighten up the Strategic Investment Board (SIB), which some say acts as a lever for the Treasury in Northern Ireland. How do you suggest that that should be done?

I do not criticise any of the projects in your list, although I am a little surprised that you have not listed any in the south-east; perhaps that is parochial of me.

The Chairman (Mr Molloy): You cannot win, Mr Simpson.

Ms Ritchie: Perhaps, Mr Simpson, you could speak of your experience.

Mr J Simpson: I will first answer your question on the skills and education strategy, and link it to the issue of the economically inactive.

The subgroup acknowledges, as does everyone, that Northern Ireland has high rates of economic inactivity. We have no full explanation of the reasons for that. However, insofar as it is caused by a lack of opportunities to gain skills, we should be tackling it. Much economic inactivity is voluntary; some of it will be involuntary. The involuntary element is what we ought to be dealing with. Some of the involuntary element is due to the nature of society. A relatively high proportion of the population lives in rural areas. One reason for the high rate of economic inactivity there is that in a proportion of that population, the ratio of incomes per household is lower because a second person stays in the household. Sometimes the second person is the unpaid, economically inactive partner of someone who works in agriculture.

Your question becomes that of where to focus the skills and education strategy. Part of the answer must be that everyone should have basic literacy, numeracy and IT skills. Northern Ireland is inadequate in that respect, and submissions to the subgroup demonstrate that. Part of the answer must also be that Northern Ireland should have more specialisms in higher and tertiary education. However, once we identify those who are inactive because of lack of opportunities, we must ask, ‘what incentives would be necessary to make them economically active’ whether facilities are available and whether the people concerned have the right incentives to use the facilities. That is a difficult question that can only be attempted case by case. Therefore I do not have a ready answer.

Your second question was about —

Ms Ritchie: The Strategic Investment Board and the reinvestment and reform initiative; and how to make them much tighter.

Mr J Simpson: Did you say “exciting”?

Ms Ritchie: No. I said “tighter” in my County Down accent.

A Member: It could be the same thing.

Ms Ritchie: It depends which word you want to use.

Mr J Simpson: I draw a distinction, and I emphasise it again, between RRI and SIB. RRI is a concept to which none of us would object. However, when we talk of the SIB, we mean delivery mechanisms. I do not know what the SIB was playing at. I listened to how it presented its argument; I read its annual report, which did not meet the targets that I had hoped it would; and I read the submission that it made to the subgroup. The SIB does not have operational accountability at the right level. If it continues — and I have no difficulty with it doing so — I would like it to be the capital programming body for the public sector in Northern Ireland. Full stop.

At the moment, however, the SIB does not even make an input into those elements of the capital programme for which it has not shaped the contracts. The SIB will tell you how much it has helped the contractual system for the two big roads contracts. It will tell you — and it is true — how it has developed the formula for dealing with schools. However, it is not a comprehensive body, and if Northern Ireland lacks anything, it is a comprehensive capital programming arrangement, where priorities are set and timetabled. My little illustrations attempt to show the need to do both.

The subgroup might set different priorities. One of the difficulties for you, Chairman, and your colleagues in the Chamber downstairs, is that if the subgroup attempted to prioritise all the elements in the £16 billion capital programme, it would not necessarily reach consensus. You might have to report that some members of subgroup think that certain elements should be higher.

At the end of the day you have to find a mechanism to resolve that, but unless you have an agreed set of priorities into which you build compromises, there is a danger that you will be doing things all over the place.

I am pleased to say that what has happened to date has avoided some of my worst fears. However, the danger with the SIB is that we might have developed, in this ad hoc manner, a string of contracts that we are sending out to the building and civil engineering industry. In the worst situation they arrive as a dollop on day one, and then there might be nothing for a long while. It needs to be prioritised and put in order. Victor Hewitt takes credit for putting it succinctly in his paper, and I will take credit for saying it to you.

3.15 pm

Mr Ford: If we are going to be parochial, I should point out that the road from Belfast to Derry passes

through south Antrim. No doubt, Mr Chairman, since you are constrained by what you can say, we also ought to regret that Fermanagh and Tyrone are not mentioned. I am sure that that will get me a brownie point with Michelle.

When you were talking about the role of the SIB, John, I thought you were almost going to suggest that it be scrapped. It seemed to me that you were setting up a role for the SIB, which is actually round the Executive table in room 21 downstairs. That should be where the priorities are set.

In clarifying or reshaping the role of the SIB, where does it fit in? You have highlighted the fact that it has limited powers to ensure that things happen. It seems that much of what you highlight should be driven collectively by the Executive to ensure coherence across the Departments in an overall package. Do you think that it is necessary for us, in setting out a requirement for a package, to specify both the areas on which we would wish to make expenditure and how we would receive it?

Mr J Simpson: I would want you, if you could, to incorporate some of these issues about procedures. If you just present it as a costed list, you are not sending the full message to the public administration in Northern Ireland. In recent years, for all sorts of reasons, the public administration has been full of statements of good intent, but no one has tied it down to operational delivery by given dates for major issues.

How often have you heard someone say that he hoped that something would be done by March 2006 but that the timetable has slipped, and it is now going to be later? There are examples of that in every organisation, but I would like to persuade you to formalise a statement so that slippage is acknowledged.

As a group of MLAs, you were understandably quick to comment when the Department of Finance and Personnel announced the underspend. Would you like to know where the underspend was and what it was that was late? It did not get approval to spend X in the financial year in order to end up with Y as a surplus deliberately. There was a scheme in there, but did it get everything right? I see that the Minister has now employed consultants to review the way in which we set public expenditure planning. I have no doubt that the subgroup will be very interested in seeing the full, unedited report.

Dr Birnie: Can I go back to what you said about the Azores judgement? I hope that I have got this right. You said that the judgement might show us a different route to the same end. Could you elaborate on what that different route might look like in the light of the judgement?

Mr J Simpson: I shall try. The most obvious alternative route is to say that if the Azores had had its

own tax-setting powers, completely separate from the metropolitan Portuguese powers, there would not have been a question, provided that if the Azores lowered their corporate tax, the Government in Lisbon did not say: "You will be short of a couple of hundred million Euro, we will supplement your budget".

It must be an independent decision. It could be said that Northern Ireland already has a tax of that kind: local rates are a devolved responsibility, and if, as a public sector Administration, the Assembly was to choose to lower the rates, it would have to live with less revenue, and there would be all sorts of knock-on effects.

To follow through on Dr Birnie's question, that is the obvious conclusion to draw from the Portuguese judgement. Have corporation tax as a devolved matter, and the Scots might want it as well. However, it must be asked whether that would produce silliness within the European Union that should be challenged. Challenged is a strong word, but there must be few other areas in the European Union where a population of 1.7 million is situated next to a population of around 4 million, creating a tax frontier.

It is conceivable that the equivalent of a peace package might be to ask the European Union for derogation on the issue for some years. That is already happening for the aggregates levy, and the climate-change levy, as it affects natural gas. That was mentioned in some of the subgroup's earlier papers. That argument could be made, but it would be a hard argument to win. However, if soundings were taken with the commissioner responsible for competition policy, it might be worth trying. An option might be to make a back-door presentation to gauge the likelihood of derogation. If it were regarded as a package to build on the peace process in Northern Ireland, a period of 10 years might be required. It must be a significant period. It would be waste of time to encourage investors if the low tax was to be available for just one year.

Human ingenuity is such that, knowing the rules, we could apply ourselves to developing alternatives.

Ms Stanton: I want to address sectarianism and the economy. In the past, investment should have been based on the areas of greatest objective need. That would have cut out the arguments of who gets what, and of this side gets more than that side. Should that approach not be implemented throughout all the structures of any policy or economic package?

Mr J Simpson: Forgive me for asking, but could you develop your question one step further, so that I can understand the implications of your proposal?

Ms Stanton: My question relates to sectarianism and the economy. I am from north Belfast, where sectarianism has stood in the way of investment and jobs. The emphasis for any economic package from Government should be based on the greatest objective need.

Mr J Simpson: I see where you are going. I will overlap your question with the issue of urban regeneration. I am involved in the Greater Shankill and West Belfast Task Forces. It is no secret that the task forces are having significant difficulty with the government machine in getting an adequate response to implementation for those areas, which would obviously have spillover effects on other parts of inner Belfast. In recent meetings, the task forces argued that the priorities of the areas of social deprivation must be met by an urban development framework — or corporation — that would take account of social and economic needs, and would have some of the authority and leverage of the Laganside Corporation.

Such a framework may require further financial packages, but I acknowledge the need for one.

Members will have heard this morning's announcement of the development of an eight-acre site in east Belfast. I am sure that that will be a useful development, but the picture in inner Belfast is of patchwork rather than coherent development. Members will find, or perhaps already know, that Belfast City Council is interested in exploring further the concept of a city region, a concept that is now being studied more closely at a European level. Even Gordon Brown has issued a White Paper — or is it a Green Paper — on cities. There is, therefore, some current thinking that would address Ms Stanton's question; and the subgroup may wish to consider embracing that thinking in relation to Belfast and Derry. I apologise to those who have travelled from Armagh, but the scale of the problem is most visible in those two cities.

Mr Weir: I was worried for a second that North Down had fallen off the map.

To be fair, I was struck by what you said about corporation tax and about the problems with implementation, particularly with regard to capital projects. The fundamental problem with the mindset in Government with regard to capital projects can be illustrated by what happened when some of us met the Minister and Department of Education officials to discuss the funding crisis in the South Eastern Education and Library Board. That meeting took place shortly after the revelations about the underspend within the Department: I cannot remember the exact figure, but it was about £69 million.

One of the excuses that was offered to us was that £69 million was not a real figure because about £40 million of the money that had not been spent was for capital projects. The board had not got round to spending money, had not implemented things quickly enough and had not been able to progress capital projects at the intended time. The mindset in Government was that there was, quite frankly, nothing wrong with that, as it simply meant that the board could spend the

money later — and what applies to the Department of Education applies throughout Departments. As you highlighted, there is a fundamental difficulty with that mindset.

I appreciate that you have identified at least two or three components of a solution: greater co-ordination in decision-making; prioritisation of projects; and the targeting of specific dates. Is there anything that you have not mentioned that you can recommend to have some impact on changing the mindset of Government on implementation?

Mr McCarthy: What about a bridge over Strangford Lough?

Mr McNarry: From Killinchy to Newtownards.

Mr J Simpson: Should the subgroup be persuaded to go in that direction, I suggest taking a sequence of steps. It is important that those steps be kept short, sharp and to the point. State the issues clearly: say that you want priorities identified, dates set and disciplined implementation. Simply telling Government what you want is enough for now: if they deliver on those three issues, we can then consider what the next level should be.

Mr McCann: What has been said about the sequence of events and the time frame was interesting. Both are important in most things that we do.

However, to return to the question about Belfast, I know that the task forces have done some excellent work. The question is how that work progresses from here.

Belfast is a city of two halves: parts of the north and west lie derelict, while the east and the south seem to prosper. That fact is not lost on the people who live in the north and the west of the city. In those areas, or in any deprived area where there has been long-term unemployment, particularly among the young, there are no schemes or projects to enable young people to find work.

Several years ago, when schemes such as Action for Community Employment (ACE) were introduced, the communities that I represent considered them to be an asset that would lift people out of unemployment. Some argued that they should be extended to three or four years and have skills training attached to them, so that people could come out at the other end with recognised skills. Is there a recommendation that the Assembly consider a scheme that could enable people in areas of severe deprivation to gain skills?

3.30 pm

Mr J Simpson: We are dealing with areas that have multi-dimensional problems. Part of my criticism is that we have been tackling those problems as though they were one-dimensional and sat one beside the other.

