
NORTHERN IRELAND ASSEMBLY

MINISTERIAL STATEMENT

North/South Ministerial Council — Transport Sectoral Format

Tuesday 22 January 2008

The Assembly met at 10.30 am (Mr Speaker in the Chair).

Members observed two minutes' silence.

ASSEMBLY BUSINESS

Mr Speaker: I advise Members that I have received correspondence from the nominating officer of Sinn Féin, Mr Pat Doherty, dismissing Mr Gerry McHugh as Deputy Chairperson of the Committee on Standards and Privileges and nominating Mr Willie Clarke to that post.

I have also received correspondence from Mr Willie Clarke, in which he states that he is prepared to take up that post. I am satisfied that the correspondence meets the requirements of Standing Orders and I, therefore, confirm that Mr Willie Clarke is now Deputy Chairperson of the Committee on Standards and Privileges.

Mr Speaker: I have received notice from the Minister for Regional Development that he wishes to make a statement on the North/South Ministerial Council (NSMC) transport sectoral meeting.

The Minister for Regional Development (Mr Murphy): Go raibh maith agat, a Cheann Comhairle. In compliance with section 52 of the Northern Ireland Act 1998, I wish to make the following report on the fourth meeting of the North/South Ministerial Council in the transport sectoral format, which was held in the Knightsbrook Hotel, Trim, on 12 December 2007.

The Executive were represented by the Minister of the Environment, Arlene Foster MLA, and me. The Irish Government were represented by the Minister for Transport, Noel Dempsey TD. Arlene Foster has approved this report and I will make it on her behalf. The Council noted and welcomed the progress made since the previous meeting in September 2007, and the opportunity to meet to further discuss opportunities for cross-border co-operation in strategic transport planning and road safety.

At the NSMC transport sectoral meeting on 14 September 2007, it was agreed that a three-tier management structure for the A5 dualling project would be in place by October 2007. I am pleased to advise Members that the cross-border steering group — the first tier — met on 22 October 2007 and agreed that representatives from my Department's Roads Service, with officials from the National Roads Authority, will form the second tier — the A5 technical group. This group will deal with cross-border interfaces and will oversee the management of the project. The third tier of management — the project team in Roads Service — has also been appointed.

Furthermore, I advise that consultants were appointed on 31 October 2007, and work on stage 1 of the preliminary route corridor assessment is under way. It is anticipated that that will be completed by late 2008, and stage 2, the preferred route assessment, by mid-2009.

I confirm that consultants were appointed to the A8 Belfast to Larne dualling project, with work under way in an anticipated timescale similar to that for the A5 project.

The Council noted and welcomed the continuing progress on the Irish Government's proposals to replace two cross-border bridges at Annaghroe and Knocknaginny on the Tyrone/Monaghan border. Monaghan County

Council is appointing consultants to develop the design and co-ordinate the consultation process.

It is important to ensure extensive public consultation, and I confirm that my Department's Roads Service will play its part in improving the approach roads in the North, and will work in close co-operation with officials from Monaghan County Council to ensure that works are co-ordinated.

The Council noted the continuing progress on the Irish Government's proposal to construct a bridge at Narrow Water to link County Louth and County Down. I welcome the continuing progress on that proposal, and that the Department of Transport has granted €390,000 to Louth County Council to undertake a feasibility study. The outcome of the consultants' work must be evaluated carefully before decisions are taken on the project. It has, therefore, been agreed that officials from the North and the South will share information from the study, as well as from the Roads Service's study on the Newry southern relief road.

The Council received a joint presentation from NIR (Northern Ireland Railways) and Iarnród Éireann, setting out an initial consideration of options for improving the frequency, and journey time, of the Belfast to Dublin Enterprise service. In addition to investments already planned for rail infrastructure, the preliminary evaluation set out proposals for the replacement of current rolling stock with an expanded fleet. Ministers asked the two companies to expand on the work undertaken to date, and to prepare a business case for consideration at the next Council meeting in transport sectoral format. The business case will incorporate a clear statement of the costs and benefits of the various options for improving and upgrading the Belfast to Dublin service.

The Council welcomed the ongoing co-operation between the Departments, North and South, and the two rail companies, especially on rail safety and interoperability. I have asked my officials to continue to work closely with counterparts in Dublin to ensure compliance with relevant EU directives on those issues.

Moreover, the Council welcomed the major investments made in recent years by both companies in the improvement of railway infrastructure and safety.

The Council noted that a report on cross-border community-based rural transport has been considered by both Departments. Although Ministers recognised the potential benefits of those types of service to communities in cross-border areas, they realised that regulatory resource and organisational constraints must be addressed. The Council has agreed that a pilot cross-border exercise should now be considered, and has asked officials to work together to consider such a pilot and to report progress at a future NSMC transport sectoral meeting.

The Council noted that a mid-term review of the Northern Ireland road safety strategy for 2002-12 was under way, and that an announcement by the Minister of the Environment on the way forward was expected early in 2008. Moreover, it received a presentation from the Road Safety Authority on the new road safety strategy for Ireland for 2007-12, which aims to reduce the number of road deaths to no greater than 60 fatalities per million of the population by the end of 2012.

The Council also welcomed the co-operation between the authorities on a range of issues, including advertising and publicity, the mutual recognition of driving disqualifications and penalty points, and road safety in border areas.

The Council agreed that the next meeting of the North/South Ministerial Council in the transport sectoral format should take place in May 2008. Go raibh maith agat.

Mr Ross: I thank the Minister for his statement. Coming from east Antrim, the A8 road is an important issue for me. Will the Minister confirm when it is anticipated that the dualling of the A8 will be complete?

Mr Murphy: The A5 and A8 roads projects, which are jointly funded by the Executive and the Irish Government, are substantial. It is intended that those projects will be delivered more quickly than any project has ever been delivered on these islands. The appointment of the consultants to identify the route options has begun. Those options will be zeroed down by mid-2009 to a preferred route option for each scheme. The issues that might then arise will set the tone.

For example, if there is limited opposition or if the land-acquisition issues are relatively simple, the process can be finalised quite quickly. However, if there is significant local opposition to the preferred route — and it is much too soon to say at this stage what that route will be — a public inquiry could be started, thereby stretching out the process.

Although I cannot give a definitive date for the completion of the work, I assure the Member that the intention is to deliver both schemes as quickly as possible. Obviously, we intend to consult throughout the process, thus minimising both any opposition to, and any of the normal difficulties that arise with, the statutory processes that are involved in road building. We will attempt to ensure that the projects are delivered much more quickly than is normal for road-building projects such as these.

Mr Boylan: Go raibh maith agat, a Cheann Comhairle. Tá ceist agam don Aire.

I thank the Minister for his statement, and I have a question for him.

Has the Minister engaged in consultation on speed management and signage, given the fact that a high

percentage of our road fatalities occur not only on rural roads but in border areas? Go raibh maith agat.

Mr Murphy: I thank the Member for his question.

The primary responsibility for road safety rests with the Minister of the Environment. I know that she is conducting a review on road safety here in the North and intends to make an announcement about that in the coming weeks. There is an excellent degree of co-operation on road-safety matters between the roads authorities in the North and the South.

I am not sure whether the Minister of the Environment's review has addressed standardising speed-limit signs; currently, such signs are displayed here in miles per hour, and across the border, they are displayed in kilometres per hour. However, I do not doubt that, given that such co-operation exists with the South, when the Minister of the Environment examines those issues and reviews the road safety strategy here, she will discuss them with her counterparts. However, whether it will be possible to progress them will become more apparent in the fullness of time.

Mr McCallister: I know that the Minister does not think that Narrow Water bridge and the southern relief road are competing projects. However, I dispute that, given the somewhat limited resources that are involved. Will the Minister guarantee that if the Narrow Water bridge project goes ahead, no Northern Ireland money will be spent on either the feasibility study or construction?

Mr Murphy: The short answer is no. The feasibility study is being conducted by Louth County Council, and the Irish Government have grant-aided it €390,000 for that purpose. Therefore, we are not required to contribute to that study. The Minister for Transport in the South and I have undertaken to examine the results both of the feasibility study on the Narrow Water bridge project and the study that is being conducted on the southern relief road. We have also undertaken to appoint officials who will co-operate with each other to conduct both studies. It is, therefore, much too early to give any guarantees about what might arise once those studies have been completed. We are not required to contribute to the feasibility study, but given that we have not yet received the results of those studies, I cannot guarantee anything.

Mr Dallat: I welcome the Minister's statement, which covers a range of issues, including road, rail and road safety. I welcome in particular the focus on the Belfast to Dublin rail line, which is long overdue for an upgrade. I hope that the initial consideration and the preliminary evaluation that are mentioned in the statement will proceed quickly.

When can we expect the Belfast to Derry rail line to be the subject of discussion in the North/South bodies, given that development on the Republic side of the

border is moving very fast? Indeed, this week, it was announced that train services to Sligo are doubling in frequency. It is clear that the missing link is the area between Derry and Letterkenny.

Mr Murphy: I have no difficulty with discussing the Derry to Belfast rail line at the North/South sectoral meetings. The Southern Government have not raised with us the issue of rail provision in Donegal, and they have never discussed it with us under the North/South arrangements. I am happy to ask my officials to table rail services in the north-west generally as a topic for discussion. Like the Member, I am aware that there are substantial plans in the South for rail provision and improvement that go as far as Sligo. However, as he says, there is a missing link between Sligo and the north-west. I am happy to ask my officials to have that matter included on the agenda for a future transport sectoral meeting.

10.45 am

Mr Lunn: I note the Minister's comments about improved frequency and journey times on the Dublin to Belfast rail link. However, one of the big concerns recently has been reliability. Were there any discussions about the reliability of the service? Also, has any consideration been given to extra stopping points on the service? I am thinking particularly of Northern Ireland's second city, Lisburn.

Mr Murphy: Extra stopping points and a decreased journey time between Dublin and Belfast would work against each other. It would be very hard to decrease the time of the journey, or increase the speed, if we were to add extra stopping points along the route. The focus is on bringing the journey time down to 100 minutes from the current 125 minutes, which is just over two hours, and on increasing the frequency.

In relation to reliability, there does seem to have been an increasing number of stories about breakdowns on the service. That is worrying. I heard someone from Translink this morning pointing out, quite rightly, that all the days on which the service runs on time do not make the news. When it does not — when there is a breakdown or other problem — that makes the news. Nonetheless, when we are trying to attract more people onto public transport and to improve rail services — not just between Dublin and Belfast, but any rail services that we have responsibility for — there is an onus on us and on Translink to ensure that those services are as reliable as possible. That is something that I will continue to raise with Translink so that disturbances and breakdowns are kept to a minimum.

Mr I McCrea: Can the Minister provide an update on the expected introduction of free public transport for the over-60s? Are there any implications for co-operation with the Irish Republic?

Mr Murphy: We have made a bid for moneys to be included in the Budget. Without pre-empting the Minister of Finance and Personnel's Budget statement, I am quite optimistic that that bid has been successful. There has recently been some public comment on the timescale: it is as I outlined it to the Regional Development Committee and as the Committee accepted. There are 87,000 people in the age bracket between 60 and 64 who may be eligible to avail themselves of free public transport, and it takes some time to go through all the necessary assessments and the consultation process to get the scheme ready. We have always said that it will happen in the latter half of this year. That has always been the timescale; there has been no delay. That is what was originally stated, and we intend to hold to it.

Obviously, all-island transport for over-65s is a different arrangement, and it has a different schedule. The South does not have free public transport for anyone under 65. It is something that we intend to talk to the Southern Minister about. It crosses a number of Departments in the South; it is not just a matter for the Department of Transport. As it stands, we expect to have the scheme available for people in this jurisdiction between the ages of 60 and 64 by the end of the year. That does not apply to transport throughout the island, and that is something that we need to discuss with our counterparts in Dublin.

Mr W Clarke: Go raibh maith agat, a Cheann Comhairle. Can the Minister give a timescale for the commencement of the Narrow Water bridge project? Has there been any discussion about the development of new railway infrastructure on an all-Ireland basis?

Mr Murphy: I am afraid that I cannot give a timescale for the Narrow Water bridge project. The feasibility study is in the hands of Louth County Council. A similar study, on the relief of traffic around Newry, is being conducted by Roads Service on the Northern side, so we have asked the people conducting both studies to co-operate.

Therefore, only when we learn the outcome of both studies can we assess how the Narrow Water bridge project will proceed. Only then will we be able to outline a time frame for the project, indicate its cost or deal with any implications that the studies throw up.

To date, our discussions on railway matters have only concerned the Belfast to Dublin rail line. They have not been about the creation of any other railway lines. Given our limited resources, our main aim is to improve the current rail network. We want to improve the frequency of trains and duration of journeys, and we want to raise those to a standard that will attract more people to public transport, and to trains in particular. That has been our focus, but that is not to say that, should a desire be expressed to talk about it, I would not be happy to discuss the provision of new railway lines at North/South Ministerial Council

sectoral meetings. However, provision of new railway lines has not been discussed at those meetings to date.

Mr Craig: Given that a large proportion of our tracks is speed-limited for safety reasons, will the Minister outline what action has been taken in Northern Ireland to meet EU directives on railway safety?

Mr Murphy: Officials in my Department have liaised closely with colleagues in the Department of Transport and the Irish Railway Safety Commission on matters of mutual concern. Those discussions have focused on ensuring compatible implementation of legislation, which includes our meeting EU requirements on railway safety.

NIR and Iarnród Éireann share the operation of the Enterprise service between Belfast and Dublin. Staff from both companies work closely to ensure its smooth operation of service. Officials from both Departments sponsor regular four-way meetings that involve both Governments and both train operators. Those meetings cover current legislative and operational matters. The most recent meeting took place in December 2007, and we are very much focused on ensuring that our railway safety measures are compatible with the necessary EU directives and legislation.

Mr Elliott: Is the Minister aware of the significant opposition that there is to proposals to restore the two bridges on the south Tyrone and Monaghan border? I am pleased to learn that there is to be a consultation period, but when will that consultation take place?

Mr Murphy: There may be opposition, but there is also a substantial degree of support on either side of the border for those bridges to be reopened.

Monaghan County Council is in the process of appointing consultants to co-ordinate the consultation process, and I anticipate that those consultants will liaise with my officials in Roads Service to develop proposals that will maximise that process's benefits. As the Member said, there may be some who are not so supportive of the project, so there is an onus on us to ensure that there is consultation. As I have said, responsibility for the consultation lies primarily with Monaghan County Council, but it is liaising with Roads Service. No time frame for the consultation period has been outlined as yet, but I am sure that the Member will be kept informed.

Mrs D Kelly: I welcome the Minister's statement. Is there any indication of when the planning stages of the major A5 project might end and work to improve the road's infrastructure might begin?

I also wish to make a point about the reliability of the Dublin to Belfast rail link. On 4 January, it took a constituent of mine five hours to travel from Dublin to Portadown. The train broke down outside Dundalk for one and a half hours. Although there may be fewer problems with reliability than there are with delivery, nonetheless, for those passengers, that situation was

totally unacceptable. More worryingly, however, one of the train's passengers who spoke to a guard was told that the train had a water leak when it left Belfast, so it was no wonder that it broke down on its return journey. What mechanisms are in place for dealing with such problems, and what discussions have been held? Finally, what investment, especially in rolling stock, is planned for this year and envisaged for next year?

Mr Murphy: I shall give a similar answer to the one that I gave to Mr Ross's question about the A8 to Larne. The intention is for work to be completed as quickly as possible. The A5 scheme is one of the biggest road-building schemes ever to be undertaken in one fell swoop, certainly on this island and possibly on both islands.

The consultants have been appointed and the management structures have been put in place to manage the project. The intention is to assess some of the options and determine the preferred route option by the end of the year. However, that will depend on any local issues that may be raised. This will be a 70- or 80-kilometre stretch of dual carriageway, which will pass by several towns, therefore there may be issues involving land acquisition or local opposition, which, if they result in public inquiries, will lengthen the process.

At this stage, it is very difficult to say exactly when the work will commence. Members can be assured that it is our intention to complete the work as quickly as possible. I understand that the road has been broadly welcomed by people in the west. However, whether that welcome will translate into local opposition, as the road passes people's farms and towns, will be another matter.

As regards the breakdowns, I accept that inconvenience for passengers is very frustrating. Such things are not helpful at a time when we are investing in public transport — certainly in the rail network — and are trying to encourage more people to leave their cars at home and use public services. As I said, Translink's spokesperson said this morning that public attention is quite often drawn to breakdowns and not necessarily to the daily successes of providing a punctual and uninterrupted service, and that the bad-news stories are more likely to be heard.

Nonetheless, the onus is on Translink and Iarnród Éireann to ensure that the service is as reliable as possible. Both companies presented a paper at the last sectoral meeting on their plans for improving rolling stock, service frequency and journey times on the Belfast to Dublin route. They were asked to prepare a business case, so I cannot say what rolling stock will be improved until that is produced.

However, all that work will be undermined if the service is not reliable. It is worrying each time we hear about breakdowns, and I will be talking to Translink about ensuring that the service is as reliable as possible.

Mr Brady: Go raibh maith agat, a Cheann Comhairle. I thank the Minister for his statement. Will he assure

the House that the proposed increase in frequency of services on the Belfast to Dublin rail link will service Newry? Are there any plans to introduce a commuter service that will bring passengers from Newry to Dublin before 9.30 am? Currently, such a service does not exist.

Mr Murphy: The intention is that the frequency of journeys between Belfast and Dublin will be increased and that journey times will be reduced. Translink and Iarnród Éireann made a presentation at the meeting, indicating their ideas on how that could be achieved. Obviously, that will create demands that are not provided for in budgets; therefore, both organisations were asked to provide a business case that they would bring back to me and to Noel Dempsey, the Minister for Transport in the South. That work will address a range of issues.

