
NORTHERN IRELAND ASSEMBLY

Tuesday 12 May 2009

*The Assembly met at 10.30 am (Mr Deputy Speaker
[Mr McClarty] in the Chair).*

Members observed two minutes' silence.

MINISTERIAL STATEMENT

North/South Ministerial Council: Institutional Format

Mr Deputy Speaker: I have received notice from the Office of the First Minister and deputy First Minister that the deputy First Minister wishes to make a statement on the North/South Ministerial Council institutional format meeting.

The deputy First Minister (Mr McGuinness): Go raibh maith agat, a LeasCheann Comhairle. In compliance with section 52C(2) of the Northern Ireland Act 1998, we wish to make the following statement on the fourth meeting of the North/South Ministerial Council in institutional format, which was held in Farmleigh House, Dublin, on Tuesday 28 April 2009. All our Ministers who attended the meeting have approved the report, and we make it on their behalf. The Executive were represented by the First Minister, Peter Robinson MP MLA; Jeffrey Donaldson MP MLA; Margaret Ritchie MLA; and me. The Irish Government were represented by Micheál Martin TD, Minister for Foreign Affairs, who chaired the meeting.

During the meeting, we had a broad discussion with the Minister for Foreign Affairs about the economic downturn and the budgetary challenges that face us all.

On obstacles to cross-border mobility, the Council welcomed the progress made in the development, marketing and management of the Border People website, which provides access to high-quality public service information for people who cross the border to live, work or study. It noted that the website attracts approximately 10,000 visits a month. The Council noted that funding for further development of the website for the three years between 2009 and 2011 has been secured under INTERREG IVa. The NSMC joint secretariat will keep the website's future development under review.

The Council noted the positive outcome of discussions held with a wide range of interested groups, including business and consumer organisations and the main banking institutions, on the issue of cross-border banking charges. It noted that those discussions have resulted in the publication for the first time of a detailed comparative table of the cost of typical cross-border transaction charges in most banking institutions on the Border People website, which can be found at www.borderpeople.info. The Council also noted the transparency that that website now provides for consumers.

The Council noted that many of the banking groups have either implemented or are in the process of implementing new IT platforms that can result in reduced cross-border transaction fees and that the implementation of the single European payments directive and the payment services directive should reduce the future cost of cross-border transactions.

On the transfer of pension rights on a cross-border basis, the Council noted that a number of possible options had been identified. Given the current cost implications and economic climate, the Council agreed that reciprocal membership arrangements of the transfer network and the transfer club pension schemes in their respective jurisdictions are not a viable option at this time.

The Council, however, noted that recent changes in pension arrangements are likely to be helpful in enabling the transfer of the value of accrued pension entitlements from one jurisdiction to the other. The Council agreed that measures should be taken to provide additional information on pension issues to teachers and others in the public sector who wish to transfer to work in the other jurisdiction. It asked the NSMC joint secretariat, in conjunction with the two Finance Departments and key stakeholders, to develop a plan to address the matter that should include information on recent changes in pension arrangements.

Ministers considered a paper on the human resources issues in the North/South implementation bodies and Tourism Ireland Ltd. They noted that the two Finance Departments have considered the issues of pay and human resources that the chief executives of the North/South bodies raised and have concluded not to change the bodies' pay structures. The Finance Departments will, however, continue to consider and address human resources issues raised by the bodies. The Council noted that the two Finance Departments are also examining other human resources issues in the bodies and that a report will be presented to the North/South Ministerial Council as soon as possible.

The Council considered a paper on NSMC joint secretariat issues and noted that construction work on the new permanent headquarters for the North/South

Ministerial Council joint secretariat will begin in Armagh in the coming weeks, with an envisaged completion date in early 2010. It also noted that the NSMC annual report for 2008 was to be published on the website —www.northsouthministerialcouncil.org— before the end of April 2009.

The Council considered a paper on EU matters that were raised in the NSMC and noted the work on EU-related matters in accordance with the work programmes in the relevant NSMC sectoral formats since May 2007. Go raibh maith agat.

The Chairperson of the Committee for the Office of the First Minister and deputy first Minister (Mr Kennedy): I welcome the deputy First Minister's statement, on which I have a couple of questions. First, is there an update on the costings for the work to create the North/South Ministerial Council's permanent headquarters in Armagh, and is the deputy First Minister optimistic that that work will be finished by the scheduled completion date in early 2010? Secondly, given that my Committee is undertaking an inquiry into European issues, will the deputy First Minister outline any EU matters raised as a consequence of the North/South Ministerial Council meeting?

The deputy First Minister: At the meeting we were advised that Armagh City and District Council will provide the new accommodation for the NSMC joint secretariat in Armagh and that building work will commence in June, with an expected completion date of May 2010. The new accommodation will be on the former site of Armagh city hall. It will be a modern building that is built to a very high specification, reflecting the highest environmental and energy-saving standards and will be an important catalyst for the regeneration of a disadvantaged area of Armagh city. It will safeguard jobs and continue to bring economic benefits to the city.

The new building will provide the office accommodation and facilities required to host meetings of the North/South Ministerial Council. In the longer term, it should provide a more cost-effective means of holding NSMC meetings than the current arrangement, whereby most meetings are held outside Armagh. Everyone looks forward to the day when North/South Ministerial Council meetings will be held in the new accommodation.

The building costs fall to Armagh City and District Council, and the northern proportion of additional fit-out costs of £1.5 million, which will be split between North and South, falls to OFMDFM. We are confident that the work will begin in the coming weeks and be completed early in 2010. Everyone in the House will agree that that will be a further, much-needed indication of the importance of the institution.

Mr I McCrea: I thank the deputy First Minister for his statement. Will he confirm that the Irish Government, through their '2009 Revised Estimates for Public Services', have unilaterally cut funding to all the North/South bodies, save the Loughs Agency? Will he join me in calling for all Departments in Northern Ireland to follow that precedent by unilaterally imposing budget cuts on all North/South bodies?

The deputy First Minister: I must apologise to Danny Kennedy for not answering his question on EU matters. The meeting included an overview of North/South ministerial discussions since May 2007 on EU matters that fall within the agreed work programme. Those discussions covered a wide range of matters, such as agriculture, special EU programmes and the environment. The mutually beneficial outputs from ministerial co-operation on EU issues were recognised, and it was agreed that that should continue. We also had a broad discussion on other EU issues, including the Barroso task force. It was agreed that officials should continue to co-operate to maximise the benefits of the EU.

As far as the decision by the Irish Government is concerned, the Council discussed several issues relating to the North/South bodies. Those included non-pay conditions of service, efficiency savings and the Irish Government's moratorium on public service recruitment and promotion. We all recognised how important it is for North/South bodies and all other public bodies to deliver their objectives and programmes efficiently. That is the key point, particularly given the current downturn and economic pressures that we all face.

We also recognised that it is important to ensure that any efficiency savings that are made do not negatively impact on the bodies' operational effectiveness. Indeed, it was questioned whether recruitment and promotion should be curtailed in small organisations that need flexibility. We noted that officials from the two Finance Departments have held discussions on efficiency savings and other HR issues. We agreed that it would be useful for the joint secretariat of the North/South Ministerial Council to meet finance and other relevant officials to develop a joint approach to the consideration of sponsoring Departments and Ministers. I understand that the joint secretariat has arranged to meet officials from the two Finance Departments later this week and that meetings are also being arranged with sponsor Departments.

We all accept that greater co-operation can lead to greater savings. The review of the St Andrews Agreement will report by the end of the year on the efficiency and effectiveness of the existing bodies and on future areas for co-operation. As all Members know, in the longer term, the Assembly is to establish an

efficiency review panel to report on savings made through greater co-operation.

Mr P Maskey: Go raibh maith agat, a LeasCheann Comhairle. The First Minister made a statement yesterday in which he signalled DUP proposals on institutional change, including North/South matters. Were those proposals discussed at the meeting, and were they approved as the agreed position of OFMDFM?

The deputy First Minister: Those matters were not raised, and the proposals do not represent the agreed position of the First Minister and deputy First Minister, which will come as no surprise to anyone on the other side of the House. The First Minister was, effectively, announcing DUP party proposals in the context of an election campaign. Some parties or individuals advocate a reduction in the human rights and equality agenda and a narrowing of the rights and safeguards built into the institutions. All of those are designed to ensure inclusivity and equality. As I said, it will not surprise Members on the other side of the House that such suggestions will not garner any support from my party or from me and will, therefore, go nowhere.

10.45 am

However, we are open to discussing how services across the island of Ireland can be made more efficient and effective, and the most obvious area to consider is duplication of services in the North and the South. We have all committed to working under the institutions that have been established, North and South, and to ensuring maximum benefits by examining how we can save money and provide better services for all our people.

Many people subscribe to the argument that, in the current economic climate, it is unsustainable and wasteful for this small island to have two health systems, two education systems, two competing economic agencies, two arts councils, two sports councils and three tourist agencies. An argument will be made around reducing the cost of duplication, because it is sensible to reduce the costs to the North and the South where it is mutually beneficial and will deliver savings to front line services. It is a matter of delivering co-ordinated and comprehensive services to communities across Ireland, and none of that threatens anyone.

Mr Attwood: There have been reports of inequities in payment and in the terms and conditions of employment of people who work on a North/South basis. I note from the statement that those at the NSMC meeting agreed with the decision of the Finance Departments in the North and the South not to change the pay structures of the North/South bodies. If transparent inequities exist between people in the North and people in the South who do similar work on a North/South basis, the Council should have intervened

to rectify that inequality, rather than sign off on what the Finance Departments wanted to do. That decision should have required political intervention and not have been left to the managers of the Finance Departments on the island.

The Minister stated that a decision was taken at the meeting that to carry out work on a cross-border transfer of pension rights was:

“not a viable option at this time.”

I regret that, because that is an impediment to people transferring between North and South, especially on the policing side.

If it is not a viable option at this time, will the deputy First Minister explain how, as he subsequently said in his statement, recent changes have been made to pension arrangements that make it more likely that accrued pension rights can be transferred on a North/South basis? I welcome those changes, but will the deputy First Minister explain how, on the one hand, something is not a viable option yet, on the other hand, pension changes in recent times make it a viable option?

The deputy First Minister: My speech to the Assembly made it clear that the two Finance Departments took the decision on pay arrangements. They considered pay and human resources issues that the chief executives of the North/South bodies raised. They concluded that, at this time, the bodies' pay structure should not be changed. I have no doubt that the situation will be kept under review, and, as I also said, the two Finance Departments will continue to consider and address specific human resource issues that the North/South bodies raise. The pay structures are linked to the Civil Service in both jurisdictions, and considerable thought is given to proposals from the bodies' CEOs.

Pension transfer is an expensive matter. At the meeting, we noted the progress that has been made on pension issues and the fact that the pensions working group has identified possible options for the cross-border transfer of pensions. We recognise that cost implications and the economic climate make it difficult at present to have reciprocal membership arrangements in the public-service transfer network and transfer club pension schemes in the respective jurisdictions. However, it is good to know that recent changes in pension arrangements are likely to help to enable the transfer of the value of accrued pension entitlements from one jurisdiction to the other.

The lack of information on pension issues available to teachers and other workers is a concern. We can and must try to address the transfer of public sector workers who wish to work in the other jurisdiction. Therefore, we have asked the NSMC's joint secretariat, as well as the respective Finance Departments and others, to prepare a plan to deal with that and to

include information on recent changes in pension arrangements.

As we go forward, we must recognise that there will be particular situations that affect groups of citizens North and South. There is a commitment to ongoing review with a view to taking action that will assist.

Lord Morrow: I noted that the deputy First Minister said that four Ministers from Northern Ireland and only one Minister from the Irish Republic were present at the meeting. I understand that the economic downturn has hit the Irish Republic severely; therefore, there may be reasons why that happened.

Construction of the proposed secretariat building in Armagh is to begin in coming weeks. In light of the economic downturn, would it not be better if that were cancelled? Bearing in mind the earlier part of the deputy First Minister's statement, which seemed to suggest that North/South bodies are on their way out, is there now real danger of building a white elephant that has no work to do? Does the deputy First Minister agree?

The deputy First Minister: That is one of the most interesting comments I have heard in the House in a long time. It was an institutional format meeting of the NSMC. Normal procedure is that, when Assembly Ministers go to Dublin, the meeting is chaired by the Minister for Foreign Affairs. It was not a full-blown meeting of the North/South Ministerial Council; those meetings have, on many occasions, been attended by many Ministers from the South and the North. Therefore, Members need not be concerned: that protocol has been in place for a considerable time.

The building at Armagh city is important and hugely symbolic. Given that we have all signed up to the power-sharing institutions and to working for the mutual benefit of people North and South, it is important to have the building, which will, effectively, be the North/South Ministerial Council's headquarters, in Armagh city. It will provide the city and its surrounding area with an important boost. It is also a symbol of the increased willingness of politicians in the North and South to work together for mutual benefit and in a way that threatens nobody.

Therefore, as we progress, we must recognise that the review of the institutions will become public by the end of 2009. People can then judge whether they believe that the North/South institutions have been beneficial. I believe that they have been beneficial. All of the empirical evidence shows clearly that, for example, InterTradeIreland has been an astounding success; so, too, has Tourism Ireland. The success of those institutions should not be cause for concern; it should be welcomed.

Mr McElduff: Go raibh maith agat, a LeasCheann Comhairle. Cuirim fáilte roimh ráiteas an Aire, agus ba mhaith liom a rá rud maith an rud é go raibh cúrsaí

eacnamaíochta ar an chlár oibre i mBaile Átha Cliath. I welcome the deputy First Minister's statement. I note that the current economic climate was discussed at the meeting. Does the Minister agree that identification of additional areas of North/South co-operation that would bring about better delivery and co-ordination of services on an all-Ireland basis could deliver major savings?

I want to hear his opinion on health matters. For example, there are pilot projects whereby people can access GPs through out-of-hours schemes on the Armagh/Louth border and on the Donegal/Derry border. Could such schemes be rolled out across the entire border area?

The deputy First Minister: All such matters are being considered under the review of the institutions. As we go forward, we all recognise our responsibilities to ensure greater social and political co-operation on the island. We must build better political relationships that we can use for the economic benefit of all the people who live on the island. Our policy is to ensure that we engage in mutually beneficial processes that threaten nobody.

We have progressed beyond debating the value of the power-sharing institutions in the North and the North/South institutions a long time ago. They were established under the Good Friday Agreement and were supported by the outcome of the St Andrews Agreement, which clearly suggested that those institutions will exist for the foreseeable future. If we work with a good heart and a good will, they will go from strength to strength, and the people who live on this island will be the main beneficiaries.

Mr Elliott: I am slightly disappointed by the deputy First Minister's response to Mr Attwood's query about pay structures for bodies North and South. Perhaps he will expand on his answer and explain why there was no agreement to change that position.

The banking crisis is a major issue. The statement contains a section on banking issues, and I wonder whether there is consensus that the Republic of Ireland authorities dealt with the banks incorrectly. That huge financial investment may not have worked out well.

The deputy First Minister: I am sorry that the Member is disappointed; I do not come here to disappoint people. However, we must deal with the situation that, as I have outlined, the Finance Departments North and South have made a joint decision. Moreover, I added a rider to the effect that the situation will undoubtedly be kept under review.

As regards the banking situation, we noted the positive outcome of discussions on cross-border banking charges that were held with a wide range of interested groups, including business and consumer organisations and the main banking institutions. We

noted that for the first time those discussions have resulted in the publication of a detailed comparative table of the cost of typical cross-border transaction charges on the website. That is a useful and practical step that provides transparency for consumers. The co-operation of the main banks has been helpful, and it is encouraging that banking groups are in the process of implementing new IT systems that may result in reduced cross-border banking charges.

Looking at the bigger picture, I must say that it is not the role of Ministers from the North who attend the North/South Ministerial Council meeting in institutional format to criticise the Irish Government's decisions on the banks. It is a huge issue that has been greatly debated in recent times. We must respect the integrity of the Irish Government's decisions on how they intend to pull themselves out of the economic difficulties that have arisen from the banking crisis and that have beset that part of the island. Our job is to deal with how the North/South arrangements impact on people. It is not our job to attend those meetings and challenge the Irish Government's decisions directly. Likewise, there is no protocol for them to challenge us on decisions that we take in the North. The work at hand aims to improve co-operation and be mutually beneficial.

11.00 am

Mrs D Kelly: I welcome the statement and note its contents. However, I am disappointed that the opportunity afforded by the meeting was not used to address the economic downturn in a much more proactive manner. Were there any discussions about the impact of the revised Budget in the Republic of Ireland on commitments given to infrastructure projects in the North? Is there an agreed action plan to bring forward any of the intensive infrastructure capital projects on a North/South basis that were referred to in the Republic of Ireland's recent Budget?

I note the comments of Members on the Benches opposite that no new measures will be added to the work programme of the North/South implementation bodies. Does the deputy First Minister agree that the narrow-mindedness and insular mindset of the DUP is detrimental to all our people North and South in an economic downturn? Does he press home to his party, one of the main parties in government, the fact that North/South bodies are here to stay, that they are part of the Good Friday Agreement, just as this Assembly is, and that they must be driven forward much more proactively? How is his party going to do that?

Mr Deputy Speaker: Order. You have asked quite a number of questions, Mrs Kelly.

The deputy First Minister: I think there were about six questions. That does not remove the validity of the questions; they are all valid.

At the meeting, we had a broad discussion on the economic downturn and the budgetary challenges facing the two jurisdictions. Minister Martin outlined the economic problems facing the Irish Government and the steps that have been taken in the Budget to reduce the current deficit. He referred to the common challenges facing both jurisdictions and the need to focus on efficiencies while maintaining growth in business.

We, in turn, outlined the serious challenges and decisions facing our Executive, including the efficiencies that will be required over the next two years and the additional resources that will be needed for policing and justice. It was also recognised that, in moving forward in these challenging times, it will be in all of our interests to continue to maintain close contact and co-operation. We also referred to the fact that we have established a cross-sectoral advisory forum to help us meet our economic challenges, and we explained that the overall aim of the forum was to mitigate the worst effects of the economic downturn.

In recent times many people have been concerned about the roads projects, the A5 and A8, given the establishment of what is known as "An Bord Snip" in the South and the prospect that it could impact on two vital projects: the road from Monaghan to the north-west, Donegal and Derry, and the road from Larne to Belfast. At the meeting, Minister Martin confirmed that the Irish Government remain firmly committed to funding the A5 and A8 projects as already agreed. We understand that the issue was discussed at the recent meeting of the NSMC in transport sectoral format and that Minister Murphy referred to it in his statement to the Assembly yesterday.

The A5 project is estimated to cost in the range of £650 million to £850 million, and the A8 is estimated to cost between £105 million and £120 million. The Irish Government's contribution is £400 million. As we speak, we appear to have cast-iron guarantees that those projects will go ahead and will be supported by the Irish Government. I also understand that the preferred route for the A5 will be announced this summer. That will be an important development. The preferred route for the road from Dungiven to Derry was announced last week.

I will resist being drawn into stating my view of the DUP's attitude to these institutions. All the parties in the Assembly, no matter what is said publicly and in newspapers, have been positive and constructive in building relationships in the North and between North and South. There are some exceptions.

Mrs D Kelly: Name them.

The deputy First Minister: I will not name them.

On the whole, phenomenal progress has been made in the past two years. The fact that we are now

working positively in the institutions is something that we should all be pleased about.

Mrs McGill: Go raibh maith agat, a LeasCheann Comhairle. My question on the A5 and the A8 has just been answered. I commend the deputy First Minister; I am not disappointed by his response.

Mr Boylan: Go raibh maith agat, a LeasCheann Comhairle. Cuirim fáilte roimh ráiteas an Aire. I welcome the deputy First Minister's statement. Like my colleague, I am not disappointed by his response. I welcome his announcement of the new purpose-built NSMC building in Armagh city, and I will take Mr Morrow's comments about it as positive. Does the deputy First Minister agree that this good news story could be a spur for the future regeneration of Armagh city and the surrounding district?

The deputy First Minister: I believe that the new development will be recognised as an iconic site in Armagh city. In a practical way, it will represent the political progress that has been made in the North, and between North and South, in recent times. The construction of the building will be a huge boost for Armagh city, and it will help regenerate a part of the city that is badly in need of support. It is also a tremendous boost for improved relations between North and South.

Mr Gallagher: I thank the deputy First Minister for his statement. I note his comments about cross-border workers. That is a big issue in the border constituencies, not least Fermanagh and South Tyrone, despite Lord Morrow's observations. There is a great desire to have those issues brought to the fore, and some of the people who raise them are perhaps more likely to be Lord Morrow's voters than mine.