Members may remember a book written in the late 1970s by Ron Wiener, 'The Rape and Plunder of the Shankill'. It was not written because the Shankill had any particular community association. It was a commentary on urban redevelopment. We have struggled for years to find a way forward for urban redevelopment. Members may remember the application of housing action areas. They will all be familiar with the Belfast Regeneration Office and the Making Belfast Work initiative. Those ideas are praiseworthy. However, they have not come together to form a coherent approach.

For example, I had two priorities coming out of the Shankill task force. The priorities for the Shankill and west Belfast are different, for good reasons. We have learnt from each other. One of my priorities is when action is going to be taken to underpin the schooling system in the Shankill and to remedy its tragic weaknesses, not just at secondary level, but also at primary level and below. I have said repeatedly that I will judge what the Government has done for the Shankill when there is a major shift in emphasis towards what happens to the children in its schools.

Yesterday, Maria Eagle met school principals from the Shankill. I have spoken to my colleague about the impact of that meeting. The message that I have received is that the Minister is now better informed. Part of the discussion at the meeting was about why extra resources had not been put towards the Shankill in response to the integrated development fund. The explanation that was given by a civil servant was that the money had been sent to the board. The Minister enquired as to when the money would be reallocated. That is a serious question.

My other concern for the Shankill relates to this business of the rape of the Shankill. If no action is taken to improve the built urban infrastructure from Peter's Hill to Woodvale — the same applies to the Crumlin Road and the Falls Road, although I will not speak for my colleagues there — and a plan is not made for major regeneration of those arterial roads, they will, almost literally, fall down.

For businesses on either side of the Shankill Road, there is no incentive to modernise or regenerate their buildings. Traffic management is appalling. The idea of bus lanes exists, but it is at the bottom of Translink's priorities.

The Chairman (Mr Molloy): I must stop you there, Mr Simpson, as we are pushed for time. John Dallat will ask the next question, or else we could end up with a Belfast-oriented debate.

Mr Dallat: Peter Weir has already addressed part of my question.

With the best will in the world, if a financial package were available tomorrow, there is enough bureaucracy

in the Civil Service to make sure that it is not progressed. We can all play games, meet Ministers and all that, and get kudos for moving something up a step. By its very nature, a peace package suggests something that is urgent. I do not disagree that the achievable aspects should be realised.

Moving the discussion outside Belfast — that will please you, Chairman —

The Chairman (Mr Molloy): I welcome that.

Mr Dallat: There are thousands of farmers who have no income. When they try to get involved in diversification schemes, the planners come down on them like a ton of bricks. In fact, dozens of enforcement officers hound farmers about schemes that have been in existence for years. Farmers dare not put a sign out on the road — that is a criminal offence. Yet, if there were renewed confidence in the economy and someone lodged an application for a hotel in Coleraine, for example —

Mr J Simpson: As there was recently.

Mr Dallat: — and somebody else had lodged an application to build a pigeon loft, the pigeon loft would get priority because of equality laws.

Ms Ritchie: About pigeons?

Mr Dallat: No, but all planning applications must be taken in turn.

The Chairman is being very good in allowing me to develop my point. How do we develop a co-ordinated approach to delivery?

Mr J Simpson: We must first recognise the problem. Until now, one of the tokens of faith in this part of the world has been that we are well served by the public sector. In general, we are. However, the message about the need for a discipline for implementation has not been sent down the line.

Whether it be you, ladies and gentlemen, as elected representatives who will form the Executive, or someone else, a message must be sent that the present quality of implementation is inadequate. That is not to say that there is significant dishonesty or malicious dereliction of duty; it is simply about indicating where we want to focus. That is happening in Dublin.

The Chairman (Mr Molloy): John will remain for the next session, which Mike will introduce and in which the subgroup will focus on the key themes. It is important that the wider discussion, and the questions that are asked of John and Mike, deals with those. We are trying to reach conclusions, so it is important that the parties have an input.

Mr Smyth: John, do you have a copy of the focus group structure?

Mr J Simpson: I do not think so.

Mr Smyth: There are four broad headings on which we need to try to make some progress.

Mr J Simpson: Are we still being recorded?

The Chairman (Mr Molloy): Yes. As a public session, it is being recorded.

Dr Birnie: Do we all have that bit of paper?

The Chairman (Mr Molloy): I do not think so; I think that only I, as Chairman, have it. It should be in the members' pack, in some form. Do all members have the focus group structure?

Mr McCarthy: Is it in our packs?

Ms Ritchie: Which one?

The Committee Clerk: Members do not have a copy of the focus group structure, as it was agreed just this morning after discussions between Mike and me. Mike will read out the structure for members' benefit.

Mr Smyth: We should try to structure our discussion around the following four main subject areas.

First, the subgroup should try to move towards a definitive statement on the problems facing the Northern Ireland economy, including issues that must be addressed and the case or rationale for an economic package.

Secondly, bearing in mind David McNarry's point in the last session, we should aim to develop an interim position on the optimum, and most realistic, mix of fiscal incentives.

Thirdly, we should move towards some kind of list of specific initiatives or projects that members feel might make a tangible difference to the economy, presumably in a reasonable time frame.

Fourthly, we should consider non-financial and non-fiscal measures, policy reforms and some of the other issues that we have been discussing.

Implementation is a recurring issue, which all the witnesses over the past two weeks have emphasised that the subgroup must address.

The Chairman (Mr Molloy): We will give members copies of those questions.

Mr Smyth: In my review of the evidence to date, I put it to the subgroup that it must understand why we are examining those issues now. The background is that, for historical and institutional reasons, our economy is unbalanced. That creates a number of spillover effects or distortions that economists believe make it difficult to get back some sense of equilibrium.

One of the distortions that I mentioned this morning was the almost permanent difference here in average non-manual earnings between the public and private sectors. In any normal economy, average non-manual earnings in the private sector would be above those in the public sector, and the gap between the two would

be widening. That causes different calculations to be made by economic agents, such as households and businesses. Economists talk about rent-seeking and all sorts of other terms.

However, a number of structures flow from where we are now. Low productivity is at the core. As Victor Hewitt reminded us, low productivity equates to low wages and low living standards. Is that correct? Is that the perception of all parties?

Ms Ritchie: Yes, I think so. It goes back to historical issues and the legacy of the conflict, which resulted in emphasis being placed on the public sector — the brakes were placed on private-sector development, and there were many barriers to attracting FDI.

The Chairman (Mr Molloy): I take it that the subgroup agrees to Mike's proposal? Is there consensus?

Members indicated assent.

Mr Smyth: We now move tentatively towards identifying those issues that go the heart of the productivity conundrum. I remind the subgroup of Victor Hewitt's remark that continuing to do what we have always done will, by and large, produce the results that we have always produced. He also said that, on the basis of present policies, we would be dead, our children would be dead, and our grandchildren would be well on by the time that Northern Ireland's gross domestic product (GDP) per head converged with the UK average, let alone with that of the Republic of Ireland.

Following on from that, the Industrial Task Force argued that some kind of new model or dispensation and radical structural measures are needed.

Is there an agreed timescale for getting results on the ground? Whether devolved Government is restored or direct rule continued, when do we expect socio-economic regeneration to really start to happen here and when do we expect some convergence with the rest of the UK?

The Chairman (Mr Molloy): Is there a target for that?

Mr Smyth: We will hear evidence from the Economic Research Institute on the corporation-tax argument, which will inject a break-even analysis. It will show that, at some point in the not-to-distant future, the cost of any tax break here would be offset by the economic benefits. I have heard a range of values, ranging from 20 years to 10 years. The subgroup needs to think about that.

3.45 pm

Mr J Simpson: Can I enquire as to when the report from ERINI is expected, Chairman? Will it influence what the subgroup is writing?

The Chairman (Mr Molloy): Victor Hewitt provided an update.

The Committee Clerk: We are working on the report on an economic package, which must be drafted by today week and must be before the Committee on the Preparation for Government by 4 October. Victor Hewitt's research will not be completed in time for that, although the third report, which will include fiscal incentives and occupational skills, will. He has provided an update on his research, which is included in today's members' pack. I can summarise it for you.

Mr J Simpson: No. It is on the agenda.

Mr Smyth: I detect some residual reservations among members about the efficacy of corporation tax to stimulate foreign direct investment. There are some reservations over whether even foreign direct investment can close the gap in any meaningful time frame. Can we discuss those two issues?

Mr Ford: I think that Mike is referring to my views on the efficacy of that tax. It is not whether a reduction in corporation tax will attract FDI — the evidence from the Republic shows that it will. The question is whether the benefits will substantially attract more FDI or whether they will make an already comfortable life more comfortable for some indigenous small businesses that do not make any major effort to increase. How might potential fiscal changes be targeted to ensure that FDI is attracted or that expansion is encouraged? We do not want to encourage a continuation of the current situation.

Ms Ritchie: As a very puerile individual, I must suggest that it also depends on where FDI is located. If it is located in areas where industry has always been located, that will not address disadvantaged areas, whether they be in the west or the south-east, that have not generally been associated with manufacturing, business or commerce. There is a need to address that, and there must be an incentive to get people there.

The Chairman (Mr Molloy): In the South, the expansion of business in general was able to get everybody working. That led to an increased number of migrant workers, and that increased the tax base and helped the economy.

Mr J Simpson: Following on from Ms Ritchie's point, if an advantageous fiscal arrangement is gained, one difficulty would be trying to apply it if Northern Ireland were to be broken into sections. The answer to Ms Ritchie's question is that if there is the right infrastructure, the right education and skills and the right supportive arrangements, they must be loaded, distorted or biased in order to target the areas of disadvantage.

Ms Ritchie: I did not disagree; in fact, I agree. However, the issue is how that is achieved.

Mr J Simpson: If I were writing the report — and I am not, thank goodness — I would place the tax

paragraph at the end. I would add all the other suggestions above it, so that the tax would be an obvious derivative.

Ms Stanton: Before we take any decisions on that, especially if we are to consider all the winners and losers in this, it would be important to have all the information and evidence.

Mr Smyth: Accepting that the productivity gap is at the heart of our economic problem, the question is how we go about closing it. There is consensus in the subgroup that wherever FDI is located, it has a major role to play in closing the productivity gap. Research has shown, *inter alia*, that FDI jobs pay somewhere between two and four times average earnings. FDI meets the criteria, it creates employment and, through multiplier effects, it stimulates tradable and non-tradable service jobs elsewhere. It increases the tax take.

The Chairman (Mr Molloy): Are there opportunities for the unemployed and the less well off?

Mr Smyth: There is evidence to show that it has a spillover on the pool of management competence and skills that we talked about.

Mr J Simpson: People who are interested in developing management skills will readily subscribe to the view that at present our organised contribution to management skills is inadequate. Gone are the days when either one of the two universities claimed to have a business or management school. Some people bear the scars for what went wrong. However, it is worth noting that DEL is currently consulting on how to improve management delivery, and that could be on a list of things that it was asked to sharpen up.

On the issue of FDI, we are still playing the game. Any discussion that I have had recently has been around the argument that any new, expanded level of FDI at the levels of higher value added requires that the rest of society also adjusts. The argument that was put to me earlier today was — and I shall take out the phrase with which I was asked to preface this remark. — that if we do not develop clusters of expertise at the highest international level, probably related to the two universities and probably in quite defined areas, we will be pitching in the wind to get FDI but we will not have sufficient focus. R&D and the academic-excellence argument is an important precursor — or whatever the word is that makes a precursor into what happens today.

The Chairman (Mr Molloy): Do you have a specific question, Mr McNarry?

Mr McNarry: We are getting a good deal of economic analysis; however, there is also the practical side to consider. With all due respect, I hear what Ms Ritchie says, and she is thinking of her constituency —

Ms Ritchie: We have had a dearth of manufacturing —

The Chairman (Mr Molloy): Let Mr McNarry continue, please.

Ms Ritchie: Sorry.