As regards Newry, I am sure that the Member will be pleased to know that work will be commencing shortly on the new railway station there. Like me, he has used it often, and he will know that it will be much welcomed in the area and that it will be a welcome acquisition to the Belfast to Dublin railway line in particular. We look forward to hearing a much more detailed presentation from both railway companies at the next transport sectoral meeting.

Mr Moutray: Will the Minister state whether the expanded fleet and replacement of rolling stock on the Belfast to Dublin rail line will be part of an extended service to passengers on that route?

Mr Murphy: Both companies made a presentation at the sectoral meeting, and they argued very much that to enhance the service, increase service frequency and cut journey times, they would need to make improvements to the line, some of which, around the Lurgan area, have been scheduled and budgeted for. However, improvements such as enhancing rolling stock or buying new rolling stock have not been budgeted for, and we asked both companies to prepare a business case. When that case is produced, my Department and the Department of Transport in the South will have to consider it and decide whether we can make a case to our respective Executives to see whether we can secure support.

The railway companies have come up with that idea. They will have to make a supporting business case so that the plans stack up. The issue may come back to the Assembly, and in the future, I may seek the support of Members and the Minister of Finance and Personnel.

11.00 am

Mr Beggs: I welcome the appointment of consultants to progress the dualling of the A8 from Larne to Belfast. When does the Minister expect planning approval to be given to the project? What funding will be available?

The Minister states that discussions have taken place about the replacement of rolling stock on the Belfast to Dublin railway line. Was the Larne to Belfast line, which

forms part of the trans-European network, discussed? Was the replacement of those trains, which pre-date the Enterprise by several decades, discussed? Will the Minister ensure that the experiences of European travellers and local commuters on the Larne line will be improved before there is any further expenditure on the Enterprise?

Mr Murphy: The timescale for the A8 will match that of the A5. Consultants were appointed to consider several route options, a process that they intend to complete this year. By the middle of the 2009-10 financial year, they will have preferred route options. That will be followed by the required statutory processes and, possibly, public inquiries. Beyond that, it is difficult to predict how quickly the project can be progressed. I can assure people who are asking questions about the speed of the project that it will be completed much quicker than similar projects in the past.

The Member, other Members from East Antrim and councillors on Larne Borough Council have previously raised the issue of rolling stock on the Larne line. At the transport sectoral meeting, the railway companies' presentation focused on the Belfast to Dublin line, and the Larne line was not discussed. In this day and age, people expect better rolling stock on the Larne line, and I assure all Members from East Antrim that I am committed to replacing that stock as soon as possible so that passengers experience more comfortable journeys.

Mr O'Loan: The Minister for Regional Development and the Minister of the Environment have a close interest in road safety. The recent deaths of three young people near Strabane make us focus on the issue. The statement mentions targets in the South to bring road deaths down to 60 per million of population a year, and the North is running slightly above that figure. Does the Minister agree that the North should set more demanding targets for 2012?

I am disappointed that there are not more details about actions on road safety. Can I ask both Ministers, when they attend the next transport sectoral meeting, to ensure that they arrive prepared and leave that meeting able to implement significant actions to deal with the three issues that could reduce the number of road deaths and accidents: safer roads, safer vehicles and improved driver behaviour.

Mr Murphy: Road safety targets are primarily matters for the Minister of the Environment, but I am a member of a road safety group that includes that Minister and the PSNI. Efforts to reduce the number of road deaths exercise not only members of that group but all people. The events of the past couple of days bring that issue home to us.

Last year, there was a reduction in the number of fatalities on the roads here. However, that is cold comfort to those who lost people on the roads. Every effort must be made to continue to reduce those numbers. The Minister of the Environment is due to make an announcement on a review of the road safety strategy.

The level of co-operation between the road safety authorities, North and South, is excellent. The issues of penalty points and driving disqualifications need to be progressed, but given that two jurisdictions are involved, technical difficulties can hold things up. However, the will to co-operate is there. I have attended two very productive NSMC sectoral meetings on road safety, and I have no doubt that they will help in the development of strategies to reduce the number of road fatalities across the island.

Mr Storey: Will the Minister outline the regulatory, resource and organisational constraints that are likely to preclude cross-border community-based rural transport initiatives?

Mr Murphy: Those who provide rural community transport on both sides of the border have been making the case for some time that they face certain anomalies. The Member represents North Antrim, but he will know that, in border constituencies, the nearest centre of population and the nearest services are often in one jurisdiction or the other — not where a person happens to live. There have been ongoing difficulties in respect of people's ability to avail of rural transport services in the border areas; often, they cannot avail of the closest services.

The North/South Ministerial Council agreed to carry out a study on that matter. The results of that study have been received by both Departments, North and South. We have asked those who conducted that study to set up a pilot scheme — the location for which has not yet been identified — so that we can begin to operate cross-border rural transport provision. We hope that that pilot scheme will demonstrate how we can make progress and deal with all of the anomalies and technical irregularities that create obstacles in the way of proper transport provision in the most marginalised areas in both jurisdictions.

We hope to make further progress. The study has been useful, and has identified a number of issues for both Departments to try to address. Some regulatory matters will overlap into the remit of the Department of the Environment. The pilot study will bring progress to a phase at which we can see action. We can then work very quickly to overcome some of the obstacles.

The purpose of rural transportation is to provide services for those who live off the beaten track, who cannot avail of public transport, and who do not live near the rail networks or regular bus routes. The provision of rural transport reduces social exclusion and marginalisation in those areas. We have made progress to some degree, and the pilot project should lead to further progress. We hope that we will then be able to provide a seamless rural transport service across the border area.

Mr Hamilton: There is free public transport across Ireland for over 65s. Was that issue discussed at the

Minister's meeting, and what is his assessment of the success of that scheme?

Mr Murphy: The all-Ireland free transport scheme for over 65s pre-dated my coming into office, and it was not discussed at the meeting. That scheme is not the responsibility of the Department of Transport in the South; it is the responsibility of the Department of Social and Family Affairs.

It is generally felt that that scheme has been quite successful across the island. The extension in the North of free travel to those aged between 60 and 64 will not necessarily extend to the rest of the island. We will wish to include that issue on future agendas of transport sectoral meetings. However, there must be input from the Department of Social and Family Affairs in the South.

Perhaps the experience of the 65-plus scheme will be useful when making an argument to extend free travel right across the island for those aged between 60 and 64.

Mr Buchanan: I thank the Minister for his comments about the A5 road upgrade, which is very important to the west of the Province, and I thank the Minister for the work on stage 1 of that project. Stage 2 is to be completed by mid-2009. Can the Minister confirm that his Department is fully committed to seeing that scheme through to fruition? Are the required finances available to ensure that that happens?

Mr Murphy: Yes. That scheme has commenced, and we are committed to it. There was a very significant contribution from the Dublin Government towards that project, and towards the A8 Belfast-Larne scheme. The money that we anticipate will be required has been budgeted for as part of the roads strategy, and our commitment is to complete that scheme as quickly as possible.

Mr Newton: Like others, I welcome the Minister's statement. I note that he indicates that there will be a joint road safety publicity campaign with the Republic. Will he indicate what the budget for that campaign might be, and how it will be broken down?

Mr Murphy: Again, without passing the buck, I would say that that is primarily a matter for the Department of the Environment. Advertising across the island makes sense because the TV networks are available across the island.

I cannot answer the Member's question regarding the budget for the publicity campaign. However, I am sure that either my Department or the Department of the Environment will be able to provide him with that answer in writing.

A number of factors contribute to road safety. Some of them, such as road structure, are my responsibility, while others relate to education, information, detection and punishment. The road safety group in the North,

which is chaired by the Minister of the Environment, involves me and the PSNI, and I believe that co-operating and learning from good practice across the island will add to our ability to reduce the carnage on the roads. That is surely in all of our interests.

Mr Shannon: Some concern has already been expressed in the Chamber about the rolling stock, which the Minister mentioned in his statement when he was talking about the Dublin to Belfast rail link. Will he provide an indication of the cost of expanding and upgrading the current rolling stock? The Minister also said that the next transport sectoral meeting will take place in May — will he tell us whether the costs will be available in time for that meeting; and, more importantly, will the budget that will be necessary for the upgrading also be in place?

Mr Murphy: The Member's question relates to the case that was proposed by the railway companies at the transport sectoral meeting and involved improving the Belfast to Dublin service. Part of that case included acquiring new rolling stock. No costs were presented at the time, so both companies were asked to prepare a business case, which I hope will be ready for the May transport sectoral meeting, when the case can be assessed. My Department, through its own budget, is investing in upgrading rolling stock across the rail network in the North, and that will continue apace. However, the Member's reference to improved rolling stock relates to the aforementioned case.

It has been proven that when investments have been made in public transport, in railways, in tracks, and in rolling stock, the service has improved and passenger numbers have increased. We want to attract more passengers to public transport, particularly to rail transport, in order to benefit the environment and reduce our carbon footprint, so we will continue to make the case for investment. The Department for Regional Development has a substantial investment to make in relation to rolling stock, some of which will go towards improving the Larne to Belfast service.

If the business case that is being prepared by the two companies makes it on to the agenda for the next transport sectoral meeting, I will be happy to share details with Members when the statement is made in the aftermath of the meeting.

Budget 2008-11

Mr Speaker: I have received notice from the Minister of Finance and Personnel that he wishes to make a statement regarding the Budget.

The Minister of Finance and Personnel (Mr P Robinson): It is almost 40 years since a Finance Minister elected by the people of Northern Ireland presented a Budget in a stable political environment. Today, I am able to do that with a sense of optimism for the future.

Although it is only eight months since power returned to Stormont, I believe that today's announcement is yet another sign that devolution is working. In October, I said that the draft Budget came with a proud stamp that read "Made in Northern Ireland". In the next three years, it will be the Executive's task to ensure that they deliver for Northern Ireland.

11.15 am

Today, I am pleased to be able to present the Executive's unanimously agreed Budget proposals. In October, I announced a draft Budget that delivered the highest ever level of public spending to Northern Ireland, froze domestic regional rates for the next three years and capped industrial rates. It was a draft Budget that was good for householders and good for business. It represented delivery of the priorities that the people of Northern Ireland voted for in March 2007. It demonstrated a break with the past and a clear intention to build a brighter future for Northern Ireland.

Over the last three months we have listened to the people of Northern Ireland, and I am pleased to announce that the key cornerstones of the draft Budget that I presented in October remain in place. I am therefore happy to confirm that domestic regional rates will be frozen in cash terms over the next three years, that non-domestic regional rates will be frozen in real terms over the next three years and that industrial rates will be capped at 30%. When that is contrasted with the rate increases in recent years under direct rule, no householder in Northern Ireland will fail to recognise the benefit of the return of devolution. Let those who say that devolution makes no difference explain that logic to the average household, which will be £1,000 better off than it would have been if direct rule had continued.

While the key tenets of the draft Budget remain intact, the consultation process has been invaluable in helping us refine our plans. Today, I will set out our response to the consultation process, and I will be in a position to make some additional allocations. Those will reflect the fact that the Executive have listened to the views expressed in the consultation process and demonstrate that it has been a meaningful process.

That consultation process has been important in shaping not only the final Budget allocations, but for Departments in determining their priorities. During the past 10 weeks we have had a vigorous, often robust, debate among politicians and the general public about our public spending priorities. That is important in a democracy. It has been a useful, if sometimes difficult, process, but I believe that the final Budget is the better for it.

With the return of devolution and the capacity to help shape the direction of policy, the Budget consultation has generated considerable public and media attention. That is only proper as in the life of the Assembly there are few more important issues than how we decide to spend public money. Therefore it is important that we hear the views of a wide range of individuals and organisations on those key issues. It is also essential that, having listened to those differing views and perspectives, Ministers in the Executive reach final agreement on the best outcome for our community. That is what we have now done, and I am pleased to present our conclusions to the Assembly for consideration and approval.

Today, I have published our final Budget proposals and the document has been made available to Members. The First Minister and deputy First Minister have also published final versions of the Executive's Programme for Government and the investment strategy for Northern Ireland. Next week, they will seek the Assembly's endorsement of those key strategic documents, and I will also seek the Assembly's approval of the associated spending plans in the Budget.

When I presented our draft Budget proposals to the Assembly last October, I set out the wider prospects for public expenditure over the next three years. We have experienced a decade of significant growth in levels of public expenditure in Northern Ireland, reflecting the growth that has also happened in the rest of the UK. Levels of public expenditure will continue to grow in real terms over the next few years; however, that rate of growth will be at a much lower level.

That presents us with both an opportunity and a challenge. We have the opportunity to maintain levels of investment in key public services, while introducing a new focus on ensuring that we deliver value for money for those in the community who rely on those services. The challenge is to ensure that we focus our expenditure and efforts over the coming years on the key priorities that will make real and sustainable improvements in our prosperity and quality of life.

The final Programme for Government published today confirms that growing the economy will be the Executive's top priority for the next three years.

In addition, we recognise the importance of delivering a major programme of investment in public

infrastructure; promoting tolerance, inclusion, health and well-being; protecting and enhancing our environment and natural resources; and delivering high-quality and efficient public services. The Budget must ensure that the resources available to the Executive are allocated to activities and programmes that support the delivery of these priorities.

The final Budget proposals that have now been agreed by the Executive maintain this focus on our key priorities. I am also pleased to be able to announce some additional allocations to assist with these priorities. These allocations also reflect the key themes that arose during the consultation exercise and demonstrate that the Executive have indeed listened.

I pay tribute to the significant and important work done during the consultation period by all of the Assembly's Statutory Committees. The Chairperson, Deputy Chairperson, and members of the Committee for Finance and Personnel, and their staff, played a particularly important role. They commissioned the views of all the other Committees and compiled them into a co-ordinated report on the Executive's draft Budget, which was published on 8 January.

During the consultation period, the Committee also hosted an information seminar for all MLAs and relevant Assembly officials on the annual Budget process. It tabled the motion for the take-note debate, held in plenary session on 27 November, invited me to provide it with a high-level briefing on the draft Budget, and took evidence from my officials on a wide range of strategic and cross-cutting budgetary issues.

I should add that, in addition to supporting the work of all the Committees on the draft Budget, the Committee for Finance and Personnel also found time to examine the draft Budget for my own Department. This was a very significant programme of work, carried out over a very short time that included the Christmas break. We can all be grateful to the Committee for its efforts. I must also pay particular thanks to all of the officials in my Department who have worked tirelessly on the Budget for many months.

The co-ordinated report on the draft Budget is a very useful document. Its value should endure beyond the conclusion of this first Budget process in the Assembly. It provides many valuable insights into a wide range of departmental and cross-cutting issues. I urge my ministerial colleagues, Assembly Members and, indeed, departmental officials to consider the material in the report carefully as we move forward, particularly in implementing programmes and policies that will be supported by the resources allocated in this Budget.

Alongside the important work carried out on the draft Budget within the Assembly, officials attended a number of public consultation seminars at four locations across Northern Ireland. Officials also

attended a public consultation event organised by the Northern Ireland Council for Voluntary Action, and met the Northern Ireland Local Government Association, the Consumer Council, the Federation of Small Businesses and the Equality Coalition. Presentations were also made to a meeting of the Economic Development Forum and to a conference on neighbourhood renewal. A number of Departments also arranged consultation events, focusing on their own spending programmes.

Advertisements were placed in the main regional newspapers, requesting written responses and comments on the Executive's proposals in the draft Programme for Government, Budget and investment strategy. There has been considerable interest in these proposals, and over 9,500 written responses have been received. These range from signatures on a petition to comprehensive commentaries. The Executive will publish a detailed analysis of the consultation responses.

Of all the issues, funding for the arts was the main theme in terms of the quantity of responses, reflecting a well-organised effort by the arts sector to highlight its concerns, and I pay tribute to that sector for its efforts.

Mental-health services, and those for people with a learning disability, were also raised as matters of concern. These concerns were raised by relatives of those with mental-health problems or learning disabilities, as well as by professionals working in the field. I must confess to being lobbied at home on these issues.

Petitions were also received with respect to libraries and the implications for local sports funding of the 2012 Olympics in London. There were also concerns regarding the allocation of funding for services for children and young people, which has been raised with me directly by groups representing the interests of children. In addition, representations were made to Ministers, among others, regarding the level of funding for victims.

The Executive's priority of growing a dynamic innovative economy was broadly welcomed, but some concerns were expressed that insufficient resources had been earmarked for investment in skills and promoting innovation.

Capital expenditure on social housing is an important issue. There were concerns that insufficient funding had been allocated in the draft Budget to enable us to achieve the target in the draft investment strategy to complete up to 10,000 social and affordable houses over the next five years. Many other issues were raised which are too numerous to mention specifically in this statement. However, all responses to the Budget process have been noted and considered.

The Executive's response to the issues raised by the Members and Committees of this Assembly, and during the wider consultation exercise, has to be set in the context of the resources available and allocated to

departmental programmes. In announcing our draft Budget proposals last October, all the resources then available over the next three years were allocated to departmental programmes, apart from some £50 million of capital remaining to be allocated.

As I will explain later, some additional resources have become available for allocation now. However, in scale, those resources are very much at the margins of the total allocations that were earmarked for Departments in the draft Budget. Therefore, the only way to have allocated substantial extra resources to any single Department now would have been to reduce the allocations that had been proposed for other Departments. In light of the significant pressures identified by all Departments, the Executive decided not to pursue that option. Therefore, the main focus for our response to the consultation exercise lies in the discretion that each Minister and Department have to deploy their available resources in pursuit of the Executive's strategic priorities and objectives as set out in our final Programme for Government.