Mr Deputy Speaker: Please ask a question, Mr Gallagher.

Mr Gallagher: Is OFMDFM aware that, if the taxation of cross-border workers were to be turned the other way and the rate were higher in the Republic of Ireland, workers from there who come here would be exempt under an agreement that was negotiated 30 years ago by the Irish Government when there was no Parliament here? We all know who is responsible for taxation, but this is a cross-border issue. Will the deputy First Minister raise the matter with the Irish Government so that a case can be made to the British Treasury to get rid of the double taxation that is hurting the cross-border workers who reside on this side of the border?

The deputy First Minister: I have tremendous sympathy for the Member's point of view. He made it clear that we have little or no control over taxation, given that it is determined in London. As we move forward, it is my party's hope that more can be done on the issue. However, that would have to be by agreement

between my party and our colleagues in government, and it would have to have Executive support.

We had an opportunity at the meeting to review the progress of the Border People website, which has been a huge success and which attracts in the region of 10,000 visits a month. We can see that there is a demand for that service North and South. We also heard how the website provides information based on real case studies and how it is an accurate reference source for the public and for information advisory services.

There is clear evidence of the need for a point of access to high-quality public service information that helps people to find answers to difficult questions on cross-border mobility. I accept that it might not be possible to find answers on the website to particular questions on the subject of taxation, but that is perhaps something for another day. I am pleased that the website is proving to be meaningful and responsive and is acting as an accurate source of reference for people.

We noted that funding for the further development and marketing of the website up to 2011 has been secured under INTERREG. The North/South Ministerial Council joint secretariat has been involved in the website's development and will continue to be involved in its future development and management. As we all know, taxation is a very complex matter, especially in relation to cross-border issues. However, we will ask officials to explore the question asked by the Member.

Mr Durkan: I thank the deputy First Minister for the statement and thank him and his ministerial colleagues for the work of the meeting. Does the Minister have any concern that the Finance Departments appear to be working on efficiency matters in relation to the implementation bodies ahead of the outcome of the efficiency review? Can he give us anything to look forward to by way of the outcome of that wider review as regards the other side of efficiency, which is about the possibility of enhancing the areas of co-operation and expanding the role of the implementation bodies so that they can be more productive and more relevant, and, therefore, more cost-effective for everyone?

Can the deputy First Minister tell us whether there was any discussion at the institutional format meeting about using the cross-sectoral format, which has not really been used in the North/South Ministerial Council and which would be relevant and would lend itself well to issues relating to the downturn and recovery in particular? More co-ordination at that level would also help with some of the current challenges in relation to strategic capital investment, which will also face the pressures that there will be on our Budget and on the Southern Budget for many years to come.

Was there any discussion about bringing significant cross-border collaboration, such as the north-west

gateway initiative, under the oversight of the North/South Ministerial Council? We witnessed that structural defect during the controversy surrounding Project Kelvin.

The deputy First Minister: Since the institutional meeting, we have become aware that, in their Budget of 7 April 2009, as reflected in the revised estimates published on 23 April 2009, the Irish Government have made cuts to all but one of the North/South implementation bodies and Tourism Ireland Limited. The revised estimates also include details of the reduced proportionate shares for the Executive's sponsor Departments. Any proposed changes to the bodies' budgets will need to be discussed and agreed by sponsor Ministers and Finance Ministers and business plans approved by the NSMC.

There has to be recognition that we are faced with a world economic recession; there is a huge economic crisis out there. However, the main point is that we have to go forward on the basis of ensuring that we do not in any circumstances drop our performance in delivering what it was intended that those bodies would deliver when they were established. There is a real commitment from the Government in Dublin and us to weather the storm and face up to the difficult economic decisions that have to be taken but to attempt to do it in a way that ensures that we continue to perform and deliver what we expected moving forward.

The Member mentioned the implications of the review. The St Andrews Agreement provides for a review group to report with recommendations to the NSMC, its remit being to examine objectively:

“the efficiency and value for money of existing implementation bodies and ... the case for additional bodies and areas of co-operation within the NSMC where mutual benefit would be derived. The Group would also input into the work ... on the identification of a suitable substitute for the proposed Lights Agency of the Foyle, Carlingford and Irish Lights Commission.”

The review group consists of senior officials and an advisory panel of four experts; two appointed by us and two by the Irish Government. In connection with the examination of the efficiency and value for money of the existing North/South implementation bodies, the expert advisers conducted consultation meetings with each of the bodies and with Tourism Ireland Ltd, their stakeholders and sponsor departments and the social partners on behalf of the review group.

11.15 am

At the NSMC plenary meeting on 26 January 2009, Ministers noted that the experts had completed their report on the efficiency and value for money of the existing implementation bodies and Tourism Ireland Ltd. The review group, in consultation with the relevant sponsor departments and Ministers, will consider the recommendations made and submit a report to the next plenary meeting.

Although an attempt has been made to draw me on the initial findings, I think that it would be better to wait until the relevant bodies have completed their work and see what is reported at the next meeting.

Mr O'Loan: Will the deputy First Minister make it clear that he rejects the assault on the North/South bodies that has been made by the Democratic Unionist Party this morning? Will he agree that the long-term economic future of this island can only be secured through greater co-operation and the extension and enhancement of the work of the North/South bodies? Will he confirm that he clearly received that message from the Irish Government?

The deputy First Minister: In spite of all that is said outside — sometimes inside — the House, tremendous political progress has been made over the past two years. We now have an inclusive, power-sharing Executive in the North. Ministers on all sides of the House work positively and constructively with the North/South institutions. That is something to be pleased about.

I will not engage in a point-scoring exercise with anyone. I passionately want to see that progress continue. We recognise that we come at this from different political perspectives. The DUP has its allegiances, and I respect that. I have my allegiances, and I expect others to respect that.

The establishment of the North/South Ministerial Council was a very clear recognition of the outcome of the Good Friday Agreement and the St Andrews Agreement. We have to work together in a spirit of co-operation, where there is mutual benefit, to bring about a situation where we can use the institutions for the benefit of all the people who live on this island.

I am an Irish republican, and I want to see a united Ireland. I would love to have that tomorrow morning. We all know that that is not going to happen. Our friends on the other side of the House tell us that they are British unionists, and I have never been confused about that. We have to keep the positive mood going. We have working institutions that hugely benefit citizens North and South. Whatever may be said outside in the context of an election taking place or, on occasions, inside the House we know in our hearts and souls that these institutions will be here for quite some time.

PRIVATE MEMBERS' BUSINESS

Dairy Farming

Mr Deputy Speaker: The Business Committee has agreed to allow up to one hour and 30 minutes for the debate. The proposer of the motion will have 10 minutes in which to propose and 10 minutes in which to make a winding-up speech. All other Members who are called to speak will have five minutes.

Dr W McCrea: I beg to move

That this Assembly recognises the difficulties facing the dairy sector and calls on the Minister of Agriculture and Rural Development to set up a task force to consider the way forward for the sector and how it can be assisted in advance of the abolition of milk quotas.

Unfortunately, it is not with great pleasure that I propose this motion. No one can be in any doubt about the pressures that the Northern Ireland dairy sector faces. That includes not only the primary producers but the processors. The dairy sector in Northern Ireland is the largest agricultural sector, and it contributed £444 million to the total gross output in 2008. Not only are hundreds of people employed directly on farms as primary producers, hundreds are employed in the milk processing sector in Northern Ireland.

I will first pay tribute to the stamina, determination and excellence of farmers in Northern Ireland, who have faced great challenges throughout their industry over the past years. They have faced those challenges with great fortitude and have sought to do everything that they can to make Northern Ireland a better and more prosperous place. However, to make that a reality, they need the help and assistance of the Assembly.

Over recent months, the entire dairy sector has been plunged into crisis. In March, the price paid for milk by United Dairy Farmers was only 17p a litre. That was 6p down on the April 2008 price and nearly half the price paid to farmers just 18 months ago. Not only has the price paid to farmers collapsed over the last number of months but input costs have escalated considerably. The costs of fertiliser, feed and energy are all considerably higher than they were this time last year, resulting in the returns to farmers being further cut.

Farmers have also borrowed considerable sums to construct slurry storage facilities and thus adhere to environmental legislation that emanated from Europe. That situation has been compounded by wet weather over the past month, which has delayed the turn-out of livestock on most farms in Northern Ireland. In fact, that process has turned the other way, because many farmers have had to bring their animals back in and have had to pay for the silage that is necessary to feed them, and that has resulted in additional costs. It is

vital that we all examine what can be done to assist the sector, in both the short and longer term.

Over recent months, following concerted effort by many across Northern Ireland — certainly by my DUP colleagues in Westminster and Brussels — the EU Commission reintroduced export refunds and intervention storage of dairy products. Although I would like to have seen export refunds set at a higher level, that move helped to stabilise the world market and prevented further falls in the commodity markets. When I meet Commissioner Boel later this week, I hope to thank her and to encourage her to increase the level of EU support to help the market to return to profitable levels.

With the fall in world commodity prices for oil and grain, there have been some signs over recent weeks that farmers will see the prices of feed and fertiliser fall. That is to be welcomed, but prices need to fall further to help struggling farmers.

In the current markets, it is vital that the local banks work with the local industry and do not cause further problems for our farmers. Banks can do more to help our dairy farmers in the current climate. Unlike the property market, the price of farm land has not collapsed in value, and the majority of farmers are still asset-rich but, unfortunately, cash-poor. At this time, it is vital that the banks pass back the interest rate cuts to farmers. I am very critical of the banks that seem to be taking every opportunity to hike up the cost of borrowing money and cut the overdraft facility that farmers had agreed. Farmers and many others in this community desired more assistance and encouragement from banks, bank managers and the banking establishment, bearing in mind that the Treasury assisted many of the banks with their difficulties, which were often self-inflicted.

It is vital that we do not simply look at what can be done to help the dairy sector in the short term; we must look at where the sector is heading in the longer term. I welcome the recent Dairy UK study into the milk processing sector, which was part-funded by Invest Northern Ireland and the Department of Agriculture and Rural Development. We need to rationalise the number of milk processors in Northern Ireland, look at new markets and reduce the overheads in the milk processing sector.

The study does not relieve DARD of its responsibility to have a strategy and direction for dairy farmers in Northern Ireland. DARD has strategies and policies that look at everything from rural proofing to childcare, renewable energy, tackling poverty and disability action plans. Although DARD's reports on each of those issues are important, they will do little to help the largest sector in our agriculture industry.

I am glad that the Minister is in the Chamber to take note of the debate. Will she outline her Department's strategy for the Northern Ireland dairy sector? I also ask her to detail how many officials in her Department are working on dairy policy. Due to the importance of the sector, I suspect that more people in Dundonald House are working on dairy policy than on policies on rural development or forestry. Will the Minister outline her Department's position on the processing and marketing grant for the dairy sector? Is that scheme open? Are there many applications in the system? If so, when can those applicants expect to receive funding?

We already know that many of the support mechanisms will be either dismantled or removed over the coming years. For example, by 2015 not only will milk quotas be a thing of the past but intervention support and export refunds will have been done away with. Therefore, it is vital that we plan for our future, and our motion proposes a way to do that.

My party colleagues and I propose that DARD set up a task force for the Northern Ireland dairy sector to look at the future for dairy farming in Northern Ireland and pull together farmers' representatives, processors, retailers, Departments, research organisations and Invest Northern Ireland. It should also set out a clear strategy for the development of our dairy sector. That is not a novel concept, and it is not something that we have dreamed up or sought to manufacture for today's debate; it has already been carried out for the red meat sector in Northern Ireland. In the past two weeks, it was announced that there will be a dairy summit in Scotland to look at the dairy sector there.

There is a long-term future for the dairy sector in Northern Ireland. Milk production in the United Kingdom is at its lowest level since milk quotas were introduced in 1984. Milk production is falling in America and New Zealand, and the world population is rising.

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

Dr W McCrea: With its family-run, grass-based farm system, Northern Ireland is the best location in the world for milk production. Therefore, it is vital that DARD provide leadership and that together we chart a way over the next five years to secure the future for Northern Ireland dairy farmers.

11.30 am

Mr Doherty: Go raibh maith agat, a LeasCheann Comhairle. I support the motion. The dairy sector is facing many difficulties. Some arise from the massive fluctuations in milk auction prices, which, in many ways, depend on world prices. In November 1995, farmers were getting 30.48p a litre for milk, but by May 2002 that had fallen to 13.53p a litre. That is a massive drop. Many of the reasons for price fluctuations

are outside our control, depending on auction and world prices.

However, the dairy sector itself must take some issues on board. It is my judgement and observation as a result of discussions with dairy farmers that they are a bit too dependent on powdered milk. More emphasis needs to be placed on diversification into products such as cheese.

I am sure that the Members who tabled the motion are aware that two major initiatives were launched recently. First, an Executive delegation, led by Michelle Gildernew, the Minister of Agriculture and Rural Development, and ably supported by Arlene Foster, the Minister of Enterprise, Trade and Investment, the First Minister and the deputy First Minister, went to Europe and met Commissioner Fischer Boel. As a result of their discussions, the export refund was agreed. That was a very useful and timely intervention.

Secondly, and more recently, the Minister of Enterprise, Trade and Investment and the Minister of Agriculture and Rural Development set up a study group. That, too, indicates that they are entirely aware of the pressures on the dairy sector.

As I said, I totally support the motion. However, I sound one small word of caution, which concerns the timing of the establishment of a task force. It should come into play immediately after the study group that the two Ministers commissioned has completed its work. There would be a logic to carrying out the study and analysis first, after which the task force could implement the findings, but that should occur immediately after the analysis has been completed.

Mr Savage: First, I declare an interest as a farmer. Secondly, I congratulate my colleagues on the Committee for Agriculture and Rural Development for securing the debate.

I agree with the rationale behind tabling the motion today, because the milk industry, not to mention the milk cheques for farmers across Northern Ireland, is at a particularly low ebb, especially when compared with our friends on the UK mainland, who receive significantly more per litre than Northern Ireland farmers. Indeed, with the Chancellor's announcement in last month's Budget of a 2p a litre increase in fuel duty from September, the Labour Government seem intent on making life more difficult for the sector. That will significantly increase the cost of milk production, which stands at 28p a litre. For their efforts, meanwhile, the farmers, as Dr McCrea, the Chairperson of the Agriculture Committee, said, receive a mere 17p a litre, although I say it is 19p, if they are lucky.

A farmer can go on for only so long. Farmers in Northern Ireland cannot continue to produce milk at a loss. Simple economics tells us that the reason for the low price is supply and demand. The current low price

is caused by there being too much milk in the marketplace. The question is then how to access that surplus. A possible Northern Ireland-wide solution exists. One in every six children in Northern Ireland receives school milk.

There is a potential market for providing milk to 329,000 children in nursery, primary, secondary and special needs schools. Only 55,000 children get access to daily school milk, in spite of the fact that an EU subsidy is available courtesy of the Commission Regulation (EC) No 657/2008 of 10 July 2008.

If we were to take the excess milk out of the market, put it into schools and encourage children to drink it, they would benefit from a healthier lifestyle, the farmer would receive a better price for his product, and DARD would receive an EU subsidy. It is a win-win situation for everyone. I hope to meet with the Minister and other key stakeholders soon to discuss those plans in more detail.

Returning to the motion, I agree with the proposal to set up a task force, but I urge caution. It must not become a talking shop, but rather a vehicle that can explore and implement new and innovative ideas for the betterment of the dairy sector in Northern Ireland. Furthermore, we need to promote milk better and we need to promote the benefits of our local, fresh, quality milk product. I am sure that the Minister will be happy to outline in detail what has been done, and what can be done, to better promote Northern Ireland's local, fresh, quality milk. We must work together to solve the problem in the interests of dairy farms across Northern Ireland.

In conclusion, I commend the motion to the House, and I call on the Minister of Agriculture and Rural Development to do all in her power to help to sustain the dairy industry in Northern Ireland. The dairy industry, along with all the other industries associated with agriculture, is the backbone of Northern Ireland. Everyone in the House must play their part in ensuring that the agriculture sector is not forgotten. We must also try to seek better and more open markets for our products.

Mr P J Bradley: I support the motion and ask that my comments are taken as being supportive of the dairy industry, irrespective of the size of the herd or holding.

The 'Statistical Review of Northern Ireland Agriculture 2008', which was issued by the Department of Agriculture and Rural Development, is an excellent reference book. The section relating to dairy production shows that 53% of the total number of Northern Ireland's dairy cows is owned by 24% of our milk producers. The figures show that milk production has not really dropped even though the number of producers has dropped significantly. Almost 2,000 million litres of milk are produced but on less farms than in previous years.

Our large dairy farms are getting even larger while the smaller farms are gradually fading out, and the hybrid Holstein is now the prime producer of milk. I

wish to slot in a question that is perhaps for another debate on another day: is there a possible link between the ever-increasing high-yielding cows and their vulnerability to disease?

Our large farms are becoming larger at the expense of historical levels of farming. Not everyone in the Chamber might agree with me, but I believe that large and small farms should be afforded equal attention and support.

The Government, and DARD in particular, cannot talk about creating rural sustainability if they are not prepared to look at how this once productive sector can be reinstated. When it comes to milk production, big is not necessarily beautiful, and the small farmer should not be allowed to fade away courtesy of the Government's lack of real interest or support. I welcome the Minister's views on that line of thinking.

Milk production, like farming in general, must not and cannot be allowed to fade into oblivion. If we were to let the industry die in Ireland and leave future generations to depend on an unreliable supply of imported milk and dairy produce, it would mark us out in the future as an irresponsible generation.

No one knows what the future holds for any industry. However, from the era of Frederick Joseph Flintstone through the Copper Age, the Bronze Age, the industrial revolution, the electronic world, and the IT world that we live in today, people have had to eat and drink to survive. We should never overlook the fact that farming is the only industry that has survived since then. I join the call to set up a task force.

In keeping with my earlier comments, I ask the Minister to assure that at least the top seven categories of dairy production, which are listed at table 4.16 of the 'Statistical Review of Northern Ireland Agriculture 2008', are represented on the task force, even if only on a pro rata production-level basis. By allowing such representation, the Minister, the Department and those of us who support milk producers will never be accused of backing only the large farming concerns.

If and when such a task force is set up, one of its considerations will be to undertake marketing milk as an all-Ireland product. With all-Ireland marketing as a possible long-term solution, the task force should seek regular updates on the benchmarking system that is soon due to get under way at the Moorepark dairy production research centre. Teagasc, in conjunction with the Irish Cattle Breeding Federation (ICBF) and the Dairygold Co-Operative Society is developing a pilot benchmarking scheme to benefit the dairy sector.

It is recognised that milk price volatility, particularly downward price movement, will force milk producers into lower-cost production. The benchmarking system at Moorepark will collect, validate, centrally store and draw up reports that dairy farmers can use prior to

making key business decisions. My information is that the scheme captures various performance indicators electronically by a number of stakeholders, including milk processors, ICBF, marts, meat factories, banks and accountants. That data may then be used in the decision-making process.

The information gathered at Moorepark will assist producers across the island of Ireland and should help in providing what the motion calls for when it asks that consideration be given to:

“the way forward for the sector and how it can be assisted in advance of the abolition of milk quotas.”

I support the motion.

Mr Irwin: As a dairy farmer, I declare an interest at the outset. Perhaps I can share some of my experiences of that sector and highlight the present difficulties faced by producers.

The agricultural industry is a large and important part of Northern Ireland's economy and the dairy sector is a significant player in that industry. It employs approximately 10,000 people, has an annual turnover of more than £500 million and worldwide annual product exports worth more than £300 million. In 2007-08, we enjoyed a period of increased prices. However, that was relatively short-lived.

Since October 2008, the price of milk per litre has been in a downward spiral. Surveying the present market shows the dairy industry in Northern Ireland to be in real difficulty. Producers are largely operating at a loss, receiving less than it costs to produce each litre of milk. Prices for Northern Ireland milk have been the lowest in Europe. With the added stresses and strains on farm budgets caused by meeting the ever-lengthening list of EU directives, and taking into account rises in input costs, it is no surprise to predict that the situation cannot continue.

Dairy farmers are under increasing pressure. When it is considered that many have borrowed significant sums of money to make their operations more efficient and to meet stringent EU demands, it is no wonder that many dairy farmers are considering an exit from the industry. That is the unfortunate reality. The figures show that, since 2003, the number employed in agriculture has fallen steadily.