Mr McNarry: I understand that. I could say the same about my constituency. Where there are manufacturing jobs, people are housed in a unit. Once the workforce reaches a certain size, the company needs bigger premises, and it leaves. It does not go further afield; it moves closer to Belfast — and we are pretty close to Belfast. It is difficult to crystal-ball gaze, but we asked ourselves some time ago: what will we tell young folk to study in order to get a job in 10 years' time? We are not identifying the types of jobs that people will do. Ms Stanton talked about deprivation, and that is respected; however, we do not really have a problem with unemployment here.

Ms Ritchie: It is not a problem now, but it used to be.

Mr McNarry: We have problems with poverty and deprivation, but when we ask people to produce the figures, they tell us that we do really have a problem. Why then do we need all these migrant workers? In his evidence the man from Moy Park Ltd said that there are not enough people in Dungannon and that locals do not want to work. That is why the company has had to bring in these people.

I was talking to a meat packager today in the same area who said that his business could not survive without migrant workers. He was concerned about what happens if all of those workers want to go home. Our children are not being trained to replace those workers, nor do they want to do those jobs.

The Chairman (Mr Molloy): It has been said that everyone in Dungannon has been through the Moy Park factory, sometimes twice.

Mr McNarry: I will not enter into any type of racist argument — far from it — but I now see white people brushing the streets of London where I did not see them before. The attitude toward so-called menial jobs is: "We are not going to do that type of thing." That will be an ongoing problem. It would be helpful if we could, somewhere down the line, identify what type of jobs we are seeking to create. Can we live up to the promise of the financial packages? Can we use them wisely?

We have a habit in Northern Ireland of throwing money away. That has been the case with direct rule, but also with devolved Governments, for which, in many cases, people from my community were responsible. We do not have slush funds; we just have mountains of money that we throw at stupid ideas, all in the hope that that will have a quick effect. That does not work, and it is a terrible waste. People are used to getting handouts for nonsensical projects.

Allow me to digress. There used to be a fellow named Brian Faulkner, who was one of my heroes because he was Minister of Commerce. He built a reputation as the guy who went to America and everywhere else and brought back jobs, created factories, etc. What would that guy do today? Where would he go? Who would he see? What would he look for?

Citibank recently established a presence in Northern Ireland. That firm creates different types of jobs in big money and financial services. Is that what we are seeking? John Simpson asked about the measures that we are seeking to include in a financial package. We must ask for how much longer we are going to rely on selling cheese and milk, or Cookstown sausages, etc. Who are we selling them to? What are we doing about our farmers' future? What type of jobs are we seeking to create?

I would like to be able to say that we have a timescale of 20 years to work these matters out, but we need some answers tomorrow.

The Chairman (Mr Molloy): Can I bring the discussion back to a focus on the issues, because we are trying to —

Mr McNarry: I am trying to focus on the reality and practicality of this matter.

The Chairman (Mr Molloy): Michael is seeking agreement on the specific issues before us. I would like us to focus on that.

Mr Smyth: If the Republic of Ireland had not been outperforming its competitors over the past 15 years, would we be having this discussion, and would the time constraints be so pressing? I think not.

Following that line of argument, why, inter alia, has the Republic of Ireland outperformed its competitors? There is no getting away from the fact that the Republic has had a huge bottom-line advantage over us in attracting high-value-added producers and multinational businesses.

Aside from FDI and corporation tax, we have looked at fiscal incentives such as enhanced capital allowances or tax credits. The evidence on those measures is fairly mixed; they can have an effect, but it will take a very long time for them to start to make a difference. That takes us back to the issue of a timescale. What is the realistic timescale within which we expect this package to have an impact?

4.00 pm

Dr Birnie: I agree with everything that Mike said, but I would like to qualify it. The Republic's performance from around 1990 has been very impressive. Almost certainly, that has been partly due to its rate of corporation tax, and that is why we are looking at that

urgently and in the belief that we can do something quickly to bring about a step change in growth.

The qualification is that the Republic has had that low rate of corporation tax since 1958 — I tried to put that question to Sir George Quigley. Unfortunately, although all of us, as politicians, want immediate returns, I recall the old saying that the difference between a politician and a statesman is that the politician thinks about the next election and the statesman — or stateswoman — thinks about the next generation.

We would like — and people need — to see a return within five years. However, the full effect of the package will be felt only over a generation or two. Economic history shows us that things change slowly.

Ms Ritchie: The SDLP agrees. Although we all might want results within five years for this generation, we would like to see long-term benefits for the next.

Mr McNarry: In political terms, we want the freedom to be able to do this work ourselves. We must keep running. There is no buy-in with the Treasury in setting our own rate of corporation tax. There must be a responsibility to our membership of the United Kingdom. If reducing corporation tax is such a good idea, why is it not happening in England, Scotland and Wales? Why is it not UK policy? Those regions are competing too. Who else are we competing with?

The Chairman (Mr Molloy): Esmond made the point that the South had a lower rate of corporation tax for a long time before it became beneficial. Is it possible that we can gain benefits within a shorter period because we are a neighbouring area of economic growth?

Mr McNarry: Only if we are properly equipped. Once we make ourselves that competitive, we must be competitive on the production line as well.

The Chairman (Mr Molloy): I have talked to American economists who have said that, when they are looking at the island as one entity, they are looking for the part that is of most advantage to them. If the same tax system exists across the island, perhaps there is an advantage and we can catch up more quickly.

Mr Ford: If, for example, the International Financial Services Centre in Dublin became overheated, there would be the potential for development in Belfast. However, it would have to be in Belfast; that is not something that could be done in Newry, Downpatrick or even Dungannon.

Mr McNarry: It could be done in Newtownards.

The Chairman (Mr Molloy): The centre of the world. *[Laughter.]*

Mr Smyth: Can I take John Simpson's excellent suggestion that we put the tax matter towards the end of our report?

Mr J Simpson: Putting it at the end does not make it a small issue; it shows the sequence.

Mr Smyth: That is the best way forward. We can move on to the next issue, which is the consideration of a realistic mix of financial incentives to form the core of the package. Disregarding corporation tax, R&D-tax credits and capital allowances — which can be put into the same basket — the evidence that we have received has placed emphasis on measures to stimulate knowledge transfer from our higher education institutions to the business community. That applies to: research and development; innovation at all levels in business, such as business models, processes, products, marketing, logistics etc; and enterprise. Could members leave it to me to draw something up on that?

The Chairman (Mr Molloy): John Simpson also made the point about meeting targets.

Mr Smyth: Yes.

Ms Stanton: Incentives for people to come out of the poverty trap and benefit trap were also included.

Mr McNarry: Rather than saying “measures”, will you say what the actual measures are?

Mr Smyth: I shall run over the main ones. The proposals for R&D centred on the use of fiscal measures to stimulate the uptake of existing measures from the Department of Trade and Industry (DTI) and DETI.

With regard to innovation, it was suggested that a unit be set up to encourage all small and medium-sized enterprises in receipt of financial support to benchmark themselves internationally against their particular product or segment of the industry. That becomes an absolute prerequisite for financial assistance.

There were suggestions about zoning in metropolitan areas, but they did not expand beyond that broad idea. I am always conscious that state aid rules apply. With regard to zoning, we could perhaps consider rate relief for specific underdeveloped areas.

Mr J Simpson: I heard someone say, “excluding Coleraine.” I am sure that that is offensive. *[Laughter.]*

Dr Birnie: Coleraine is overdeveloped.

Mr J Simpson: As Mike mentioned zoning, the concept of enterprise zones occurred to me. Those would include differential rates and planning concessions.

Of the suggestions that the subgroup is considering, R&D and innovation is at the top end of the spectrum, in the sense of higher value added. One can play around with R&D and tax credits. One possibility that could be considered is reinforcing the SPUR initiative. I wonder whether there is enough knowledge around the table to put that together. The input of the two universities needs to be enhanced. They do not have a

big pool of ideas waiting to slip across to industry — they need to be fed, encouraged and grown. The SPUR initiative is an example of how that might be done, without playing around with the tax system.

Ms Ritchie: Could we capitalise on investment in all university research on the island?

With regard to enterprise zones, could we push for an enterprise growth fund or would that be a disincentive? I ask John from an economist’s point of view; there are always advantages and disadvantages.

Mr J Simpson: While Mike is thinking of a good answer to that, I shall give you a bad one. What could such a fund do that Invest Northern Ireland could not do if it so wished?

Mr Smyth: There is evidence of gaps in provision of development finance for businesses, but the record in trying to plug those gaps is not great. For example, venture capital is problematic here and, as John said, not only in universities. That is because there is no deal flow, and no scale of that deal flow to make it worthwhile for many national venture capitalists to invest. There is a possible argument for an all-island approach.

The Chairman (Mr Molloy): One of the overall aims is to reduce the bureaucracy in this area. The Civil Service will give 101 reasons why something cannot be done, but seldom one reason why something can be done.

Mr Smyth: Again, we must have evidence of market failure that the market cannot provide itself. That should be a guiding principle for all the subgroup’s proposals.

Mr McNarry: It would help to have an innovative Minister. There is no big seller here; nobody is going out to sell the product. We heard what Margaret said. We have now embarked on selling Northern Ireland on an all-Ireland basis. We tried to do that with tourism, and it flopped. The Northern Ireland Tourist Board told us that it had flopped and, if I understood correctly, that it wanted to get out of its Tourism Ireland.

Mr Dallat: Well, it would say that.

Mr McNarry: But the Tourist Board is the body that markets Northern Ireland.

Mr Dallat: It was the biggest flop of all time.

Mr McNarry: That is my point.

Mr Smyth: Once you take away the headline grabbers of corporation tax and R&D tax credits, there is not an awful lot —

Mr McNarry: It is a natural progression that businessmen will want the rate of corporation tax reduced. We have listened to their pitch, which is to compete with the Republic of Ireland, as though that were the only country that Northern Ireland business

competes with, or as though it is China on our doorstep. Of course it is not. Once you give businessmen a reduction of corporation tax, they will want more, and we have to be sure that the rewards will be there.

I have spoken to businessmen from across the border, and I find that they are already at the stage where they have banked corporation tax and now want a review of capital gains tax. Why cannot we anticipate that and look at capital gains tax? Reducing capital gains tax would be attractive to a board of directors. Our Southern colleagues are going to have to face it: there will be a push to have a review of capital gains tax.

Mr J Simpson: I am interested in the relative choice between corporation tax and capital gains tax. Clearly there is a case. It would be persuasive, and the Treasury would be mean not to recognise it, if the subgroup had assembled cases for, say, nine steps out of 10, with a reduction in tax as the tenth step.

The last time I heard Garrett Fitzgerald speak — and he is still extremely articulate — he had a lesson for us. He wanted to give priority to developing the Irish education system and put changes to the tax system into second place. We have not really grasped that point. When you think of how the Republic's Institutes of Technology have linked into the economic spectrum, there is a lesson there to be learned. It is happening just across the border.

The Chairman (Mr Molloy): Government training centres, which were started some years back, failed to take the next step of providing a skills base. Industry now brings in its own trainers, because further education colleges are not providing —

Mr J Simpson: May I add to Mr McNarry's comments on education, values and individuals? He asked what we are educating and training people for. My view is that we should be encouraging people to achieve and develop their talents as far as is possible, without particular regard to whether they are going to be road sweepers, brickies or whatever it might be.

Occasionally, I ask people to tell me what skill has ever become redundant, rather than being the base for someone to enhance their career over time. To date the only answer I have received was when someone asked me what riveters are doing today, compared to what they were doing 30 years ago. All other skills are still relevant.

As regards the skills strategy, I would like to see it accepted explicitly that our tendency to say that we must generate people with the right skills for the needs of today's employers in Northern Ireland is wrong. We should be generating people with the skills for tomorrow to work wherever they choose. Northern Ireland will attract people, and people will also leave, because we are part of a western European environment.

DEL are inclined to ask employers what skills they need. I do not object to that approach, but I do not want that to be the only answer.

Mr Smyth: John is saying that we should be looking at those softer measures.

Mr J Simpson: They are not softer. They are harder.