As I have said already, I urge each Department to consider carefully the departmental and cross-cutting issues identified during consideration of the draft Budget by our statutory Committees, as well as the issues identified in the public consultation exercise.

I will now explain how the Executive propose to allocate the limited additional resources that have become available, dealing first with current expenditure allocations. It has been possible to generate some additional resources, partly as a result of more optimistic regional rate revenue projections, and a lower than previously forecast subsidy requirement to Northern Ireland Water. In addition, I have decided that a portion of the costs of rolling out the central reform programme, which had previously been held centrally, should now be released to make additional allocations to Departments.

Overall, some £20 million, £30 million and £30 million in additional funding became available in each of the next three years respectively for allocation to Departments compared to the draft Budget position. The Executive have decided that that additional funding should be allocated in response to some of the key issues identified by the Assembly Committees, MLAs and groups and individuals during the consultation exercise. Departments may also wish to reprioritise the allocations made at the draft Budget stage to supplement that additional funding.

The needs of those with mental-health problems or learning disabilities are well recognised by society. Too often in the past, however, they have been ignored when it comes to the allocation of funding. In light of the findings of the Bamford Review, and the responses from the consultation process, the Executive have

agreed to increase the allocation to the Minister of Health, Social Services and Public Safety by £10 million in each year of the Budget period.

More generally, in light of the significant challenges faced by our health and social care services, the Executive have also agreed a package of measures to provide the Health Minister with greater flexibility in the management and deployment of resources already allocated to him during the year. We have agreed that the Health Service should have the first call on the first £20 million of resources that become available during annual in-year monitoring processes. The Health Service will also be able to retain any further efficiencies it can deliver, beyond the existing 3% target, for immediate reinvestment in front line services to patients.

11.30 am

The provision of high-quality health and social care services for everyone in the community remains a key priority for the Executive. That is why the draft Budget proposals allocated over half of available resources to the Health Service alone. Over the next three years, the Health Service will have the largest share ever of total departmental spending in Northern Ireland. However, the Executive recognise the significant challenges that face the Health Minister as he seeks to respond to the needs and expectations of the community for its health and social care provision, and as he takes forward the reform of healthcare provision. The package reflects the Executive's concern to ensure that the Minister has the resources and flexibility to do that, within our affordability limits.

During the consultation exercise, funding for services for children and young people was also highlighted as an issue of concern. The Executive recognise the importance of that type of investment to supplement the significant levels of expenditure on mainstream education provision. Therefore, we have decided to allocate an additional £3 million next year, followed by a further £5 million in each of the following two years, to help address the issues and concerns that were raised.

The Executive recognise the importance of the arts sector, not only because of the entertainment and relaxation benefits, but because of the significant contribution that it can make to the tourism sector, and to wider economic growth. Therefore, the Executive have agreed an additional allocation of £2 million to the Department of Culture, Arts and Leisure in each of the next two years to address the concerns that were expressed during the public consultation process about arts funding, as well as sports and library funding.

The needs of victims remain of great significance to us all, and concerns were raised about the adequacy of the funding that was earmarked for their specific requirements in the draft Budget. Therefore, the

Executive have agreed to increase the level of funding for victims by £1 million next year, by £2 million the following year and by £3 million the year after that.

I will now deal with the position on capital expenditure in the final Budget proposals. When I announced the draft Budget proposals in October 2007, I highlighted that the Executive wanted to maximise the receipts from the disposal of surplus assets so that they could be reinvested in public-sector infrastructure.

Last autumn, the Executive set up the capital realisation task force, which was asked to make recommendations that would remove present barriers to more efficient and economically effective use of the Executive's assets by realising significant additional value that can be focused on enhancing Northern Ireland's infrastructure. The task force was asked to report its initial findings by December 2007 so that those could be incorporated into the final Budget position. The task force report made a number of key recommendations, including the identification of the potentially significant value that is to be released from assets over the next 10 years, which is in the region of £900 million. That figure is in addition to the £1.1 billion that has already been identified.

The task force report identified a range of potential opportunities to reinvest the proceeds of up to £295 million of asset disposals over the next three years of the Budget period. Further work remains to be done to analyse the scope and feasibility of those potential disposals. That has informed the Executive's decisions on capital allocations over that period and takes into consideration our ability to realise those proceeds in the current market conditions, and our capacity to reinvest those proceeds.

The report also made recommendations to improve the financial management and control of public-sector assets. That does not mean selling assets and spending the proceeds to address short-term priorities. It is about effective stewardship by the Executive and the development of assets to their full potential, which will involve all key stakeholders. That is to ensure that we get the maximum benefit from all the assets at the Executive's disposal in the support of public services.

When I presented the Executive's draft Budget, I said that the provision of additional social and affordable housing would be a priority for the use of any extra spending power that we could produce for capital investment. As I have noted, the fact that that was a prominent issue during the consultation exercise reflected concerns that insufficient funding had been earmarked to achieve the target of providing up to 10,000 new social and affordable houses over the next few years.

Therefore, I am pleased to announce that the Executive have agreed to provide to the Minister for

Social Development additional capital allocations of £70 million, £75 million and £60 million over the next three years to support her in delivering 1,500, 1,750 and 2,000 new units across the Budget period.

During the consultation process, concerns were also raised about ensuring that sufficient funding had been earmarked to make the necessary improvements and modifications to the Fire and Rescue Service's stations and equipment. In response, we have allocated an additional £14 million over the next three years for that purpose.

The Executive have allocated an additional £40 million over the Budget period to allow the Department for Regional Development to continue to progress several major road schemes. They include the A6 Randalstown to Castledawson dualling scheme, improvements to the A32 route from Omagh to Enniskillen, the A2 at Broadbridge and Greenisland, and the A32 Cherrymount Link Road scheme in Enniskillen.

When I presented the draft Budget proposals to the Assembly in October 2007, I highlighted the fact that the Executive's total Budget will rise to almost £11 billion by 2010-11 and, therefore, we will have more money to spend in real terms than ever before. However, we also face many new demands on those resources.

The challenge for the Executive has been to strike the right balance in attempting to meet the many legitimate demands for those resources, and we have responded to that challenge in the interests of all the people in Northern Ireland. However, we must look forward to the next stage of development and seek to create a culture of — and a focus on — delivery, rather than on simple spend.

In that context, the Executive are committed to the delivery of their Programme for Government and its associated objectives and targets. Those include meeting objectives for public services in important areas, such as investment in children and young people, rural communities, transport infrastructure and the housing needs of the community. The Executive are also committed to investing to increase the competitiveness of the economy and to improve the health and well-being of everyone in Northern Ireland.

To ensure the delivery of those objectives, the Executive have taken several significant decisions on public expenditure. For the first time, the current expenditure on health and social services will exceed £4 billion a year, thereby providing the highest ever level of investment in those crucial services. Spending on education will increase by almost £400 million a year by 2010-11, compared with 2006-07.

The Executive have prioritised action to support the growth of the economy, and we supported that by increasing the allocations to the Department for Employment and Learning by 35% in 2010-11,

compared with 2006-07. The Department of Enterprise, Trade and Investment will receive a 21% increase in its allocations.

Alongside those allocations, the Executive confirm the largest ever allocations for capital investment in new public-sector infrastructure. In gross terms, the allocations will exceed £2 billion a year by 2010-11, and will support the most ambitious programme of investment yet in hospitals, schools, housing, roads, public transport and other public services.

At the beginning of my statement, I emphasised that the Budget has been prepared to support Executive Ministers in delivering the Programme for Government. The financial allocations that were agreed by the Executive reflect our best judgement of how much each Department needs to achieve our central objectives.

The Executive will carefully monitor the delivery of the Programme for Government. If it becomes apparent that additional resources are needed to support the delivery of any particular objectives, we will review the allocations to all Departments accordingly.

The targets set out in the Programme for Government are not only the responsibility of the relevant Minister but of the Executive as a whole. If Ministers need help to deliver on our joint commitments, we must work to ensure that they are given that help.

If Northern Ireland is to succeed and prosper economically, the private sector — not the public sector — will be responsible for that success. Public spending alone will never allow us to create the type of society and economy that we all wish to see. The dependence on the public sector that assisted us during the past 40 years of conflict is now an obstacle to our future development. That is why it is important to use public spending in a way that will not simply deal with the challenges that we face today but will help us to build the economy that we want for the future. The reality in a global economic world is that any national Government — never mind a regional devolved Administration — have only a limited influence on the state of the economy. We would do well to live by the Latin maxim so often applied by doctors: *primum non nocere* — first, do no harm.

We should create an environment in which business can prosper, and wealth can be generated for our entire society, but we must be careful that our interference does not threaten the prosperity that we all wish to see. There is no more important element of that prosperity than a stable political environment that will encourage investment from abroad, development of business locally and will help to keep many of our young people at home.

The return of devolution in circumstances in which it is likely to last is the best guarantee for future prosperity for the people of Northern Ireland. A return

to direct rule and to years of political instability would be a recipe for economic failure, never mind the longer-term impact that would have on our society.

The Executive can help the economy by taking positive action — rather than by simply removing obstacles — in the area of innovation. When I presented the draft Budget to the Assembly in October 2007, I emphasised the importance of innovation in promoting economic success and social progress. I also stressed that it was imperative that we ensured a co-ordinated, cross-departmental approach in making expenditure allocations to promote innovation across a wide range of sectors. The enhancement of the level of innovation activity in our economy is a critical pillar in the drive to promote regional productivity. The application of innovation is a necessary precondition for improving competitiveness. However, we must ensure that we assist and promote only innovation that offers up commercial opportunities. That assistance must be carefully targeted. I am, therefore, pleased that I can now provide the Assembly with details on how a major programme of investment in innovation will be delivered over the Budget period.

In addition to the £25 million made available by the Treasury after the restoration of devolution, a projected investment of €60 million will be made by the Government of the Republic of Ireland to support collaborative projects and linkages targeted at innovation projects. A further £27 million has been earmarked from the Executive's resources to put in place a package of assistance that will promote commercially relevant innovation.

The funding programme, which will total £90 million, has been allocated to a number of Departments to assist in improving research capacity, to foster greater international collaboration, to promote new and emerging technologies and to stimulate research activity over the period of the comprehensive spending review.

The Department of the Environment will receive additional funding of £103,000 over the next three years to contribute to the delivery of the Queen's University-led omnivore project, which seeks to develop a prototype engine that will optimise the combustion of a range of biofuels and fossil fuels.

The Department of Culture, Arts and Leisure will receive an additional £5 million for the creative industries seed fund.

The Department of Agriculture and Rural Development will receive an additional £7 million for research into renewable energy and the promotion of research and development in agrifood and rural enterprises.

The Department of Education will receive an additional £11 million for projects, including the development of schools that specialise in STEM —

science, technology, engineering and mathematics — subjects and the development of the curriculum for STEM projects.

11.45 am

The Department of Health, Social Services and Public Safety will receive an additional £13 million to allow greater linkage among hospitals in Northern Ireland and remote access to international advice and expertise. There is also funding for research partnerships with the United States and the Republic of Ireland.

The Department of Enterprise, Trade and Investment will receive an additional £14 million to fund projects, including the promotion of investment in innovation among local firms, the commercial exploitation of research projects in the renewable-energy sector, and research into renewable technologies.

The Department for Employment and Learning will receive an additional £40 million over the next three years to fund projects, including additional PhD science studentships, cross-border university research, and support to help the further education sector to deliver the skills base that is required to attract mobile investment projects.

This final Budget statement represents another important milestone for the new Executive. It reflects the agreed priorities of the Executive, and sets out spending plans for the remainder of the Assembly. That is no mean achievement in a four-party coalition. The Budget marks a clear change in direction — away from the direct rule trend of ever-greater burdens on the householder, and towards an ever-greater obligation on the public sector to deliver.

Although it is an important step in the right direction, the Budget alone will not change the nature of Government in Northern Ireland. The success or failure of this Administration will not turn on the division of resources among Departments, but on what Departments do with the money that they have been allocated. In three years' time, people will not ask how much a Department received, but what it has done to improve the lives of people in Northern Ireland. Over the next three years, the same focus that was applied over the past 12 weeks to argue for greater resources must be channelled to deliver the Executive's priorities.

Over the past few months, there has been discussion and debate about the allocations that the Executive would make. However, the time for consultation is over, and the time for delivery has arrived. With more money allocated than ever before, and a local Administration setting the priorities, people will justifiably expect public services to improve.

Few will accept the lazy but often-used excuse of insufficient resources for inaction or failure. Fewer still will tolerate the argument that they should pay even

more to balance the cost of waste and inefficiency in Government. We must replace the culture of apportioning blame that has developed over the long years of direct rule with a new one of taking responsibility. Northern Ireland must shake off the direct rule mindset; the attitude that the financial coffers are bottomless, thanks to the Exchequer, and that an overly large public sector is justifiable in a region that is smaller than Yorkshire.

As resources are limited, and always will be, the Executive have not been able to fund every initiative that they wanted to. However, the Budget has put Northern Ireland on the right trajectory for a brighter future and has provided a platform for economic growth that can improve the lives of everyone who lives here. A greater focus on wealth creation is essential if Northern Ireland is to prosper and be able to provide meaningful career opportunities and twenty-first century living standards for its citizens.

Prosperity depends on commerce, and what we can sell or trade with international customers. I am putting building blocks in place for a new and confident Northern Ireland that is attractive to overseas investors because of its integrated approach to business. That is why I want our second- and third-level education systems to more closely match the needs of the economy by increasing our proficiency in skills that are relevant to our economic needs.

We are at the beginning of a new era of hope for Northern Ireland. Unemployment is at its lowest ever level, and we have the chance to establish this region as a forward-thinking, business-led and thriving marketplace. With proper planning and strategic thinking, we can build a prosperous future for the Province.

Today's additional allocations demonstrate that we have listened to the consultation process and responded accordingly. The building blocks are in place to allow us to create the type of society that we all wish to see.

No individual has all the right answers, and if we are to maximise the potential in this new era, we should seek to harness the talents of the whole community. All sectors, from business to the voluntary and community sector and from academia to the media, have a role to play and a contribution to make. The people of Northern Ireland are not observers but stakeholders in this society and, although we all may have different jobs and responsibilities, we can transform our society by working together.

After decades of division and conflict, the Executive are moving forward on an agreed basis; from 40 years of conflict, we are emerging to a brighter future. Decades of lost opportunity cannot be put right overnight, but the Budget — and the family of documents that accompany it — signals a powerful

and positive beginning to that process. We should not merely hope for a shared and better future; we must work together to create it. I commend the Budget to the Assembly.

The Chairperson of the Committee for Finance and Personnel (Mr McLaughlin): Go raibh maith agat, a Cheann Comhairle. I thank the Minister of Finance and Personnel for his detailed statement. Members will wish to offer comment and advice on issues that they feel should have been accorded a higher priority, and that is part of the process and debate that will follow. However, it is important to congratulate the Minister and his officials on successfully concluding the various and, at times, complex negotiations with Departments that have culminated in today's announcement being unanimously adopted by the Executive.

I welcome the Executive's emphasis on economic growth, particularly their commitment to equality impact assessments. The innovation fund will also be welcomed across the House. The Committee's report on the draft Budget called for a new regional economic strategy, supported by a cross-cutting implementation plan, to rebalance the economy and address the productivity and income differential. How will that be taken forward, particularly in light of the disappointing outcome of the Varney Review?

Mr P Robinson: I thank the Committee Chairman for his kind remarks and for the support that he, along with the Deputy Chairman and the Committee, provided during the Budget process. Reference has been made to the regional economic strategy. The draft regional economic strategy is a direct rule document. Officials are revisiting the draft regional economic strategy to reflect the Executive's priorities in our Programme for Government, investment strategy and Budget.

Following the disappointing outcome of the Varney Review, the Chief Secretary of the Treasury and I have agreed Varney II. Work will proceed on that for the next three months, and there is a commitment that a report will be published before the economic conference in the spring. It is hoped that Varney II will assist us during that conference. There will be Northern Ireland input into Varney II. When the Programme for Government, investment strategy and Budget have gone through the Assembly process — and on completion of the Varney Review II — the Assembly will want to finalise and consult on the new draft regional economic strategy.

Mr Storey: I concur with what has been said about the Minister in relation to the Budget. I thank the Minister for his comments about the Finance Committee members and staff and the important role that they played in bringing together the views of the other Committees and compiling the co-ordinated

report on the Executive's draft Budget, which was published on 8 January. I also pay tribute to the Finance Committee's staff.

The DFP Committee called on the capital realisation task force to consider offering an incentive to Departments by allowing them to keep a share of the proceeds of disposals of excess assets. Will the Minister comment on how he sees that measure being implemented in the future?

Mr P Robinson: I thank the Deputy Chairman for his remarks, and for once again drawing attention to the work of our officials and staff. All too often, politicians are happy to come into the Chamber with the finished product. However, that finished product, whether in respect of Committees members or Ministers, is the result of a lot of very hard work by our officials, for whom this has been a very difficult and trying period, during which they have had to work into the early hours of the morning to provide us with the appropriate material.

The capital realisation task force has done remarkable work in a very short period of time. We tasked it with providing a report by December so that we could take its findings into account in the final Budget document. It has provided us with not only an analysis of areas where there might be a greater disposal of assets, but it looked to the future and how we might structure something of the nature of the capital realisation task force on a long-term and ongoing basis, and what role it might play.

The Executive have considered that matter and, in principle, support the report that they received from the capital realisation task force, although they want to refine it a little before anything is published. We have made real progress, and Ed Vernon's report identifies almost £1 billion of additional assets, which is a very considerable addition to the capital funding that we will be able to provide for Departments, even though we have taken a fairly prudent and cautious approach until we work our way through each of the areas of asset disposal.