Dairy farmers are trying to exist in a climate in which the drain on resources is becoming more unsustainable. Feed prices have rocketed. Fuel prices settled earlier this year, but have again started to rise. There has been a hike in electricity prices. Added into that mix is the very wet weather that we experienced in late spring, which led some farmers to put their cattle back indoors at more expense in feed bills and running costs at a time when the animals would normally be out at grass.

For the dairy industry in Northern Ireland to begin to compete, there must be predictability in the marketplace and in prices. In turn, that would allow producers to plan ahead in the knowledge that there was some degree of market stability. Stability is not a luxury at present enjoyed by the Northern Ireland dairy farmer. Recently, we have highlighted more than ever the need for a greater market for our produce. Export refunds can be fought for and may give some respite, but they cannot be a long-term answer to the industry's problems.

We have to up our game and move to a situation in which we rely less on commodity-based products and more on value-added products. In response to a question that I put to the Minister in November 2008, she admitted that the change from commodity-based to added-value products must continue, but at a greater pace. I want the Minister to update the House on the progress of her Department's efforts to quicken the pace in that regard.

11.45 am

The standard and quality of Northern Ireland dairy products is second to none. Without doubt, there is a bigger market for our produce, and we must work harder to develop our range of products in order to fully avail ourselves of the marketplace. On the UK mainland, milk production has fallen to 1971-72 levels. It is almost 40 years since milk production was so low in the UK, which proves that the exodus from the industry is staggering. However, one small positive fact is that there has not been the same exodus from the industry in Northern Ireland, because we have committed and resilient producers. Many families rise at 5.30 am and put in long, hard hours. In recent times, those families have, sadly, been working at a loss. No matter how resilient those farmers are, they cannot continue to do that indefinitely.

As I said earlier, the industry faces a daunting future if the current price trends continue, and the Northern Ireland economy will feel the strain along with the dairy farmer. Quotas will not be here forever, and we have a limited window of opportunity to address the problems that exist and prepare the industry for the stern competition that will inevitably follow the withdrawal of quotas.

Mr Deputy Speaker: The Member should draw his remarks to a close.

Mr Irwin: The industry deserves a redoubling of our efforts to meet those challenges. I very much support the creation of a task force to prepare a strategy for improving the Northern Ireland dairy industry. I support the motion.

Mr Molloy: Go raibh maith agat, a LeasCheann Comhairle. I thank the proposer of the motion for bringing it to the Assembly. It is a timely motion to

raise awareness of the dairy industry and to explain the support and the work that is currently ongoing.

Other Members have raised the issue of the future of the dairy industry. To some extent, it has to change if it is to survive. Cross-departmental support is needed from the various Departments that are involved in agriculture. Promotion is also needed, and support to diversify the industry and to create the added value to milk products that everyone is talking about. That will require the Department of Enterprise, Trade and Investment (DETI) and others to come on board to support the industry and its diversification.

The new European rural programme contains projects and funding opportunities for farmers to come together to co-operate and develop in the future. I know that farmers have operated very independently in the past, but it is very important that they come together as a group of farmers to benefit and to build the industry. We know that, throughout Ireland, the co-operative business model has been very successful in the past. Unfortunately, that has been taken over and bought out by big business. Why is that? It has been to the detriment of the farming industry, because the support base that had been brought together to build the industry in support of each other has been lost right across the island. The idea of bringing farmers together in co-operative businesses is important.

George Savage made a point about the issue of school milk. I think that we all remember that quarter-pints or third-pints kept us going when we were at school. It is an important aspect, because people are supported through the supply of milk to schools and because it encourages people to drink milk at a very young age. I welcome the cross-departmental support for the provision of school milk and the support to the dairy industry to enable it to deal with that.

It is also important that farmers come together to challenge the big supermarkets on price. They should buy local and should pay a realistic price for the work that goes into producing milk. The role of the supermarkets is very important, because they came together as a big industry to reduce prices in one sense, but also to create the facilities for themselves.

It is important that farmers also come together to challenge the prices that they are being offered, which, in the light of how much it costs to produce milk, are unrealistic.

For many years, the milk cheque has been the main source of income for dairy farmers, and it has been important in keeping the industry going for as long as it has been. It is important that we do not lose any elements of that industry, because it is one way that the stability of the rural economy in the future will be sustained. Therefore, it is important that we maintain and support that industry in whatever way possible.

Sinn Féin supports the spirit of the motion and commends it to the House. The first job of any task force should be to work cross-departmentally and in Europe, using the various existing strategies, to get as much support for farmers as possible. In addition, the Department must maximise on the work that has been done to date in order to work out exactly what the task force will do when it comes into operation. I support the motion. Go raibh maith agat.

Mr Elliott: I thank those Members who tabled the motion, and I apologise for not being in the Chamber for the start of the debate. I declare an interest as a milk quota holder.

Anyone who has been listening to the debate will realise how depressing the situation is for milk producers. When the milk quota system was established in the early 1980s, many people in this part of the world thought that it would be hugely detrimental to Northern Ireland milk producers. In fact, because that system enabled milk production to be controlled throughout the European Union, it helped sustain prices for small and medium-sized dairy producers here, allowing them to continue producing milk.

The milk quota system is one area for which being part of the United Kingdom was hugely beneficial. That is because quotas were able to be bought and sold between the UK regions. Moreover, the system allowed Northern Ireland dairy producers to increase the overall amount of quota in this area. In fact, Northern Ireland farmers are now producing far more milk than they were when quotas were introduced, or even 10 or 15 years ago. That means that Northern Ireland is probably the only region in Europe that has increased its volume of milk production.

Although that increase in production has benefited farmers here, it has also been to their detriment. That is because they are so reliant on the export market. Compared with dairy farmers who are situated closer to larger cities and populations in mainland Britain, Northern Ireland farmers do not have the same market for high-value — mainly liquid — products. Farmers here rely very much on exports. In fact, 80% of our higher-value products are exported, which means that we have to manufacture more of our milk into such products and that we are very reliant on milk powders.

Another difficulty is that in order to compete with dairy farmers in the southern hemisphere, farmers here must try to produce milk at lower prices. Southern hemisphere dairy farmers can produce milk cheaper, given that the climate in places such as Australia and New Zealand means that grass can be grown there much easier and that the cattle there are more accustomed to being outside, whereas cattle here must be kept in for at least six months of the year. Nevertheless, we

must compete with those types of producers in the world market, and that makes things more difficult.

As other Members suggested, we must concentrate more on manufacturing value-added milk products. I must commend those in the manufacturing industry who have done a good job of sourcing good sales destinations for our products. It has not been easy for them to compete in the world market.

The proposal to end the milk quota system will have a significant effect on the industry in Northern Ireland. I appreciate what Mr Molloy said about co-operating with the Republic of Ireland, but the difficulty is that we are competing with it, too. Some milk product manufacturers in the Republic of Ireland have been buying a great deal of milk from Northern Ireland. If the quota system is abolished, those manufacturers will be able to expand their production significantly. They will become more self-sufficient and will not need as much Northern Ireland produce, which, in turn, means that we in Northern Ireland may face an even greater reduction in milk prices.

I agree with those who tabled the motion that a task force should be established.

Mr Deputy Speaker: I ask the Member to draw his remarks to a close.

Mr Elliott: The key is to concentrate on value-added products to get more money for our producers.

Mr Burns: I support the motion. I am not a farmer and have no farming interests, but I live in the countryside, so I will approach the issue from the perspective of a rural dweller. I recognise the importance of the dairy industry to the countryside. Many people are employed in the production of the fresh milk that we drink every day and the cheese and ice-cream that we regularly enjoy, making the industry one of our most important.

I recall that, as a young boy, all our neighbours were dairy farmers who worked seven days a week, regardless of whether it was Christmas Day, Boxing Day or New Year's Day; they had, perhaps, 10 days off a year. We thought that we were at the top of the market at that time. One of our neighbours set up his own milk-processing business, and we had our first experience of those wee cartons of milk, which was a move away from the traditional bottles of milk that the milkman left at the door. We thought that we were very progressive and moving forward in our part of the world.

However, there is none of that now at all; it is all change. The entire industry is in decline. Only two of the families who lived near us still work in the dairy industry; they have huge dairy herds and employ a couple of men. Instead of having to work night and day, 365 days a year, those farmers can now take Saturdays and Sundays off because other people are there to help out. The farmer might have to milk the

cows himself only once every three weeks. However, fewer families are involved in the dairy industry.

I support the motion and join in calling for a task force to be set up. The Assembly must realise how important the dairy industry is to Northern Ireland.

Mr McCallister: I declare an interest as one who owns and manages a dairy farm and who still milks a few times a week. That said, I am not sure whether the protocol really requires me to declare an interest, given the amount of money that the average dairy farmer is losing at the moment.

As colleagues said, the difficulties in the dairy sector are well documented. A huge job of work must be undertaken to rebuild confidence in the dairy sector because it has taken such a knock in recent times.

12.00 noon

When proposing the motion, Dr McCrea mentioned some of the difficulties that farmers face: the bad weather that we had last year and soaring costs. Although the cost of fuel has come back down, when silage was being made last year, it was particularly high, and feed and fertiliser costs have been horrendous over the past year.

Mr Elliott: It has been suggested to me recently that dairy farmers have been losing approximately £2 a cow a day over the six-month winter period. Will the Member confirm whether that is reasonably accurate or a close estimate?

Mr McCallister: I reckon that it is very close. The losses incurred over the winter have been staggering. There are also issues with credit facilities, as Dr McCrea said, and many dairy farmers spent money over the past couple of years to meet EU requirements. Although there was welcome help from DARD's farm nutrient management scheme, farmers would still have shouldered 40% of the costs of those schemes at some point. That has left a legacy of repayment, which has to be factored in. I agree strongly with my colleague's point about farmers counting that loss, and I take issue with the comments of some of the SDLP Members, because they are fixated with the size of dairy herds and the idea of large farms versus small. If a farmer is losing £2 a cow a day, having an extra 100 cows would not be a money-spinning idea.

The sector is losing money, whether it is measured in cows or litres a day. Large farms are being hit hardest, because there is nowhere to go, and paying for labour exacerbates the problem. Sometimes, smaller farmers can resort back to the very tight unit that relies solely on family labour. I caution against saying that our larger dairy farmers are the problem; there are problems right across the sector, and if a farmer is losing money, having a large farm is not advantageous at the moment.

What are the solutions? We are facing a serious problem worldwide. We are competing not only with countries in the southern hemisphere, which have the option of cheap production systems, but with the Republic of Ireland, some parts of which have cheaper production levels that we cannot match. We must remember that we are competing with the Republic of Ireland in production and for processing jobs.

I remind the House that the agrifood industry is still the largest employer outside of Government, so it is of huge importance to the Northern Ireland economy. The role that the dairy sector plays in the agrifood industry is enormously important and influential. If a meaningful task force is set up to report quickly on what can be achieved, it is absolutely vital that it examines a range of issues, such as moving to value-added products, reducing some of our reliance on commodities and getting help to stabilise the market in the short term.

I worry that if we lose too many dairy farms, they will be gone for good. As a result, we will not only lose dairy farms, we will lose processing jobs, and that will have a wider detrimental effect on our economy generally. The sector is too important not to be helped and assisted through this very difficult time.

I urge the Minister, the Committee and the Assembly to play a role in supporting the sector. We must encourage it in any way possible.

Mr Deputy Speaker: The Member should draw his remarks to a close.

Mr McCallister: That encouragement could take the form of emergency measures such as export refunds. We must build up the industry and ensure that it is fit for the future.

Mr W Clarke: Go raibh maith agat, a LeasCheann Comhairle. I declare an interest in that I drink milk, and, as you can probably see from my physique, I eat a lot of cheese.

A Member: You drink Guinness, too. *[Laughter.]*

Mr W Clarke: Although I broadly support the motion, the call to set up a task force pre-empts the dairy process and competitiveness study. I am not against a task force being set up, but as Pat Doherty mentioned, setting up a task force may be recommended by the study. We can consider that matter when the report is complete in December.

Export refunds are also important for the dairy sector. Along with her Executive colleagues, the Minister of Agriculture and Rural Development has worked hard to secure the reintroduction of export refunds for dairy products, which was pressed for by the industry. Great emphasis was placed on that, and a large team was sent to Brussels to fight for the cause.

My contribution to the debate will be based on the need to get involved in niche markets, the need to move the industry away from commodity milk powders, and the need to get a greater return for well-branded, high-value produce. Dairy farmers in the North of Ireland, like farmers throughout Europe, find themselves in a new period in which agriculture has been shaped by an EU policy that seeks environmental and rural sustainability.

Future farm prosperity will be dictated by the marketplace. Free market economies always seek to take full advantage of returns against the most limited resources. Therefore, milk producers must make decisions on the system and scale of enterprise that take account of the factors that limit efficiency production on their own farms.

There are two routes that farmers can take to remain economical. They can produce milk cheaper than it is produced by other farmers, or they can target quality milk at high-value markets. Given the lack of scale, the first of those routes is not an option in the North of Ireland. Therefore, quality milk must be delivered to the processor at a competitive rate.

By adhering to principled production systems, farmers allow consumers to enjoy clean milk and dairy products in the various rural areas in which they were produced. That is an important policy that can secure an improved and sustainable return in the marketplace, but there must be trust and true integration in the supply chain.

Dairy farms, like all other farms, can make more money by either —

Mr Elliott: I thank the Member for giving way. Does he agree that it would be extremely helpful if voluntary modulation was taken out of the system in Northern Ireland and that that would be beneficial to the incomes of dairy farmers?

Mr W Clarke: The Minister heard that question, and she will respond to it.

Mr McCallister: You are on message today. *[Laughter.]*

Mr W Clarke: Higher profit, rather than keeping costs low, is the goal. The farm nutrient management scheme was a big step, but there is an opportunity for a lot of farms to cut energy costs by using renewable energy and anaerobic digestion. That may be the next step that some farms can take as a co-operative under the rural development programme. Slurry is a valuable resource that can help to reduce the amount of energy that is needed on dairy farms.

It is almost always more profitable to focus on the income side rather than to try to decrease expenses. Marketing is key to that, and products that can be produced efficiently include milk, yogurts, soft and

hard cheeses, ice cream and butter. Developing a niche market is vital to the success of an on-farm processing plant. The decision of whether to pursue direct sales or to utilise established independent retail stores through a distributional channel is also important.

There are opportunities for on-farm processing under the rural development programme. It is not for everyone; do not —

Mr McCallister: I agree with the Member that niche markets could play a very important part. However, one of the factors that makes Northern Ireland unique is the success that it has achieved in the quota system. Buying in quotas from the rest of the country has meant that our milk production is double what it was in 1984. We produce far too great a volume of milk and we have to export it, whether to the rest of the UK, the Republic of Ireland or the rest of the world.

Mr W Clarke: Buying quotas from the rest of the country? I do not know where we bought them from, unless we have drifted off to an island somewhere — *[Interruption.]* I do not think we bought them from the South either.

Dairy farmers who meet organic requirements are one step further towards having available markets for their products; they have set an example. High quality in cheeses and ice creams is also important. I admit that that is not for everyone, and I say that to the Member through the Deputy Speaker. However, many supermarkets already stock organic milk, yoghurt, butter, ice cream and cheese.

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

Mr W Clarke: There is an onus on us to develop those products. In my constituency of South Down, no one is making cheeses. There are opportunities for lots of dairy farmers.

The Minister of Agriculture and Rural

Development (Ms Gildernew): Go raibh maith agat, a LeasCheann Comhairle. I thank Dr McCrea, Mr Poots, Mr Irwin and Mr T Clarke for bringing this issue forward for debate. It is a serious subject, and we must do all that we can to help the dairy sector as it faces the challenges ahead. That is why Arlene Foster, the Minister of Enterprise, Trade and Investment, and I co-operate closely for the good of the dairy industry and have agreed to support a dairy sector competitiveness study. I will say more about that shortly.

Before I address the crux of the motion, I wish to stress the important contribution that the dairy sector makes to the local economy. There has been a strong consensus on this and all Members recognise the importance of the dairy sector. The total gross turnover of the milk and milk-products processing sector in 2007 was almost £700 million, which represents 25%

of the total turnover of the food and drinks processing sector. In addition, the processing sector employs about 2,400 people.

For many years, dairy farming has been recognised as the sector most able to generate a positive return on investment, but not at present. There is a spake in our country that the banks will give you an umbrella when it is dry and take it off you when it starts to rain. Farmers across all the sectors are feeling the effects of that problem that at the moment. I agree wholeheartedly with the comments made about banks and their contribution. I agree with Dr McCrea on that.

As other Members have said, the milk cheque was for many years the only stable thing in agriculture. Almost 4,000 dairy farmers in the North are affected by the downturn in fortunes. That is a big hit on our economy. Over the years, dairy farmers have been progressive and, as many Members have said, have invested for a sustainable future. Since 1995, the volume of quota held by producers has increased by more than 40% to almost 1.9 billion litres, and the average size of a herd has increased by more than 60%, from 45 cows to 73 cows. That compares with an average herd size of 45 cows in the South and 35 cows in 15 member states of the EU.

Structurally, our dairy farms look good, and that should make them more resilient to the ups and downs of modern farming. Dairy processors have also been proactive, with help from DARD and Invest NI, in improving their overall competitiveness. Nevertheless, it is widely held that the industry cannot be complacent with the pace of progress and there is no doubt that it still needs to do more. Not so long ago, the dairy industry enjoyed the fruits of buoyant world markets, but what a change there has been in over 12 months. In 2007, the milk auction broke the barrier of 30p per litre and dairy farmers were full of optimism, but it is now below 20p per litre and there is an air of despair. We must look at the reasons for that.

I acknowledge that the global economic downturn presents difficulties. We must also face the fact that we live in a world in which markets fluctuate. The industry must take the good days with the bad and not turn to Government when times are hard. It is vital that the industry is market-led and capable of operating without Government subsidies. It does not make sense to produce milk and milk products that customers are not prepared to buy or for which they will give only a poor price.

So what is the crux of the problem facing our dairy industry? First, the liquid markets here and in the South are small, utilising, respectively, only 14% and 10% of production compared to more than 50% in Britain, which is why there is such a difference in price. That is where a good return can be realised.

Our industry remains heavily reliant on the manufacture of commodity products, such as milk powders for export markets, despite 30% of milk being sold to processors in the South. That might have been fine when the EU had strong market support mechanisms in place and the South could not increase its production; however, that position has changed.

12.15 pm

As regards the liquid milk market, George Savage and Francie Molloy spoke about the EU school milk scheme. I support that fully, as demonstrated by my and the Executive's agreement to the top-up subsidy. However, even if there were a 100% uptake of the scheme in nursery and primary schools, it would utilise only another four million litres of milk out of our production of 1.9 billion litres. Therefore, clearly, it is not the answer. However, we need to find markets for such high-price products.

Since 1995, there has been free movement of quota between England, Scotland, Wales and here. As a result of that policy decision and the decrease in production in Britain — an issue about which Mr Elliott in particular spoke — our producers have been able to expand production and are now in a much stronger position than producers in the South. That is why producers in the South were keen to have an increase in quota under the CAP health check. Like us, they want a soft landing when the milk-quota system ends.

The 2003 CAP reform presented the dairy industry with a strategic challenge, because up to that point it was heavily reliant on export refunds. With the reduction in those and intervention prices, it was clear that dairy processors had to move away from basic commodity production and focus increasingly on higher-value products.

However, six years have passed, and the dairy industry is still reliant on basic products. One might ask whether Government in the North provided any help at all in that time. It did, and the industry was encouraged to avail itself of assistance from DARD and Invest NI. I am glad that some producers in the dairy sector availed themselves of that assistance, but more could have.

More recently, the CAP health check made it clear that milk quotas will end in 2015; it will be good to get rid of the red tape and bureaucracy associated with the regime. However, let me be clear: the end of milk quotas will increase the momentum towards a completely market-led agriculture industry, and the North is heavily reliant on external sales.

With changes in global markets and increased competition for commodity products, the future sustainability of the dairy industry will be determined by our ability to respond to changing times. We have done it in the past, and the current challenge is to

improve our product mix in line with consumer expectations in order to deliver higher-added-value products and to bring forward products different from those of our main competitors. Only that will shield the local industry from the volatility of global trading.

We need to export milk rather than milk powder, for which there is a poor price. Some companies have already been very successful in exporting dairy products. Fivemiletown Creamery, for example, exports its high-quality cheeses to the US, and a niche market in the US is massive compared with our market here. Therefore, it is important to look at how companies can add value to their product. To that end, technologists at CAFRE's Loughry campus support processors with technical training and product development. That work is vital, and I encourage the industry to utilise it more.