Ms Ritchie: The evidence submitted, along with Dr Peter Gilleece's research paper, proved beyond doubt that the Republic's success lay in its investment in education and skills.

Mr McNarry: We have fallen into the trap of talking down our education system. This Government is tearing it apart, and we are allowing them to do it. We are talking it down as if it is secondary that we are producing good people. We are talking about the problem of the people at the bottom as if they are useless.

4.15 pm

Mr Smyth: I shall move on to the third section:

"List of specific initiatives/projects where a one-off investment could make a tangible difference to the economy."

We could find examples of those in John's list of projects. The usual suspects are: physical infrastructure projects; initiatives to boost skills formation, and copperfastening vocational education.

It concerns me that a few years ago, though it did not do it very well, Northern Ireland, under Classroom 2000, boasted that it had a lead over the rest of the world, because it was the only place on earth in which children aged four to 18 had broadband Internet access supporting the national curriculum in every school in the Province.

It cost £300 million, but has fallen on its face. That is something that the subgroup really needs to look at. The hardware is not fit to accommodate the learning environment, and the firewalls protecting young people from paedophiles also prevent e-mails and simple communication. The hardware is of a vintage that cannot support some of the new multi-media balanced learning environments. Worst of all, the teachers have no idea how to make it work. Only a few million out of the £300 million was spent on preparing the gatekeepers who were to run it.

That goes to the heart of the issue of implementation. As I understand it, it is not too late.

The Chairman (Mr Molloy): One of the items on John's list of projects is staring us in the face; it is waste management. We need to examine that.

Mr McNarry: Is that an inquiry into the Civil Service? *[Laughter.]*

Mr Smyth: I am open to suggestions about one-off projects and initiatives.

Mr J Simpson: May I put a controversial proposal? As a layman, I ask our professional politicians to come to a consensus view on the biggest single project that might impact on the economy. It is the redevelopment of the Maze site, which is sitting in limbo. If it has support, then it needs to be carried through with conviction. If it does not have support, we should not be wasting resources in ways that are becoming obvious, as people argue for alternatives. You may wish to park that issue, Chairman, until you have a meeting in the pub on Saturday.

The Chairman (Mr Molloy): I will leave that one to Mike.

Mr Smyth: It is noted, as are the qualifying conditions.

Mr McNarry: It is a very interesting point in terms of expectations. I thought that the Maze could give Northern Ireland an international marketing piece. I am very keen on sport; and we would have a stadium that we could internationalise because it would have visitors from other countries.

We have to pay attention to Belfast, because it is the capital. What can we legitimately describe as attractions? What makes Belfast more attractive than, or as attractive as any other place in which to work, go to school or enjoy oneself?

Leisure facilities in Belfast are appalling. Belfast submitted an unsuccessful bid to be the European Capital of Culture. We should not give up on such initiatives, but we should strive to make something happen in Belfast — or wherever members like, but let us concentrate on Belfast — that internationalises Northern Ireland. Huge numbers of people pay 19 quid to jump on planes to go to other cities in Europe. We need to work towards a situation in which, in those cities, there are people who want to come to Belfast and, after their first visits, they want to come back.

The Chairman (Mr Molloy): Can we list the Maze site as one of those issues?

Ms Ritchie: Mindful that we are trying to pump-prime our economy, and that Translink and the Department for Regional Development are working with Iarnród Éireann on developing the Belfast to Dublin railway, it is important, from a practical point of view, that the length of time it takes to travel between the two principal cities on the island is decreased. Therefore, we should consider a project to improve both the rolling stock and the rail network.

The Chairman (Mr Molloy): That would be similar to the Trans-European Networks (TENs).

Ms Ritchie: Yes; it would be equivalent to TENs.

Mr McCarthy: The failure of tourism has been mentioned on a number of occasions. Mr Simpson

referred to the Giant's Causeway, but what about the Northern Ireland Aquarium — Exploris — in Portaferry?

Mr J Simpson: My only answer to that is that Northern Ireland needs iconic attractions; we cannot have too many of them. The tourist industry has signature projects — that is where I picked up the phrase. Northern Ireland could do with some signature projects for the economy. If one of those were to link with tourism, so much the better.

Mr Ford: To go back to the Maze site, which is a dangerous place — *[Laughter.]*

That ties in perfectly with John's earlier remarks. We are still engaged in an endless debate as to whether the proposed national stadium should be sited at the Maze. That is a classic example of our complete failure to make a decision and proceed wholeheartedly, either with the Maze site or with a project in Belfast, etc. If we cannot reach the point where there is enough joined-up government to have a period of consultation, take a decision and get on with a project — as opposed to having a period of consultation, announcing the decision, and continuing to debate its merits for the next five years — we will be in some difficulties.

Discussion of the Maze brings me to a point that I made on which I did not hear any other comments, for or against. I mentioned the cost of segregation and the need to invest in a way that enables people to move forward in society together. I refer specifically to issues such as shared space to ensure that people can take available jobs and employers have a wider market, and to the issue of wasted public and private expenditure.

Mr McNarry: Can the roads be shared spaces for orangemen as well?

Mr Smyth: Do members have any suggestions on skills needs? We have talked about adult literacy and numeracy. Can we get into the specifics of that? For example, how can those issues be tackled in inner-city Belfast?

Mr McNarry: We have talked about training and apprenticeships, but one issue that particularly strikes me is that so many people are self-employed. Small owner-run companies are damaged by insurance costs. That limits, particularly in the construction industry, their ability to bring young people in for training. I do not know how we could get over that problem. Somebody mentioned training colleges, but that means that the young people are taken from a school environment and placed on a building site almost overnight. Those young people will not make it and they have to pay their way to become employed.

The insurance is a killer. So is the training. A self-employed plasterer does not have the time to train an apprentice. Perhaps a package could be introduced that

would equip those young people with more than just knowledge but practical experience as well, which would be an incentive for employment. There is a shortage of skills in the construction industry. Part of the reason is that not enough young people come forward.

Mr Dallat: A better way to match skills with work is needed. Many people who have been educated in the grammar system are haemorrhaging out onto building sites. Those are the people who could be the leaders of tomorrow.

Those who do not drift onto building sites — and there is absolutely nothing wrong with doing that — are being poached by the Republic of Ireland and England.

Michael talked about the 250,000 unskilled people who become “the unemployables” because they fall prey to drugs, alcoholism and all the other evils that confront them. We must break the generation gap in learning, because once a parent has some ability to help and encourage their child with homework, that cycle can be broken. Otherwise, European funding will be thrown, as it has been for the past 20 years, at courses that do not deliver.

Mr McNarry: I have noticed that what happens in England — and it will happen here — is that the Government award prime building contracts to major construction companies. Skilled workers are brought in from elsewhere and there is, therefore, no incentive on the part of the construction company or of the Government to provide on-site training for young people. There is a blockade. Should there be a stipulation that any major construction firm that takes on a Government building contract must also provide employment and training for a number of young people?

Mr Dallat: Yes. The procurement procedure should include a commitment to develop the skills of the people whom they employ.

The Chairman (Mr Molloy): The European contract seems to be an impediment to that by having a local identity and local conditions attached to it.

Ms Stanton: Seamus, Michael and David have summed up that an integrated approach is needed throughout. Careers guidance people must specifically target individuals’ needs and help them to progress further in their chosen directions.

Mr McCann: Most people have touched on that during the discussion. We must start to think outside the box about how to develop strategies to deal with that. Many local people will tell you in conversation or discussions that the education system has failed young people rather than preparing them for employment and trades. Many schemes have also failed to bring young people through. There must be a focus on ensuring that

young people are able to fill the types of posts that have been mentioned.

Ms Ritchie: I return to what William Wright said in the first meeting. He talked about the need for skills academies that would cater for the transfer of people who had just done GCSEs but did not want to pursue an academic route, and the need for such academies in various locations. They could provide necessary on-the-job training and ensure that people are not only literate and numerate, but are also equipped for the workplace with the necessary skills.

Mr McCann: Twenty or thirty years ago, young people went to Felden House in Belfast to receive training.

Mr McNarry: William Wright also said that of the 90 potential apprentices that his company interviews, around 30 could measure a room, and 30 could not until they were shown how to do so. The other 30 were discarded. The problem is that we do not know what happens to them.

Ms Ritchie: The needs of those 30 must also be addressed.

4.30 pm

The Chairman (Mr Molloy): Therefore, we are saying that issues such as incentives around training, impediments to learning, and insurance need to be dealt with. Are members agreed?

Members indicated assent.

The Chairman (Mr Molloy): The next topic for discussion relates to other potential elements in an economic package, which brings in a wider range of issues.

Mr McNarry: The UUP’s document identifies the requirement for investment in special needs education. We would like support for that, as it has been neglected and is in chaos. It is a highly sensitive area, but it relates to our society. A review of special needs education is ongoing, so the timing is right for investment in that area.

The Chairman (Mr Molloy): I think there would be agreement around the table on the issue.

Mr Dallat: There is agreement on all aspects of it. In my constituency, Sandalford School in Coleraine has been a model of perfection, but now it is overcrowded and can no longer deal with the junior classes. Adults attending the school have only children’s books to read. We could discuss the matter all day.

Ms Ritchie: I am conscious of the identification of non-fiscal measures such as changes to planning regulations. The Planning Service should set up an economic business unit to deal specifically with planning applications for businesses. Those applications could be fast-tracked, rather than being held up in the system for two to three years, which currently is the

case. The business and manufacturing sectors need an incentive. There also needs to be a fillip from Government to help them along the way.

The Chairman (Mr Molloy): Therefore the proposal would be to facilitate the creation of such a unit.

Mr McCarthy: The Planning Service also needs to address the issue of rural diversification, because delays have been an impediment to that for a long time.

The Chairman (Mr Molloy): The Planning Service does not recognise that many good businesses are created out of the rural sheds for which it is now denying planning permission.

Mr Smyth: Everyone seems to agree on the thorny issue of implementation, and I wish to suggest a few dimensions to that. John Simpson said that there are institutional issues relating to implementation in the area of infrastructure. The Business Alliance and the Economic Development Forum have told the subgroup about their serious reservations regarding skills strategies and the fact that we do not know how to implement them. There are other major issues regarding our efficiency in delivering key services, such as health, and the Appleby Review highlights that. We would be derelict in our duty if we did not make some hard recommendations on those issues.

Dr Birnie: I agree with everything that Mr Smyth has said. An additional element came up in Dr Gilleece's paper during a previous Committee meeting, which referred to the Public Accounts Committee. I do not want to decry its work, and I hope that Mr Dallat will forgive me, as that Committee has its proper place and role. However, we must define the types of public expenditure that should be subject to minute scrutiny on a case-by-case basis.

With public bodies, such as Invest Northern Ireland, it is almost a case of setting up a contract and a range of targets with those bodies, and their being measured on those targets. However, civil servants need to be assured that failure on one target will not lead to a public execution.

Mr Dallat: I wish to make two constructive comments. There are proposals in Westminster to bring the National Audit Office into centre stage to influence what happens in the Assembly. That is a positive step.

We must also consider an internal auditing system, which would stop the gravy train — if that is what it is — before it leaves the station. Those two proposals would overcome many problems.

I accept that the Public Accounts Committee was used as an instrument to attack the lack of decision making. The Public Accounts Committee got blamed for everything, although perhaps there were times that it did not get it quite right.

Mr Ford: Mike's point takes me back to an earlier exchange between John Dallat and myself about the role of the SIB, and, specifically, which body should be given the strategic duties to drive this project forward. At the moment, we have not identified which body should have that responsibility, although I have suggested that it should be the Executive. Those are real issues.

We heard in this morning's evidence about the excellent plans and wonderful strategies that have been drawn up to tackle the issues. However, those strategies are simply put on a shelf. It is a cliché, but there are real problems, and those strategies and plans must be implemented.