Mr Beggs: I welcome the Minister's statement. The Budget process involves making difficult decisions, and in the absence of the £1 billion funding package that was promised, those decisions are even more difficult. Moreover, the Varney Review has failed to deliver.

The Budget assumed a 3% efficiency saving across all Departments. How confident is the Minister that all Departments will be able to deliver that?

The water regulator and Northern Ireland Water have expressed concerns about the suggested 40% efficiency savings, and there is uncertainty in respect of funding for water. Will the Minister tell the House

what the effect will be on water rates or the delivery of services if that saving is not achieved?

Mr P Robinson: The Member is beginning to sound like a certain television reporter who manages to find a cloud somewhere on the horizon, no matter how good the story is.

On the recommencement of devolution, we secured a package well in excess of £1 billion and we have now identified £2 billion of assets for disposal. Remember that during previous dispensations, assets went back to the Treasury, but Northern Ireland is now receiving those funds directly on top of asset disposals. Of the aforementioned £100 million, we are using £25 million for innovation purposes in this Budget, but £75 million was used to alleviate the pressure of water rates on householders.

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

We also have hundreds of millions of pounds through EYF, along with a wide range of other benefits, not least of which is the change that we secured for the RRI in correcting the position that was adopted by the Ulster Unionist Party when it was introduced, which caused rates in Northern Ireland to rise by 60% in the past five years. The change that the DUP secured has allowed rates to stabilise, taking the pressure and pain away from the ratepayer.

12.00 noon

Mr Beggs raised the matters of efficiencies and targets in respect of water. Ultimately, whatever the area of activity, each is a matter for individual Departments. I do not tell Ministers how to achieve the 3% efficiencies in their Departments — they will all publish their efficiency programmes, which will be transparent in order that the Assembly and the public can consider them. Every Department can achieve at least that level of efficiency, and more can be achieved. For example, the Appleby Report identified another 10% of efficiency savings that could be made in the Department of Health, Social Services and Public Safety.

There is a balance to be struck. Some Departments may find 3% hard going, whereas it may be easier for other Departments. The performance and efficiency delivery unit was set up to examine whether there is scope for Departments to make further efficiencies — we do not want to simply allocate a blanket figure and apply pressures where they cannot be borne.

Mr O'Loan: Given that there have been modest increases in revenue funding and quite significant increases in capital spend, it is clear that there has been some response to the concerns that were raised about the draft Budget. My colleagues will probe the Minister

about several matters, including social housing. However, I will ask a broad question about it.

Since the publication of the draft Budget, there have been significant changes to the financial landscape. Indeed, the Minister has referred to those. No doubt there will be further changes to that landscape over the next three years and pressures will arise. Will the Minister give a personal commitment to deliver the Executive's target of 2,000 houses in each of the next five years? That amounts to a total of 10,000 social houses.

Funding for the Youth Service is an issue that has been raised repeatedly with me in the North Eastern Education and Library Board area, but I saw no specific reference in the Minister's statement to that issue. In response to the many concerns that have been raised throughout Northern Ireland on the matter, will he confirm — and explain why — that he has given no extra funding to the Youth Service?

Mr P Robinson: I emphasise the point that I do not allocate funds: the Executive allocate funds. I make recommendations, which the Executive either accept or reject. I am happy to say that they accepted them.

It perhaps took me a bit longer than the Member to say that there have been modest changes in current expenditure but significant changes in capital expenditure. He is correct. No one should consider the draft Budget, the draft Programme for Government or the investment strategy to be like the law of the Medes and Persians and to be unchangeable. Any Executive must be able politically to react to changes in circumstances.

The targets that have been set in our draft Programme for Government are the objectives of the Executive as a whole, not of the Minister who happens to have to deliver those targets. The burden, therefore, is on the whole Executive to reach the targets that they set down in their draft Programme for Government. I am committed to doing that.

The Member mentioned social housing, and I shall describe the process behind the decision that was made in that respect. The Strategic Investment Board produced the plans for capital spend over 10 years, and the Department of Finance and Personnel then examined the first three years of that spend and identified how it would fit with the Budget. When I looked at the three years, I was struck by the fact that a low amount was allocated for social and affordable housing. In fact, I commented publicly on that in the Chamber. I indicated that if we could secure funding from the capital realisation task force, my priority would be to put those funds into social and affordable housing. I have made good on that commitment, allocating over £205 million to social and affordable housing. That already puts us in advance of the targets that have been set in the draft Programme for Government and the investment strategy.

The Member is correct: none of us can say whether land prices will rocket or whether the cost of construction will change remarkably. They could both go in either direction, although the trend is usually upwards. The Executive may have to revisit those issues if targets are not being met. That will be dealt with through in-year monitoring, which will be a matter for the Executive. If targets cannot be achieved as a result of insufficient funds, I will recommend that we allocate funding from the in-year monitoring round to ensure that they are met.

I have given that personal commitment to the Minister for Social Development and to other Ministers who have expressed concerns about their targets, and I understand that Ministers wish to ensure that they do not fall short of the targets. The commitment is there and will, of course, form part of the settlement letter that each Department receives from the Department of Finance and Personnel.

Dr Farry: I congratulate the Minister on his Budget and on getting it through the Executive. While I hate to break up the cosy consensus, I have to say that the Budget is flawed. It does not invest in a shared future or seek to find efficiency savings from a divided society. It prioritises a low-tax society ahead of investing in the economic drivers, and it does not address the matter of our underfunded public services.

Will the Minister confirm that, notwithstanding the extra £14 million that will be spent on health by 2011, we will remain £200 million short of what would be required to keep up to speed with health funding in the rest of the UK? That point is not about ignoring the need for efficiency savings; it is about investing in the health services that other parts of the UK are getting and that we are being denied. Those figures are from the Economic Research Institute for Northern Ireland.

Will the Minister also confirm that the new money for mental-health provision is insufficient to implement the recommendations of the Bamford Review and to address the underfunding in mental-health provision compared to other regions of the UK?

Will he also confirm that the new money for arts — an area in which we should be investing — still fails to bring Northern Ireland near to the UK average?

Finally, does the Minister agree that the new money for housing does not address the issue of the implementation of the Semple Review?

Mr P Robinson: I feel that I should give the Alliance Party a lesson about the role of opposition. I, and my colleagues sitting around me, have exercised such a role for many decades. However, it should not be a matter of becoming involved in opposition just for the sake of it. At this stage in Northern Ireland's development, it is every individual's responsibility — whether in the Executive or not — to put his or her shoulder to the wheel in order to help Northern Ireland advance and prosper.

In yesterday's Executive meeting, a colleague — not a party colleague — indicated that, if we are to ensure that we are all part of a team that is attempting to promote Northern Ireland in order to better the lives and living standards of the people, it is important to achieve a greater buy-in from other Members of the Assembly. The "I do not care what he says; I am setting out to oppose it" attitude taken by the Alliance Party does it no credit whatsoever.

Perhaps, in North Down, there are money trees that we can pick to provide new money. Members may point out that more money is required here, here and here — indeed, 9,500 responses informed me where more money could be spent — but no one has told me where less money could be spent. We have a finite resource, and we must therefore spread that resource as best we can in order to ensure that we get the best return from it for the community, and that is what we have done.

I would have loved to give an extra £200 million to the Minister of Health, Social Services and Public Safety or millions more to the Minister of Culture, Arts and Leisure — and he would have loved to receive it. There is no Minister in the Executive who could not have used more money. In reality — and this is as important to the Executive as it is to the Member in his household budget — resources are finite, and we must spend according to the amount of money that we have.

The Executive believe that, in order to achieve an economy that will grow and allow everybody to enjoy the prosperity that will flow from it, those Budget allocations are the best fist that could be made of the available resources. We have spent a lot of money in the expectation of improving the Province's social infrastructure.

The Member said that nothing has been done to invest in a shared society. I believe that all of that investment will help to create a shared society and that the existence of the Assembly and the Executive will create a shared society and a way forward.

The Member's pessimism is not shared by the public. The Alliance Party should guard against allowing itself to be left even further behind, because it is out of kilter with the public's mood. The public want to move forward — the Alliance Party wants to drag us back.

Mr Hamilton: I join others in welcoming the Minister's Budget statement. I am sure that he welcomes Dr Farry's characterisation of the Budget as one that prioritises low tax. Today, the Minister spoke, as he often has, of his support for more social and affordable housing. As someone who represents a constituency in which the social-housing problem has been exacerbated through having some of the highest house prices in Northern Ireland as well as some of the longest waiting lists, I welcome the additional funds that have been

made available for social and affordable housing in today's Budget.

The Executive have set quite a challenging target of constructing 10,000 new social and affordable homes. Does the Minister believe that the final Budget allocation for social and affordable housing will allow that target to be reached?

Mr P Robinson: All I can say is that that would appear to be the case based on the costings that we have. However, as I said in reply to Mr O'Loan's question, if we have to review the situation because of some change in circumstances, we will do so. We aim to meet all of our targets in the Programme for Government. The target for social and affordable housing is important, and it is not simply a case of saying that the responsibility has been handed over to the Minister for Social Development and that it is up to her to produce results. It is the Executive's responsibility to ensure that, at all times, the resources are there for her to do that.

The funds available in the Budget will not only meet the targets in the Programme for Government, they will exceed them. However, only time will tell, and the Executive must make a collective effort to ensure that that will be the case.

Mrs McGill: Go raibh maith agat. I too thank the Minister for his statement. Does he believe that the Budget is good for people west of the Bann, particularly those in areas of high deprivation, such as my constituency of West Tyrone?

To put my question in context; historically, areas west of the Bann, including Tyrone, Omagh and the Glenelly Valley, have suffered. We hope that, with devolution and the new dispensation, those areas will benefit. Does the Minister believe that there will be inward investment in places such as Strabane and Omagh? Finally, some houses in my constituency do not have mains water, which is shocking in the twenty-first century. I have spoken to my colleague Conor Murphy about that matter, but I do want to mention it on this important day. Go raibh maith agat.

Mr P Robinson: No one would expect me to say anything other than I do believe that this is a good Budget — and that is in spite of a misspelling in one of the earlier iterations of the draft Budget, which ended up as the daft Budget.

This Budget changes the nature of expenditure in Northern Ireland from direct rule to devolution. It will be good for the whole of Northern Ireland. However, as it represents the strategic high-level allocation of moneys, I hope that Ministers from the various Departments were listening to the Member because the way in which budgets are allocated within Departments will make the difference in the distribution of funding across Northern Ireland.

The Programme for Government ties the Executive as a whole, as it would wish to be tied, to ensuring that prosperity is shared equally across Northern Ireland. I hope that it is the aim of every Member to ensure that no one is left behind as the quality of life in Northern Ireland improves.

12.15 pm

Mr Weir: I too congratulate the Minister on his statement. It was very important that it highlighted the need for Departments to respond to:

“an ever greater obligation on the public sector to deliver.”

As the statement indicates, it is to be hoped that, in three years' time, people will remember how individual Departments had delivered for people, not the Budget allocations. Given that the emphasis is very much on delivery, when will the Minister be in a position to make a further announcement about the performance and efficiency delivery unit (PEDU), which will increase in importance over the next few years?

Mr P Robinson: During my briefing to the Chairperson and Deputy Chairperson of the Committee for Finance and Personnel yesterday, they took the opportunity to raise the issue of PEDU. I indicated that I had developed the concept since it had first been mentioned. Originally, I had considered PEDU in the context of efficiency, but the more I scrutinised its potential role, the more I believe in the importance of performance and delivery.

My Department has already undertaken a considerable amount of work on PEDU's remit. We have worked on the panel that will oversee PEDU's work and tried to identify the small core of staff that will comprise the unit. I hope to say more about PEDU during next week's Budget debate.

Mr Kennedy: Like other Members, I welcome the Minister's statement and compliment him on its presentation to the House. He seems to be a Minister of Finance and Personnel who is on the move to greater things. He may move even more speedily than he, or anyone else, realises.

I also welcome the increased allocations to the Department of Health, Social Services and Public Safety and the Department for Employment and Learning. I congratulate my party colleagues Sir Reg Empey and Michael McGimpsey on their determined efforts to enhance the resources allocated to their respective Departments.

In the amended Budget statement, additional resources have been allocated to children and young people. Will the Minister assure Members that those moneys will be specifically targeted, cohesively and meaningfully, to address the needs and priorities of less-advantaged young people? Will he indicate and outline the Budget changes that will help to deliver the Executive's

challenging targets to reduce child poverty? Will he be more specific and clarify the purpose and intended use of the welcome additional funding for victims?

Mr P Robinson: I welcome the Member's gracious comments. However, it would be wrong if I were to take away any of the lines that might be available to individual Ministers for their own departmental announcements. Although I could say more on victims and children's and young people's issues, I think that the appropriate Ministers should make their own announcements.

The Member referred to the Department for Employment and Learning (DEL) and the Department of Health, Social Services and Public Safety (DHSSPS). I want to caution Members of all parties, including my own party and the Member's party. Members are inclined to support Ministers from their own party, much like a football team. Let me be clear: the Executive have collective responsibility for all Departments. It is as important to a Democratic Unionist as it is to an Ulster Unionist that individual Departments — Health, Social Services and Public Safety; Education; Regional Development; Culture, Arts and Leisure; Agriculture and Rural Development; and so forth — are well funded and that their Ministers have the resources to do their jobs properly. Let us not attach party labels to Departments.

I would like to have given additional resources to the Minister of Health, Social Services and Public Safety. However, I have done the best that I can in accordance with affordability limits. DEL, DETI (Department of Enterprise, Trade and Investment), DHSSPS and other Departments have benefited from innovation funding, an announcement that had not been made in the draft Budget. Although that is effectively new information to the Assembly, it does not represent a change in resources. Money from the Republic and the Treasury was identified that could be used collectively for innovation purposes, as were funds of our own. The overall balance in the Budget is right. However, if, throughout the course of the Budget period, variations must be made as a result of in-year monitoring, additional funds that are identified will go towards innovation.

Mr Deputy Speaker: Members will be aware that the Business Committee usually meets at 12.30 pm on a Tuesday. After consultation with party Whips and the Speaker, it has been agreed that the current item of business will continue until 12.50 pm, after which the Business Committee will meet immediately.

Mr Durkan: I thank the Minister for his statement and for the work that has been carried out on the Budget by officials in his Department and others, and, indeed, by the Committees, which, as I said at the time of the draft Budget, had to proof and improve the original

document. The Assembly has heard some of the benefits of that proofing and improvement today.

I fully empathise with the Minister's point that Members must be party-blind when they approach ministerial and departmental matters. Therefore, rather than my focusing on the Department for Social Development, I ask that the Minister deal with a couple of other matters.

As Chairperson of the Committee for Enterprise, Trade and Investment, I welcome the visibility that is now demonstrated when it comes to innovation funding. The Committee highlighted that the lack of such visibility in the draft Budget was a problem. The Minister has said that innovation funding will be targeted, and he has discussed the considerations that will be employed to do so. I want to know who will undertake that targeting, because the jury is out as to whether existing agencies with their current capacity will be best placed to carry out the significant targeting of innovation funding.

I notice that many of the Department of Education's reform programmes are specified in the Budget. Post-primary reform and proposals to the Minister of Education are not specifically mentioned. However, clearly those reforms will happen in the Budget period, as they are meant to. Are they provided for in the Budget? Have the Executive agreed that those reforms will happen or not?

Mr P Robinson: The SDLP leader and I have been in politics for many years. I am sure that, from time to time, we have shared the same frustration when responding to a consultation exercise, knowing full well that no matter what submission one makes to that consultation, there will be no change in its outcome. It is refreshing that the Executive have been prepared not simply to conduct the fullest of consultations, as I outlined in my Budget statement, but to respond as positively as they could within the ambit of their resources.

The Member identified two particular issues. DETI has benefited from the innovation-funding package. My task is to allocate funds at strategic level. It is then the Minister of Enterprise, Trade and Investment's task to identify how to proceed. Broad themes have been identified in the innovation-funding package, and various Ministers who have been allocated that funding will respond on the basis of those themes. Ultimately, DETI targets, and who delivers on them, will be matters on which the Minister of Enterprise, Trade and Investment must decide. I expect that he will be in close contact with the Committee when he works out how he wishes to proceed.

It was as much the case when I was in local government as it is now that all that any Budget ever does is to provide the best judgement that an individual can

make of what expenditure is likely to be during that Budget period.

That is all that we can do with regard to education. What the end process will be is still not clear, although the Minister of Education has indicated that many of the reforms that she has in mind are cost-neutral. However, the view of many Members is that to change the ages of schools will have a considerable impact, particularly on the capital budget for schools. Those are issues that the Executive will have to take into account and, in doing so, must take into account the parameters of the Budget.

Mr Brady: Go raibh maith agat, a LeasCheann Comhairle. The Department for Social Development has received a considerable uplift in the Budget. Although there are several references to young people, which is commendable, there is little or none to older people, who often feel that they are socially excluded. Will the Minister give Members some idea of what resources for the elderly are provided in the Budget?

Mr P Robinson: There are many elements to our society as a whole, and they are sourced through various Departments. I do not think that any study has ever identified the amount of funding from each Department that should be allocated to the elderly — perhaps such a study should be considered. Clearly, people have worked hard during their working lives, and deserve to expect their latter years to be peaceful and prosperous. We want to make life as easy for them as for every other citizen. However, I cannot provide the Member with statistics because there is no data upon which I can draw.

Mr McQuillan: I congratulate the Minister on delivering his statement to the House and on delivering efficiency as a key aspect of the Budget announcement. Will the Minister clarify how confident he is that all Departments will achieve the targets?