Dr McCrea made a point about the number of staff working in Dundonald House; we also have technological advisers working out of the DARD direct offices. I do not have time to go through the enormous range of measures that we have in place; however, I am happy to address the Member's comments in writing.

As I indicated in my opening remarks, Arlene Foster and I are fully apprised of the difficulties that the dairy sector faces and have agreed to support the dairy sector competitiveness study. The aim of the study is to ensure that the North has a sustainable dairy sector, with a structure to enable it to compete globally, and the Committee for Agriculture and Rural Development and the Members who proposed the motion are already aware of that. In fact, I understand that they have received an industry presentation on it.

It is important that the study is evidence-based and not an exercise that looks at the desired results and works backwards. I hope that it will put dairy processors in a better position to recognise the challenges facing the industry and to make strategic decisions about the future direction of their businesses.

A vibrant dairy-processing sector is essential in helping to ensure that farmers receive a good return for all their investment and hard work. I recognise the hard work, long hours, early starts, and so forth that are involved. That sector is important to me, as Minister of Agriculture and Rural Development, and to the Executive.

I am glad to report the positive response from processors to the exercise. I assure the representatives of producers of our full engagement with them throughout the process. Their involvement is important in ensuring that the conclusions reflect what is best for the industry.

Dr McCrea made a point about the Red Meat Industry Task Force. When that body was commissioned, who would have thought that the dairy sector would be in its current position?

Change will not take place overnight. In view of that, my Executive colleagues and I, together with a leading representative of the industry, met the Secretary of State for Environment, Food and Rural Affairs. We pressed hard for the EU Commission to take the necessary measures to stabilise the market. Our efforts resulted in the reintroduction of export refunds, and I am glad that there has been some improvement in recent milk auction prices. When Commissioner Fischer Boel visits the Balmoral Show later this week, I will have the opportunity to update her on the difficulties that the dairy industry here continues to face.

I agree that the motion is important. An active engagement and working relationship with all parts of the industry means that I recognise the difficulties that are faced by all those working in the dairy sector, both producers and processors. I am encouraged that everyone in the industry will contribute constructively to the current study. I am confident that that will prove to be a watershed in the well-being of the sector.

Work on the study is under way, and I expect a report towards the end of the year. Until then, it would be premature to speculate on its outcome or to consider setting up a task force. However, I do not rule out that possibility; I will wish to examine the study's recommendations. I join Members in wanting the best for the dairy industry.

I look forward to working with the members of the Committee for Agriculture and Rural Development. We can work collectively and, as Members have pointed out, we should chart the future together. The consensus that has been reached and the comments that have been made during the debate are helpful. We want to continue working in partnership for the betterment of the dairy industry. That can be achieved. Go raibh míle maith agat, a LeasCheann Comhairle.

Mr Poots: Over the past 10 years or more, Governments in the UK and beyond have operated a low-cost food policy. That helps Governments in many respects, including keeping down inflation. Unfortunately, the primary producers, rather than the supermarkets, have had to bear the responsibility for delivering that policy. In the past few weeks, Tesco, for example, announced a £3.1 billion profit. Given Tesco's investment in the development of many new stores in the past year, that figure does not reflect its real profit.

When two litres of milk leave a farm, they cost 34p, but they are sold in Tesco stores for £1.28, which illustrates where that company makes its profit. Tesco can make 400% profit from milk that a farmer produces at a loss, and £3 billion off the backs of consumers. Therefore, current policy is not good.

The national Government are failing the people of the United Kingdom by allowing supermarkets to exercise such power. For the benefit of Willie Clarke,

by "national Government", I mean the UK Government. Mr Clarke did not understand the term when John McCallister used it in an earlier question, and I remind Mr Clarke that we are in the UK. When one company accounts for £1 in every £8 spent on the high street, the Government must sit up and accept that that company is far too powerful. The Assembly must reflect on such matters, because Tesco is turning over the farming community and not giving the consumer value for money.

Mr I McCrea: Yesterday, I met a farmer who suggested that a uniform price should be paid for milk in supermarkets across Northern Ireland. Does the Member consider that one way to prevent supermarkets from selling milk at increased prices and shafting consumers?

Mr Poots: No, because I do not believe in totalitarianism. I believe in a free economy. I encourage individuals to shop around, because my local butcher supplies milk at a considerably lower price than the supermarkets, so perhaps people are better to support their local butchers.

The Minister of Agriculture and Rural

Development: Yesterday, I spoke to a Minister of State from the Department for Environment, Food and Rural Affairs. I raised with her the issues about loss-leaders in supermarkets, the strength of supermarkets and said that more must be done to regulate what the Member talked about. I said that we supported the introduction of a supermarkets' ombudsman. I recognise that the high profits that supermarkets make are very unfair when one looks at the challenges that dairy farmers go through.

Mr Poots: In the run-up to Christmas 2008, supermarkets used alcohol as a loss-leader. One company made a loss of more than £20 million on alcohol in December 2008, while it ripped off people who were buying basic food products, which are a necessity.

Aside from the supermarkets, the cheap food policy is not sustainable, and it also incompatible with food security. When I show people around this Building, I point out that the Senate Chamber was used to keep the north Atlantic shipping routes open so that Britain could have enough food to feed its people. I hope and believe that we are not entering a situation comparable to a world war, but our country should not be wholly reliant on food from South America and the southern hemisphere in general.

The same guarantee that can be given on the quality of the food on the shelves that comes from this country cannot be given on that from the southern hemisphere. It is important that consumers can be given guarantees that the food that they eat is of the best quality. That is generally the case for the food that is produced in the United Kingdom and across Europe.

I do not have to declare an interest in the debate as I am not a dairy farmer; I could declare an interest in eating ice cream and bowls of rice pudding. I can recall being told in the 1980s that export refunds and interventions were needed because there was an oversupply of milk. We heard about butter mountains and milk lakes. That was eventually done away with, which was to the good. Dairy farmers and the dairy-processing sector were then able to thrive. I am concerned that we are returning down that route, which is not the answer. It is a short-term solution, and we need to deal with the longer term.

There has been a failure in the processing sector in Northern Ireland in that it is over-reliant on milk powders as a commodity and that it has not established other markets to the extent that it should have. Various Members spoke about getting into niche markets. That is easier said than done, and that is why a task force is a necessity. The Red Meat Task Force carried out work to identify what farmers needed to get for their products. Farmers were quite alarmed when they heard some of the outcomes of the Red Meat Task Force report, but, when they read it and gave it full consideration, they realised that it was the reality. Reality is also needed in the dairy industry about the return that it needs and how those returns can be achieved. There are no easy fixes.

Willie Clarke talked about niche markets. It will take a long time to get into niche markets, and the problems of the dairy industry will not be solved in 10 years, never mind one year, by going down that route. Nonetheless, we do need to go down that route as one aspect of resolving the issue.

William McCrea set the scene for the debate with great clarity. Pat Doherty expressed concern about the timing of the establishment of a task force, but he fully supported the concept. George Savage talked about the differential with the UK milk price, and he referred to school milk, which, as the Minister pointed out, accounts for 4 million litres of the 1.9 billion litres that are produced in Northern Ireland. Therefore, although such a measure can provide modest help, it is not the answer. A cocktail of measures is needed to assist the dairy industry.

12.30 pm

George Savage expressed concern that the debate would be merely a talking shop and said that better promotion is needed. P J Bradley talked about large farmers becoming larger and said that there must be equality. There is equality in that the price that a farmer gets for his milk is the same whether he has 400 cows or 40 cows. Unfortunately, I do not believe that smaller herds will be sustainable in the dairy industry in the long term. That is just the nature of the industry.

William Irwin said that prices have fallen to an unsustainable level and that the number of dairy producers throughout the UK has fallen steadily since 2003. He maintains that export refunds are not the answer in the long term and that there must be a switch from commodity to value-added products.

Francie Molloy talked about the need for a cross-departmental approach and for greater co-operation among various Departments. Although I agree with that, I believe that the focus must stay with the Department of Agriculture, which is the lead Department on the matter. In the main, answers to the problem will come from that Department.

Tom Elliott talked about quota expansion and about more milk being produced in Northern Ireland. However, as considerably less milk is produced in the rest of the UK, that is not the problem, albeit Northern Ireland produces a huge amount of liquid milk that must be dealt with better.

Tommy Burns shared an interesting reminiscence with the House. John McCallister mentioned that the problem is worldwide and that Northern Ireland competes with the Republic of Ireland; he said that short-term action must be taken. I suppose that that is where export refunds and intervention come in. However, those measures can only be short-term solutions.

I have discussed Willie Clarke's comments on the niche market. I have explained to him that the quota came from that other part of our country of the United Kingdom of Great Britain and Northern Ireland, namely Great Britain.

The Minister talked about the contribution that the competitiveness study would make and said that the time might not be quite right; she also talked about the air of despair. I am concerned that she gives the impression that if there is no market for dairy products, farmers should simply stop milking their cows. Better ways to establish a market must be identified.

Question put and agreed to.

Resolved:

That this Assembly recognises the difficulties facing the dairy sector and calls on the Minister of Agriculture and Rural Development to set up a task force to consider the way forward for the sector and how it can be assisted in advance of the abolition of milk quotas.

Mr Deputy Speaker: The Business Committee has agreed to meet immediately upon the lunchtime suspension. 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 Speaker in the Chair) —
2.00 pm

PRIVATE MEMBERS' BUSINESS

Economy: Ad Hoc Committee

Mr Speaker: In accordance with the Business Committee's agreement to allocate additional time where two or more amendments have been selected, up to one hour and 45 minutes will be allocated for the debate. The proposer of the motion will have 10 minutes in which to propose and 10 minutes in which to make a winding-up speech. Two amendments have been selected and published on the Marshalled List. The proposer of each amendment will have 10 minutes in which to propose and five minutes in which to make a winding-up speech. All other Members who wish to speak will have five minutes.

Dr McDonnell: I beg to move

That this Assembly reaffirms the priority given to the economy outlined in the Programme for Government; notes with concern the impact of the downturn on jobs, especially in the construction, manufacturing and service sectors; recognises the need to protect frontline services including health, education, skills and housing in the pursuit of efficiency savings; and resolves to establish an ad-hoc committee:

(i) to bring forward proposals to revise budget lines and spending profiles to ensure the best support for key economic sectors in the context of both current downturn and future recovery;

(ii) to explore innovative uses of public money to address the pressures caused by the global downturn and prospects for regional recovery; and

(iii) to consider proposals to ring-fence frontline public services and ensure more strategic targeting of efficiency savings.

We are in the grip of one of the worst economic recessions in living memory. Businesses are going belly-up, workers are being laid off, and families across Northern Ireland are struggling to make ends meet. This is a genuine motion that aims to open up an honest debate on the economy. We must find mechanisms through which we can talk to each other and share economic responsibilities. Rebuilding our economy will take a great deal of work. However, in the short term, we have just as much work to do to make best use of our existing resources.

Nobody will be surprised that I am slightly concerned about the response of the two main parties — the governing parties — to the crisis. They hold their hands up, claim powerlessness and do nothing of any substance. One should consider the relatively unhelpful amendments to today's motion as examples of how devoid those parties are of creative or productive ideas

and of how content they are to dawdle along, making no changes and no difference.

The DUP's recent proposals are nothing more than a smoke-and-mirrors exercise. A set of old ideas has been dressed up in new clothes, and a few efficiency savings have been added around the edges. There is talk about reducing the number of Departments but not the number of civil servants. There is no mention of scrapping the large bonuses that are dished out to many civil servants. The DUP is fooling no one on the matter. People want genuine proposals, not a fog that hides the existing difficulties and failures. We do not need to create a fog to hide the deepening failure.

We are fully conscious that difficulties may exist among political parties, and we are conscious that the DUP and Sinn Féin may have difficulty renegotiating changes. However, those changes must be renegotiated. The Programme for Government and the Budget, which are almost two years old now, are not sufficient to meet the fierce challenges of today. From its inception, the Budget was seriously flawed, and the SDLP voted against it. In the light of the deepening crisis and the radical changes to the economy, that Budget is obviously flawed. Economic experts, financial experts, the business sector and the community and voluntary sector all agree that we must urgently revise our priorities. The two main parties in the Chamber are the only ones who oppose that concept.

Yet, all over the world, Governments are looking again at spending priorities, while many of us in this Chamber bury our head in the sand. The response to the growing criticism from across the community and from leading economists is to avoid the issue. We cannot succeed in rebuilding our prosperity by doing that. I think that that is a terrible message to send to the thousands of people who have lost their jobs and the tens of thousands who are struggling to make ends meet in the recession. That is not responsible or acceptable government, and I do not think that it is the type of government that any of us want. That is why my party make a new, carefully costed Budget paper and why we brought forward the proposals that are in the motion.

We are disappointed with the Executive's response. We must ask what that response is, because clearly, they did not deem the economic downturn significant or important enough to respond. If they did, somebody would be here today to deal with the issue and to respond to the debate.

Any issues that I raise, I do so genuinely and honestly. I want an honest and positive solution. I have said time and again in the Chamber that the way in which we respond to the current crisis will be the greatest test of this Executive and this Assembly. The DUP and Sinn Féin are running away at a time of economic crisis.

Someone should be here in the Chamber today to say why a Budget that has a shortfall of £100 million for building social houses, for instance, should last another day. Somebody should be here to say how they intend to find the £123 million of savings that were decreed by the Chancellor. Yet the main parties refuse, against all calls from economic experts, to revise the Budget at this time of emergency.

Today, Minister Conor Murphy has agreed further Translink fare hikes of 13%. He is demanding that the public revise their budgets, but he refuses to allow the Assembly to revise its Budget. Minister Sammy Wilson has agreed rises in planning fees; he is demanding that the struggling construction industry revise its budget priorities; but he refuses to allow the Assembly to do the same. What kind of government is this? I think that those people owe more to themselves, if not to the rest of us.

Unlike any other party, the SDLP has nailed the notion that no new money could be found. We identified £400 million that could be vired to boost the local economy. As outlined in the motion, the Executive must revise their Budget lines and spending priorities to ensure the very best support for our key sectors, not just during the current downturn but when it comes to helping us prepare for a recovery.

An Ad Hoc Committee on the current economic crisis is perhaps the most effective and best value-for-money vehicle for achieving that. Such a Committee could be innovative and creative, and it could listen to and take on board any evidence that may be available, from whatever source. An Ad Hoc Committee would be the best vehicle for exploring all the options and for coming up with some original and resourceful recommendations.

Our front line services are vital in all this, and, in a time when stringent efficiency saving targets are being set, an Ad Hoc Committee is the most effective and efficient means of exploring all proposals to ring-fence front line public services and to ensure more strategic targeting of efficiency savings. However, it is crystal clear from the amendments that the DUP and its Sinn Féin puppets are not interested in making serious proposals to revise the Budget lines and review the spending profiles to ensure that the best support is delivered to our key economic sectors and drivers. At the same time, they are not interested in exploring innovative uses of public money to address and ease current pressures right across Northern Ireland. They clearly have no intention of or interest in considering proposals to protect our front line public services.

I am sure that people right across Northern Ireland are delighted to hear that message from those two parties. Rather than bring hope, that message can only induce despair in all those fathers and mothers who are

joining the ever-lengthening dole queues and enduring sleepless nights worrying about how they will make ends meet and feed their families.

I want to assure people that the SDLP is interested. We want to make changes; we want to make a difference; and we want to do what we can to make people's lives easier and better in these difficult times. MLAs are not helpless in the face of the economic downturn, despite what the two main parties want the public to believe. With leadership and imagination, we can protect existing jobs, get some more people working again, and then some more after that. It is unfortunate that such initiatives and such determination are in short supply among the parties that control the Executive. Nevertheless, I assure the public that the SDLP will continue to press the issue. We will not dodge our responsibility in the Assembly or outside it, and we will not allow other parties to dodge their responsibilities to the people.

It is my privilege to move the motion. I do so in a genuine way, and with a view to finding some answers to the various challenges that we face. Those challenges are bigger than any of us as individuals or as members of parties in the Assembly, but we owe it to the public, whatever our party allegiance, to do all that we can to alleviate the worst impact of the downturn and lay the foundations for a better future.

Mr Weir: I beg to move amendment No 1: Leave out all after "savings" and insert

"; notes that budget lines are altered in-year via the Monitoring Round process and that since 2007 the Executive has reallocated £1 billion in resources, including £70 million in December 2008, aimed at addressing the downturn; acknowledges the need to pursue further efficiencies targeted at reducing the size of government; welcomes the proposal for an Efficiency Review Panel; and calls for the prompt production of recommendations to reduce the number of government Departments and to deliver efficient and effective public services."

I welcome the opportunity to take part in the debate. The mover of the motion told us several times of his party's genuine motivation for tabling the motion; indeed, one became a bit suspicious of that because of the number of times he mentioned it. However, I admit that it is difficult to take exception to the first few lines of the motion: all Members share the desire to reaffirm the prioritisation of the economy, and there is concern about the impact of the global economic downturn and that efficiency savings should not mean cuts in front line services. I suspect that that message has not reached every official in every Department, because there is still a culture in some Departments that regards efficiency savings as cuts. From our perspective, that is as good as the SDLP motion gets.

One of the main reasons for tabling amendment No 1 is the proposal for an Ad Hoc Committee. The proposer was a little unclear about whether that Committee would be an Ad Hoc Committee of the

Assembly or a forum involving outside economic help. We must ask whether we need an Ad Hoc Committee; and my answer is no, for two reasons. First, let us examine the potential role of such a Committee. Will it allow people from outside the Assembly to bring in their expertise? That has already been done. The Executive have set up a wide-ranging group that involves the trade unions, business and local government. Will its purpose be to assess the best way forward for the Assembly from an economic perspective? The people who should be taking those decisions and are already doing so are the Minister of Finance and Personnel and his Executive colleagues. Those decisions should not be shuffled off to a Back-Bench Committee of the Assembly.

The economy is the number one priority; it was established as such in the Budget and in the Programme for Government. Consequently, there should be no need for an Ad Hoc Committee. Will such a Committee be tasked with producing greater efficiencies? Again, that has already been tackled by the Executive, which established the efficiency review panel. It seems strange to set up another Committee to examine greater efficiencies. Is it the SDLP's solution to add more bureaucracy into the system and put one more Committee on top of the others?

2.15 pm

The other reason given for needing an Ad Hoc Committee is to reprofile Budget lines. However, that is unnecessary, because there are already processes in place to take account of changing circumstances and revise Budget lines. As is noted in our amendment, since 2007 the Finance Minister has reallocated approximately £1 billion in resources, including £70 million in December 2008 directly addressed at the downturn. That £1 billion over a two-year period is two and a half times the amount that the SDLP is suggesting. The SDLP has come up with a £400 million package, and I will come to some of the detail of that later in my speech.

The SDLP has criticised the Budget, both at the time and today. It has said that the Budget was a flawed outcome. However, given a blank page to create its own proposals, the SDLP has produced a change in revenue spend of less than 1%. If capital is included, it is in the region of a little over 2% of the overall Budget. Therefore, the SDLP agrees with 98% or 99% of the Budget, yet there has to be reallocation. Furthermore, the amount being reallocated on an annual basis by the Finance Minister is already greater than that proposed. The issue of some sort of economic rejigging seems to be somewhat flawed in that regard.

Although we want to ensure that front line services are protected, I sense within this motion a move away from the efficiency savings that need to be brought about. The purpose of having an efficiency review panel, which is welcomed in our amendment, and the

efficiency targets that are set for each of the Departments is to ensure that money is brought forward to front line services. I would be very loath to move away from anything on that line.

Let us take a look at the panacea that has been put forward to us today in the SDLP's magnificent vision of reallocation. In the United States, a politician once criticised another for talking about "voodoo economics". To describe the SDLP's proposal as voodoo economics would be an insult to the witch doctors of the island of Haiti: it is utterly incoherent. Let us take a look at some of the spending proposals, for example. I am sure that we would all welcome £20 million being allocated to the hospital for women and children at the Royal Hospital. However, £20 million is not going to wash the face of that project, which is a £300 million project.

There are other proposals. Some of the loans that are proposed are already being pursued by the Executive with the banks. They could be delivered at no expense to the public purse and would see the banks fulfilling their criteria.

The real weakness with the SDLP budget comes when we look at where the supposed £400 million over a two-year period is to be saved. First, we are told that there can be reprofiling of the Housing Executive debt. At £100 million, that is, in fact, the biggest single item proposed out of the £400 million. In fact, it is greater than that, because for some reason the savings seem to be split on a capital and revenue basis. I am unsure how that amounts to £140 million, more than one third of the proposals. However, that debt is on the basis of agreement between us and the Treasury. We are not in a position to unilaterally reprofile that debt. If we are able to release some of that money through negotiations with the Treasury, the amount that would be saved as a result would be massively less than that. However, I reiterate that that is not something that we are in a position to do unilaterally.