As regards the review of business regulations, if representatives of the Farmers' Union were present, they would talk about gold-plating European regulations. We are not saying that there should be a bonfire of all regulations, but we must decide which regulations are appropriate and necessary.

The Committee Clerk: I scanned the parties' submissions for the first report under the heading "Other potential elements". Most of the issues have already been raised, but I will run through them to remind Members. They are: a comprehensive review of business-related regulations; the fast-tracking of economy-related planning applications; public expenditure commitments; the ring-fencing of economic development allocations; the retention of selective financial assistance after 2006; the development of a strategy for the manufacturing sector; review of public procurement procedures to maximise opportunities for indigenous business; the release of under-utilised public land and assets; and the retention of income from the sale of such assets. Those were just a few issues that seemed to fit under that heading.

The Chairman (Mr Molloy): Members feel that a package should be used to delay, for a period, the implementation of industrial derating, the rates increase and the introduction of water charges? Perhaps it would not change the situation, but it could delay implementation.

Ms Ritchie: I would not be happy with those measures because they would be seen as an additional taxation burden. Chairman, what are you suggesting?

The Chairman (Mr Molloy): The package could alleviate those increases in taxation for a time, allowing more time to develop further measures. The Government say that they need to raise money through water taxation, double rates and so on. I am saying that we could use the package to alleviate that extra burden by delaying its implementation. I am not advocating that we support further taxation.

Mr Ford: It would allow us time to find a better way.

Mr McCarthy: That is right.

Mr Dallat: I want to return to Michael's point about IT in schools and link that with youth enterprise. It would be useful to have help from John Simpson on this. By and large, the school curriculum does not encourage youth enterprise — that only happens if teachers in individual schools happen to have a flair for it. Michael was absolutely right to mention IT. I know of schools in Northern Ireland that are linked with schools in Africa, but when problems arise, the difficulties are here, not in Africa.

Furthermore, I have seen the enormous benefits that IT has given to children who live in what is probably the third poorest country in the world. I have seen the results. We have flipped over that vital point. IT made enormous differences in the Gaeltacht areas in Galway, even though one might not think it feasible to make change in such areas.

The Chairman (Mr Molloy): Are there any other matters? There are several issues there. Is there agreement that they should all be included in the package?

Dr Birnie: Is there any precedent in the Southern Irish experience — or anywhere else in the western world — of giving senior civil servants incentives to be risk takers rather than defend the status quo?

Mr Ford: Perhaps it is for Ministers to do the risk-taking and allow the permanent secretary to put on file that he suggested the customary caution.

Ms Ritchie: That goes back to the fact that we have not had stable Government.

The Chairman (Mr Molloy): OK. Are there any other issues? Is there any other business? I remind members who have not made a presentation that they must be submitted by close of play on Monday if they are to be included as part of the report.

Ms Ritchie: What time on Monday?

The Chairman (Mr Molloy): By 5.00 pm on Monday. The next meeting of the subgroup will be on Thursday 28 September in room 135.

Ms Ritchie: Will we consider the draft report in the morning?

The Committee Clerk: Yes. We have to have a draft report for next Thursday in order to meet the deadline of 4 October.

The Chairman (Mr Molloy): There is no other business. The subgroup will now adjourn.

Adjourned at 4.41pm.

SUBGROUP ON THE ECONOMIC CHALLENGES FACING NORTHERN IRELAND

Wednesday 26 October 2006

Members in attendance for all or part of proceedings:

The Chairman, Mr David McClarty
Mr Leslie Cree
Mr John Dallat
Dr Alasdair McDonnell
Mr Mitchel McLaughlin
Mr David McNarry
Mr Sean Neeson
Mr Robin Newton
Mr Edwin Poots
Ms Kathy Stanton

Witnesses:

Mr Steve Costello }
Mrs Eleanor Gill } The Consumer Council

The subgroup met at 10.12 am.

(The Chairman (Mr McClarty) in the Chair.)

The Chairman (Mr McClarty): The Consumer Council has been allocated one hour to give a 15-minute presentation to the Subgroup on the Economic Challenges facing Northern Ireland, which will be followed by questions. The Consumer Council has already provided the subgroup with a written submission, and it will also table a bullet-point presentation, together with a letter of support signed by business, community, voluntary and trade union partners.

I ask members to keep their questions to the witnesses brief. Members should focus on the relevance of the Consumer Council's proposals for an economic package. I also remind members of the sub judice requirement. Members should avoid raising any matters that are subject to the ongoing judicial review, including the process that the Department for Regional Development (DRD) used in the preparation of the draft Water and Sewerage Services (Northern Ireland) Order 2006, and the Department's consultation procedures.

Otherwise, members and the witnesses are at liberty to discuss the general rationale for water-reform costs and its potential inclusion in an economic package.

Mr Neeson: I know that Hansard will record this part of the meeting. However, will Hansard record our consideration of next week's meeting with the Chancellor?

The Committee Clerk: No. After the witnesses leave, we will immediately go into closed session, of which there will be no Hansard record.

Mr McNarry: Why is that?

The Committee Clerk: We need to consider any possible recommendations that arise from the evidence and to prepare for the meeting with the Chancellor on 1 November. It is normal practice that such issues be considered in private session.

Mr McNarry: The subgroup has not been asked to meet the Chancellor.

The Chairman (Mr McClarty): The subgroup was not invited to meet the Chancellor. The invitation was sent to the parties, and they will decide who will represent them at the meeting.

Mr McNarry: Our later discussion is relevant to a meeting that we will not be attending, so why is it not being recorded? Our opinions should be recorded, as they are highly relevant.

10.15 am

The Committee Clerk: It is a matter for the subgroup to decide whether it wants parts of the meeting in closed or open session.

Mr McNarry: We should not debate this matter in front of our guests. Perhaps we should discuss it later.

The Chairman (Mr McClarty): OK, we will do that.

Good morning to our witnesses. You are both very welcome. Neither of you needs any introduction to members, but for the record, Steve Costello is chairman of the Consumer Council, and Eleanor Gill is its chief executive.

Mr Steve Costello (The Consumer Council): Thank you for the invitation to give evidence on this important issue. I will say a few words about principles and then hand over to Eleanor, who will make a more substantial presentation.

The first fundamental principle is that high-quality public services, including water and sewerage, must be paid for. However, our caveat is that the payment must be fair, affordable and sustainable: fair, in that it must represent true value for money; affordable, in that it must help the disadvantaged; and sustainable, in that water is a precious long-term resource, and the business model must reflect that.

We are prepared to pay more for public services if necessary, but our basic principle is that we must get this right as opposed to simply getting it done. This is a £3 billion capital investment project based over 20 years. We estimate that the average household will pay about £10,000 for water and sewerage services in that time.

We are here to question the scrutiny that has gone into the draft Water and Sewerage Services (Northern Ireland) Order 2006. Legislation has been laid before Parliament, but it is currently deferred; there is no licence — that is work in progress; there is no letter of governance; and, above all, the strategic business plan has not been signed off — it is now on version three as there have been difficulties with it. That is the context, the scrutiny and the building blocks that we are being asked to sign up to, and it cannot be right that the legislation should be dealt with by Order in Council.

If the Assembly is restored, the funding gap will become the Assembly's problem, as will debt and public confidence. Some issues of accountability will not make sense to the public, so there will be a crisis of confidence. There is cross-sectoral support for our views at social and business level, and the subgroup will have received a copy of a letter to that effect. There is also the need to get it right. The risk and the cost of getting it wrong are greater than the initial cost of not getting it right.

Over the past few weeks, I have written letters to Minister David Cairns containing proposals on ways of ensuring that consumers are charged a fair price. The Minister's response was that he could not commit the Assembly to such a proposal. He said that he could not commit to certain elements of our policy, though he is going to commit a new Executive to the Water and Sewerage Services (Northern Ireland) Order 2006. That does not make sense. The cost of getting this wrong is that customers will be charged £62.7 million in year one.

Northern Ireland will have to repay £58 million to the Treasury in year one as the return on assets. That is a difference of some £4 million to £5 million.

That is a simplistic comparison, but looking at the economy in the long term, we know that it will take the new Northern Ireland Water Ltd up to 2015 to get the efficiencies into place. Therefore, over an eight-year period, Northern Ireland will pay £600 million back to Treasury. Some £70 million of that will be above the market rate, because Northern Ireland has been asked to repay the money to the Treasury at a rate of 5.8%. The Office of Water Services (OFWAT) cites a figure of 5.1%, which the private companies in England repaid as a return on the asset base. Therefore £70 million out of the £600 million will be repaid at a rate above the market rate, and that is crazy.

There will be substantial debt occurring from moneys given by the Department for Regional Development (DRD), and it will be repaid as a long-term debt. That money will also be repaid at 5.8%, which is above the commercial rates, and £60 million of that will be uncompetitive. Therefore out of the £1 billion that we will be paying back as either a return on assets to the

Treasury or as a repayment of a debt to the Government here, we will be paying £120 million in interest.

For the sake of the progress of small private-sector businesses in Northern Ireland, it is imperative that water charges are kept as low as possible. The Consumer Council is concerned that that is achieved, because water rates will be a significant business cost. Everyone knows what expenses businesses have in relation to transport, power, electricity and insurance. Small businesses are at the tipping edge, and this issue must be settled properly for their sake.

The Consumer Council is in no doubt that water charges will be the biggest rising cost in the household budget between 2010 and 2015. It is impossible to put a figure on what it will be, but we estimate that it will be close to 10% of a household budget. That will bring with it a basic lack of confidence on the part of customers, who will want to know why a Government-owned business is causing more damage to their pockets than anything else. People will have less money to spend, so they will put demands on the Assembly to get this right.

Mrs Eleanor Gill (The Consumer Council): I will detail some of the issues that the Consumer Council believes should be looked at, and I will follow that with details of what the Consumer Council believes are the ways ahead and on which we ask for your support and action. These are not only the thoughts of the Consumer Council, but of the business and social sectors, the Northern Ireland Local Government Association (NILGA) and other union interests with regard to the debate.

One cannot look at the draft Water and Sewerage Services (Northern Ireland) Order 2006 in isolation. It is part of a critical element of packages within water reform that must be investigated. That must begin with the financial agreement that was signed by the Treasury and the Secretary of State in 2005. The Consumer Council has not seen that agreement, and I do not know anyone who has seen it or understands what it is. However, we know that it is central to the decision-making and to the principles and policies that are pushing the draft Order, and the licence, etc, that go with it.

As members will know, the draft Order has been finalised and laid before Parliament, and the licence is still a work in progress. The Consumer Council is involved in the licence-development working group, and although we have managed to get ourselves to the table, we are ill-equipped to do anything. There are many solicitors and advisers for the Water Service — which will become a Government-owned company (Go-co) in 2007 — for DRD and for the regulator at the table. Our aim is to ensure that we understand the developments that are taking place and to make an

input at the table. It is not a level playing field, and we are unclear as to what shape the consultation on, independent scrutiny of, and review of the licence will take. The outcome on the licence is critical because it will transfer the assets and the responsibility for the delivery of the entire financial model over to the Go-co.

Since June, three iterations of the strategic business plan have been produced. Not only that, but there are also two versions of two scenarios being worked on. DRD and the Water Service are working closely together on those; the Consumer Council is not involved at this stage.

There is currently no clarity even on how the business plan will be consulted on or scrutinised. Ultimately, it may be signed off among the Department for Regional Development, the Water Service and the regulator with no opportunity for scrutiny. The Consumer Council has commissioned independent research into the second iteration of the business plan, expertly carried out by a London economist. During my presentation, I will refer to comments in that report, which we received in September 2006.

Furthermore, the Consumer Council has been advised that no one will see the governance letter, which will be transferred from DRD, as the shareholder, to the board of the new Northern Ireland Water Ltd Go-co. The contents will not be shared but will be passed over with the transfer of assets.