Mr P Robinson: In consultation with all of the Ministers, we discussed the issue of 3% efficiencies and 5% savings on administrative costs. I detect that most Ministers feel that they can bring forward plans for the 3% efficiencies. Some Ministers indicated difficulty with regard to administrative costs and, in particular, the possible impact of a reduction in administrative costs on the delivery of front line services.

The Department and I have indicated that we will continue to work with Ministers over the in-year period to remove any pressure with regard to administrative costs, and that we will consider cases where there is a genuine need for reclassification. Every Minister can, at least, produce 3% efficiency savings. In the overall Budget, that will free up approximately £790 million, providing us with a significant amount of money to be used in resources for Northern Ireland. There would

have been limited use of the Budget process if we did not have the flexibility created by the efficiency programme.

The next stage, in involving PEDU, will be essential to progressing beyond 3% efficiency savings. If Departments have a difficulty in producing the 3% efficiencies, then that is the kind of purpose for which PEDU was established. PEDU is not there to wrestle and fight with Departments; rather, it is there to assist them. It is there to help all Government Departments to realise a level of efficiency, performance and delivery.

Mr F McCann: A LeasCheann Comhairle, I welcome the Minister's statement. The additional allocations to the Department of Social Development — of £70 million, £75 million and £60 million, over the next three years — will be a major boost to the social housing sector. Earlier, a Member asked the Minister if he would prioritise the social housing sector should any further resources become available over the lifetime of the Budget. Will the Minister inform the House whether the current review of the Semple Review's recommendations fits into the provision of social housing and the creation of an affordable housing sector from a resource and financial perspective?

12.30 pm

Mr P Robinson: I advise the Member to keep out of the way of the Minister of Education and the Minister for Regional Development for at least the rest of the day, because I suspect that they might feel that they have a call on some additional resources as well.

Targets have been set in the draft Programme for Government, and we aim to meet them. Thus, the first call on resources will be to ensure that the targets are met. The capital realisation task force has identified an additional £295 million in funding; we have used about £200 million of that money, so some additional capital funding may become available after we have done our work and ensured that we can deliver on those disposals. I certainly hope that during the CSR period, there will be some additional capital resources to allocate in-year. I am sure that, depending on where the Departments are with their targets, there will be no shortage of Ministers coming forward to outline how well they could spend available resources.

Mrs I Robinson: The Minister will be aware of my personal desire to ensure that mental-health issues are given higher priority, and I welcome the funding that is being made available to the Health Department. If the Assembly supports the draft Budget in next week's debate, are we guaranteed that the funding allocation for mental health will be directed solely to the mental-health sector? So often in the past, mental-health budgets have been dipped into to such an extent that the mental-health sector no longer receives any money. Can the Minister indicate how this allocation compares

with the bid that was made by the Department for each of the next three years?

Mr P Robinson: I had hoped that there might be a change of breakfast conversation in the Robinson household as a result of the Budget allocation, but the only change seems to be that the question is now whether there will be delivery. The amount that has been allocated is of significant assistance to the Minister of Health in providing him with the resources that he needs for the sector. However, the amount is not ring-fenced. The Executive's view was that funds should be allocated to that sector because it was clear from the consultation process that people identified it as having the greatest need.

I have consistently said that although I believe that many areas of health are perhaps over-funded, this area is underfunded, and there is empirical evidence to support that view. Although the Executive have allocated money for that purpose, it is for the Health Minister to state what his plans are, and I am pretty sure that he is aware of the importance of mental-health issues, not only to the Committee, but to the community in general. Therefore, I can give no guarantees. It is a matter for the Minister of Health, but I am pretty sure that he will want to be as responsive to the public consultation as the Executive, as a whole, have been.

Mr Cree: I also thank the Minister for his statement, and I acknowledge the fact that the Budget has been well improved since last October.

The Minister will be aware that OFMDFM's central administration costs have doubled since 2001. In light of the pressing responsibilities facing OFMDFM, not least with regard to victims and child poverty, is the Minister confident that such expenditure is the best use of public moneys, or is this an example of an area in which the Department could save money?

Mr P Robinson: There is not one Department in Northern Ireland that could not spend less on administration, so I do not particularly identify OFMDFM as a guilty party. Again, there is no desire on the part of the First Minister and deputy First Minister to waste scarce resources on unnecessary administration. I am happy for PEDU to look at the administration costs in OFMDFM, just as it will consider the costs in other Departments. However, OFMDFM has a considerable task to perform.

OFMDFM is not simply a private office and backup for the First Minister and deputy First Minister; it has considerable functions. For example, the Department has responsibility for the range of issues that is dealt with under the equality agenda, and it has an economic unit and information services. It is not as though it is similar to either the Prime Minister's office in Downing Street or the equivalent office in Dublin. The Office of

the First Minister and deputy First Minister is a very different creature.

The substantial increase to its costs has come about largely as a result of the fact that comparisons are being made to a time when the Assembly and Executive were not up and running. It is clear that the Department has additional costs whenever we have an operational Assembly and Executive. The fairer comparison is to a period that is similar to this, when a working Executive have existed. Unfortunately, the instability of previous arrangements has meant that there has not been a prolonged period during which an Executive existed to which we might compare this one.

Mr P Ramsey: Will the Minister of Finance and Personnel give his opinion on the fact that a great concern still exists across Northern Ireland about water charging? Assumptions are being made and unknowns discussed as we progress from strand one to strand two of the review.

More importantly, however, from my perspective as a member of the Committee for Culture, Arts and Leisure, is the fact that art and sport make significant contributions to society, health and well-being. Almost 50% of those who responded to the consultation on the matter advocated a more proportionate spend for those areas. Given those facts, why is Northern Ireland still so far behind the Republic of Ireland, Scotland, Wales and England where per capita spend for sport and art is concerned?

There will be a double whammy in the next couple of years for lottery money for good causes, with the result that there may be job losses in front-line services. Given those facts, what will the Minister give to those groups that are dependent on that money, and what comfort can he give to those people who are waiting for funding?

Mr P Robinson: I want to be clear about the latter issue: public funding is not used to substitute the lottery when it does not come up with the goods. Lottery money was additional funding, and the fact that its organisers have decided — wrongly, in my view — to punish regions throughout the United Kingdom by making heavy funds available for the London area, does not mean that any of the regional Administrations will be able to pick up the slack.

Lottery funding is an important area of activity. Given that I think that the Member is the longest serving member of Sport Northern Ireland, he and I have a great deal in common in wanting to see as high an allocation as possible for sport. The Minister of Culture, Arts and Leisure has produced a sports strategy that the Executive will want to implement. The Budget makes significant allocations to the area, not just in the form of resources, but through the capital allocations that are part of the investment

strategy for sport. Therefore, as far as the Executive are concerned, sport is an important area.

In relation to water charges and costs, the Executive were in a difficult position in that the first report from the group that is advising the Minister for Regional Development was available, but we did not have the second report in order for us to take its findings into account. Perhaps I am an optimist, but I would have hoped that the second report could have identified areas in which savings could have been made and that it could have provided us with some easement. However, we will consider those issues when the Executive subcommittee receives the report in the next few weeks. Therefore, I do not think that we have the final picture on water. The other matters that are connected to water are more detailed and are therefore more in the province of the Minister for Regional Development.

Mr Craig: As a member of the Committee for Social Development, I, too, give a warm welcome to the Minister's statement. It goes a long way to alleviating the fears that we have all had about social housing.

I note that the Minister has allocated £205 million to social-housing build over the next three years. I also note that his detailed report includes the use of private finance initiatives to help meet the target of building 10,000 homes. Does the Minister believe that there is a very important role for private finance in meeting those targets? Does he agree with me that the cash injection into the social-housing market will help to stabilise the construction industry, which is facing a slowdown?

Mr P Robinson: Let us be clear: £205 million is being made available in addition to what was in the draft Budget. One thing that encouraged me to recommend that level of additional investment was the fact that the Minister for Social Development had gone the extra mile and commissioned Baroness Ford to review housing matters and ascertain where additional funds could be made available to improve the contribution that could be made from the Department. I have seen a preliminary report from Baroness Ford; the final report has not yet been submitted. On the basis of that preliminary report, I can assert that some valuable work has been done that will assist the Minister.

To summarise, the funding level in the draft Budget and the additional allocation that has been announced in today's statement form only part of the overall picture. On top of that, we want the Minister of the Environment to work with the Minister for Social Development to examine how the planning process can help — whether through article 40 of The Planning (Northern Ireland) Order 1991, or through some new legislation — to ensure that large developments include some percentage of social and affordable housing.

Clearly, private finance can assist in many cases. There is also the issue of affordable housing and the work of the co-ownership schemes. There are many areas of activity where additional funds can be factored in, not least some of the areas that have been identified in Baroness Ford's review, which it would be wrong of me to mention. The Minister for Social Development will wish to spell out those matters to the House when she has the final report from Baroness Ford.

Ms J McCann: Go raibh maith agat, a LeasCheann Comhairle. What future opportunities will be created for the sectors that will be disappointed with the Minister's Budget allocations? I am thinking primarily of the women's sector and the community and voluntary sector. Will there be any future opportunities for those sectors?

Mr P Robinson: I want to be very clear about the nature of today's exercise. The Department of Finance and Personnel examines the various spending areas for each Department and makes allocations to those areas. Within those spending areas, there is complete flexibility for Ministers to make allocations. Any Minister can identify a particular need, whether in one of the interests that the Member mentioned or in any other area, and allocate to that area of activity.

I do not want to micromanage any Department at that level. I have made allocations at the higher, strategic level to Departments' spending areas. The principal work of getting down to allocations, grants and funds for various groups and organisations is a job for the other Ministers. Therefore, the Member's job is not finished; she still has to urge the Ministers who are responsible for those Departments to ensure that the interests that she mentioned are made a priority within their individual spending areas.

Mr Lunn: There is much in the Minister's statement that should be welcomed. However, that does not mean that we, as the opposition, should not be able to highlight deficiencies and draw attention to what is missing. My colleague Dr Farry's question effectively went unanswered — the Minister seems to have a problem with being called to account in that way. I can assure him that the Alliance Party will continue to fulfil its role as the opposition and mount an effective challenge to the Executive.

12.45 pm

Specifically, I ask the Minister for his reaction to the Economic Research Institute of Northern Ireland's comments that his approach to local taxation could threaten the parity principle.

Mr P Robinson: I assure the Member that I have no problem whatsoever with being called to account. I am happy to make myself available to the House's Committees and to the Assembly. Indeed, if party delegations wish to meet with me to discuss issues, I am happy to meet with them. Therefore, I have no

difficulty with being called to account. That is what democracy is all about, and devolution is all about being able to deal with issues in a manner in which they were never dealt with under direct rule.

The Member mentioned the parity principle. We must be very clear that, already, considerable disparity exists in many areas of activity in the United Kingdom. I do not know whether the Member watches much television, but, in a recent edition of the ‘Politics Show’, he may have seen a feature on the disparity that exists between people who live on either side of the border between England and Scotland. That feature demonstrated what devolution can do in one area of activity as opposed to another.

I have never had a difficulty with the parity principle. All that I want for Northern Ireland is for our standards to be no less than those that are available elsewhere in the United Kingdom. If they are better, I will not complain.

Ms Purvis: I thank the Minister for his statement, and I welcome the new Budget allocations. A former Chancellor in another place was called the “the prudent Chancellor”. Our Chancellor, to use his own words, could be called “modest and prudent”.

In response to an earlier question, the Minister said that many of the consultation submissions told him where to spend the money — and lots of it — but very few told him where to spend less money. Will he confirm whether any submissions suggested areas on which he should spend less money? For example, did any state that he should spend less on roads or on Invest NI? Moreover, is the policy that he is pursuing — forgive me, but Latin is not one of my fortes — less *primum non nocere* and more *laissez-faire*?

Mr P Robinson: The Member is trying to maintain her “Red Dawn” image with those questions. If any contributions to the consultation process sought less money, the Department or someone else must have withheld them from me, because I did not see any. That said, and I do not know whether officials were being mischievous, but, on some occasions during consultation meetings when additional resources were being asked for, people were invited to indicate, if there was to be more spend in one area, whether they would like to identify an area in which there might be less spend. There were many suggestions, but health was the main area in which people believed that there should be less spend. However, I suspect that that happened largely because people had a particular cart that they wanted to wheel.

As far as my being “modest and prudent” is concerned, I have never been called modest before. Undoubtedly, the Member has shown some considerable insight in properly labelling me. I am not worried by labels. By that I mean labels that are attached to the Budget, not personal labels. During the draft Budget period, I heard it being called neoliberal, neo-Thatcherite and right wing. Quite honestly, all that I consider is whether the

allocations that have been made make sense for conditions in Northern Ireland.

I believe that the Budget is in the tradition of the Ulster radical. It recognises that we must do many things for ourselves in order to grow our economy, but, at the same time, it recognises that we must do those things in a caring fashion. The Budget includes a dimension in which considerable funds must be made available to the public sector.

Although, in this Budget, we have gone for economic growth, we are still mindful that there are areas in the public sector where there is a need for more funding, and we have done that. In my view, this is a well-balanced Budget.

Mr Ross: I welcome the Minister’s statement and the Executive’s priority of building a strong economy, which can only underpin a peaceful society and is the right approach to take. Of course, if we are going to do that, it will be important that we have a well-educated workforce.

I agree with the Minister’s focus on innovation. He said that the allocation for the Department for Employment and Learning has increased by 35% when compared to 2006-07. Particularly welcome is the additional £40 million over the next three years to fund projects including additional PhD science studentships, research and support for the further education sector. Will the Minister outline what impact he envisages that this will have?

Mr P Robinson: Innovation funding is very important. As an Executive, we have identified as our priority the growth of our economy. We have further decided that we need to look particularly towards areas such as financial services, the business sector and ICT for the way forward. If we are going to groom people for jobs in those areas, we have to ensure that our colleges and universities are producing people who have the right talents and skills for the jobs that we want to create in Northern Ireland.

That component is essential: the skills have to be available. I believe that we can achieve that baseline in our society. I do not want to pour cold water on some of the subjects that are being studied in colleges and universities, but some students are emerging with degrees in subjects that are of little earthly use to anyone and bear no relationship to the kind of jobs that are available, never mind those that we need to create in Northern Ireland.

The Minister for Employment and Learning’s task is at the front line as regards trying to create the growth in our economy that we need — it is about getting the skills in place for the better jobs that we want to create.

Mr Deputy Speaker: That concludes questions to the Minister. The Assembly will, by leave, suspend, and will reconvene at 2.00 pm with the motion on public-transport funding.

The sitting was suspended at 12.52 pm.

On resuming (Mr Deputy Speaker [Mr Molloy] in the Chair) —

2.00 pm

PRIVATE MEMBERS' BUSINESS

Public Transport Funding

Mr Deputy Speaker: The next item of business on the Order Paper is the motion on public-transport funding.

Mr Moutray: On a point of order, Mr Deputy Speaker. Is there a quorum in the House?

Notice taken that 10 Members were not present. House counted, and there being fewer than 10 members present, the Deputy Speaker ordered the Division Bells to be rung.

Upon 10 Members being present —

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 to propose and 10 minutes to make a winding-up speech. All other Members will have five minutes. One amendment has been received and published on the Marshalled List. The proposer of the amendment will have 10 minutes to propose and five minutes to make a winding-up speech.

Dr Farry: I beg to move

That this Assembly notes that public transport is currently underfunded compared to other regions; acknowledges that public transport could reduce traffic congestion and carbon emissions, and play a key role in reducing poverty and social exclusion; and calls on the Minister for Regional Development to redress the imbalance in public transport and roads spending.

The purpose of the motion is to draw attention to a major imbalance in funding between the allocation for roads and the allocation for public transport. That imbalance carries major consequences for the local economy and the global environment. As the opposition in the Assembly, it is part of my party's role to identify such fundamental flaws in Government policy. We are committed to rebalancing the economy, and are ambitious to modernise society.

The challenge for the Assembly, and, in particular, for the Minister for Regional Development, is first to recognise the scale of the problem, and then to commence the process of trying to rebalance the departmental budget. Failure to address the problem will only contribute to continuing stagnation.

About two thirds of the transport budget in Northern Ireland goes to roads, with less than a third left for investment in public transport. That is the opposite of

the situation in many other countries and regions in Europe, and it is not sustainable.

That imbalance is a legacy of the Northern Ireland regional transportation strategy, which was inherited by the current Executive. However, rather than getting better, the imbalance is set to get worse. Over the lifespan of the current Budget, 70% of transport revenue funding will be allocated to roads, and 30% to public transport.

In the current financial year, in which allocations were set by direct rule Ministers, 60% of capital resources are invested in public transport. That is encouraging, but, over the lifespan of the investment strategy for Northern Ireland, 81% of resources will be invested in roads, and only 19% will be invested in public transport. Investment in transport will move from a ratio between roads and public transport of almost 1:1 in year 1, to 3:1 in favour of roads over the first three years, and then to 4:1 overall. Instead of progressively investing more money in public transport over the 10-year period of the investment strategy, the situation will get worse. That is worrying, and it goes against the trend around the world that recognises the need to address climate change and redirect resources accordingly.

The regional transportation strategy sought to encourage moves away from car use, and it is important to recognise that there has been a positive upturn in the use of public transport in recent years. The new trains have made a difference, the new Metro bus service has made major improvements, and park-and-ride facilities are filling up. However, to capitalise on those changes requires a change of direction, which I fear is not being provided.

I pay tribute to the work that Translink is doing in difficult circumstances. The motion is not meant as a criticism of Translink or the work that it is doing. Although the use of public transport has increased in recent years, road use has increased at an even greater rate. Therefore, the recent investment in public transportation is good, but it is not enough, and it is not being followed through.