A sum of £50 million has been allocated for the funding of a multi-sports stadium, yet the SDLP has tabled a motion urging the Minister of Culture, Arts and Leisure to go ahead and spend that money on a multi-sports stadium. As Members who are involved with DCAL will know, even if it is not spent on a single sports stadium, that money will be reallocated towards spending on sports stadiums in general. Therefore, that money is not available.

We see, for example, the proposed sale and leaseback of the Housing Executive headquarters at £16 million. Even the Social Development Minister did not propose that in her part of the Budget.

When the business case for that redevelopment was looked at, it did not add up. It did not represent value for money to the Northern Ireland Executive.

The SDLP proposals also reference Invest NI surplus funds and Belfast Harbour Commissioners' surplus funds. My colleague Ian Paisley Jnr brought to the Committee a letter from Belfast Harbour Commissioners stating that the cash reserves referenced in the SDLP's proposals have been allocated elsewhere. Similarly, the Invest NI money has already been allocated to be spent elsewhere.

The much-vaunted Civil Service bonuses could be looked at, but, even taken at face value, that would represent less than 1% of the overall amount that the SDLP proposes to find. A range of asset sales has been suggested, such as selling car parks. In some cases, that has already been factored in. We are not in a position to get the best value from public money by selling off capital assets when the market is at its lowest point. An unrealistic freeze of Civil Service recruitment has also been proposed.

The party that is keen to boast of its green credentials proposes to sell around one eighth of Northern Ireland's forests. We have recently had the somewhat token gesture of switching off lights for an hour, yet the SDLP proposes to reduce the carbon footprint by reducing our forests by one eighth.

Football managers were often accused of writing their team on the back of a fag packet. This is a fag-packet budget, which is utterly unrealisable. Around 80% or 90% of it does not add up. The SDLP can propose whatever it wants, but an Ad Hoc Committee will not add to the work of the Assembly.

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

Mr Weir: The route that we have suggested is the best way to achieve efficiency savings.

Mr Speaker: The Member's time is up.

Mr Weir: It is preferable to the 'Fantasy Island' politics of the SDLP.

Mr McLaughlin: I beg to move amendment No 2: Leave out "resolves to establish an ad-hoc committee" and insert

"calls on the Executive to utilise fully the in-year Monitoring Round process:"

Go raibh maith agat, a Cheann Comhairle. With your indulgence, Mr Speaker, I would like briefly to thank you for the generous use of your discretionary powers in allowing the leaders of all parties in the Assembly to make very kind remarks in relation to the attack on my family home. I am most grateful. It was of great solace to me and my family.

I thank the SDLP for securing the debate today. I support the comments made by the First Minister and deputy First Minister in the past couple of weeks. They recognise the value of discussions with leaders of

every party to discuss the ongoing crisis in the economy. I hope that that open and inclusive approach will be applied to other emerging issues and pressures that will face the Assembly as we move forward.

I accept that the Executive ministerial team in the Assembly must be capable of demonstrating that they have responded and are responding to the changing economic conditions. However, I and my party cannot support the motion today. It is more concerned with pursuing the SDLP's obsession with reopening the Budget process than with developing effective responses to economic decline within the context of the agreed Programme for Government priorities and a careful deployment of the available financial resources.

The motion continues to reflect the mistiming of the SDLP. When it brought forward its economic proposals, the SDLP was possibly the only party on this island oblivious to the fact that the British emergency Budget was about to be announced. Its proposals were redundant almost before the ink was dry. These issues have to inform people's approach to the proposition before us today.

The SDLP has concluded that it did not contribute effectively to the original Budget consultation process. Its memorable indecision when it came to the Budget vote last spring and the clear division between the SDLP Assembly group and its Minister has characterised its feeble and, I believe, increasingly desperate attempts to renegotiate that Budget.

The recently established economic task force, the cross-sector advisory forum, will be reluctant to create even more Committees, as proposed by the SDLP. Again, this is a proposition from a party that proposed that we reduce the number of Committees and the amount of bureaucracy in this place when it launched its proposal document.

Equally, the Assembly will be very reluctant to agree to the duplication or replication of the work of its existing scrutiny Committees, which have statutory powers, can call for evidence and can meet the most senior departmental officials and Ministers, when appropriate. They can also, under the revised Standing Orders, meet in joint purpose to discuss and develop proposals.

Confused thinking is not the way to respond to the increasingly damaging and enormous economic challenges. Sinn Féin will not accept the DUP amendment, nor does it accept the DUP election manifesto wish list as an appropriate or adequate alternative option. The DUP proposals that were published yesterday and are reflected in its amendment must, as a minimum, be acceptable to my party before they can be presented to the Assembly with any possibility of endorsement. That is just a fact of the election results, and that will not change in this Assembly term.

At the end of the day, it is a matter of reflecting the electorate's judgement and wisdom in the representation that they have elected to the Assembly and have thus mandated. The Assembly and the parties in it must operate within the agreed protocols, and those protocols require us to develop proposals that reflect cross-community interest, endorsement and support.

We strongly welcome the submission of ideas from the DUP. We even welcome SDLP ideas. Such ideas will be the subject of discussion, negotiation and agreement before they can translate into the policy position of the Assembly. Those ideas — that is really the best description of them at this point — are at an embryonic stage. I welcome and look forward to the opportunity to discuss the various suggestions. We will see whether they can emerge in the form of proposals that have a realistic possibility of endorsement and acceptance by the Assembly. It is only in those circumstances that they can be enacted.

The Sinn Féin amendment has the —

Dr McDonnell: Will the Member give way?

Mr Speaker: It is up to the Member whether he gives way.

Mr McLaughlin: To be honest, the Member had his 10 minutes. If he felt that he did not say enough in 10 minutes, I do not see any value in giving him any further time.

The Sinn Féin amendment has the strength of being an agreed way forward.

Mr Durkan: He is looking forward to a debate.

Mr McLaughlin: I am looking forward to a debate, and I listened carefully to what Dr McDonnell said.

Dr McDonnell: When are you going to have a debate?

Mr McLaughlin: I look forward to hearing what Mark Durkan will say, as well. *[Interruption.]*

Mr Speaker: Order; the Member has the Floor.

Mr McLaughlin: Ten minutes really is enough for anybody who has anything to say.

The Sinn Féin amendment, I repeat, has the advantage and strength of being an agreed position. Just as Sinn Féin did, the DUP identified the in-year monitoring process as one of the procedures that we have agreed. That process is effective and has identified quite significant sums of money, which have been reallocated. It has identified how efficiency savings can be redeployed on front line services. It has identified where underspend patterns were developing and how that money could be surrendered by the respective Departments and redeployed according to agreed priorities in the Programme for Government. That is a democratic position that the Assembly has agreed and endorsed.

The Assembly cannot print new money in the light of emerging pressures. It cannot set new fiscal parameters. We can, we must and we will operate according to the reality of the available finances. We will do that in the most effective way possible, and we will do it on a non-partisan basis. If we look at who won the most significant amounts of money in the in-year monitoring process, we see that it was the SDLP Minister. That is because every party has stepped up to the plate to deal with the priority issue of social housing and has allocated very significant additional sums to it. In return for that, we want to see the social housing deficit and the pressures that it creates being addressed effectively. That is what we will judge our spending on. *[Interruption.]*

Mr Speaker: Order.

2.30 pm

Mr McLaughlin: The money has been given to the Minister, and we expect her to deliver. Although we are prepared to be critical, we are also prepared to be very supportive of the Minister if it is necessary to examine whether additional money can be identified and applied in future monitoring rounds.

I urge everyone, particularly the party opposite, to operate on the basis of existing agreements. As the DUP highlights correctly in its amendment, we have a mechanism to free up money and to apply it to emerging pressures, and we can, therefore, hold the feet of Ministers to the fire with regard to surrendering unspent moneys and identifying efficiencies. In such circumstances, we can continue to address, protect and ring-fence those priorities that were identified in the Programme for Government, the delivery of which the Assembly is tasked with.

We do not support the SDLP motion, or the DUP amendment, which contains elements that have not been discussed or agreed with any other party, and certainly not with Sinn Féin.

Mr McNarry: My party is pleased to see Mr McLaughlin in his place of work, despite the despicable events at his home.

The mechanism already exists to do everything outlined in the motion; it is called the Executive. However, in practice, we know it as the cosy Sinn Féin/DUP coalition, which is part of the problem. Like others, I am frustrated at the persistent and consistent refusal of the Finance Minister and the First Ministers, in particular, to positively address the recession.

Today, the economist Richard Ramsey said that Northern Ireland's economy "needs to reinvent itself", and he is absolutely right. The four-party Executive is the place to reprioritise public-spending profiles. Therefore, any Committee that we establish will, by its nature, lack the full Executive power for action.

However, we need to do something to force the cosy coalition into doing its job and to stop cowering behind the control-freaking and complacency of Ministers who use their majority to impose their will and to whom there appears to be no economic recession. Of course the economy is the priority, but the attitude of some people needs to change as do some of the lesser priorities of which people just will not let go.

Perhaps, the double-jobbers in this place find other distractions that prevent them from concentrating on the job at hand: we all suffer from that behaviour. Let the nouveau riche political millionaires who sit on the DUP Front Bench and who are absent from the Chamber connect with the people who are struggling with unemployment or the threat thereof. Let them connect with those who are making the family budget stretch and with those who are struggling with rent or mortgage payments, even for one home. Let them tell the people what difference £1 billion in reallocated resources has meant for them; show them, pinpoint it and tell them what difference it makes to them. Let them tell us that they do not need recommendations from others; after all, the DUP is a party of action and has the majority to act alone. Tell the people now: no more big talk and no more dodging the issue. Go for it. Tell the people that you will recommend to the Assembly authorities your own number-specific Departments. Tell people the truth: that you will cut jobs in the public sector and that those cuts are your solution.

Last week, the “Artful Dodder” said that we should consider immediately cutting the number of Departments, which would release £50 million annually. He added that we should consider:

“what could be done with less bureaucracy, less government and fewer Departments”. — [*Official Report, Bound Volume 40, p227, col 2*].

Such a statement sums up the shambles that the DUP is in.

There is merit in the SDLP motion, because voting for it will be a clear signal that the Sinn Féin/DUP axis has failed and is out of touch with public opinion. Is it not surprising that the DUP/Sinn Féin co-operative is not grabbing at the idea of an Ad Hoc Committee?

I would have thought that, as the penny dropped, they would be bursting to find cover and to suck us all into a weeping confession that they have messed up. On the other hand, perhaps the control freaks want a subservient group. Perhaps they will move on the matter themselves by creating an informal group that will help them to cover up their mistakes. If that is to be the case, let us wait and see what develops. That said, we should all support the motion.

Dr Farry: I, too, welcome Mitchel McLaughlin back to the Chamber after the despicable attack on his house and family.

The Alliance Party supports the original motion. We see merit in the specific focus of a Committee that cuts across departmental lines. However, any Committee would be a poor substitute for firm Executive action. The Alliance Party has always recognised and welcomed the emphasis on the economy in the Programme for Government and the Budget. However, although it is fine, on the one hand, to prioritise the economy, on the other hand, one has to recognise that there are different ways to do that. Frankly, that is what a number of Members, and many economists on the outside, are talking about.

A revised Budget would be a means to two ends. The first would be protecting public services; the second would be investing in economic recovery and modernisation. The approach of using monitoring rounds, which is reflected in the DUP and Sinn Féin amendments, is, in itself, a very limited way of addressing the flaws in the Budget. The potential range of what can be done is determined by two factors: first, what, if anything, Departments are prepared to surrender, and, secondly, whatever Barnett consequential come one's way. There can be no fundamental reconsideration of underlying baselines and existing policies and priorities in reconsidering whether they are still relevant in the current economic situation. That, frankly, is what a revised Budget would achieve. Therefore, it is important that the Assembly is clear about that.

It is welcome that Members are talking about what economists on the outside are saying, and it is important that we listen to the full gamut of what they are saying. Economists do not live in ivory towers. They are saying that we need a revised Budget. They are also saying that the Assembly will have to face up to taking tough decisions about the populism that has underlined many of the Executive's decisions. The SDLP, which tabled the motion, also needs to address that issue, given that one almost senses that that party is waiting for the Executive to make their first move on water charges so that it can pounce on them. We need a bit more maturity than that.

The Alliance Party was critical of the Budget at the outset. We felt that it did not address the cost of a divided society, properly address modernising the economy, or protect public services. Since the Budget was passed, we have had the economic downturn and the situation has changed fundamentally.

Frankly, the Executive's response to the recession has been extremely muted. Around the world, national Governments, and regional Governments such as our own, have had their own fiscal stimuli to address the situation in their own jurisdictions. We have not gone down that route, and it has not been for lack of opportunities. In November 2008, the UK Government introduced their £20 billion stimulus. Quite a lot of that applied automatically to Northern Ireland. However, we had our own share of new money from Barnett conse-

entials. Did we make the best use of that money? I do not think so.

As a result of the April Budget, which was not an emergency Budget, as was said earlier, but just the regular spring Budget, we will receive another £116 million in Barnett consequentials — £50 million this year and £66 million next year. Over that period, Northern Ireland will be asked to make another £123 million in efficiency savings. It may be rather neat and convenient for the Executive to set one figure off against the other, leaving a deficit of only £7 million. However, two factors must be borne in mind. First, the phasing might not facilitate that off-setting, and, secondly, and more importantly, that increased windfall for Northern Ireland reflects increased spending elsewhere in the United Kingdom.

The UK Government might not call it a fiscal stimulus, and it is certainly not on the same scale as that announced in November. However, it is a significant countercyclical element that they are trying to address. Under devolution, of course, we can do things differently, and I defend that. However, the source of those Barnett consequentials should be a clear indication to us in Northern Ireland about what we should be doing. We should be investing in recovery in areas such as social housing, training and employment, energy efficiency, and renewable energy.

The real focus now shifts to the June monitoring round, which comes two months after the Budget. A good place to start would be to invest all the £116 million in economic recovery and to try to address the £123 million in savings elsewhere from public expenditure. That may not be a full rewrite of the Budget, but it would be a good place to start. My party believes that, in the first instance, the Executive should use that £123 million to start to address the cost of division. We will table our own paper on that shortly.

The DUP's amendment in respect of efficiencies from Government —

Mr Speaker: The Member's time is up.

Mr Paisley Jnr: It is not often that one gets the opportunity to follow such absolute and total drivel from other Members. We have heard absolute drivel from the SDLP Benches, and particularly expert drivel from the Ulster Unionist Benches. This House, and, more importantly, our people, deserve better. The people of Northern Ireland are entitled to be given a little bit of hope from their political and public representatives — regardless of where they sit in the House — during this time of economic turmoil, rather than the hell that some Members wish to serve up to them.

If an Ad Hoc Committee were established, we can clearly see the sort of talk that would be served up to us on a ritualistic, daily basis. That would consist of nothing but putting people through sheer wallowing in

the mire in respect of how awful Northern Ireland is. We need to stand up to that and say that Northern Ireland has turned a corner and that it has opportunities. It is up to us, as public representatives, to point to that opportunity, to lead, and to bring our people out of the economic turmoil, which exists through no fault of our own, but is a consequence of the turmoil that the rest of the world is experiencing.

If any Member were to study the global economic climate, they would see that things are slowly changing. In today's edition of the 'Financial Times', it is clear that all the economies of the world have turned a corner, with growth up in China, France, the United Kingdom and Germany. However, some Members are talking about how awful the situation is; they are saying, "woe is me", and that the economy is at an end. Those parties have decided that they would like an Ad Hoc Committee to be established to allow them to continue to wallow in the past, but we owe our people more than that.

I looked to the SDLP's 'New Priorities in Difficult Times' document for some stimulus, but it is not about priorities in difficult times; it is about the SDLP avoiding taking tough decisions now. Instead, the party wants to set up a Committee.

The SDLP states that it has shown that plenty can be done, but during Alasdair McDonnell's 10-minute speech, he did not tell us about one thing that can be done. He also stated that we must revise the "flawed" Budget and the Programme for Government. Let me be absolutely clear: the Budget was supported by the SDLP's Executive Minister. Indeed, in her guise as the "Iron Lady", the Margaret of the SDLP said that it was a Thatcherite Budget, but then she melted and supported it, and gave it her full endorsement at the Executive. Although her party may cling to the pretence that it voted against the Budget, the truth of the matter is that it supported it where it counted — at the Executive — and it supports it every day by implementing the policies of that Executive.

Mr Poots: As someone who has planted quite a lot of trees over the years, I wonder whether the Member shares my concerns that the SDLP wants to institute a chainsaw massacre on one eighth of our forests across Northern Ireland.

Mr Paisley Jnr: The "innovative uses of public money", as the SDLP likes to call it, means that, armed with a ballot box in one hand and a chainsaw in the other, that party would cut down our forests. I do not think that that is the answer to the economic plight of our country.

My colleague Peter Weir talked about the SDLP's proposal to sell off the Housing Executive's headquarters and then lease it back. Not even Margaret Ritchie would propose that project, which demonstrably represents no value for money.

2.45 pm

Another proposal was to sell off parts of the Harbour Commission. Although that involves issues worthy of consideration, the Harbour Commission wrote to every Member saying that the SDLP policies, which the commission took time to study in detail, were completely unfeasible. In the parlance of the people, the SDLP is talking rubbish, and I think that we should accept that.

We measure the SDLP not by the words of its Members in the debate, but by its actions. Why does the SDLP not support us?

Mr Speaker: The Member should draw his remarks to a close.

Mr Paisley Jnr: Why does the SDLP not support us in reducing the number of Departments and Members, in dispensing with designations, in supporting a voluntary coalition and in improving and reforming the North/South bodies through an efficiency review panel?

A Member: Time.

Mr Paisley Jnr: No; I have an extra minute. Why does the SDLP not support us in reforming the Civic Forum and in culling quangos? Such measures would cut public expenditure where it matters and enable money to be redeployed in the Budget to the better use of the public purse.

Mr Kennedy: That was quality drivell.

Mr Paisley Jnr: Absolutely.

Mr Newton: I support my party's amendment and will speak largely from the perspective of the Committee for Enterprise, Trade and Investment. In doing so, I regret that Dr McDonnell is not in the House, because his opening remarks highlighted the absolute unreality of the composite SDLP motion.

Dr McDonnell said that we must find mechanisms by which to talk to one another. I do not believe that the Northern Ireland public want us to find more mechanisms for talking to one another; in fact, they are asking us to do less talking and to take more action. However, they expect us to address the economic downturn. It may be a matter of attitude, but I prefer to take a positive rather than a negative view: how can we build the economy rather than dwell on the economic slide?

We must adopt a positive approach to the economy and to economic prosperity. Rather than spend time dealing with global economic difficulties about which we can do very little, we must address areas that we can do something about in Northern Ireland. Our amendment outlines how the Executive have reallocated £1 billion in resources to tackle the downturn. The amendment also points out that there are other areas in which public expenditure could be reduced at a vast saving to the public purse.

What Peter Robinson announced yesterday was referred to by Members on the other side of the Chamber as an election manifesto, but it was driven by a DUP ethos that has underpinned everything that we have done since taking our places in the Chamber. We would like a reduction in the number of Departments and Members. I can assure Northern Ireland that, with a population of little more than 1.5 million, it does not need 11 Departments.

Nowhere else in the world would set up such a system of government, although I realise that it was created here because of our unique background and for economic reasons. Getting rid of the Parades Commission and the Civic Forum is essential and will set a benchmark against which other quangos will be measured.

Mr Kennedy: Will the Member give way?

Mr Newton: I will, provided that I am allowed an extra minute.

Mr Kennedy: I am grateful to the Member for giving way. Will he say whether or how his party has brought those ideas and proposals forward for discussion with its partners in the Executive, particularly Sinn Féin, of which the deputy First Minister is a member?

Mr Speaker: The Member has an extra minute in which to speak.

Mr Newton: Mr Kennedy knows that there is always a need to set the pace and to be out in front so that others can follow and catch up. There is a need to act quickly and to show the public that we understand the situation that many of them face. Decisions should be made quickly and efficiently in response to evolving circumstances. Members know the old adage: when one does not want something to go forward, form a Committee to delay its progress.