The Consumer Council expected that the licence development group would discuss issues such as who would get the proceeds from the disposal of land. The Consumer Council has written to the Minister on many occasions asking him to clarify that. We also wrote to the Secretary of State but have received no clarification. In fact, last month, Minister Cairns declined our request for public consultation.

We must not simply allow a draft Order to be passed now and consider the detail of the other elements later. They are all linked and must be viewed and scrutinised as an entire package so that customers, businesses and the Northern Ireland Assembly know what they are being expected to buy before signing up to it. There is a blank cheque, and this package contains many risks unless it is scrutinised.

We hope and pray that the further work being done will address some of the issues that the Consumer Council has raised. However, five months before the crucial establishment of a Go-co and the introduction of a water charge is too little time to allow for scrutiny and review in order to ensure that the package is right. I will develop that point later.

Based on our independent, expert research, we believe that the legislation is incredibly short term in nature. There is much security and certainty until 2010, which is a crucial date because consumers and

businesses will then be expected to take on the entire costs of the Go-co. Therefore, until 2010 we know what the price will be and that the Government will centrally fund the affordability tariff. However, in 2010 all those certainties disappear. The draft Order is fundamentally flawed in many respects, the main four being price, affordability, land and protection. I will expand on those areas later in my presentation.

When considering the draft Order, the Consumer Council drew on its experience in energy, transport and food. The draft legislation, as it stands, will facilitate the development of an unfettered monopoly. It will allow the shareholder to retain significant areas of responsibility, such as giving guidance to the Department that shall be taken into account by the regulator when setting a price; holding on to the authorisation and disposal of land, and holding on to the principal responsibilities for sewerage and waste-water treatment until a later date to be agreed by the shareholder because, as has been put in writing, there are concerns about the infraction costs that may be landed upon Northern Ireland Water Ltd in the near future.

There is, therefore, a pathway development towards a privatised model. That may or may not be the right approach. However, without the information being in the public domain, who can judge whether that is the direction in which Northern Ireland wants to go? From our consumer research, every time that we have asked — and we have undertaken independent baseline research with a follow-up report and further research three years later specifically on water — that there is no thirst among consumers or social and other partners for a move to privatisation.

There is a fear that Northern Ireland will lose yet more of its family silver and that money will drain away from here and go elsewhere. That is a huge issue. The current legislation would create a monopoly, and we must not allow it to be passed. The draft Order must be deferred. That must be an issue for the Northern Ireland Assembly. If the Order is not deferred, it must be amended before it is passed. It is not a matter of passing the Order now and fixing it later — there are big issues involved. The Consumer Council believes that the Assembly should decide the best way forward, including how people in Northern Ireland should pay for public services, such as water and sewerage. There must be a proper, informed debate.

There will be a £3 billion investment over 20 years. About £1.4 billion of that is made up of the capital backlog. That is the cost of decades of under-investment.

10.30 am

Consumers should not be expected to pay for past under-investment. They are expected to fund 50% of the overall 20-year plan, and that would add over £80 to each bill. We know from the Water Service that,

despite the current level of investment, Northern Ireland Water Ltd will still be some 10 to 15 years behind the English and Welsh infrastructural set-up. Therefore we do not have a level playing field.

The Government argue that knocking down the value of the assets of Northern Ireland Water Ltd from £5.6 billion to £1 billion is the equivalent of them giving us back £4.6 billion as part of the peace dividend. The Consumer Council believes that consumers, businesses and taxpayers have paid for those assets over the years. We rightfully own those assets, and we should not have to pick up that cost.

The cost of under-investment is one matter, but the extent of infraction costs poses a greater risk. Everyone predicts that a bill for infraction is on its way. What are the risks that are connected with that? Those risks are not built into the price, and therefore we could be subject to even greater costs due to lack of investment and rising bills. The Assembly should include that point in negotiations with the Treasury over the investment package and argue that it should pick up the capital backlog cost. However, I will return to that point.

Given that the Go-co will be the accepted business model and will substantially dictate performance, quality standards and price over the next 20 years, its stability causes the Consumer Council and others concern. We have commissioned independent research, the results of which are in a report that I provided to the Committee on the Preparation for Government. That report also contains privileged figures from our independent research. That research reveals that the version of the strategic business plan that was current in September does not set out a sustainable future for Northern Ireland Water Ltd. It also states that there is insufficient evidence to assuage the idea that, in the medium term, the Go-co is sustainable only with significant price increases. The research elaborates on what those increases might be. We must then ask who carries the risk in the development of the legislation and of the business plan and licence.

We know that £58 million will have to be paid next year from the Go-co to the Treasury. That money will not remain in Northern Ireland to fund other services. We estimate that by 2015 that dividend will be some £600 million. That figure might be slightly inaccurate; we have to guess a lot because we do not receive all the information for which we ask. However, we do not think that we are too far out.

Dr McDonnell: Is that per year?

Mrs Gill: No; that figure covers the period from now until 2015.

As Mr Costello said, £62 million will be collected from customers next year, and £58 million of that will

be sent away. Much of that is based on borrowing to deal with the past capital backlog of investment.

The Go-co model is premised on the fact that the water company must be sufficiently efficient to produce dividends. If it is not efficient, that dividend must be met from within the departmental expenditure limit for the Department for Regional Development. The cost of that will be reduced public transport, fewer roads or reductions elsewhere. The Financial and Strategic Review of Water Service, which was undertaken by the UBS Investment Bank and others and based on the Water Service's data for November 2005, stated that, in order to produce the required dividend, the Northern Ireland water company would have to produce 40% efficiencies in its operating and capital costs.

In February or March of this year, the Department for Regional Development advised the Consumer Council that it would exert upon Water Service efficiency targets of 35% for operating costs and 27% for capital costs. In the past month the Department has, in writing, rolled back from that position, saying that that was merely a starting point to focus the company on what it needs to do over the next few years. Our point is that any shortfall must be met. Who will pick up the bill? As the Go-co model stands, reduced public services and higher percentage water bills will be necessary to compensate for that shortfall. Alternatively, given that the shareholder has sole responsibility for authorising land disposal, there may be a temptation to sell land to make up for some of the shortfall. Again, we may find ourselves selling off the family jewels to others.

The current model assumes that the level of bad debt will be 5%. In January 2005, the Consumer Council met the then Minister, John Spellar, and told him that, based on evidence from elsewhere, it believed that the figure of 5% was a severe underestimation and that the level of bad debt could be anything from 10% to 15%. The council provided him with empirical evidence of that assertion.

Since then, the situation in England and Wales has worsened. Last year, there was a 43% increase in the number of people against whom legal action was taken for unpaid bills. Our independently commissioned report shows that the success or failure of the Go-co will very much be determined by the estimation of the level of bad debt within the company.

I return to the Treasury deal and the strategic business plan. The rules of the game within the proposed financial model are such that all debt will automatically be passed through to customers' bills. We do not even know how much that debt might be. Everyone knows that the level at which the debt is currently set is too low.

I now turn to the £220 million worth of public-private partnership (PPP) contracts — the Alpha and Omega contracts. Another rule within the proposed financial model is that all present commitments within those PPP contracts will be passed straight to customers' bills. The Consumer Council has not seen those contracts, nor do I know of anyone who has. We do not know what commitments are contained within them; we only know that we will be committed to picking them up.

That raises an issue for us, and it also raises an issue for the Go-co. The new Go-co — which will be Government-owned, and, by 2010, paid for by every customer and business in Northern Ireland — will operate one of the most savage debt-recovery systems that I have ever read about, and yet the Consumer Council, which has primary legislative responsibility for examining the handling of customer complaints, billing and debt, has not been consulted. The system that the Go-co will put in place is known as a “smart debt” system, which tries to identify which consumers are most likely not to pay, based on their incomes and their higher balances. That system categorises some of those who are not able to pay as being at “rock bottom”. People are mapped so that all those who are deemed “rock bottom” are marked in red on a map of Northern Ireland.

However, it does not stop there. The new system will chase consumers who are categorised as “rock bottom” twice as quickly as those who have the ability to pay or who pay by direct debit. From the information that the Water Service has provided to us, we know that reminders will be sent out to those consumers in half the time that they will be sent out to other consumers — 15 days compared to 28 days. They will have 28 days before recovery proceedings begin and 49 days before legal action begins, compared to 56 days and 83 days respectively for those who are less likely not to pay. That system savagely chases debt to secure an income stream for a Go-co, but we believe that that income stream is very unstable and that it hits at the most vulnerable and the least able to pay. The Consumer Council's question is: do we want such a system to provide our most scarce and valuable resource? The Consumer Council believes that the answer is no. It believes there must be full independent scrutiny of the Go-co strategic business plan; it should not simply be signed off in a hurry to get things done in time for April 2007. Time is just too pressing.

The council and its partners believe that it should be the Assembly's responsibility to secure the most sustainable business model, although we recognise that we have to pay more if we want the type of service that we desire. We must find a solution to that.

We are all very proud of the affordability tariff. Members may know that, in the end, the Consumer

Council's model was adopted, as opposed to the model that proposed a 25% discount on the capital value of one's house. The affordability model is based on income and income-related ability to pay, and it is now being put forward as a potential solution to some of the anomalies in the rating system.

The affordability tariff will help more than 200,000 vulnerable households that are on certain passport benefits. Of course, there are many near-benefit households that need help, but the system is a good start towards trying to help. Importantly, we argued that it was the responsibility of the Government, not of consumers, to pick up the cost of social protection of those in need.

The system in place at the moment will cost £30 million in 2007-08, and Government figures show that that will rise to around £50 million plus by 2010. There is no certainty in the legislation that the money will be found from central Government funding beyond 2010.

Our point to the potential Assembly-in-waiting is that there will be a £50 million funding gap, and that will rise. The legislation says that the affordability tariff “may” as opposed to “must” be paid, and, therefore, there is no provision for that funding to be made.

What is the answer? Do we reduce our public services by £50 million to pay for that gap? Do we increase the bills and make the customers pay, even though they cannot afford it any better — we calculate that that would mean another 10% on the bills — or do we remove the protection from the most vulnerable?

In England and Wales, one in four county court judgements is made against people who are being chased by their water companies, and there has been a 43% increase in legal action in the past year. This is a huge issue, which comes on top of fuel poverty. The result might mean that those people who are being chased may pay off their water bills but not turn on their heating, and that will have an underlying impact at a time when the Government are introducing an anti-poverty strategy. The Consumer Council feels that there must be a legislative imperative from the Government to fund the affordability tariff and not place that burden on other customers.

I turn to the question of land and who benefits: the land and assets owned by the Water Service are valued at around £5.6 billion. We do not know who will get the proceeds of the land and assets disposal, although we have asked continually. No paper exists to show who controls the assets, or what the rules are about a shareholder authorising the Water Service at any time to dispose of assets. We do not know whether they will stay in Northern Ireland to help.

Some £1 billion pounds was lost to customers through the privatisation of electricity. Are we

prepared to repeat the mistakes of the past? We have many examples of where we have had to put good money in after bad in an unsustainable and unstable model, and the Water Service has told us in our independent review that that is unsustainable.

As to the transfer of ownership by the Go-co, we know that if the Assembly is not sitting, no public voice will be enshrined in legislation before that privatisation, or before any other type of model moves in or out of a Government-owned company, and the public will have no say on what happens to what they own and pay for.

When the Consumer Council looked at the recent sale of Thames Water, it found that it increased in profitability by £3·2 billion in six years, and it has just been sold to another private equity firm. There are many other examples, including Phoenix Natural Gas and the buyout by Terra Firma, or the Viridian deal with a Bahrain private equity company. Is that what we want?

The land-disposal proceeds must be kept in control for the people, and no ownership should transfer without the people's deciding that that is what they want. We are imploring the Assembly to take that matter forward.

Those are just some of the headline issues. We are happy to explore them further and to answer any questions that members may have.