It is difficult to make like-for-like comparisons with the rest of the UK, not least because funding there is split between central Government — or the devolved Administrations — and local government. However, last year in Scotland, 70% of the revenue budget for transport was allocated to public transport. The opposite was the case in Northern Ireland.

In England, funding was split 50:50 between roads and public transport. The differentials in capital investment between England and Northern Ireland may well be less, but funding in Northern Ireland is substantially more skewed towards roads than most of our counterparts. Public-sector support for public

transport in Northern Ireland is the equivalent of around £14 a head. In parts of the south east of England, that figure approaches almost £200 a head. The demographics may well be different in Northern Ireland, but they are not that different.

Most European cities adopt a very focused approach towards public transport, including medium-sized cities on a par with Belfast. Transportation in most European cities is based around public transport, and the car is the exception, rather than the norm. There are good reasons why those cities have developed along those lines.

I understand that the Executive wish to improve the overall transportation infrastructure. Transport is underfunded in Northern Ireland, but the transport infrastructure is a key driver of the economy. The Varney Report shows that 38% of capital investment in the Republic of Ireland goes to transport, but that Northern Ireland currently receives around 16%. Expenditure on transportation capital is £324 a head in Northern Ireland. In Wales, that figure is £557, and it is well over £600 in England and Scotland.

The motion is not intended to decry investment in the road infrastructure, which is worthy and important. We are pointing to the underinvestment in public transport. There are real dangers in seeking to apply twentieth-century solutions to twenty-first-century problems. For far too long, public transport has been the poor relation. All of our competitors are investing heavily in their public-transport infrastructure, and there are obvious economic and environmental imperatives in doing so. Public transport aids and tackles social exclusion, and it helps labour mobility. That is important to a shared future — which Alliance Members must refer to in every speech.

As 28% of the population are economically inactive, public transport becomes an important economic consideration. It also addresses congestion, which, as everyone knows, carries a high economic cost. It is important to bear in mind that one cannot build a way out of congestion: a more creative approach is required.

I have often spoken about the large gap in productivity between Northern Ireland and the average in the rest of the UK, where the major economic concentration is in the south-east of England. The Northern Ireland economy is highly skewed towards Belfast: indeed, the greater Belfast area has the seventh-highest gross value added (GVA) in the UK. That is a major success story for the city of Belfast.

The Northern Ireland economy must be rebalanced, but it is important to recognise that imbalances in a regional economy are less significant than those in a national economy. The GVA figures identify Belfast as the economic hub and driver for Northern Ireland, and any investment in transport must recognise the importance

of the Belfast subregion and ensure that its transport system works.

Transport produces some 25% of carbon emissions in the UK, and the current figure for Northern Ireland is 27%. According to the Energy Saving Trust, 12 local authority areas in Northern Ireland have some of the worst carbon footprints in the UK. The Assembly has signed up to the Climate Change Bill [HL] that sets a target of achieving a 60% reduction in carbon emissions by 2050. Some Members would go further and aim for an 80% reduction, as our Scottish and Welsh counterparts are contemplating. However, the current balance in transport funding runs contrary to meeting even the 60% target, never mind the 80% target. The environment is at the forefront of the mind of communities around the world. Therefore, the Assembly must recognise the environmental impact of its transportation policy.

There is a clear logic to building new dwellings in the vicinity of transportation hubs. Two years ago, I spent a good deal of time in Arlington, Virginia, in the good old USA — a society that is supposedly dominated by the car. However, Arlington has a clear planning policy of building new housing beside metro stops, which makes good sense and tackles a major traffic problem.

The Assembly has many options: it can invest in a light railway or a fully fledged tram system for Belfast. However, there is some scepticism about what the current proposals for a rapid-transit system mean. It has been talked about for several years without coming to fruition. The Assembly also needs to debate broadening the provision of a rapid-transit system to more commuter routes, particularly to those in the south of the city where much of the congestion is concentrated.

The existing rail network must be consolidated: the 23 new trains have made a difference, but only 13 more trains are being contemplated, and many more are needed. The Assembly should debate putting rail halts at both Belfast airports: that is crucial to the integration of public transport. To people who fly into Belfast, particularly late at night, and see signs stating that the last bus will leave in 10 minutes, Northern Ireland seems very provincial. That is contrary to the impression that it wants to give of being a core part of the global economy.

The Assembly could debate the extension of free transport for those aged over 60 to people with disabilities and to students, or it could consider the provision of more general support for fares to make public transport more competitive. If the cost of public transport were deemed to be reasonable, more and more people would be attracted to it.

I have no doubt that many Members will make a play for the areas that they represent. In my North Down constituency, there are major traffic problems on the A2. Realistically, however, little can be done to

improve that road because there is not enough space for expansion, and tinkering with the traffic-light sequences would make little difference. North Down has the asset of a railway line, of which much more use should be made.

Overall, the Alliance Party's motion identifies an objective that is consistent with developing a shared future: a rebalancing of the economy and the building of integrated public services for all.

Mr Gallagher: I beg to move the following amendment: Leave out all after "exclusion" and insert:

"; further notes that due to the lack of public transport services across rural areas, for many people cars are the only means of transport; and calls on the Minister for Regional Development to seek increased investment for improving both public transport and safety on rural roads."

I thank Stephen Farry and the Alliance Party for tabling the motion and instigating an important debate. As Members know, I am a member of the Committee for the Environment, and I have regularly spoken in the Chamber about environmental issues, not least the implications of climate change. It goes without saying that I agree with much of the original motion.

More must be done to encourage people to use their cars less and to make greater use of public transport. The benefits will be a reduction in carbon emissions, which are linked to climate change. The informed view, as well as the general view, is that a change in the climate is occurring.

2.15 pm

This morning, experts on climate change attended an event in the Long Gallery, and their views were not reassuring. By 2030, the implications of climate change, such as an increase in floods and a rise in sea levels, will have worsened. In fact, many people have encountered flooding this week that would not have occurred 10 years ago. Such disasters are on the increase, and they will worsen. Therefore, it is important that we take note of the issue and do our best to reduce carbon emissions.

The motion is problematic, because it calls on the Minister for Regional Development to take money from the roads budget and put it into public transport. I tabled the amendment because the motion is unfair to people in rural areas, where, first, the public-transport service is very poor — in fact, it is non-existent in some cases — and, secondly, the maintenance of roads in those areas is lagging behind. Expenditure on roads maintenance in rural areas has been in decline for years. We must tackle those issues together, and the amendment provides a way in which to do that.

In my constituency of Fermanagh and South Tyrone, there are no railways, and bus services are sketchy. Therefore, we should not ask the people who live there to accept a further reduction in expenditure on roads

maintenance. The roads-maintenance budget has been in decline for decades, and that has caused anger and frustration. Neglect of many rural roads, with their patches and potholes, has left many people in rural areas angry. They have had to replace tyres on their cars, purchase new wheel rims or suspension arms and endure hefty mechanics' bills.

The question that my constituents most frequently ask about roads concerns why they pay road tax. It is difficult to answer that question when the roads that those constituents use are not included in winter gritting programmes, and when they must cope with poor surfacing, potholes and other forms of neglect. We must deal not only with that issue but with the issue of safety on rural roads.

Over the years, there have been fatalities on all types of road, including rural and second-class roads. It is imperative that resources continue to be made available to improve safety on all roads, because some of them are in an extremely dangerous condition. Therefore, we cannot even begin to talk about taking resources for roads maintenance from the Department's existing budget and putting them into public transport.

I have made several requests to the Department for Regional Development for the erection of warning signs or road markings on dangerous sections of second-class roads, but I have learnt that its current policy does not permit that. That should be addressed without delay.

I appreciate that DRD has limitations on its budget and tries to spread its spending as equitably as possible. There are some rural transport schemes — they are small in number but still helpful. There are also schemes to help people with disabilities who live in rural areas. However, businesspeople and road users in the west have been saying for years that the cost of transport is the biggest disadvantage that they have to overcome. They all say that more investment is required in the roads network, for the reasons that I have outlined and because it is important in attracting investment and creating job opportunities in those areas. Therefore, more must be done to attract investment. In the west in particular, we do not have a decent roads infrastructure. The Assembly has held debates about the difficulties in getting firms to invest in the west.

The amendment is not meant to be divisive; it simply asks the Assembly to acknowledge that there is a deficit in the funding of roads in rural areas which must be addressed. The amendment calls for more investment in public transport and rural roads in areas where the car is the only form of transport. Most importantly, it aims to improve safety for all road users. I ask Members to support the amendment.

Mr Moutray: Roads and public transport are of the utmost importance as we set about making Northern

Ireland a successful entity capable of competing in the modern global marketplace. For many years, there has been a lack of investment in both of those areas in Northern Ireland. Due to the Troubles, resources were often directed towards other areas of need and our transport system was ultimately neglected. That has cost Northern Ireland in many ways, but has particularly disadvantaged the business community.

Our transport system falls short of the standards set throughout the rest of the United Kingdom, and lags behind that of our closest competitor — the Republic of Ireland. Poor transport infrastructure weakens the attraction of Northern Ireland as a place to live, work and invest. The Assembly must ensure an effective and efficient use of resources. I, and my party colleagues, would welcome investment in both roads and public transport.

As it has been for many years, the DUP is committed to ensuring that the people of Northern Ireland are provided with a fast, efficient, high-quality public-transport system so that passengers have a pleasant and safe experience which creates repeat usage and reduces social exclusion and poverty throughout Northern Ireland. Additionally, investment in public transport will reduce the number of vehicles using the roads, which will reduce carbon emissions and result in a healthier and improved environment for all.

As we have an ageing population, it is important to cater for the elderly and ensure that they are not socially excluded by a lack of public transport. The Assembly has committed itself to providing free travel for the over-60s, so we must endeavour to have a transport system that they can use when they require it.

Improvements in our public-transport system would result in a more pedestrian-friendly Northern Ireland, a reduction in illegal parking and a reduction in journey times through a decrease in road traffic. The key to a successful public-transport system is having the confidence of the public.

Late buses and trains, and poor journey times on main transport corridors, will not inspire an uptake in the use of public transport. Any investment should be targeted at tackling that problem. However, it is equally important that our roads are improved to provide an infrastructure that is capable of supporting a high-class public-transport system. Our roads infrastructure is crucial to encouraging investment in our constituencies and across the Province.

A modern and effective transport infrastructure will assist greatly in building a stable, strong economy, and it is an important factor for investors. It is, therefore, vital that we recognise the deficiencies in our public-transport system and roads network. Although we must consider the Budget constraints, we should endeavour to set corrective measures in place.

I welcome the strategy's aim to provide a modern rapid-transit system, as has long been advocated by the Finance Minister; the upgrading of key transport corridors, which will connect major towns and cities to regional gateways; the continued aim to replace old trains; and the improvement in communication networks, maintaining technological pace with the best in Europe by way of increased Internet connectivity speed, capacity and availability.

There is no doubt that investment is needed in those areas, and such investment will be welcomed in ensuring that the people of Northern Ireland are not subject to social exclusion and poverty. Furthermore, investment in those areas will reduce traffic congestion, resulting in a reduction in carbon emissions and contributing to a healthier environment.

It is important that we invest in our roads in order to provide an infrastructure that is able to meet the twenty-first century demands and assist in providing a high-class transportation system for all road users. However, we must be mindful that with a 7% annual increase in traffic and car users, it is important to provide a quality public-transport system in which customers will have confidence. They must have complete satisfaction in the quality and standard of the public-transport system.

I call on the Minister for Regional Development to administer his budget with caution regarding those issues. They go hand in hand, and investment will result in a more effective, modern, efficient and sustainable transport system that will facilitate the economic growth and social inclusion across the region and align Northern Ireland with the rest of the United Kingdom.

Mr Boylan: Go raibh maith agat, a LeasCheann Comhairle. Ba mhaith liom labhairt ar an rún.

Raymond McCartney and Willie Clarke are unable to attend this afternoon's debate, and they have sent their apologies. I welcome the opportunity to speak in the debate. I am the roads safety spokesperson and Deputy Chairperson of the Committee for the Environment, and I agree that it makes sense to encourage the use of public transport, because that will help reduce the number of serious road fatalities and injuries. Furthermore, the use of public transport will help reduce carbon emissions, and that is particularly pertinent if we are serious about tackling climate change.

We do not use the transport system to its maximum effect; we must encourage people to use the buses and trains. The more profit that is gained from such use, the greater the investment into the transport system will be — investment that is not possible at present. Each Department has a limited budget; each has a slice of the cake, and each must prioritise. Committee

members had the opportunity to speak out about their Departments' priorities and goals.

The draft Budget stated that one of its aims is to:

“Maintain and develop the public road and rail network and improve public transport provision to deliver a modern, efficient and sustainable transport system that facilitates economic growth and social inclusion across the region.”

Therefore, the debate has been brought to the Chamber at a time when the Executive have agreed that the issue is a goal for the Assembly over the next three years. I have every confidence in the Minister for Regional Development to do all that he can to deliver on the agreed strategy.

A major development and important goal will be a modern rapid-transit system that will serve the greater Belfast area and that, when integrated with improved conventional transport, will greatly alleviate traffic congestion in the city. Moreover, we must examine the rail system throughout the country. Many parts are either without a rail system, or there is a need to improve the existing network.

2.30 pm

I hope that the Executive, together with their colleagues and counterparts in the South, will not only look for investment but to improve the present network, especially in the central areas, to develop the north-east and north-west. We must open up public transport to as many people as possible throughout the country. However, they will only be able to avail themselves of public transport if they can access it close to their homes. It is not feasible to expect a commuter to travel from Enniskillen to Portadown in order to catch a train to Derry or Belfast.

I reiterate that there is no magic wand. The Minister can reduce spending in other areas if that is what we want him to do; and we have heard Mr Gallagher referring to the maintenance budget. Do the Members who tabled the motion want the maintenance budget reduced so that the money can be put into public transport? If that is the case, Members will be back in the Chamber in a month's time debating rural roads once again.

As I have said, the key is to encourage the public to use the transport system that is already in place, and to use the profits to improve that system. I encourage the Minister and his colleagues in the Executive, along with their counterparts in the South, to initiate some kind of funding to help improve the infrastructure, particularly the rail system, throughout the country.

In conclusion, the Minister for Regional Development is working within the budget that has been agreed by all parties to ensure that the key objectives of the programme are met. Sinn Féin has no problems with either the motion or the amendment. Go raibh míle maith agat.

Mr McCallister: I apologise to the Members who tabled the motion and the amendment on behalf of my colleague Fred Cobain, the Chairperson of the Committee for Regional Development, and myself because I cannot stay for all of the debate due to Committee business concerning the Independent Water Review Panel's strand two report.

The Ulster Unionist Party strongly welcomes the central message in the motion. Evidence and opinion are growing on a daily basis that a successful and comprehensive public-transport system delivers benefits for the environment, communities and the economy. The Executive need to commit more effort and funding into delivering a public-transport system that is fit for the twenty-first century so that it can convey those benefits to the people of Northern Ireland. However, the Ulster Unionist Party supports the amendment tabled by Mr Gallagher because we feel that it better represents transport needs in Northern Ireland.

Although progress in Northern Ireland's public-transport system has been made over the past 10 years, with substantial growth in passenger numbers and improvements in the quality of our bus and rail network, we need to do more.

Northern Ireland is heavily reliant on the car. Statistics show that the number of cars has grown by 400% since 1960. We have the fastest growing car-ownership market in the United Kingdom, and research conducted by a traffic information service recently has highlighted that Belfast is one of the top 10 congested European cities.

Cars are major contributors to CO₂ emissions and local pollution. To deliver on UK-wide targets for reducing our CO₂ emissions as set out in the Programme for Government, we need to reduce Northern Ireland's reliance on the car. In addition, traffic congestion puts a major strain on our economy, and the CBI has calculated that delays are costing the UK £15 billion a year. Therefore, we can deliver for the environment and for business at the same time.

Indeed, the Institute of Directors and the CBI have both called for greater investment in public transport and traffic management in their responses to the Programme for Government and the draft Budget. The success of the Metro service in Belfast highlights what can be achieved by public transport. Figures show that the Metro system carries 32% of people making journeys in Belfast, but only takes up to 2% of road space.

However, having highlighted that Northern Ireland needs to reduce car use, many people without cars are stranded in their homes. Many people living in rural areas have no other means of getting around.

A substantial number of people do not have access to cars — just over a quarter of households in Northern Ireland. Those people often come from poor families, are elderly or disabled. Those worst hit usually live in

rural areas where regular bus services are out of reach. I welcome the Department's rural community transport initiative. However, more must be done to mainstream rural services and deliver for those who, without adequate public transport, become socially, and often economically, excluded.

The process must be linked to any appraisal of the planning process and to a planning system that incorporates public-transport issues. I welcome new moves on concessionary fares, but there is little point in concessionary fares if, in some areas, there is a poor service, poor access and a low uptake.

In the short term, the Ulster Unionist Party believes that priority targets should be set to improve rural Translink networks. Priority should also be given to increasing quality bus corridors in urban areas to facilitate improved services and encourage increased uptake.

The railway system in Northern Ireland is a shadow of its former self.

Mr K Robinson: Will the Member agree that the most significant piece of infrastructure that the Department can address — after the acquisition of new rolling stock — is the single-line section of the Dargan bridge in Belfast? Will he also agree that the doubling of the track at that bottleneck will enable Northern Ireland Railways to improve significantly the frequencies, capacity and journey times on both the Larne line and the line to Londonderry, as well as enhancing the attractiveness of both routes to potential commuters? It would also enable a Londonderry, Belfast and Dublin intercity service to be introduced properly.

Will the Member further agree that enhanced rolling stock on the Enterprise service is long overdue on that section of the Trans-European Network route, which has its Northern Ireland terminus in the Larne harbour station at the port of Larne?