I spent Monday talking to members of the business community. One of their major complaints is about red tape and bureaucracy. The business community — the people who create the wealth for this economy — will laugh with derision if the Assembly forms another layer of bureaucracy to address issues that are already the responsibilities of existing Departments. The business sector wants action and decisions. It wants to be free from red tape. It expects this Assembly and its Ministers to make decisions, rather than fobbing them off to another Ad Hoc Committee that will study arrangements.

The Assembly must address areas that will enable growth and prosperity. Those areas are quite easy to find, and they have been mentioned by various delegations to the Committee for Enterprise, Trade and Investment. We need to facilitate the growth of the private sector and the jobs in it. We need to create

conditions that will stimulate investment. We need to give confidence to the business community and increase its innovation and enterprise. We need to reform the public sector, as Peter Weir outlined, and we need to improve infrastructure. There is no need to create another pointless Assembly subcommittee to do the work with which the Assembly has already been tasked.

Mr O'Loan: In the present circumstances, the SDLP motion is exactly right and the amendments are profoundly wrong. There is common ground at the outset: we all agree that the Programme for Government contains a necessary priority for the economy. We agree that there is a need to prepare for the upturn while protecting those who are affected by the downturn. However, we differ greatly about how that should be done and the degree to which it needs to be done.

The SDLP believes that this period could be an opportunity. We could do useful and necessary things that would put us in a better place for the upturn. I repeat the essence of our position: the Programme for Government and the Budget were created in a different time. We need to revise our priorities. The SDLP has proposed a mechanism to do that — an Ad Hoc Committee. That would mean that the Assembly would be taking control of the political agenda, which is the right place for it to be.

I will critique the amendments because I find them inadequate. It is remarkable that the Democratic Unionist Party removed the three objectives in our motion. It wants to use the monitoring rounds; but to do what? That is not terribly clear. Monitoring rounds are not strategic in nature. The December 2008 monitoring round to which the DUP amendment specifically refers yielded only £70 million after a considerable exercise was undertaken to find issues that would focus on the economy directly.

Once again, that party repeats the diversion of cutting Departments. That discussion has its place, but it does not start to be the answer to dealing with the economic downturn. This time, I see that the DUP does not even have the audacity to refer to cutting the number of MLAs or to the ludicrous figure of £40 million or £50 million that the Minister used in that regard previously.

Sinn Féin, not surprisingly, simply repeats that monitoring rounds should be used. However, it leaves our three key objectives in place. Having accepted the purposes of the Ad Hoc Committee, Sinn Féin has no mechanism whatsoever of achieving the objectives; they simply cannot be achieved through the monitoring rounds.

I wonder why there is such a mood of conservatism in the two large parties. In one sense, that mood is perhaps not so surprising on the part of the Democratic Unionists, who, for years, had “no” as their party’s middle name. They have resisted change and created a

siege mentality for themselves. Psychologically, it is not easy to get out of that mindset and begin to act.

Sinn Féin, of course, thinks differently. Its members come from a command-and-control military culture, so it is perhaps not surprising that they no longer appear to have the freedom to think for themselves. Now, however, we need the ability to think outside the box in order to create new approaches to resolving our particular problems.

We have some support from the DUP. The First Minister commented quite favourably on our document, ‘New Priorities in Difficult Times’. He said that the whole House needs to start examining its priorities, and he called for debate. That is the SDLP position as well. However the Finance Minister made his position abundantly clear by putting his trust in mere slippage money. Yet, a senior DFP official was able to come to the Committee for Finance and Personnel and say that there needs to be a “cessation of low-priority programmes.” How can there be cessation of low-priority programmes without a method to establish which programmes should cease and where to divert the money? The SDLP motion proposes such a mechanism, and I ask the Minister of Finance and Personnel to support his senior official.

I could quote many favourable economists. Most recently, Richard Ramsey, who was referred to earlier, said that, hopefully, the worst is over. However, he also said that unemployment will rise to 10% in 2010. In the same breath, he said that substantially more money should be put into the construction sector.

I note the proliferation of bodies that have been established to advise the leading parties on the economy. Recently, yet another one was established. On top of the Economic Development Forum, three separate in-house economic units and others, the establishment of the cross-sector advisory forum smacks of a leadership that is simply moving ideas about its desk, without translating any of them in to action.

Mr Speaker: The Member’s time is up.

Mr McQuillan: I support amendment No 1. It is difficult to argue against the opening position in the motion with regard to concerns about recent job losses and the need to protect public services. Indeed, my constituency of East Londonderry has been hit as hard as any, given the job losses at Seagate, Spanboard, Eakin Timber and Christies Building Supplies — to mention just a few — and the wider knock-on effect that that has had on the local economy and community.

However, it appears that the SDLP does not understand the Budget process. We already have a Committee that regularly reviews spending, so the establishment of an Ad Hoc Committee would be of no benefit and would only increase bureaucracy.

The SDLP should be aware that, since devolution, the Executive and the DUP Finance Minister have ensured that the economy is their main concern, and, via the Department of Finance and Personnel, they have reallocated moneys to address the effects of the economic downturn. That was done most successfully during the past financial year, when more than 150,000 low-income homes received a fuel-poverty payment and rates relief was given to those who had invested in energy-saving measures. Therefore, a mechanism is in place to address any existing and future pressures, without the need for an additional Committee.

The Executive face a range of budgetary pressures that have impacted on public finances, and that require careful management, using the end-year monitoring process, which provides a mechanism by which they can regularly review expenditure plans in order to assist in the present economic downturn and in any future recovery.

Northern Ireland uses a different process from those used in the rest of the UK and the Republic of Ireland, so there is no need for a formal Budget review now. The spending plans for 2008-09 have been reviewed four times in light of current circumstances, and that approach will be maintained during the next financial year. Those reviews provide the flexibility that the Executive require to make changes to allocations to Departments.

The SDLP's argument to ring-fence front line services and to ensure more strategic targeting of efficiencies would only result in moneys being moved. No real savings would be realised. However, the establishment of an efficiency review panel should result in prompt recommendations to reduce the number of Departments and the efficient delivery of effective public services. If the SDLP is serious about the Government becoming more efficient, it should drop its support for unelected quangos, such as the Civic Forum, and the other unnecessary Belfast Agreement machinery of government.

The Assembly and the Executive are bloated from having too many Members and Departments, at great cost to the public purse.

Perhaps the SDLP Members should have a word with their Executive Minister, who seemed happy to waste £300,000 of taxpayers' money on a court case that she had been told she could not win. If they were to do that, they would be in a position to talk about efficiencies.

3.00 pm

I feel that the SDLP motion is a mere distraction; it must mean that an election is coming soon. The SDLP's talk of ring-fencing money serves only to protect its own selfish interest in the Executive. I support amendment No 1.

Mr Attwood: I add my words of sympathy to those that have been offered already to Mr McLaughlin and his family.

Mr McLaughlin's speech was very strange indeed. The reason that I think that goes to the heart of the SDLP's proposal. In previous debates in the Chamber, the point has been well made that Sinn Féin now administers DUP rule in the North. However, what surprised me about Mitchel McLaughlin's speech was that it reminded us that not only does Sinn Féin administer DUP rule in the North, it administers the requirements of the London Exchequer in the North. That was Mitchel McLaughlin's essential point.

Mr McLaughlin said that the SDLP Budget proposals were:

“redundant almost before the ink was dry”.

He said that because there was an emergency London Budget. On the one hand, Mitchel McLaughlin and Sinn Féin say that we have to stand up for ourselves and be independent from London, yet, at a critical moment in our recession, when the London Budget is rolled out —

Mr McCartney: You did not support it.

Mr Attwood: I will give way to Sinn Féin Members, if they want me to; I have no difficulty in doing so. I note their silence.

At the very moment when we have an opportunity to respond to the recession in a way that is dedicated to our needs, the Sinn Féin response is Londoncentric.

Proposals to change our Budget and to get to grips with the ravages of the recession in the North are redundant. One might ask why that is so. It is because a London Budget makes it so.

Ms J McCann: Will the Member inform the House as to whether the SDLP supported the Sinn Féin motion that called for greater fiscal powers for the Executive?

Mr Speaker: The Member has one extra minute in which to speak.

Mr Attwood: A number of issues arise from that question. The fundamental issue is that, for now, fiscal powers will not be granted to the Assembly, and that situation may endure for some time. In the absence of that happening, Sinn Féin's response to the community's concerns about the recession is to say that it cannot do anything. Sinn Féin says that it has to be left to London to decide our Budget lines; we have to allow other people to decide our destiny. That is the essence of what Sinn Féin Members have said. The SDLP's view is more nuanced, strategic and developed.

As my colleague Declan O'Loan said, Sinn Féin has lost the freedom to think for itself. There was no more brutal and compelling an example of that when, 20 minutes ago, Mitchel McLaughlin told the people of

Northern Ireland that the Executive could not do anything, because a London Budget had to decide our budgetary future. How casually can people give up their independence to think and act for themselves?

Mr A Maskey: Is it appropriate for a Member to directly mislead the House about what another Member said a few minutes ago?

Mr Speaker: Order. Members must be careful that they do not suggest that another Member is misleading the House. Members must not go down that route.

Mr Attwood: I do not want to revisit that particular debate, Mr Speaker.

Peter Weir's analysis of the SDLP's proposals was defeatist, and it demonstrated a shallow grasp of the issue. I will give two examples that prove that assertion.

First, if we were to go into Belfast city centre and tell its citizens that an elite group in the Belfast Harbour Commissioners' office has £40 million or £50 million in cash reserves and that it has decided to spend that amount, and £600 million of other moneys, on developing Belfast port over the next decade, the people in this city would ask whether that is really what we should be doing with that amount of money.

The Harbour Commissioners are now briefing everybody that they cannot spend the money on anything else, and the DUP and others are swallowing that line. We should ask the commissioners why they recently allocated between £12 million and £14 million from their cash reserves to the Titanic signature project. They voluntarily gave up some of their reserves because they felt that it was worth it to support an economic- and tourism-development project for the city of Belfast. If they can give up £12 million or £14 million, they can give up £20 million, £30 million or £40 million, and Belfast's harbour would be none the worse for it.

The second proof of the shallowness of the DUP's position can be found in its response to our proposal to spend £30 million on pump-priming the Royal Victoria Hospital site over the next two years for the development of a maternity hospital for the citizens of Belfast. Do not misrepresent that issue, because to do so is inaccurate and to play shallow politics.

Mr O'Dowd: Go raibh maith agat, a Cheann Comhairle. Ba mhaith liom tacú le leasú Shinn Féin.

I support the Sinn Féin amendment. I will put my cards on the table — I am not an economist. Having listened to many of the contributions to the debate, it is clear that I am not the only one who is not.

In proposing the motion, Dr McDonnell said that we are facing the worst economic crisis in living memory and that we must tackle it. Setting up an Ad Hoc Committee, as proposed in the motion, will not tackle

the worst economic crisis in living memory. Governments who are masters of their own economic destiny are trying to tackle the crisis, but they do not set about it by setting up an Ad Hoc Committee. A local GAA club sets up an Ad Hoc Committee to fund-raise for a sports day, but a Parliament or an Administration certainly does not set up an Ad Hoc Committee to tackle the world's worst-ever economic crisis.

Mr O'Loan: Why is the Member so defeatist? Why does he say that there is nothing that we can do? Can he explain why he and his party are in that mental state?

Mr O'Dowd: Before I was interrupted, I was about to outline what we should do, and what can be done, to address the crisis.

Our Committees are already tasked with scrutinising the Assembly's Budgets and Programmes for Government. The task of each and every Committee is not only to scrutinise its Department but to assist in the development of its work. Surely Committees are the best forum through which to continue the work on finding a way in which to deliver ourselves from this economic crisis.

When I think of Alex Attwood's comments today, the phrase "savaged by a dead sheep" comes to mind. My republican credentials are being called into question by a party that was tugging its forelock to an English Queen last week. Those who choose to curtsy in front of the English Queen cannot lecture this party on its republican credentials.

Mrs D Kelly: Will the Member give way?

Mr O'Dowd: No, I have already given way.
[*Interruption.*]

Mr Speaker: Order. The Member has the Floor.

Mr O'Dowd: Go raibh maith agat, a Cheann Comhairle. Until we are masters of our own economic destiny, all we can do is divvy up what is known in the Assembly as a Budget. The Budget from the British Government is insufficient, as is the block grant. No matter how we slice it up — even if the Department of Health, Social Services and Public Safety were to be given 75% of the Budget instead of 51% — it would still not be enough.

We will continue to have such debates until this Assembly and the people of Ireland take control of their economic destinies. One of the difficulties that we face, and which was not commented on in the introductory speech by the proposer of the motion, is that of "North/Southery". It would appear that "North/Southery" has left the vocabulary of the SDLP because it was not referred to when its members talked about tackling the economic crisis.

We are operating two economies on this island back to back, and we are operating our health services and

our education systems back to back. Every nature of life on the island is operated back to back. That, in itself, is an economic drain on the resources of this society. Sinn Féin remains firmly of the view that, as part of moving forward, the Assembly should have fiscal autonomy.

After lecturing my colleague Mitchel McLaughlin on his factual comment that we would all have to await the outcome of the British “emergency” Budget, I noted that the SDLP had the brass neck to say that the reason that it voted against bringing powers to the Assembly was because the fact is that the British control our purse strings. The SDLP criticised Mitchel McLaughlin for pointing out that fact, and it is missing from its economic equation. *[Interruption.]*

Mr Speaker: Order.

Mr O’Dowd: We will continue to rely on an insufficient grant from the British Exchequer until the Assembly starts to take control of its economic destiny and until it starts working in partnership with its counterparts in the Twenty-six Counties. Republicans believe that, in future, the island should have a single economic unit. When we do achieve a single economic unit, republicans are not talking about sitting in the Atlantic as isolationists; rather, we are talking about working in partnership with our neighbours in England, Scotland, Wales and the rest of Europe to build a sustainable economy, not an economy based on boom and bust.

The SDLP’s document states that we will raise the finance required by selling off land and property. I opened my comments by saying that I am not an economist, but even I know that we are in this mess because the land and property market has collapsed.

Mr Speaker: The Member should bring his remarks to a close.

Ms Purvis: I pass my thoughts to Mitchel McLaughlin and his family. I am glad to see him back in the Chamber.

I appreciate what the motion has set out to achieve. It is another attempt to force action on the economy, which, without a doubt, is the key concern of every party in the Chamber. However, I believe that we are going about the situation in the wrong way. We are fiddling while Rome burns. I appreciate the intention of the motion, but we have had enough Committees.

I attended a conference last week, at which someone said that the Assembly’s response to this crisis cannot be simply to vomit another panel or another Committee. That person said that there should be no more talking shops, no more reviews, no more expensive consultations and studies, and that it is time for action.

I make the distinction that that person was not referring to the Executive. The public do not make the

distinction between the Assembly and the Executive, and we need to make that distinction.

The recession has been in full swing for well over a year. There have been enough Committees and reviews announced and argued for to double the size of the already large public sector in this country. However, there has been very little action, and that is long overdue. We are well behind the curve in responding to the situation, and we should have been preparing for the recession before it hit. I am astounded each time a Minister comes into the Chamber and declares that no one could have seen the recession coming. Therefore, there is no one to blame for the fact that we have been unprepared to deal with its consequences.

Like John O’Dowd, I am not an economist or a mathematician, but I can put two and two together. When personal debt exceeds gross domestic product, and when, as an entire country, we spend more than we earn, there will be trouble. When local house prices skyrocket by 20%, 30% and 40%, and when wages creep up in small single digits, there will be trouble. When the Executive put forward a Programme for Government that calls for growth through people spending and consuming more, rather than investing in sustainable development of local communities and local industry, there will be trouble. Whenever our growth is based on borrowing and throwing households and our society further into debt, there will be trouble. Trouble has arrived — big time.

3.15 pm

The public impression is that the Executive are fiddling while people are suffering and struggling to make ends meet. I say to the Executive that they should stop telling us that the economy is their number one priority, but they have limited means with which to deal with it. They should stop telling us that there is no reason to open up the Budget and review the Programme for Government when we are dealing with the most difficult recession in living memory. I recognise that there is a Budget process here, but elected bodies around the world are reviewing their spending priorities and mechanisms. Why can we not do the same?

The message that everything is fine and that recovery is close is not credible. We may be doing better than other regions in the UK and the Republic of Ireland, but a boat that is only half sinking is still sinking. I think that the fact that we are doing relatively better than our neighbours will be of little comfort to the workers at Bombardier Shorts, Wrightbus and Visteon who have lost their jobs recently, to the small businesses and sole traders who are closing up shop now having struggled through the Troubles, or to the people who are losing their homes and struggling to pay rising monthly bills on limited incomes.

I understand and respect the intent of the motion, but I cannot support the creation of another Committee when we should be meeting today to endorse action. The amendments, both of which were tabled by Executive parties, are a smokescreen for Executive inaction and should be rejected as a poor attempt at Government spin. I cannot support either the motion or the amendments.

Ms J McCann: Go raibh maith agat, a Cheann Comhairle. Like my colleague Mitchel McLaughlin, I support the Sinn Féin amendment, but I do not support either the motion or the DUP amendment. I will touch on some of the many issues that were raised before giving my views.

Stephen Farry mentioned efficiency savings, and his point goes to the heart of the short-term need for the Executive to have fiscal powers and the long-term need for an all-island economy. Only a couple of weeks ago, the British Government reneged on their assurance that the Executive would be allowed to retain efficiency savings for front line services and infrastructural projects in 2010. Indeed, around £40 million, which came from the increase in fuel prices some time ago, was returned to the British Treasury, rather than going to the Executive to be redistributed to people who are in fuel poverty.

Declan O'Loan pointed out rightly that some useful and necessary things can be done. I am surprised that one of those was not touched on, except by Members of my party, in the months that we have been discussing the recession. That point is about how public procurement can be utilised. In the Programme for Government, the Executive set out their commitment to maximise social and employment opportunities for everyone through the public procurement process. The Governments in the North and the South of Ireland have a genuine chance to maximise those social and employment opportunities. That is an essential part of the investment strategy, and it is important that that opportunity is grasped now in order to retain the people who are in employment and to create new employment.

The Executive have earmarked somewhere in the region of £20 billion for the public procurement of works, services and goods over the next 10 years. Examination of the all-island context shows that €16 billion is spent on public procurement each year. Most of that goes to overseas companies, because our small and medium-sized and local businesses cannot even get a foot on the ladder. I am surprised that that real opportunity —

Mrs D Kelly: Given Sinn Féin's concern about the economy and the recession, does the Member share my concern that, as Minister Wilson said, Sinn Féin is continuing to block progress and that there is no

Executive business before the House at present nor will there be before the summer recess?

Ms J McCann: I do not accept that. Members must understand that the Assembly and Executive are power-sharing bodies. Therefore if there is no agreement — *[Interruption]*.

Mr Speaker: Order. The Member has the Floor.

Ms J McCann: Thank you. Members raised several important points that I want to address.

Other useful and necessary things could be done. Dawn Purvis touched on the real problems that people face, and we heard lately that there has been a 64% increase in home repossessions in the North of Ireland over the past year; that compares with a 4% increase in England and Wales. I ask the SDLP to prevail upon their Minister to introduce a mortgage relief scheme, which has been debated and agreed in the Assembly. That is another way of helping people to offset their economic difficulties.

Alex Attwood referred to fiscal powers and tried to lecture Sinn Féin on republicanism. With respect to the arguments for an all-island economy and efficiency savings, John O'Dowd pointed out that we have two health services, two education services, and all the duplication that that involves, on this small island. Even our energy policy is not joined up. We lack the clear joined-up thinking that we need. We need to consider ways in which local and central government can be more efficient, and that suggests that an all-island economy is the solution. We must consider the economy and investment in the same way that we consider tourism, and this morning, the deputy First Minister referred to InterTradeIreland. We need to work like such organisations: together as an island and not as two separate entities. In the long term, that is the only way forward.

In the short term, we need greater fiscal powers. Everyone agrees that there are problems, but we have opportunities to offset some of the job losses through our public procurement policy. Our party is the only one to push that.

Mr Speaker: The Member should draw her remarks to a close.

Ms J McCann: It is within the gift of Ministers to put it into operation. Sinn Féin seeks short-term fiscal powers, and, in the longer term, an all-island economy.

Mr Poots: When I was a young lad, I used to enjoy 'The Beano' and 'The Dandy' for a bit of entertainment at the weekend; it was light relief from school. It was very enjoyable to receive the 'New Priorities in Difficult Times' document from the SDLP. On the front, we have Dennis the Menace and Gnasher, and on the back, we have the Bash Street Kids. It made for some very entertaining reading. For example, we will spend £30

million on a hospital that will cost more than £300 million. What will we do in that women and children's hospital? Dig the foundations and use them as birthing pools? Anyone who would start a project without having the capacity to finish it would make himself totally ridiculous.