I turn to the potential way ahead. The Consumer Council would prefer the legislation to be deferred to allow it to become a matter for the Assembly. The council feels that if there is no deferment, the Assembly, or the local parties, will need to secure draft Order amendments and commitments from HM Treasury. If the legislation is introduced as it stands, and without looking at the totality of the package, it will be fundamentally flawed and will cause huge problems that will haunt us for the next 20 years.

There will be no price protection after 2012. Under price protection, the capital backlog must be paid by HM Treasury, and there must also be price pegging until 2015. The Consumer Council has calculated that if price pegging were negotiated, it would cost around £140 million to ensure that Northern Ireland was pegged to the England and Wales average for the next 10 years. We also need the dividend requirement of HM Treasury suspended, which is in the deal between the Secretary of State and HM Treasury, or suspended until the Go-co was efficient and able to produce the dividend itself.

We calculate that it is about £600 million. The cost of borrowing must be renegotiated because it is above the commercial rate: a further £62 million is needed. Affordability must be absolutely enshrined so that those who genuinely cannot afford to pay do not have

to worry about how they will pick up the cost. That will mean another bill of £50 million a year — a figure that is rising.

10.45 am

The proceeds of land disposal must be kept in Northern Ireland; they must be reinvested into its services and must be aimed towards getting prices as low as possible. None of that is enshrined in legislation, licence or in the strategic business plan. Consultation ownership must change. Legislation on consumer protection must provide truly unfettered independent responsibility for the regulator and the consumer body. I have outlined some of the areas in which that is not the case at present.

Without a deferment, strong arguments in favour of amendments must be made to ensure that an Order in Council is not passed. If it were, it would be fatally flawed. The Consumer Council's preferred option is that all the parties in the subgroup consider a secure deferment for the time that is needed for the Assembly to correct the matter. The council wants that to be part of the financial-package negotiations that take place under the terms of the St Andrews Agreement.

The Consumer Council recognises that while time is taken to improve the situation, there will be gaps in public services. Last week, the Secretary of State told the House of Commons that there would be a gap of between £200 million and £300 million in investment in the water and sewerage system. The council calculates about £120 million. It has written to the permanent secretary to ask him to explain the discrepancy between what David Cairns told us the gap would be — £130 million — and the Secretary of State's estimate of at least £200 million, just five months before the establishment of water charges.

The Assembly must seek deferment of the Order in Council so that it can be amended, and must urge the Treasury to pick up the cost of the gap in services in the meantime, because the cost of getting it wrong is much greater. The Assembly must, as part of the financial package, seek commitment from the Treasury to pay for the capital backlog — which is about £1·4 billion — or pay a significant percentage if it. The Assembly must take the unique opportunity independently to scrutinise and review the reform of water services in their entirety, so as to decide how best to introduce payments for water and sewerage. That will include consideration of the financial model, as well as ownership issues, the business model, investments, costs, and so on. Those issues must be worked out. However, time must be taken to get them right.

We want the new Assembly to be certain of what it is committing to. Northern Ireland's consumers could face one of the fastest-rising costs of the total household bill. They are already affected by rates,

energy costs and all kinds of other pressures. The Government are committing the new Assembly to what is potentially one of the biggest issues with regard to public, business and cross-sector confidence. The Consumer Council has presented a letter to the subgroup that states its belief that the plans are flawed and that they should not be taken forward in their present state.

In response to what the Secretary of State said last week, the council wants to assure the subgroup that it is not ducking the issue. It recognises that money is needed in the meantime to keep improving public services. Northern Ireland deserves that; it has been paying for those services for years. More money may need to be paid under a new Assembly. I guarantee that the Consumer Council will support any future Assembly in its need to spend more in order to provide the public services that Northern Ireland deserves.

The council understands that hard decisions must be made. For example, it approved a 17% to 20% increase in gas prices because it believed that to be fair under the conditions at the time. The council does not shirk its responsibilities. It does not seek the cheapest option; rather it seeks the fairest, most reasonable and sustainable way of making progress. It seeks parties' support and, more importantly, their action to advance the issue in the Preparation for Government Committee and in the Programme for Government Committee, and to use that unique opportunity to secure a financial package from the Treasury that will allow the Assembly to get those matters right. Otherwise, they will haunt us for many years to come.

The Chairman (Mr McClarty): Thank you, Eleanor and Steve. Before I allow members to ask questions, may I remind members and visitors alike to switch off their mobile phones completely, as they affect the recording system.

Mr Neeson: Thank you for your presentation. I have still in my possession a letter from John Spellar MP, written to me when Labour was in opposition, stating that in no way would he tolerate the privatisation of water services in Northern Ireland, even through the back door. Would you agree with me that what is proposed now is, in fact, water privatisation through the back door?

You ask us as elected Members of the Assembly to request that the Secretary of State postpone the proposed legislation at least until 24 November, when it is hoped that the Assembly will get up and running again, so that it can deal with the issue.

You do not need reminding that a precedent has been established. In 1982, when new consumer legislation was being introduced, I remember that we asked the then Secretary of State to postpone the legislation to allow the Assembly to deal with it. He

did so, and that led to the formation of the Consumer Council.

Mrs Gill: We believe that the establishment and the gearing of this company will produce an attractive set of circumstances for future privatisation. I attended a conference in the Slieve Donard Hotel a few weeks ago at which the chief executive of Water Service in Northern Ireland gave a presentation. She was asked from the floor whether we were on the road to privatisation. I wrote her response down, almost verbatim. She said that that was a political matter, but what everyone was agreed on was that before they could think about that, they needed to secure a good revenue stream and get investment in place in order to allow that to happen.

The Department describes its proposed legislation as "flexible". We would call it ambiguous. If the Assembly is not in place there is nothing to stop the movement towards that. However, we believe that other pressures might come to bear. If this is an unstable model — and it looks as if in a few years that bills are going to rise; there is possibly no other way but to wrap this debt up and pass it on to customers — the next natural response may well be that this cannot be done in the public sector but must be done in the private sector. Then we are on the road to privatisation.

If we examine the business model now and get it right, we can decide what type of ownership we want. How do we guarantee that the wealth stays here while at the same time acknowledging that it has to be paid for and that we need to pay more, because improvements have to be made?

We want what you want. We want to ensure that this legislation does not arrive in the form of an Order in Council, not just because of the draft legislation in isolation, but because of the imperative to look at the other elements that make up the whole.

Finally, we are thankful for the precedent that set up the Consumer Council.

Ms Stanton: Thank you for a great presentation. You told us that the number of people threatened with legal action for non-payment of water bills in England and Wales rose by 43% in one year. Do you have an estimate of the cost of that action to Government?

Mrs Gill: The figures are contained in the Office of Water Services (OFWAT) report. I am sorry that I do not have them with me, but I will forward them to members.

Ms Stanton: It would be helpful to have them.

Mr Poots: Thank you for your presentation. It was a devastating report on the current proposals for water charges and the establishment of the Go-co. The unsatisfactory nature of what is proposed is something that we could get cross-party agreement on, because it

would have a devastating impact on Northern Ireland. As a consequence of that, there will be general agreement that we all want to do something about it.

When we speak to the Chancellor, we can win the battle over retaining the land values in the event of any sales of assets. However, we need to think about what we might propose as an alternative. Have you given any thought to any other ways in which water reform might be achieved that would avoid European Union infraction proceedings and address the underlying investment issues in a way that will not be detrimental to ratepayers?

Mrs Gill: What we have tried to provide today is two steps towards answering your question.

Our first step will be to ensure that we negotiate a deferment, and then we will respectfully work with the Assembly and the parties to review the position and to look at what is the best business model to put forward. The Consumer Council believes that as well as securing the land as part of the Chancellor's package, Northern Ireland should also get a commitment that we will be given the full capital backlog, or at least a significant part of it. That would result in an immediate reduction in charges and make the price fairer and more palatable for everybody. We must ensure that people see the charges as being fair, and not too expensive or unaffordable.

The Consumer Council will suggest that everyone has a voice on this issue, and the letter from our partners adds an important consensual voice. I suggest that the Assembly initiates studies and an independent scrutiny of how things stand so that we can establish what the preferred model would be. If, for instance, the dividend were suspended, we would get a better impression of whether a Go-co was really necessary.

Just as people must breathe, a Go-co must produce a dividend. If a Go-co was not, therefore, necessary, we could learn — as we did from previous evidence — from the Welsh model, Welsh Water, which is a not-for-profit model, or the Scottish model, Scottish Water, which is in public ownership.

There are many ways in which we can incentivise everybody to make this a more efficient way of going forward. The Consumer Council has already done a lot of work on this issue, and in 2003 and 2004 we asked for the business rationale on why the Go-co model was chosen. We were frustrated not to receive that information. We need to respectfully tell the Chancellor that we are not trying to get out of paying for water and sewerage services, but we want commitments and time to work with the Assembly on introducing the best way forward.

Various elements of the draft Order must be examined. For instance, is it correct that a household's water charges should be based on the capital value of

the property? Should it be incorporated into the rates — as it has been already? Should it be linked to income tax? Or, should meters be installed to ensure that, in future, people are more efficient with water? There is an array of questions to be asked, but the decisions made now may prevent the opportunity for those questions to be asked in the future.

There is a viable argument for the economic subgroup's asking those questions forcefully, and the Consumer Council will be behind you and agree that the questions have to be asked. Ultimately, some difficult decisions must be made. However, if the discussions are carried out in a democratic manner, everyone will be heard, and we will support the decision reached and move on. At this stage, we do not believe that we have been granted that opportunity.

With regard to the retaining of the land value, I was pleased to hear that the land disposals would stay in Northern Ireland — and you had given me some steer on that. Someone needs to tell that to the draftspeople and the people who develop licences for the Water Service, because those are not being written with that in mind, and the Consumer Council cannot get access to relevant information. The Consumer Council will not be at any table where decisions are being made between the Department of Finance and Personnel (DFP) and the shareholder.

The Consumer Council has alternatives in mind, but we would not be so bold as to say that they are the only things that you should consider. However, we are far enough along the road to be able to point you to areas that need to be looked at quickly. We will forward a summary to members for information.

Mr Costello: We have information on the Scottish model. Scottish Water is in public ownership, and the long-term water prices in Scotland will be about 20% cheaper than those in Northern Ireland. That indicates the potential inefficiency that our model has created.

Mrs Gill: Scottish Water is owned by the Scottish Parliament on behalf of the people. It was able to drive in 40% efficiencies in only four years because of the public ethos and the move behind protecting and making efficient its water service. That is one powerful type of model, among others.

The figures are predicated on the English and Welsh average water price, which is 20% more expensive than the Scottish price. Why did we get the English and Welsh price, and not the Scottish one? Perhaps the answer is clear.

Mr Cree: I thank the Consumer Council for all the work that it has done over the past three or four years. It has certainly not been easy, nor has it been made any easier by the changing figures, about which I want to ask. I do not know who coined the expression about

confusion and constructive ambiguity, but they all seem to have been present from the beginning.

In the early days, there was no confirmation that those balance-sheet figures were accurate; they were historic figures. To the best of the council's knowledge, have those figures been revised in the light of reality? For example, I guess that the larger portion of the capital assets would be underground; they may, in fact, simply be holes in the ground. That is an important starting point. Are the balance-sheet figures accurate?

11.00 am

If the shareholder decides to sell on those figures, there is not really much we can do about it under the current regime. The council made that point that those figures have to be changed, but we have to have a reality check on that. They have to be written down. The difficulty for Government is that, if those figures are quite different — for example, if they end up as £1.5 billion instead of £5.6 billion — suddenly we will have an entirely different picture of the business model. People have quoted many different figures throughout this process.

Mrs Gill mentioned the cost of deferring the application of water charges for a year. I have heard figures ranging from £130 million to as high as £300 million. All those figures are in the mix, and that is deliberately confusing. They cannot all be right.

Mr Costello: We have asked for a definitive figure for how much it would cost to defer the application of charges for one year. The Department says that it will reply to us under the Freedom of Information Act 2000, which I assume will delay the reply for 21 days. We have asked for the definitive figure because the figures given range from £130 million to £300 million.