Mr McCallister: I thank my honourable friend for his intervention, and I agree strongly with him. I go so far as to say that he is on the right track.

Development of the Belfast to Dublin railway line must be a priority as it could bring economic and tourist benefits to Northern Ireland. Having outlined our position, we believe that the motion, without the amendment, is pitting public transport against spending on roads. It is creating a false economy that suggests —

Mr Deputy Speaker: It suggests that the Member has run out of line.

Mr McCallister: I am glad that the Deputy Speaker is enjoying the pun.

Mr Irwin: In my constituency, rural transport is a key link for many people who live in the countryside. Indeed, increased services to neighbouring towns have been a real benefit to the elderly and to those unable to

afford their own form of transport. However, there is clearly a lot of room for improvement. I have listened to the views of those living in small villages and hamlets who feel forgotten with regard to public transport. In many cases, they are missing out, and it could be said that they are socially excluded due to the lack of adequate, regular, public transport.

Rural transport schemes are doing sterling work in trying to address those issues by providing transport for those less mobile and giving them a vital link. However, those schemes could be further assisted and their scope increased.

The free fares for the elderly scheme was a welcome development initiated by the DUP some time ago. Many people are using that scheme to their full advantage, and they have said that the scheme is a massive help as they do not have to worry about finding a parking space. Those unable to drive due to ill health or those unable to afford a vehicle say that free fares have enabled them to travel around more than ever before, which is encouraging.

Although I have focused on the issue of rural transport and the need for a greater degree of service for rural dwellers in small villages and hamlets, there is no doubting the role that public transport should be playing in the reduction of congestion and carbon emissions. However, getting people out of their cars and onto public transport is not a simple task.

The major catalyst to achieving that in the longer term is the creation of a reliable and wide-ranging public-transport system. Having said that, for many people in rural areas, cars are the only available forms of transport. Indeed, in recent years, rural roads have been neglected, with the result that improvements are required.

For people who travel to work on public transport, being late is not an option. However, that is the reality for many, and it is a major obstacle in encouraging people to travel by public transport. That situation can be improved only by investing more resources in the transport network.

If the number of cars on the roads is to be reduced in the long term, more commuters must perceive public transport to be a cheaper, faster and more reliable mode of travelling. That is a huge task.

I support the amendment.

Mr Dallat: I support the spirit of the motion, and, given that I live in a rural area, I believe that the amendment is important.

The recently emerged eastern European democracies have made heavy investment in their transport systems a priority. That policy was quite deliberate, because it put public transport at the top of the list of ways in which to regenerate economies, address social inclusion,

and tackle problems in areas that experienced social discrimination in the past.

By investing in public transport, we invest in the future of our economy and in the welfare of our people, particularly, but not exclusively, the young and the old. Given proper investment, the benefits of public transport can have an impact on everyone.

In rural areas, the Ulsterbus service covers 34.5% of the people whom it is supposed to serve, and it is predicted that that figure will increase. However, it will reach nowhere near the level that would allow all those who qualify for SmartPasses to avail themselves of the free transport system. That must be addressed.

For example, if I want to go shopping on a Saturday, the first bus from Kilrea to Coleraine leaves at 2.10 pm and the last bus leaves Coleraine at 3.30 pm. Unless I were Donald Duck on ice skates and had a shopping trolley that was capable of overcoming the laws of centrifugal force, I doubt whether I would get any shopping done.

It would be remiss of me not to mention road safety, which is critical. The sooner we get more people off the roads and on to either trains or buses, the sooner we will begin to address road safety and issues that are connected to it.

The draft Budget has set the goal of achieving one million additional public-transport passenger journeys by the end of the Budget period. Although that is highly commendable, how will it be achieved? Those figures will certainly not be distributed across rural regions, where public transport is a threatened species and where efforts to develop rural-transport initiatives are spasmodic. Excluding those initiatives that have been very successful, it is questionable at times whether such strategies contribute anything to rural transportation.

At the end of the month, the Committee for Regional Development will examine public-transport systems in other regions, and I look forward to that. Until we address that issue, we will not have kick-started the recovery in all its forms. It is in the interests of everyone to do so, particularly those who are socially and economically disadvantaged due to a lack of investment in road and rail services.

We often consider the Republic to be a good example of what happens when there has been investment in public transport. Railways that were abandoned in the dark days of the past are coming alive again, particularly in the west of Ireland. The recently modernised rail service to Sligo, which I mentioned this morning, now attracts double the number of passengers. That is a good example of how investment produces results.

Indeed, we can look closer to home, where past investment in new trains had a very positive impact on the number of people who used the rail service between

Derry and Belfast. Hence the programme for a decent intercity service must be moved up the list of priorities and proceed at all costs.

2.45 pm

I have nothing more to say except to thank those Members who tabled the motion. The motion appeals particularly to people from the north-west, because they feel that they have had a bad deal in the past, and they look to the new Minister to redress the imbalance. The Minister has the support of all the people in the north-west, including many from his own party, to do that.

The Minister for Regional Development (Mr Murphy): Go raibh maith agat, a LeasCheann Comhairle. I am grateful to those who have participated in the debate and for the words of encouragement from the north-west. I am very conscious that people in the north-west have been let down by previous Administrations, including the previous Executive.

I am also grateful that Members have put forward a wide range of interesting views to what is a wide-ranging motion. The motion covers four areas: the level of funding in public transport compared with that in other regions; the contribution that public transport can make to reducing traffic congestion and carbon emissions; the key role that public transport can play in reducing poverty and social exclusion; and the balance of spending between public transport and roads.

In any discussion on transport provision and funding, it is helpful to begin by referring to the regional transportation strategy, which still steers us in our decision-making. The regional transportation strategy, which was published in 2002, provided a strategic framework for the planning, funding and delivery of transport throughout the North. It recognised the strategic importance of transport infrastructure and services to the future development and prosperity of the region. It acknowledged the context of historical underfunding of transport and set out proposals for balanced development of infrastructure and services over the 10 years until 2012.

I wish to make a broad point about the wording of the motion, which draws a distinction between funding for public transport and funding for roads. That implies that there are two distinct funding streams and that funding in one area provides no benefit to the other. That is not the case. As Members will know, buses are the principal means of public transport in the North. Although we are investing in improvements in the rail network, it is limited and is not available to large areas, and many Members have mentioned that fact. Therefore, to most people, public transport means bus rather than rail services. Some 89% of people who use public transport travel by bus, and buses run on roads. Investment in roads benefits bus users by improving journey speed. The investment that we have already made in improving

roads has improved bus travel, and it will continue to do so. For example, the dualling of the A6 will improve journey times for a substantial number of people travelling between Belfast and Derry. Likewise, the dualling of the A5 will bring similar benefits for those travelling by bus between Derry and Dublin.

I acknowledge the point made in Mr Gallagher's amendment that cars will continue to be a necessary means of transport in rural areas. We have been improving rural transport services, but those improvements cannot cover the full range of transport needs in the countryside. Therefore, I am committed to ensuring adequate funding for, and maintenance of, roads in rural areas.

The point was raised about underinvestment in public transport. The regional transportation strategy recognised that all aspects of transport had suffered from a lack of funding. Thanks to the regional transportation strategy, transport was recognised as a priority funding area, and substantial levels of funding began to be channelled into public transport and roads. We began from a low baseline, and we have been trying to rectify the deficits, while ensuring that other vital public services received adequate levels of resources. It is true that, according to some indicators, we do not yet compare favourably with other areas, whether in Britain or in the rest of the island of Ireland. For example, we still spend less per head of population on rail and bus subsidies than is spent in other areas of Britain.

However, let us look at the more positive measures. We have more bus provision per capita than in the rest of the island of Ireland, and, in line with our targets in the regional transportation strategy, our rail fleet is newer than that in any area in Britain. Our bus fleet is also being renewed rapidly. We are also seeing a reversal of the downward trend in the use of public transport, with numbers growing as a result of recent capital investment.

As the motion states, the development of public transport can contribute to the reduction of congestion and, consequently, carbon emissions. Good transport provision, which includes good public transport, is also essential if we are to tackle social need.

It provides access to employment and training, health and social services, education and shops. Lack of access to transport contributes to social exclusion and need. That was recognised in the regional transportation strategy, which aimed to target efforts and resources on factors that cause social need and exclusion among deprived and socially disadvantaged people.

Barriers of isolation and remoteness can be broken down by good public-transport systems. The regional transportation strategy has increased the overall spend on transportation. It assumed a total investment of £3.5 billion, which comprised maintenance of the pre-2002 baseline level of £2.1 billion and £1.4 billion

additional funding, although with the caveat that the final outcome would be subject to the normal budgetary processes. The result has been that transportation has been successful in attracting finance, particularly in the areas of road and rail.

With respect to the split between roads and public transport, the average ratio for spending from 2002-03 to 2006-07 was 72% on highways and 28% on public transport. The figure has varied from year to year, depending on the size of the schemes coming forward. In the current year, 61% has been allocated to roads and 39% to public transport.

I agree that there is a need to continue support for public transport and to address the historic underinvestment in transportation generally. However, I must balance the needs of roads against those of public transport. The roads network is particularly vital in rural areas and, as I mentioned earlier, there is interdependence between roads and public transport, in that the majority of people who use public transport travel by bus on the roads. Also, a range of measures funded from the roads budget, rather than the public-transport budget — such as the development of the quality bus corridors and park-and-ride sites — directly benefit users of public transport. Additionally, the vast majority of freight is transported via the road network: therefore, any improvement in the road infrastructure significantly benefits the economy.

With regard to public transport, the past few years have seen great progress. My Department has provided funding of some £93 million, from 2004-05 to 2006-07, to enable major projects to be completed on the railway network. As a result, 23 new trains have been operating since September 2005; large projects have been completed to complement their introduction, including the new train care facility at Fortwilliam; and major works have been completed to upgrade the core network of railway lines. A project to upgrade railway stations and halts in accordance with disability and discrimination legislation and Translink's new rail vision, is well under way and should be completed by the end of this financial year or early in the next. As a result of that work there has been substantial growth in railway passenger numbers, with a 12% increase across the network generally from 2005-06 to 2006-07.

DRD has also provided funding of £56 million between 2003-04 and 2006-07 to enable Translink to purchase over 500 buses. Those buses now operate across the region and have had a positive impact on passenger numbers, particularly in relation to the Metro service, where passenger numbers have increased by 15% over the two years to March 2007.

I am committed to continuing to invest in public transport. My Department submitted a wide range of bids in the Budget and ISNI II processes for a variety of roads and public-transport schemes. The draft

Budget 2007 has provided an allocation of £137 million for railways over the three years to 2010-11. That will allow NIR to commence procurement of 20 new trains to replace the remaining old stock, and to enhance services both around Belfast and to Derry. The £12 million scheme to improve the Ballymena to Coleraine section of the Belfast to Derry line will come on site later this year for completion by 2010. Significant works, costing some £40 million, are also planned over the next three years between Lurgan and Knockmore. Work will commence on the relaying of the Coleraine to Derry line towards the end of the current Budget period. That will also involve the provision of a passing loop and the installation of a new signalling system. The total cost of the Derry line works is expected to be in the region of £64 million.

The funding in the draft Budget will also allow for further development of the Translink bus fleet. A key provision in the Budget and ISNI II relates to the development of a rapid-transit system for Belfast. This new form of public transport offers enormous potential to deliver a step change in public transport in Belfast and promises to be a modern, efficient, environmentally-friendly transport system, fit for the twenty-first century. We are concluding our study of rapid transit, and will shortly take decisions about the routes and the technologies.

I have mentioned the regional transportation strategy a number of times and I do so once more. The strategy contains a commitment to undertake a mid-term review. Given that we are half-way through the life of the strategy, that needs to be undertaken now. I intend that it will adopt a three-themed approach, considering the progress of implementation to date; the changing environment since 2002; and the budgetary position.

The review will need to consider what adjustments or changes may be required to the regional transportation strategy's key outcomes, including emissions from traffic, traffic speeds at peak hours and the accessibility of transport services. It will also seek to deal with several developments that have taken place since 2002, which include the focus on climate change and sustainable development. It will, of course, re-examine the funding needs of roads and public transport and the most appropriate balance between the two funding streams.

My position is clear: I want to secure a transport infrastructure that is of sufficient standard to underpin economic growth. I want to continue to develop public-transport services that will also support the economy and promote social inclusion. Past, present and planned investment demonstrates my and the Department's commitment to those aims. Go raibh maith agat.

Mr Gallagher: I thank Members who have contributed to the debate, which, as the Minister has just said, has been wide ranging. It covered key issues that none of us can afford to ignore any longer, such as

emissions, ever-increasing traffic congestion and the importance of a two-track approach that involves investment in both public transport and rural roads.

Members from various constituencies, some of which are not in the west, indicated that their communities share the same problems as those in the west, such the need to rely on cars in the absence of alternative transport. The important matter of road safety was, quite rightly, raised. I welcome the comments of my colleague John Dallat, who said that the Committee for Regional Development will take an in-depth look at road transport.

I thank the Minister for his presence during the debate. I welcome his comments, particularly his commitment to try to secure adequate funding for the maintenance of rural roads. However, I disagree with him slightly on one issue: I do not believe that the north-west was entirely ignored during the previous Assembly mandate. For example, I recall the welcome announcement of new rolling stock comprising 23 trains, which would benefit the north-west railway routes. That and other matters that come to mind, such as the Dungiven bypass, must be built on as we move forward.

I want to make particular mention of the importance of North/South co-operation on public transport. I am aware that Bus Éireann and Translink work together on some issues. However, greater co-operation would bring greater benefits to many people. For example, there is a regular bus service from Donegal that, at certain times, goes through either Fermanagh or parts of Tyrone, then on to Cavan and Monaghan. That is a good service. With the development of the new road between Dublin and Monaghan, Bus Éireann has introduced an hourly service to Dublin, which operates every day. I want to draw the Minister's attention to the possible examination of that matter by the North/South Ministerial Council, because it is hoped that that service could be extended in the future.

I hope that I have covered most of the relevant issues. Once again, I extend my thanks to all Members who contributed to the debate, and I ask that they support the amendment.

Mr Ford: The debate has been interesting, bearing in mind the large measure of agreement from all corners of the House, albeit with certain differences of emphasis. I want to deal with one of the key points that Mr Gallagher raised. The amendment suggested that, somehow, my party's original motion asked for spending to be rebalanced, specifically by taking money away from areas such as rural road maintenance and putting it towards public transport.

Specifically, we did not do that. There are other issues. Indeed, in the past, the Department has been creative with regard to where it has acquired funding for road developments. We only wish that it could be just as creative when looking for money for rail and

bus developments in the future. Clearly, there is an issue, which was raised by several Members during the debate, about the needs of rural communities that are not currently being met. It seems to us, as proposers of the motion, that the lessons that have been learnt from the provision of quality public transport are every bit as relevant in rural areas as they are in urban areas.

3.00 pm

Mr Moutray, speaking on behalf of the DUP, talked about the need to target investment to encourage confidence in public transport. It seems that that has been entirely proven. A few years ago, when there was serious investment in the Enterprise service, the number of people who caught the train to Dublin rose dramatically. With regard to issues in my own constituency, such as the Templepatrick Airbus, a small park-and-ride service has had to be expanded three times. By providing a quality regular service, people get out of their cars and use public transport. That is the key lesson — as several people said — that must be taken all the way round.

I was particularly interested in John McCallister's comments. It seemed that he agreed entirely with every word that Stephen Farry had said — and then said that he would support the amendment. He made some key points about the need to reduce reliance on the car and, in particular, about the needs of poorer families in rural areas. Those points were re-emphasised by the DUP's Mr Irwin. Possibly the best bit of Mr McCallister's speech was the intervention by Ken Robinson in which he said all that I might have said — and, possibly, even more — about the need for enhancement of rail services. Therefore, I presume that Mr Robinson, if not Mr McCallister, will support the original motion.

John Dallat made appropriate comments about the need to address issues such as road safety. It is absolutely true that public transport is significantly safer than private transport; however, although it is a key issue, road safety is not exactly the issue that is addressed in the debate.

I welcome the positive response that the Minister gave in his comments. I entirely take his point that the costs of bus lanes and park-and-ride have tended to come out of the Roads Service budget. Significant progress has been made regarding issues such as park-and-ride, and I mentioned the Templepatrick Airbus service. Can the Minister tell us when we will see a decent park-and-ride that will actually encourage people out of the cars on the M2? In that way, people, like John Dallat, will be encouraged to get on a train or a bus rather than drive through my constituency, causing pollution as they do so.

The idea of providing a 40-car space on the edge of the Sandyknowes roundabout and calling it a park-and-ride does not seem sensible. There have been some

ideas that are much more creative. I urge the Minister to ensure that his Roads Service staff are considerably more creative, in conjunction with Translink staff, on that matter. The recent investments in buses and trains are welcome. However, I should, perhaps, caution the Minister for Regional Development against criticising the attitude of the Assembly's first Executive to public-transport funding, since the then Minister for Regional Development is now the Minister of Finance and Personnel, and he may need to keep on good terms with him. I advise the Minister to be slightly cautious who he criticises.

Some of the points that the Minister made about the mid-term review of the regional transport strategy (RTS) are very welcome. We look forward to debates in the House as that strategy is implemented. The Minister made some important comments. Perhaps, he might have said a little more about issues such as climate change and CO₂ emissions, which are a crucial part of our original motion. However, he did make some of the points that we need to re-examine. It is clear that the RTS, at its half-way stage, is not up to date with some of the needs that we must address, including such issues as climate change and the need to meet carbon reduction targets — whether 60% or 80% — by 2050. At the moment, the RTS is not even on target to meet a 60% reduction in carbon emissions.