Have Members ever driven past a bungalow in the countryside that has been built to the peaks? Everyone asks what eejit started something that he could not finish. Yet in a supposedly serious document, the SDLP proposes to do just that. We have had some great entertainment from that document.

The SDLP attacked the DUP and accused it of using smoke and mirrors. According to the SDLP, the world recession is to be blamed on one political party in a regional Assembly representing 1.5 million people in a world population of more than 6 billion. The DUP is not to blame for a recession that has taken place across the world; however, I allow others to give us the credit for how we respond to that recession. I allow people to admit that we treated the economy as our first priority, even before the recession kicked in.

Mr McNarry spoke about expert advice of Richard Ramsey from the Ulster Bank. I wonder whether Mr Ramsey was working for the Ulster Bank in 2007 and 2008. If he was, I would not pay too much attention to his advice, given the losses that that organisation has experienced and the fact that we, as taxpayers, have had to bail it out.

When striking the Budget, the DUP froze business rates to make life easier for the business community. We also identified additional money for the Department of Enterprise, Trade and Investment and the Department for Employment and Learning (DEL). I often hear the Ulster Unionists say that the Budget should be redistributed and that money should be reapportioned. Are they saying that they want the money that we gave to DEL for additional training and employment to be taken away from it?

The Department of Health, Social Services and Public Safety has the biggest budget. Are the Ulster Unionists proposing that we take money from that budget and use it to focus on more economy-based issues? That is what the Ulster Unionists are suggesting to us today. Those are not very Conservative-type proposals; however, they are Ulster Unionist Party proposals. *[Interruption.]*

Mr Speaker: Order. The Member has the Floor.

Mr Poots: As regards how the Executive and Government do business; a 10-day turnaround policy for bills received has been introduced to help facilitate businesses. In addition, the planning system now gives greater weight to economic proposals that will benefit the economy. Furthermore, planning applications are

being dealt with more quickly than at any time in previous years.

Some Members spoke about the need for higher levels of public spending on the construction industry. That is already happening, folks. A total of £1.4 billion is being spent on public construction. However, we need to ensure that the private sector can respond. The private sector needs investment in an educated workforce and a quality infrastructure.

Therefore, the Executive, led by the DUP, are making the right investments. Better roads and good broadband facilities are the sorts of things that businesses want to see. They do not want to see the Port of Belfast being starved of funds, because were that to happen, developments in the South of Ireland would pull business there.

Mr Weir: As regards the Port of Belfast, one wonders whether the SDLP representative who sits on the board of Belfast Harbour Commissioners will release some sort of minority report on the reservations that the board raised, or perhaps he disagrees with his colleague Alex Attwood.

Mr Speaker: The Member has an extra minute to speak.

Mr Poots: Given that the Port of Belfast is a key part of our infrastructure, it would not be wise to prevent its progress by taking resources away from it. I support the Port of Belfast investment in the Titanic signature project. I welcome the fact that it is prepared to give money to that project, which is within the confines of the port.

Mr Attwood: On that point, is it not equally feasible that the Belfast Harbour Commissioners, with anticipated reserves of £600 million over the next 10 years, could find an extra £10 million to give to the signature project, thereby reducing the Executive's contribution to that project? Does that not make economic, popular and political sense in the current economic downturn?

Mr Poots: I am not sure where the Member got the figure of £600 million from. Perhaps someone from the Belfast Harbour Commissioners leaked that information to him. I suspect that many projects will take place in Belfast harbour and that those will improve the efficiency of that facility.

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

Mr Poots: I thought that I was listening to the confessions of a republican, as Mr O'Dowd explained how the British Exchequer holds the purse strings. Of course, we get a huge subvention from the British Exchequer, and I do not see any republican refusing that.

Mr Durkan: We have had an occasionally entertaining but not always enlightening debate. *[Interruption.]*

Mr Speaker: Order.

Mr Durkan: In proposing the motion, Alasdair McDonnell set out the issues of concern that the economic downturn has raised.

There seems to be clear consensus on the first four lines of the motion. In proposing amendment No 1, Peter Weir attacked the idea of an Ad Hoc Committee and criticised the SDLP's economic discussion document.

Mr Weir seemed to say that we should just rely on the banks to deal with a lot of the problems that face the economy, but those same banks got us into a lot of these problems. He said that the Assembly should not look at some of these issues as the banks would take care of them. I doubt that many people will find good sense or wise counsel in that.

3.30 pm

In proposing amendment No 2, Mitchel McLaughlin made a virtue out of the monitoring rounds, on which, as other Members said, the Sinn Féin and DUP amendments rely entirely. Mitchel McLaughlin suggested that an agreed mechanism on monitoring rounds exists. However, that is not a new concept; monitoring rounds have existed since direct rule and were in operation during the previous mandate. Monitoring rounds are not, and never were, a strategic intervention; they are slippage-led, not strategy-led.

When I was Minister of Finance and Personnel, I delivered reports in the Chamber on monitoring rounds that involved big money, but I never pretended that they were a significant strategic intervention by the Executive. Strategic interventions are made when the Budget is being prioritised. When slippage leads and determines what happens, one cannot pretend that that is a strategy.

Mr A Maskey: Will the Member give way?

Mr Durkan: I did not see Sinn Féin giving way to us too often, but I will give way to the Member.

Mr A Maskey: When Mark Durkan was the Minister of Finance and Personnel, did he not argue strongly that all the "slippage money" should be returned to the Executive so that they could reimburse it strategically, rather than allowing the money to remain with the Departments? Mr Durkan said then that he had a strategy.

Mr Durkan: That is because Executive programme funds were used at that time. The Executive had funds into which they could put money to be used for strategic purposes. The current Executive did away with that; when they abandoned those funds, they abandoned the concept of a devolved strategy. The

monitoring rounds do not give the Assembly the means of responding to current issues.

David McNarry emphasised the need to reappraise the Budget in light of current and future pressures.

Stephen Farry highlighted the limited nature of the monitoring rounds, as I have done. He questioned the quality of the Executive's response in support of the economy. It is one thing to have the economy as a stated priority, but the real test is what is done in response to pressures and whether investment is made in any prospects.

Ian Paisley Jnr must win the drivell-of-the-month award for his contribution. He complained that we are all being negative and should be talking things up. He, however, is not voting for an amendment that talks things up; rather, he is voting for an amendment that is full of the doom and gloom that he talked about. It shows neither imagination nor positive commitment. The SDLP motion refers to recovery and to the prospects of recovery; the amendment supported by Ian Paisley Jnr contains nothing about recovery.

Robin Newton said that £1 billion has been directed at the economic downturn; he must have misread the DUP amendment. It says that £1 billion has been reallocated in monitoring rounds, but can quote only £70 million as a response to the downturn. In fact, some of that money is not even for this year, but will come in the form of rate relief next year. The DUP amendment offers little new and little now, and is not much of a response to the economic difficulties.

Declan O'Loan highlighted the hollowness and inconsistency of the amendments.

Adrian McQuillan said that a Committee already exists to review Budget spending, but there is not. Although a Committee for Finance and Personnel exists to scrutinise the Department, the Assembly does not have a Budget Committee. The Assembly does not have the style of ways-and-means Committee that exists in other legislatures. What we are talking about is an Ad Hoc Committee on which the parties of the House could agree that issues, including the structural defects in the Budget process, must be faced in the short and long term. This Ad Hoc Committee could be one way of considering how to resolve those. I will touch on some of those ideas later.

Alex Attwood expressed his surprise that Sinn Féin is now confined in its thinking to whatever parameters are set by a UK Budget, and John O'Dowd corroborated Alex's concerns when he said that "North/South" had gone from the vocabulary of the SDLP. The questions that we asked this morning about the North/South Ministerial Council institutional format demonstrated that we are the ones who are pushing the North/South Ministerial Council to address the issues relating to the economic downturn now and in the long term. The

message that we got from the deputy First Minister was that we should not push any of those issues just now, but let the efficiency review that the DUP wanted take its course and see where we stand after that. Therefore, the SDLP, not the DUP, is the party trying to push things forward.

Dawn Purvis expressed concern at the establishment of another Committee. However, we do not propose that yet more experts be hand-picked or hired by Ministers or that more people be assembled in a forum of the great and the good. We are talking about an Ad Hoc Committee of this House. MLAs on that Committee would simply be doing the job that they were elected to do.

Dawn Purvis said that other elected Assemblies around the world are reviewing Budgets, and she asked why we are not. However, in opposing our motion, she opposes the very way in which the Assembly could review the Budget, because it is quite clear that the Executive have told us that they will not review the Budget. Unless the Assembly finds a way of reappraising budget lines and re-profiling the Budget, not only for this year and next year, but beyond that, we will have problems.

Ms Purvis said that she will vote against the motion and all of the amendments. We will have a penalty shootout in which no one will score. Both amendments and the motion will probably be defeated. What does that say to the people of Northern Ireland about how coherently and competently this devolved Assembly takes its responsibilities?

The SDLP has tried to avoid simply coming up with ideas and dumping them at the door of the Finance Minister or the Executive. We recognise that the Assembly has a responsibility. We agree with the First Minister's comments in the Chamber of a few weeks ago that the whole House must re-examine its priorities. How will the whole House do that if it does not agree with the motion, which would set up an Ad Hoc Committee to allow us to re-examine priorities in a number of ways?

What would the Ad Hoc Committee be asked to consider, and what is the DUP rejecting? It is rejecting proposals to revise Budget lines and spending profiles to ensure best support for key economic sectors. It is rejecting the innovative use of public money to address the pressures that have been caused by the global downturn, which, as the DUP said after a visit to Brussels, is the very measure that President Barroso asked us to take. The wording of the motion emerged from that request, yet the DUP amendment rejects it.

The Ad Hoc Committee would be asked to consider proposals to ring-fence front line services and ensure more strategic targeting of efficiency savings. In a health debate a couple of weeks ago, the DUP said that

it was in favour of such measures, so it must have been regretting the effect and impact of the Budget and the flat-rate efficiency savings of 3% that it had imposed. We propose a Committee that could come up with ways of doing that, not only in regard to the current Budget, but permanently.

Why should we not look again at the entire Budget system? One cannot tell from reading the Budget where the front-line services sit in respect of the budget lines. Let us re-profile the budget lines so that people can know which of them are wholly or mainly for front line services, which are partly for front line services and which are not at all. That means that the Committees that scrutinise Departments will know which budget lines to challenge for efficiency savings, because they will know which are administrative and which to test for performance and delivery because they relate to front line services. That would improve the intelligence of the Budget system, not only now but well into the future. That is the type of good idea that could be worked through by the proposed Ad Hoc Committee.

Jennifer McCann and other Sinn Féin Members talked about the need for fiscal powers in the short term. However, for all of Sinn Féin's talk about fiscal powers, it has never said which tax it would raise. How high does it wish to raise income tax in Northern Ireland? How high does it wish to raise corporation tax? Sinn Féin did not support the SDLP when we sought fiscal discretion when negotiating the Good Friday Agreement. The only party in the negotiations —

Ms J McCann: Will the Member give way?

Mr Durkan: Sinn Féin has already had one intervention in my speech.

The only party in the negotiations that supported us on the need for some type of fiscal discretion was the Alliance Party, but its support was purely to vary income tax by three percentage points, which is the same fiscal power that is held by the Scottish Parliament — *[Interruption.]*

Mr Speaker: Order. The Member has the Floor.

Mr Durkan: We wanted a power that was wider than that.

Edwin Poots, when summing up on the DUP amendment, reinforced what we all believed as he told us how much he enjoyed 'The Beano' and 'The Dandy' and how they were so formative in the early years of life. His attempts to rubbish the SDLP document fail, because — *[Interruption.]*

Mr Speaker: Order.

Mr Durkan: In attempting to misrepresent our policy document, Mr Poots failed to recognise that we made an honest contribution — *[Interruption.]*

Mr Speaker: Order. The Member has the Floor.

Mr Durkan: We made an honest contribution to an honest debate —

Mr Speaker: The Member's time is up.

Mr Durkan: We want to continue this debate in an Ad Hoc Committee.

Mr Speaker: Before I put the Question on amendment No 1, I advise Members that, if the amendment is made, amendment No 2 will not be called, and I will proceed to put the Question on the motion, as amended.

Question put, That amendment No 1 be made.

The Assembly divided: Ayes 29; Noes 47.

AYES

Mr Bresland, Mr Buchanan, Mr Campbell, Mr T Clarke, Mr Craig, Mr Dodds, Mr Donaldson, Mr Easton, Mrs Foster, Mr Hamilton, Mr Hilditch, Mr Irwin, Mr McCausland, Mr I McCrea, Dr W McCrea, Miss McIlveen, Mr McQuillan, Lord Morrow, Mr Newton, Mr Poots, Mr P Robinson, Mr Ross, Mr Savage, Mr Shannon, Mr Simpson, Mr Spratt, Mr Storey, Mr Weir, Mr Wells.

Tellers for the Ayes: Mr McQuillan and Mr Spratt.

NOES

Mr Attwood, Mr Beggs, Mr Boylan, Mr D Bradley, Mrs M Bradley, Mr P J Bradley, Mr Brady, Mr Burns, Mr W Clarke, Mr Cobain, Mr Cree, Dr Deeny, Mr Doherty, Mr Durkan, Mr Elliott, Dr Farry, Mr Ford, Mr Gallagher, Mr Gardiner, Ms Gildernew, Mrs Hanna, Mrs D Kelly, Mr Kennedy, Ms Lo, Mr A Maskey, Mr P Maskey, Mr McCallister, Ms J McCann, Mr McCarthy, Mr McCartney, Dr McDonnell, Mr McElduff, Mr McFarland, Mrs McGill, Mr McGlone, Mr McLaughlin, Mr McNarry, Mr Molloy, Ms Ni Chuilín, Mr O'Dowd, Mr O'Loan, Mrs O'Neill, Ms Purvis, Mr P Ramsey, Ms S Ramsey, Mr K Robinson, Ms Ruane.

Tellers for the Noes: Mr Attwood and Mr O'Loan.

Question accordingly negatived.

Question put, That amendment No 2 be made.

The Assembly divided: Ayes 18; Noes 58.

AYES

Mr Boylan, Mr Brady, Mr W Clarke, Mr Doherty, Ms Gildernew, Mr A Maskey, Mr P Maskey, Ms J McCann, Mr McCartney, Mr McElduff, Mrs McGill, Mr McLaughlin, Mr Molloy, Ms Ni Chuilín, Mr O'Dowd, Mrs O'Neill, Ms S Ramsey, Ms Ruane.

Tellers for the Ayes: Mr Boylan and Ms J McCann.

NOES

Mr Attwood, Mr Beggs, Mr D Bradley, Mrs M Bradley, Mr P J Bradley, Mr Bresland, Mr Buchanan, Mr Burns, Mr Campbell, Mr T Clarke, Mr Cobain, Mr Craig, Mr Cree, Dr Deeny, Mr Dodds, Mr Donaldson, Mr Durkan, Mr Easton, Mr Elliott, Dr Farry, Mr Ford, Mrs Foster, Mr Gallagher, Mr Gardiner, Mr Hamilton, Mrs Hanna, Mr Hilditch, Mr Irwin, Mrs D Kelly, Mr Kennedy, Ms Lo, Mr McCallister, Mr McCarthy, Mr McCausland, Mr I McCrea, Dr W McCrea, Dr McDonnell, Mr McFarland, Mr McGlone, Miss McIlveen, Mr McNarry, Mr McQuillan, Lord Morrow, Mr Newton, Mr O'Loan, Mr Poots, Ms Purvis, Mr P Ramsey, Mr K Robinson, Mr P Robinson, Mr Ross, Mr Savage, Mr Shannon, Mr Simpson, Mr Spratt, Mr Storey, Mr Weir, Mr Wells.

Tellers for the Noes: Mr P J Bradley and Mr Burns.

Question accordingly negatived.

Main Question put.

The Assembly divided: Ayes 29; Noes 47.

AYES

Mr Attwood, Mr Beggs, Mr D Bradley, Mrs M Bradley, Mr P J Bradley, Mr Burns, Mr Cobain, Mr Cree, Dr Deeny, Mr Durkan, Mr Elliott, Dr Farry, Mr Ford, Mr Gallagher, Mr Gardiner, Mrs Hanna, Mrs D Kelly, Mr Kennedy, Ms Lo, Mr McCallister, Mr McCarthy, Dr McDonnell, Mr McFarland, Mr McGlone, Mr McNarry, Mr O'Loan, Mr P Ramsey, Mr K Robinson, Mr Savage.

Tellers for the Ayes: Mrs M Bradley and Mrs Hanna.

NOES

Mr Boylan, Mr Brady, Mr Bresland, Mr Buchanan, Mr Campbell, Mr T Clarke, Mr W Clarke, Mr Craig, Mr Dodds, Mr Doherty, Mr Donaldson, Mr Easton, Mrs Foster, Ms Gildernew, Mr Hamilton, Mr Hilditch, Mr Irwin, Mr A Maskey, Mr P Maskey, Ms J McCann, Mr McCartney, Mr McCausland, Mr I McCrea, Dr W McCrea, Mr McElduff, Mrs McGill, Miss McIlveen, Mr McLaughlin, Mr McQuillan, Mr Molloy, Lord Morrow, Mr Newton, Ms Ni Chuilín, Mr O'Dowd, Mrs O'Neill, Mr Poots, Ms Purvis, Ms S Ramsey, Mr P Robinson, Mr Ross, Ms Ruane, Mr Shannon, Mr Simpson, Mr Spratt, Mr Storey, Mr Weir, Mr Wells.

Tellers for the Noes: Mr Boylan and Mr Spratt.

Question accordingly negatived.

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

Motion made:

That the Assembly do now adjourn. — *[Mr Deputy Speaker.]*

ADJOURNMENT

Non-Acute Hospital Provision in Armagh City

Mr Deputy Speaker: I remind Members that the proposer of the topic will have 15 minutes in which to speak. All other Members who are called to speak will have approximately nine minutes.

Mr D Bradley: Go raibh maith agat, a LeasCheann Comhairle. Tá an-áthas orm labhairt ar an ábhar seo inniu.

I thank the Business Committee for the opportunity to debate the provision of non-acute health services in Armagh.

As Members are no doubt aware, the re-establishment of devolution was a source of hope for many, including the people of Newry and Armagh. Those people elected us to the Assembly because they believed that local politicians would be better stewards of their interests than direct rule Ministers. Little did they know that devolution would threaten Armagh city with the closure of three hospitals. The people of the constituency are now asking us, their elected representatives, to step up to the plate and deliver on the promises that we made to them.

We are all aware that Northern Ireland Departments are charged with finding 3% efficiency savings over the three years of the comprehensive spending review. However, we did not expect those savings to impact on front line services to the extent that they have done, especially in Armagh, where the efficiency savings appear to have been directed. Efficiency savings of 3% should not mean the closure of three hospitals that serve the three most vulnerable groups in the community: St Luke's Hospital for the severely mentally ill; Longstone Hospital for those with severe learning disabilities; and Mullinure Hospital for the frail and elderly.

The closure of 50% of acute and specialist psychiatric beds is the most extensive closure in all the trusts in Northern Ireland. It seems to have been decided that Armagh will take the hit, because the proposals are dominated by the Southern Health and Social Care Trust's determination to make inpatient services fit into the new Bluestone mental-health unit at Craigavon Area Hospital rather than by an assessment of the population's current and future needs.

As we all know, Armagh is particularly dependent on public-sector jobs, which account for 37% of

employment in the area. The proposals could lead to the loss of around 200 jobs there. The only consolation that the trust can offer us is that no compulsory redundancies will be made. That would be a consolation if we were short-sighted enough to accept it, but we are not. Jobs lost through any form of redundancy are jobs lost; they are lost not only to those who hold them at present but to the local economy, our children and our grandchildren. Armagh does not have a strong industrial base, because of its location and lack of infrastructure. The area also does not have a well-developed retail sector. As I said, it depends heavily on the public sector for its survival. As elected representatives, we cannot stand idly by and watch proposals that will devastate Armagh be implemented.

Those who put those proposals forward cannot, any more than we can, be oblivious to their social, economic and political impact. Armagh is united on the issue across the community with all political parties and 16,000 signatures rejecting the proposals with one voice.