Mr Cree: It does strike me that, if it is not directly dishonest, it is certainly deceitful. That is unfortunate. I remind the subgroup that the Government used to tell us that we do not pay water charges. However, they reluctantly came to agree that we had in fact been paying them all along into whatever pot and that that pot was not ring-fenced. The consumers can hardly be blamed for that.

I also want to know whether the Consumer Council has actually seen the business model.

Mrs Gill: I will answer a few of those questions.

Turning to the strategic business plan, UBS was brought in last year to carry out the strategic financial review, which is in the public domain. It was based on Water Service figures in November 2005. Now that the figures are beginning to change, we are being told that those figures were not right. We do not know whether they were right, and yet big decisions were made based on that strategic financial review. That is just not good

enough. Even at that point, it was clear that we are not ready to make this move. We need more certainty.

We have, under privilege, seen the strategic business plan for September 2006. What the Water Service is telling the shareholder about its inability to do this makes for shocking reading. It is all predicated on the agreement between the Secretary of State and the Treasury on dividends and returns.

The Department disputes that there will be a problem; indeed, in a press statement on 25 September 2006, the day of the Long Gallery event — as it is now famously called, Minister Cairns said that the Consumer Council was “scaremongering” and “playing to the gallery” and that we were “utterly without substance”. The business plan was produced only in September, and it leaves us in no doubt that our points have real substance. We have given the subgroup as much information as we can at this point, under privilege, to assert that we do know what we are talking about.

We also know that the Water Service is not clear about its Northern Ireland Asset Management Plan (NIAMP). It has two NIAMPs and is now working on its third iteration. At this point, it does not have a full asset register, yet decisions are being made on it.

Those discussions are all happening in closed, dark rooms. They are not happening in the public domain, but it is the public that will be expected to buy this. The Consumer Council is hamstrung and is not able to put out there the information that it should. Perhaps under the Freedom of Information Act 2000, someone should ask for the independent review that the council commissioned, of which we have been able to give the subgroup only partial sight. It shows that the council and the Assembly need to take control of this issue to ensure that the model is right.

Five months away from introducing a reform of this scale, there should not be a range of variance in the figures; they should be pretty precise by now. Neither the Consumer Council nor its partners want any delay in the public investment — the Confederation of British Industry (CBI), for example, emphasises the importance of proceeding. The Consumer Council is not being unguarded, unruly or foolhardy; nor are we asking for the process to be cancelled. We are asking for a deferment and a commitment to cover the cost for next year. Let us subject the plan to independent scrutiny to make sure that we decide on the model that we want, as opposed to being forced to buy something that is not going to work.

Mr Costello: On the point about the cost of delaying the process, water charges will be phased in: a third in year one, two-thirds in year two. If the phasing were done away with, year one deferred and the full charge levied in year two, the same amount of money would still be forthcoming.

Mr Dallat: Thank you for the presentation. During the lifetime of the last Assembly, the Public Accounts Committee looked in detail at the Water Service and discovered that 35% of water leaks before it gets anywhere. The service was pumping out sewage onto our beaches, buying property to be developed where there was no facility for treatment works. Is it the view of the Consumer Council that this should be a part of an economic package, given that there was 35 years of neglect, during which money was diverted to security and other things?

I recall that the Consumer Council recently did terrific research on credit cards and revealed the differences in the treatment of customers. From your presentation this morning, it seems that this new company is planning something similar, by which it will crucify people who are not signed up to direct debits and credit transfers. It is going to punish those least able to pay. Is that something that the Assembly should take seriously, given that our primary function is to iron out the inequalities in society?

Mrs Gill: I shall start with the economic package. The Consumer Council calls explicitly for cross-party agreement to secure the financial commitments required to defer this process and allow it to be corrected. We know that the Secretary of State and the Minister have stated clearly that they will not delay, that they intend to proceed with it. However, we ask the subgroup to please think about that. If the process is not right, the implications will be far-reaching. If at the end of the process, the council finds that its fears were groundless, at least it will have investigated them. We believe fervently that we are not scaremongering.

As to water leakage, we might find that the Treasury still has to be paid. The Water Service says that it cannot meet its efficiency targets; that it can only do so much; that it cannot meet all its targets with the money it has. The standards of water quality that we have been promised for all this money — £3 billion — might go down, and the amount of investment in capital works carried out might go down. That is all to make it fit the formula. We are concerned that the frantic work that is ongoing at the moment between shareholders and the Water Service is to try to make it all fit within the Treasury deal. That needs to be carefully examined.

With respect to leakage, £3 billion is being invested. Members of the subgroup should realise that the level of leakage will be reduced only to 24% as a result of all that expenditure. Other European countries and even ascending countries, such as Hungary and Poland, are achieving 5%, 9%, and 10%. In spite of all this money, we are going to achieve only 24%, yet consumers will have to carry the risks. In a recent interview the Water Service maintained that people would not waste water because, if they did, their bills would rise. If this is all about sustainability, that is a

fairly perverse incentive. People here are ahead of the Water Service. If this process is to go ahead, they want meters. They do not want to pay on the basis of the capital value of their houses, because they have no control over that.

The system of debt recovery is so ferocious because the money is needed to secure the revenue stream. My daddy, in his house, is actually classified as “rock bottom” on that map. I have a problem with that. People are being classified in a particular way and having values attributed to them without those values even being questioned. Should we change the name of that banner “rock bottom” to something else? This process is being run from a business point of view as opposed to a people point of view. There has been no consultation. We asked the Water Service when it will consult about that, and it said that it has no intention of doing so. We are told that one of the clinchers for the deal with Crystal Alliance was its smart-debt system. The Consumer Council believes that is a terrible state of affairs. It is rock bottom.

Mr McNarry: You are very welcome. I am glad that Hansard is recording this because I have just run out of ink trying to keep up with the pair of you. You are not scaremongering but you are scaring the hell out of the Government and, in doing so, you have scared the hell out of me this morning. If Northern Ireland is to inherit water charges — and I mean “inherit” — before anything can be done we, as elected representatives, are in serious trouble. We will be on the spot and the Consumer Council will give us a hard time, as it has every right to do. What you said was encouraging, but I hope that it can be acted upon.

Chairman, I am concerned that badly needed information is not being supplied, and I wonder whether the Committee can do anything about that by writing to the Secretary of State. Is information being deliberately withheld? The Freedom of Information Act 2000 is meant to provide transparency. I understand the timescale involved, but questions have been raised here today. Had Eleanor and Steve received answers to those questions, they might have provided us with them. Perhaps we should consider exploring whether we can get the answers that relate to our report. It is important, and I hope that members will support me on that point.

Unless somebody else has asked the question, in which case it will be recorded in Hansard, what is the current status of metering and what is its future? What impact will the deferment being sought by the Consumer Council have on other services; will they suffer in order to pay for that deferment?

If you have not already done so, would you consider taking up the issue of septic tanks for rural areas? I listened intently to what you said about the Go-co, and

I understand that from next year there will be a charge to clean septic tanks. That will create immense hardship in rural areas where people do not receive the services but they pay rates. Until now, there has been no charge. There are thousands of septic tanks throughout the country, and the planners now insist that high-cost models of septic tanks be introduced. The new economically friendly septic tanks will cost £2,400 rather than £600. I understand that the charge to clean the tanks is likely to be in the region of £250 each time. The chief executive of the Water Service told me, in writing, that that is in preparation for the establishment of the Go-co. The people who are affected receive an immediate service and accept it, but it is an important aspect of the overall scene.

Mrs Gill: Before answering your questions, I have a general point: rather than allowing the draft Order to be passed and then trying to do something about it, the Consumer Council calls on you to get it deferred. We can then ensure that everything is satisfactory and not have to chase up those matters.

The metering strategy falls well short of what is required. The Consumer Council does not agree that a charging system based on a home's capital value is the best way to pay for the water that is used. It is unfair, takes no account of the ability to pay and does not encourage people to use water in a sustainable way.

The Go-co will implement its metering strategy next year. With regret, I must inform the Committee that despite our legislative responsibility, we were not consulted on the Water Service's plans for the implementation of those meters. Solely through our diligence and pushing for meters did we discover that the Water Service has only now brought in someone to examine what its metering strategy will be — but how to apply for a meter from 1 April 2007, if you qualify, nobody knows.

We had to be forceful to ensure that the individual who will produce the metering strategy listened to us and engaged respectfully with the statutory voice. That metering strategy causes us great concern. Given that we do not even know how the tariff for it will be arrived at, those people who think that it will be a better way forward may be greatly confused.

11.15 am

The Consumer Council has been advised that deferment will have an impact. The public services aspect of the issue has been built on freeing up the money that is currently spent on water services and making customers pay for their water. The idea is that that freed-up money would then be used to pay for other public services. As part of the financial deal we therefore want that commitment covered for next year to give the Assembly time to agree the best way

forward. Under the deal, the Treasury, and not us, should pick up that cost.

Where rural areas are concerned, under this draft legislation, there is no duty on the Go-co to consult with the Consumer Council. The council is closely involved in consultations on what we pay for our gas and electricity, but there is no legislative remit for the Go-co to consult with us on water prices. We met with the chairman of the Go-co, and his view was that we would get on with dealing with complaints and it would get on with delivery. We had to remind him that it would not work that way because anything that has an impact on consumers should be talked through. We should not wait until things go wrong; instead, we should give advice about what would work best. The council should have a positive, trustful input into those policies, as opposed to doing something that is similar to waiting to mark homework. That would not help anyone in the long run. Therefore agreeing all of a sudden to collect money for water services, even though it has not been collected for years, is, in our view, securing another income stream for an unsustainable and unviable Go-co.

The Chairman (Mr McClarty): Thank you very much. I am sorry, Mitchel; you had not indicated that you wished to speak.

Mr McLaughlin: I had, but I thought that you had not seen me.

The Chairman (Mr McClarty): I thought that you were winking at me.

Mr McLaughlin: I usually thank people who give evidence to the subgroup. However, that may not be the appropriate response to your evidence, which you gave with such rigour and discipline. One member has already described it as a devastating critique of the situation that we face.

Affordability, the legacy of underinvestment and price pegging are all issues that the parties will focus on when they attempt to develop a common position in the upcoming meeting with Treasury representatives. It is essential to set out the Assembly parties' position on this issue — it has to be faced — if we are to win the argument on deferment.

The evidence poses two obvious options: either we resolve these issues and the Government respond to the cost implications in advance and allow the Assembly to develop its own approach to it, or we are set up for failure. That is the stark reality of what has been presented, and it is incumbent on the parties to take heed of the evidence.

I am not attempting to speak for any other party, but the evidence makes clear that there is an absolute duty to oppose the present proposals on the basis that the parties are equally determined to face the issue and get

the best result. A clear demand is emerging for the Government to put their money where their mouth is and create a level playing field for us, the upcoming Assembly, and a future Executive. They should give us a chance to deliver a Programme for Government and not destroy us before we start.

Mrs Gill: We have been told continuously that water reform needed to be put through now because the local parties wanted the Government to get it sorted out before the Assembly was restored so that local politicians would not have to make any hard decisions.

I thank you all for taking the time to listen to us. The proposed legislation is counter-intuitive to what people are saying. We believe that if this legacy is allowed to go through it will haunt us for a long time. It seems unreasonable that, in asking for the different things that are connected to affordability, and so on, the Minister has stridently said that he does not want to commit a future Northern Ireland Assembly to this. However, he is committing it to a Go-co, a £3 billion capital investment, unpredictability in debt, and infraction costs. Everything will all be wrapped up and passed on, and the proceeds will go out. That is a much bigger problem. Therefore we thank you for giving us your time.

The Chairman (Mr McClarty): Thank you. That was a very interesting and thought-provoking presentation.

The subgroup met in private session from 11.20 am to 1.00 pm.

Adjourned at 1.00 pm.

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