In the consultation, the trust proposed closing the Mullinure Hospital rehabilitation unit for elderly patients, which has 36 beds. It said that the demand for non-acute beds had declined, that the current three-site provision was unsuitable, that Mullinure Hospital had the lowest occupancy rate of the three sites and that it did not have the full range of services. The trust said that there were also concerns about the future availability of clinical cover during out-of-hours periods, and that there were delays in ambulance transfers from the hospital.

In response to the consultation, it was pointed out to the trust that it had failed to take into account the impact of the proposals on elderly relatives, carers and friends of patients, and that it had not developed measures to mitigate those effects. It was also pointed out that Mullinure Hospital had the shortest stay of the three sites, and that out-of-hours services could be provided by GP out-of-hours arrangements. In addition, it became clear through Assembly questions that the trust had overstated the ambulance issue. When those rebuttals were put into the mix, it was clear that, using the trust's own criteria, the preferred option should have been the continuation of the three-site model.

Furthermore, the trust failed to consider an additional model of retaining a dementia rehabilitation and assessment unit at Mullinure Hospital and transferring the dementia assessment and treatment unit from St Luke's Hospital to Mullinure. That model was rejected because the trust said that it would not address the serious concern regarding the difficulty of sustaining in-hours medical cover. That issue was never mentioned in the consultation, but has now become a driving factor in the process. It looks very much as though the trust was caught on the hop by the new Mullinure model proposal and had to find some reason to reject it.

In all this, the trust has not placed sufficient emphasis on accessibility of services. We saw earlier that the trust dropped its proposal to close a residential home on the basis of accessibility. The trust is committed, in its own words, to removing barriers to service. The closure of Mullinure Hospital will create a barrier to service access for many people in the Armagh district.

I appeal to the Minister to reconsider the issue of Mullinure Hospital. The Minister has been invited to visit the Armagh hospitals. I ask him to come to see for himself the situation on the ground and the level of care that is provided. I ask him to talk to relatives, who are very satisfied with the high standards of treatment that their loved ones are given. Mullinure Hospital is a new facility. In Armagh, it is a jewel that should not be sold off for short-term gains. It should be polished and shine in the crown of health services in Armagh for years to come.

Turning to the case of St Luke's Hospital and Longstone Hospital, the proposals ignore or dismiss the in-patient needs of any part of the mental-health, learning-disability or dementia services that cannot be accommodated in Craigavon Area Hospital. The proposals have been supported by a highly subjective and, in my view, superficial and biased centralisation option appraisal that is focused primarily on short-term efficiency savings of 3%. They do not sufficiently address mid-term and long-term service needs.

They are not future-proofed to meet the Bamford Review recommendations to develop a range of specialist psychiatric facilities for the most vulnerable patient groups. There is no mention of dementia or of challenging behaviour in line with recommendations 35, 51 and 53 of the Bamford Review. Where is the nursing and medical support for psychiatry, low-security or challenging behaviour? Where is the accommodation for learning disability, low-secure and challenging behaviour to be sited? Where are the step-down beds for forensic psychiatry to be sited?

Those issues are detailed in recommendations 81, 82, 100 and 146 of the Bamford report on forensic services, but they are nowhere to be seen in the trust's proposals. If the trust is required to provide, and has the capacity to provide, for all those facilities on the Armagh site, why is the trust proposing further extensive newbuilds on the already overcrowded, traffic-congested site at Craigavon?

Given the trust's projections of a significant increase in the elderly population — 44.4% growth by 2017 — one would have to ask why the trust is closing villas one and two in St Luke's Hospital, which is all of the statutory provision for that vulnerable and increasing patient group. Would it not be more prudent for the trust to maintain some statutory provision and expertise for this patient group, whose needs frequently cannot

be met by the private sector? Has the trust considered the reorganisation and optimum reallocation of vacant facilities on the Armagh site as a viable alternative to the Bluestone one-site option?

The closure of 50% of acute and specialist psychiatric beds is the most extensive closure in all the trusts. It has been justified as being essential to meet efficiency savings and to improve services. However, I believe that there are valid, less extreme alternatives for mental health and learning disability to meet the 3% efficiency savings contribution, while still maintaining essential adequate acute and specialist beds and fulfilling the recommendations of the Bamford Review by resettling any truly long-stay patients, but also providing for the low-security and challenging-behaviour patient groups.

It would be sensible to retain the two-site option, with the Bluestone unit at Craigavon Area Hospital and the Armagh site. It was rated as the best option in the board's previous strategic review. The reallocation of the paediatric intensive care unit, the acute admission ward and the addiction unit to the best vacant facilities at the Armagh site would avoid the significant expense of newbuilds in Craigavon.

There are further benefits to the two-site option. It would fulfil Bamford's recommendation for all patient groups, including low-security and challenging-behaviour patient groups, severely mentally handicapped patients, the elderly, and people with severe learning disabilities. It would also avoid the further expense of a newbuild on the already overcrowded and congested Craigavon site, maintain capacity and flexibility for future service needs, including mentally-ill patients who are diverted from the criminal justice system, and maintain the expertise and employment in the statutory sector in Armagh, rather than using a growing expensive diversion to a remote private sector.

The Southern Trust's proposals for Mullinure, St Luke's and Longstone Hospitals are not the best option for Armagh. They are not the best option for patients or staff, nor are they the best option for the future of employment in Armagh.

I ask the Minister to reconsider the proposals, with a view to coming forward with an acceptable plan based on the outlines that I have given today. I believe that they make sense for patients, for staff and for employment in Armagh. I know that the Minister cannot be here today, but I am assured that he will consider carefully the contributions made by each public representative here today. I trust that he will do that and, in doing so, reject the trust's proposals and come forward with a much more acceptable solution for Armagh.

A LeasCheann Comhairle, gabhaim buíochas leat as seans a thabhairt domh labhairt ar an ábhar seo inniu. Go raibh céad míle maith agat.

Mr Irwin: I thank Dominic Bradley for securing the Adjournment debate, which highlights the concerns of Health Service employees, patients and their families in the Armagh area. The Southern Health and Social Care Trust recently decided to press ahead with plans to reorganise and reduce services in the city, much to the disappointment of staff, patients and the wider community.

As was said in the debate last week on the axing of nursing posts, the power to change minds rests with the Minister. A decision by Minister McGimpsey to endorse the trust's proposals on services in the Armagh area would have a massively detrimental effect on its health services. I have spoken to many staff and service users who feel strongly that the trust is going down the wrong path to meet the requirements of the comprehensive spending review. Minister McGimpsey said that the review would not mean cuts; rather, he would find savings through efficiencies. Despite that pledge, the trust is flying in the face of the Minister's assurances by proposing to close wards and reallocate services.

Indeed, in a detailed response to the Southern Health and Social Care Trust's consultation on the proposed reorganisation, Armagh City and District Council, of which I am a member, questioned the trust's supposed patient-first ethos. That is because the trust's proposals do not have the patient at heart. Why reduce and remove services that have consistently been performing well in the Armagh district? Why force the most vulnerable to travel further and to be inconvenienced when there are highly respected services at the Mullinure, Longstone and St Luke's sites?

UNISON held a rally in Armagh on 19 April that, unfortunately, I could not attend. It is clear from those who did and from the thousands of people who signed our council petition that Minister McGimpsey has a big decision to make. I noted UNISON's call for the Department of Health to be exempt from the comprehensive spending review; however, that is not a realistic or acceptable solution. All Departments must make efficiency savings, and exempting the Department of Health would be a mistake. Even the Minister agrees that there are efficiency savings to be made in the Health Service.

I also voice my concerns about the detailed response that was tabled by our local council and about how that submission was received and treated by the trust. When we met a few weeks ago to hear the trust's verdict on the consultation, I left feeling strongly that our concerns and responses had not been adequately considered. Armagh City and District Council tabled options, including the provision of non-acute in-beds at Mullinure Hospital, but the trust simply moved the goalposts, without allowing any further comment from the council.

I call on the Minister to give a commitment that the detailed and collective response submitted by the elected representatives of the Armagh district be given adequate consideration and that the trust discuss the alternative positions that are outlined in our response. The Minister holds the key to the future of healthcare in Armagh city and district. The version of future service provision presented by the trust is very much at odds with the views of staff, patients and the wider public.

Minister McGimpsey must lean on his pledge to find efficiencies, and leave alone the hard-working and highly respected services that operate to a high standard in Armagh city. He must also instruct the trust to reconsider its options, taking into account fully the views of the area's civic leaders and allow a full and frank debate on the proposals.

Mr Boylan: Go raibh maith agat, a LeasCheann Comhairle. Ba mhaith liom tacaíocht a thabhairt don díospóireacht.

I welcome the Adjournment debate and thank Dominic Bradley for securing it. However, I am disappointed, not so much that the Minister is not here, but that the debate has proceeded. Someone should be here to respond to debates such as this.

Mr D Bradley: Will the Member give way?

Mr Boylan: I will in a minute.

I also want to put on record that the Executive agreed that the 3% efficiency savings were not to be taken out of front line services, and Members have already referred to that. Every Minister agreed efficiency savings, but they were not to be targeted at front line services.

4.30 pm

Mr D Bradley: I thank the Member for giving way. He expressed disappointment that today's debate was going ahead without the Minister's presence. I am sure that we are all disappointed that the Minister is not here. I am not here to lambaste the Minister; I am here to try to convince him to change his mind.

This debate was tabled on two previous occasions, and this is the latest opportunity that we have had to debate the issue in the Chamber. Were we to wait any longer, there would be no guarantee that the Minister would be present next time, so it is better to air the matter today.

Mr Boylan: I thank the Member for his intervention. I take his point, but I would have liked to have heard what the Minister had to say.

I appreciate the opportunity to speak about what could be one of the most important issues that will affect Armagh city and district for many years, if the Southern Health and Social Care Trust's proposals are approved by the Minister.

On Thursday 26 March 2009, I attended a board meeting at St Luke's Hospital, where I was given the chance to speak on behalf of the staff and patients of all three facilities in the area. Little did I realise that when I entered that meeting, I would witness two different sets of emotions. In the morning, I saw tears of joy and happiness because of the proposals to save facilities in one area. However, there were tears of sadness and disappointment in the afternoon because of the proposed closure and reduction of services in Armagh city. That was particularly poignant because I reside in that part of the constituency and I have a close affiliation with many of the people who are involved.

The trust proposes to close 36 non-acute beds at Mullinure Hospital and 47 inpatient mental-health beds at St Luke's Hospital. In total, it is estimated that approximately 176 beds will be lost across three hospitals. The trust has also proposed to resettle 60 long-stay mental-health patients and 33 long-stay learning-disability patients from Longstone Hospital into the community.

Mullinure Hospital has been open since 1989. It provides a day hospital, a minor-injuries unit and 36 non-acute beds that cater for frail, elderly people in Armagh and the wider area, many of whom are 70, 80 or 90 years of age. Two main functions of the Mullinure Hospital are to rehabilitate patients after acute hospital care and prepare them for a return home to the community, and to provide palliative end-of-life care.

St Luke's Hospital has been open for 184 years. It is the second-oldest hospital in Ireland. It has 47 mental-health inpatient beds. It is proposed that those will move to the Bluestone unit at Craigavon Area Hospital, which is already under severe pressure. The Bamford Review recommended the closure of larger institutions in favour of smaller community units, so does the proposal not contradict and defeat those recommendations? After gaining approval for a new 42-bed hospital on the St Luke's Hospital site, why has the trust decided to shelve those plans?

If patients from Longstone Hospital are to be resettled into the community as proposed, that must take place in Armagh, given the vulnerability of many of the patients. Quality and consistency of care has to be at the core of such matters. Consideration must be given to the staff who would have to adapt to different working conditions and surrounds if those proposals were implemented.

For many years, it has clearly been recognised that employment in Armagh city has never been heavy-industry based or orientated towards major retailing, private investment or entrepreneurialism. Rather, there has been a reliance on the public sector, niche shops, small indigenous businesses and tourism to generate employment and drive the local economy.

Public-sector jobs account for between 35% and 40% of the total job provision in Armagh, and the health sector provides 18% of those jobs. One can see how important those jobs are to the local economy. If the proposals are implemented, it is conceivable that up to 300 jobs could be lost. That could signal the demise of the public sector in the area and expedite the move away from the city of many other jobs in education or administration. Under the new council structures in 2011, Armagh could lose out on all fronts.

Healthcare, including mental-health care, care for elderly people, respite care and care for people with learning needs or disabilities, has been provided in Armagh for many years. During the conflict, healthcare providers in Armagh made no distinction between people; each and every patient was cared for equally. Over the years, an excellent, dedicated, professional and highly skilled pool of workers has provided high-quality healthcare. As a result of drastic cuts, those highly skilled jobs and members of staff could be lost permanently to the community and to Armagh.

Members and representatives of staff from the three hospitals and from Armagh City and District Council submitted evidence during the consultation process, including new suggestions for the trust to consider. However, they believe that the trust has not seriously considered those suggestions. Furthermore, they believe that, before the consultation period, the trust offered those who will be affected most by the proposals little opportunity to make a positive contribution.

As I said, I am disappointed that the Minister is not here. Nevertheless, would it not be more practical for the Southern Health and Social Care Trust to evaluate all the facilities, public and private, in its area to ascertain whether there are pressures on other aspects of the healthcare that it provides? If so, would it not be feasible to transfer or relocate those services to the three hospitals, not only to alleviate pressure but to create and sustain jobs in Armagh city and the surrounding area? Go raibh maith agat.

Mr Kennedy: I thank Mr Dominic Bradley for securing this important debate. As a Member who represents the Newry and Armagh constituency, I recognise that this debate is an important contribution to facing up to the ongoing concerns about hospital provision in Armagh city. At the outset, I pay tribute to all health staff and workers, who, over many years — indeed, generations — have provided care and attention to a great many people in the complex of St Luke's, Longstone and Mullinure hospitals.

I know that the local health trust's recent decision has caused much angst among Health Service workers, patients and people in the Armagh area. The Minister of Health, Social Services and Public Safety is considering those decisions, and I know that he fully

understands all the issues involved, some of which are complex and difficult. Nevertheless, those difficulties must be faced up to. I also know that although the Minister is not present in the Chamber he will take a keen interest in the Hansard report, which I hope he will have an early opportunity to study. Moreover, I hope that he will have an early opportunity to come to the Mullinure Hospital — indeed, the entire complex — if he has not been there already. In addition, I hope that a meeting can be arranged between the Members who represent the constituency and the Minister to discuss matters further.

Local party councillors and I have taken the opportunity to meet the Health Minister to discuss those matters.

4.45 pm

The future of non-acute hospital provision in Armagh is important, but it is also important to place the debate in context and look at the processes of change that will affect overall decisions. Members will be aware of the recommendations of the Bamford Review, which all parties endorsed and signed up to, and for which they have enthusiasm. The difficulty for us is that the implementation of the Bamford Review will, of necessity, mean change. However, that change must be well managed, and, if that is to happen, we must ensure that non-acute health provision is retained in Armagh.

As local representatives, we are concerned at the impact of job losses in the public sector and the adverse impact that that would have on Armagh. We will seek to retain as many public-sector jobs as possible, be they in health, education, local government or Government agencies. That has to be a priority for Members who represent Newry and Armagh and the representatives of the wider community.

Regardless of whether we like it or not, the economy in Armagh, rightly or wrongly, is built on and relies heavily on public-sector jobs. Therefore we need to see how those jobs can be protected and if possible enhanced. I, with other Members of the House, have encouraged, welcomed and participated in the Armagh United campaign, which was formed and organised by the local council to protect public-sector jobs. I want that campaign to succeed. If it is to succeed, I believe that we, as political and party representatives, have a responsibility to work together and put aside personal interests and party advantage. Playing to the gallery and political grandstanding will not serve our constituents well. Instead, we must work together and build consensus to see how we can go forward.

We need to work with the local council and the health authorities, the Administration and the relevant Departments for the future development of the complex

that comprises Longstone Hospital, Mullinure Hospital and St Luke's Hospital.

There is an urgent need to create an effective estates strategy that will examine the management of sites and consider what public-sector services they should provide. I look forward to ongoing representations on the issue being made to the Health Minister. I understand the importance of the issue and I encourage Armagh United and the local council in their campaign. Furthermore, I appeal to local representatives to stay united on the issue, not to use it for party advantage and — considering that all of their parties are signed up to the recommendations of the Bamford Review — to be realistic in their anticipated outcomes.

Mr D Bradley: Does the Member agree that the trust's proposals contain a misinterpretation of the Bamford Review term "long stay" to include specialist, low secure/challenging behaviour bed provision and that the Bamford recommendations 35, 51 and 53 require provision for patients with challenging behaviour and those with dementia. Furthermore, does he agree that recommendations 47, 48 and 99 require provision for patients with challenging behaviour/low secure requirements and severely mentally-ill patients, and that those have been ignored by the trust's proposals?

Mr Kennedy: I certainly accept that, when making any final decision on those issues, the Minister will have to consider the full implementation of the recommendations of the Bamford Review and what that really entails, including whether the recommendations are being properly applied in this case. There are clear concerns that must be addressed.

At the public rally in Armagh, members of the UNISON trade union spoke with various representatives about the Ulster Unionist Party amendment on the 3% efficiencies target affecting health services. It is with some regret that I mention that, apparently, some Members gave commitments that they would support that amendment but then reneged on them. Let us not divide on all those issues. I caution members to stay united. Armagh is united, as it should be, and its representative must be united in the face of very difficult and challenging decisions.

Mr Brady: Go raibh maith agat, a LeasCheann Comhairle. I, too, thank Mr Bradley for securing this Adjournment debate. I accept that he is not here to lambaste the Minister, but rather to convince him of his point of view. The Minister might be easier to convince if he was present in the Chamber, but, unfortunately, he cannot be here.

Sinn Féin believes that people have the right to social, economic, gender and cultural equality. Creating the conditions for establishing an equal society means recognising that many diverse groups need enhanced protection within the state. Many of the issues that

must be addressed when promoting social inclusion relate to the provision of, and access to, quality services. People in all walks of life must have equal access to equal services.

In its publication 'Changing for the Better', the Southern Health and Social Care Trust made a number of proposals. The trust stated that it had consulted widely with older people, including focus groups. It was informed that, in future, those people would not want to be cared for in a residential care setting, preferring instead to maintain their independence and remain at home. Apparently that has been achieved through the development of rehabilitation and support services and the increased availability of respite choices and 24/7 home care.

Having spoken to staff in Mullinure, St Luke's and Longstone hospitals, it seems clear that staff were not consulted to any great degree. Their input and views on all those issues would have been very important. The trust is proposing to centralise mental-health inpatient care to the new £12 million state-of-the-art facility at the Craigavon Area Hospital site. Given the increasing numbers of people who present with mental-health problems, it appears that the trust is putting all its eggs in one basket. Statistically, 43% of people who claim employment and support allowance — formerly known as incapacity benefit — present with mental-health and behavioural problems, so those problems are very much on the increase.

The trust proposes to continue to reduce the numbers of people with learning disability in long-stay hospital care. That would lead to the closure of three wards in Longstone Hospital over the next two years and 33 people with learning disabilities being resettled into new supported-living accommodation in the area. That is fine in principle, but what happens if there is no supported-living accommodation in the area? It is those 33 people who will bear the brunt.

The closure of St Luke's Hospital would have a detrimental effect on patient care. There would also be serious implications for the public, as well as a severe impact on staff in ancillary services, who may lose their jobs. Up to 280 to 330 jobs will be affected by the trust's proposals, which will have serious repercussions for Armagh and the surrounding district.

The Bamford Review has already been mentioned, but the Bain Report advocated the decentralisation of public-sector jobs. The strategy to relocate elsewhere is wrong, particularly in the context of the RPA. Armagh city and district needs those jobs and relies on them for its economic well-being.

It needs increased job opportunities, not job losses. Job losses will affect many families in the area.

Above all, staff feel that patients, and their care, must come first. In talking to staff on all those sites

— experienced staff who have been in post for many years — it is apparent that the trust has not addressed their views and considerations adequately. Those people are on the front line, and it is essential that their views are considered. In talking to staff, I have found that they have a realistic and pragmatic approach, and they realise that certain things need to change. However, they feel that their interests, and those of the patients, have been sacrificed on the altar of efficiency cuts. We were all told that front line services would not suffer in the efficiency cuts.

Before any decision is made, I ask the Minister to consider all aspects of the situation. The views and input of all the relevant parties must be addressed fully.

I apologise for Minister Murphy's being unable to be here; he has ministerial business. Nevertheless, he will lend all his support to the matter, and, like the rest of us, he will endeavour to do all that he can to maintain those hospitals on site.

Adjourned at 4.56 pm.