The Minister, quite reasonably, pointed out issues such as the economy. We must be careful not to overemphasise road building and economic benefits. After all, much of the talk about the widening of the Westlink, and the improvement of its junctions, was related to economic need. However, there is clear evidence that, by building roads, we simply crowd them with private cars. It is of no benefit to the economy to have a better road that is crowded with even more cars than would have been there under the existing road pattern. The Scottish Executive, in a study that was undertaken in 1999, concluded that:

“a ‘predict and provide’ approach, in which road capacity is increased to match forecast traffic growth, is environmentally unsustainable, unaffordable and self-defeating.”

In other words, building new roads to tackle congestion is like loosening your belt to tackle obesity.

We must ensure that we get the balance right for economic development, but we must be realistic about what will promote that. Unlimited road building, especially in the major conurbations and the larger district towns, is clearly not the way to promote such development. We must also bear climate change in mind at all times.

The Alliance Party believes that the creative and appropriate use of private funding will make it possible to expand the public-transport budget, as has been the case with the road-building programme on the Westlink

and the M1 and M2 motorways. If that occurred, we would not be cutting the budget for rural roads.

There must be real commitment, so that instead of vague generalisations being made about a Belfast light-rail plan — or whatever kind of rapid-transport system might be proposed for arterial routes — a system will actually be put in place in the lifetime of this Assembly. Over the years, there has been too much talk that has gone nowhere.

We must recognise that issues such as social exclusion and labour mobility will be addressed by people's having the ability to travel to work wherever they wish. We must recognise that the benefits that will be created from investment in public transport will enable a much wider use of skills. That will in turn help to develop our economy, and the assumption that that development can be achieved by building more roads that will only get clogged up will be unsustainable. It is rather unfortunate that transport does not appear anywhere in the key goals of the draft Programme for Government, which we will debate next week.

As members of the opposition party — whatever the Minister of Finance and Personnel may think of our rights — we certainly believe that key issues must be addressed. Those include the development of rail access to both the Belfast airports, and the introduction of a full and inclusive park-and-ride system at Templepatrick to help reduce traffic on the M2, which will benefit commuters from the whole of County Antrim as they travel to Belfast.

When new developments such as the Titanic Quarter are planned, consideration must be given to whether a light-rail or a guided bus system would be suitable. I have no doubt that at least one firm in Galgorm would be keen to take some more orders for guided bus systems. It is rather ridiculous that Ken Livingstone's commitment to make use of Wrightbus's skills has resulted in the company doing more for transport in London than it is for transport in Northern Ireland.

We must consider what can be done to make use of existing railway lines, and I am sure that the House would be disappointed if I did not mention the Knockmore line between Antrim and Lisburn. Reopening that line would create the capacity to serve a growing population between two key growth towns, through a secondary growth town, yet that railway line is currently unused.

Several Members mentioned transport poverty. Whatever we do to plan for private-car usage, the needs of a significant number of our population, both rural and urban, who do not have access to a private car will not be alleviated. An attractive alternative to the private car must be offered so that those who have cars do not need to use them every day. Belfast appears to be the only city in western Europe in which

Government planners assume that building roads is the solution to a commuter traffic problem in a city of 500,000 people. There is something fundamentally wrong with that approach. Nowhere else in Europe do people think that such an approach works, and it simply will not work here.

Some Members have expressed concern about the effect that the Alliance Party's proposal will have on rural populations. However, the motion in no way disadvantages rural people; rather, it calls for enhanced investment and a shift in balance, and it supports those rural people who do not have access to their own private car. I urge the House to support the motion.

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

Main Question, as amended, put and agreed to.

Resolved:

That this Assembly notes that public transport is currently underfunded compared to other regions; acknowledges that public transport could reduce traffic congestion and carbon emissions, and play a key role in reducing poverty and social exclusion; further notes that due to the lack of public transport services across rural areas, for many people cars are the only means of transport; and calls on the Minister for Regional Development to seek increased investment for improving both public transport and safety on rural roads.

Apprenticeships

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 to propose and 10 minutes to make a winding-up speech. All other Members will have five minutes to speak.

Mr Shannon: I beg to move

That this Assembly expresses concern over the decreasing number of apprenticeships which are available in Northern Ireland's manufacturing industries and calls on the Department for Employment and Learning to address the current decline and to promote the provision and facilitation of apprenticeships.

I welcome the opportunity to speak about this issue. It is important to the people of my constituency and, I believe, to people throughout the Province.

Engineering manufacture is vitally important to the economy of Northern Ireland. Innovation, new technology and continuous improvement in engineering stimulate economic development. The manufacturing sector contributes around 25% of the gross value added to the Northern Ireland economy.

To be competitive, the sector must have higher-value-added jobs, which means that it needs people with higher skills — either new entrants such as graduates, technicians, and apprentices, or existing employees who have been upskilled. The jobs on offer are normally well paid, and the engineering manufacture sector is currently as buoyant as it ever was, with many companies crying out for professionally and technically skilled people. It must also be remembered that unemployment in Northern Ireland is at an all-time record low of 4%.

The Engineering Training Council (ETC) is the representative body for skills in Northern Ireland. It also represents the interests of the Sector Skills Council for Science, Engineering and Manufacturing Technologies (SEMTE). The ETC is employer-led and puts their needs at the heart of its skills agenda on the demand-side. The results of its surveys in November and December 2007 of a sample of 30 engineering companies situated across Northern Ireland and which employ nearly 50% of the total engineering workforce indicated that 75% of those companies are currently experiencing considerable skills shortages.

That conservative estimate translates to almost 250 highly skilled people being needed in the areas of fitting, machining, mechanical and electrical maintenance, electronics, design, and toolmaking. Each of the companies indicated that, in its view, the current trend in skills shortage will worsen.

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

I will use an example, because it is important to relate an issue to society: in the 'Jobfinder' section of the 'Belfast Telegraph' on Friday 18 January 2008, another six engineering-related companies advertised vacancies for a range of engineering-skilled workers. Therefore, in just one week's paper — albeit a significant paper — yet another 50 to 100 people have been added to the already considerable number of engineering-skilled workers that are currently needed.

Where do we find the workers that are needed? The answer is found — and has been found for years — in training people through apprenticeships. Many of the companies that need workers also recruit apprentices, and all of them have indicated that they cannot recruit the desired numbers of apprentices, and that the standard of applicant has been much lower than it had been previously. Where does that leave our future skills pool? It is definitely in the shallow end.

If oor haem-fit kumpaneas dinnae hae enough knak about, then whut soart o' hope dae we hae in tractin investmunt. Ther was a tiem whun kumpaneas wud cum tae heer becaus o' grants that wur gien oot.

Ther isnae oany langer this help — oot tha key help-oot — haein aroon a' pool o' profesnal an technicly knaky workers. As weel as a' guid system in place tae train an bring-oan sic profesnal — an technicly knaky workers.

If our indigenous companies do not have sufficient skills available, then what chance do we have of attracting investment? In the past, companies would come to Northern Ireland because of the grants that were available: that is no longer a key incentive. The key incentive now is to have an available pool of professionally and technically skilled workers and a quality system available to train and develop such workers. That is imperative for the future success of companies and individuals in the engineering manufacturing sector as well as the future success of the Province's economy.

Unfortunately, due to the skills shortages, that would not appear to be the case, and there must now be a considerable disconnection between the very difficult job that Invest Northern Ireland is trying to do in attracting inward investment and the lack of available and appropriate skills in Northern Ireland. It is crucial that we develop those vitally important engineering skills and the engineering apprenticeship programme; and critical to achieving that will be the provision of excellent careers advice.

Unfortunately, the new Training for Success apprenticeship scheme has not recruited anywhere near the desired number of apprentices at level 3, which is, from an engineering-sector perspective, the minimum level required to help address current and future skills shortages. Although I am talking specifically about skills and apprenticeship shortages in engineering, it

also applies to other construction trades. For example, in my area we do not have enough placements for apprentice plumbers. Those are just some examples, but other Members will touch upon other issues.

The truth of the matter is that if companies in Northern Ireland cannot find much-needed skills here, they are likely to explore the possibility of going elsewhere. A considerable amount of work needs to be done to resolve this potential crisis. Where do we start? We have to begin to see change.

3.15 pm

I have liaised closely with David Hatton from the Engineering Training Council, who is present in the Gallery. He has made representations to Assembly Committees on this matter and has supplied information to the Minister and to the Committee for Employment and Learning. His idea is to try to increase the number of apprentices. Other people from the Strangford area have also contacted me — that will not surprise anyone — to inform me that their boys and, in some cases, their girls, cannot secure apprenticeships either.

If we are to move forward successfully, collaboration and partnership is the key to a co-ordinated approach, led by the Engineering Training Council in its Sector Skills Council capacity, on behalf of employers. Further specific actions and initiatives must be identified by the Sector Skills Council in conjunction with, and supported by, DEL and Invest Northern Ireland. Such actions and initiatives need to be developed and implemented to meet the current and future skills needs of employers.

The six new regional colleges of further education have a vital role in helping to take that delivery forward. The Jobskills programme was a major initiative; however, its responsibilities have now been passed to Training for Success. The previous Jobskills contract allowed Engineering Training Services to deliver modern apprenticeships to NVQ level 3 — a minimum industry standard for skilled workers — and that was very successful.

However, under Training for Success, Engineering Training Services (ETS) was successful only in obtaining a contract for level-2 apprenticeships. Level 2 is deemed by the industry as semi-skilled, and is certainly not what is required, which is another issue that needs to be addressed.

Engineering employers are concerned that current level-3 providers have little or no experience in delivering employer-led apprenticeships. It is believed that the number of level-3 apprentices recruited this year is very low, therefore having no effect in eliminating current skill shortages.

Providers are contracted to deliver apprenticeships in a given council area; however, there may not be the

number of either employers or young people to sustain a cost-effective programme in such areas. The problems are obvious and must be addressed. It is important that the Minister now push for apprenticeships to be allocated in council areas.

The Engineering Training Council believes that a single provider should be identified to co-ordinate and manage a level-3 apprenticeship programme throughout Northern Ireland, encouraging employers to take ownership of the programme by offering them a package that includes promotion, recruitment, staff training and funding to pay for training costs. Furthermore, engineering centres of excellence should be identified to deliver appropriate training to support employers with foundation training and the delivery of technical certificates. ETS has the expertise and the previous track record in successfully delivering such a programme.

New initiatives, such as an adult apprenticeship engineering programme for the sector must be developed and implemented. A programme must be introduced to explore the possibility of upskilling existing workers to level-3 requirements, which will lead to greater skills and broader flexibility for employers.

Faster development of the Science, Technology, Engineering and Mathematics Network is needed in order to promote the importance of the engineering sector, to change the perceptions of those outside that sector, and to attract higher-calibre and more motivated young people to make engineering their first choice for a career. It is not a career for young men only; it is a career for women as well. I know young women who have chosen to pursue a career in engineering, and they are excelling.

A co-ordinated approach to engineering-apprenticeship training is critical because the outcome will have a major impact on the availability of skills. The current numbers of apprenticeships being trained to level 3 through the Training for Success programme is well short of the numbers required by employers. Last year, only 3,278 people were trained to that level, which is down from previous years. That position can, and must, be turned round.

The former Minister with responsibility for employment and learning, Angela Smith, set a goal of 10,000 apprenticeships in Northern Ireland by 2010. How is that to be achieved? The current Minister for Employment and Learning has stated that it is essential to retain and promote apprenticeships.

A chance exists to take on board what is needed and to implement it as a matter of urgency before we lose the drive that we currently have in the skills sector. Take heed of all those who know what they are looking for and what they are talking about, that is, those who are looking for apprenticeships. Stop the drafting of consultations and begin the grafting of workers and see

the change that it makes, not merely to the lives of individuals, but to the lifeblood of Northern Ireland.

The Chairperson of the Committee for Employment and Learning (Ms S Ramsey): Go raibh maith agat. During last week's Adjournment debate on apprenticeships in the Foyle constituency, brought to the House by my party colleague Martina Anderson, I made a number of brief comments with regard to the position of the Committee for Employment and Learning on apprenticeships. I think that it is worth reiterating some of those comments during this debate.

I commend Mr Shannon for bringing forward today's motion. It allows us to raise some of the issues and have them debated in the House. The fact that this is the second plenary debate on issues concerning apprenticeships inside a week shows that this is a general area of concern for Members in all constituencies.

As I mentioned last week, my Committee is currently considering this issue via the monitoring of the Department's Training for Success programme, which has replaced Jobskills. We are looking at the early roll-out of the programme, and we will be making a report on our findings to the Assembly, hopefully shortly after the Easter recess.

To date, we have focused on assessing departmental views on the roll-out of the programme. We are now moving to the critical phase of establishing sectoral feedback. As Mr Shannon has pointed out, last week in Committee, we took evidence from two of the sector skills councils, covering the engineering and utility sectors. It is fair to say that mixed views were expressed. A number of comments were made that would support the message being highlighted in Mr Shannon's motion.

The regional chairperson of the Science, Engineering and Manufacturing Technologies Alliance, Mr David Hatton — whom Mr Shannon quoted — highlighted major concerns about apprenticeships in the manufacturing sector. He said that, in a survey of 30 local manufacturing firms undertaken before the new year, three quarters reported skills shortages. More worryingly, those firms believed that this trend would continue. Mr Hatton did stress that there are tremendous opportunities for skilled engineers and technicians, despite the recent news concerning job losses. It is therefore vital that appropriate skills training is in place.

The engineering sector is concerned that companies may be tempted to relocate if they cannot source appropriate skills. In addition, economic incentives to attract foreign investment will fail if the building blocks of skills are not in place. The Committee is due to take evidence tomorrow from the crucial construction sector, which I know has already been quite vocal with regard to problems arising from apprenticeships, and I urge Members of this Assembly, who do have a genuine interest in this area, to watch the Committee's

agenda. The Committee will be reporting formally on this issue once our monitoring of the programme has been completed. Go raibh míle maith agat.

Mr McClarty: I congratulate the Member for Strangford Mr Shannon for bringing this very important issue before the House today. At the last Assembly election, the Ulster Unionist Party committed itself to working in partnership with Northern Ireland business sectors, further education colleges and trade unions to promote industry-led apprenticeship schemes to provide businesses with skilled employees. This is something that my honourable friend the Minister for Employment and Learning is diligently working on, and I commend him for that.

While I support the motion, I am not convinced that it addresses all the key factors in a comprehensive manner. Though the motion does reflect concern about the manufacturing sector — and the importance of apprenticeships for a skilled labour workforce — it fails to recognise the economic context faced by the Northern Ireland manufacturing sector and the need to encourage apprenticeships in other sectors.

In recent years, the manufacturing sector has seen a significant reduction in the number of employees, not least as a result of outsourcing. The Northern Ireland census of employment outlines this reduction starkly. In 1993, for instance, there were 99,629 individuals involved in manufacturing in Northern Ireland.

By 2005, that number had reduced to 87,697. There is, therefore, a likely relationship between the falling numbers of apprenticeships and the economic context that is faced by that sector.

It is important to remember that the type and number of apprenticeships each year will be determined by the demand from business and industry. Furthermore, as the Minister for Employment and Learning outlined only last week, apprenticeships cannot solely be seen as the responsibility of his Department. Employers also have a significant role to play. By providing apprenticeships, firms build up a skills base that will be of long-term benefit both to themselves and to the wider economy. Moreover, schools careers officers have a responsibility to recommend and promote apprenticeships to their pupils. Unfortunately, some careers staff in schools appear reluctant to do that.

During the past year, the Department for Employment and Learning spent £51 million on vocational training, £12 million of which was specifically dedicated to supporting young apprentices and their employers. The balance of that money was used to prepare young people for work, and to help them progress to training as apprentices. Such investment was needed because many did not possess the basic skills required to begin an apprenticeship. I welcome that substantial investment; it is money well spent.

I shall conclude by mentioning Training for Success, which replaced the Jobskills programme in September 2007. The scheme offers workplace-based apprenticeships and a range of professional and technical training opportunities whereby young people train as they work, gaining industry-led qualifications in the skills sought by businesses.

Through the apprenticeships programme, it is hoped that individuals will find an interesting career, and that they will obtain the skills that will enable them to secure a job in their chosen field. Apprentices work with an employer from the beginning of their training in information technology, engineering, catering, construction, agriculture, hairdressing, joinery, plumbing and many other areas. A framework is followed so that individuals achieve the training and qualifications that are often required by employers.

Training for Success is an important and innovative scheme, which I would be keen to see developed further. Through such a scheme, we can begin to tackle the decreasing number of apprenticeships that are available in Northern Ireland's manufacturing businesses. I support the motion.

Mr Attwood: The SDLP would have preferred that the motion go further; nonetheless, the significance of the debate should not be understated. Along with other motions on the skills issue, the debate is essentially about how Northern Ireland positions itself in the global economy. If we want to learn how to do that, we only have to look to the Southern part of this island. As I have said before, we must examine what the Irish Government's national development plan has to say on this matter. The Irish Government say that although their lower rate of corporation tax encourages investment, it is the skills, innovation, and research and development base that is the key to sustaining their employment levels and the success of their economy.

Therefore, in the North, because we will not have the benefit of any variation in corporation tax, we must look to skills, innovation, and research and development to attract and sustain new employment in Northern Ireland and encourage indigenous employment opportunities.

3.30 pm

When considering the skills debate, we should also be mindful of the fact that, although members of the Committee for Employment and Learning and other MLAs have looked in great detail at issues to do with level-2 traineeships and level-3 apprenticeships, much of the debate in the South now concentrates on level-4 and level-5 apprenticeships. That reflects the fact that upgrading the skills base is essential to sustaining economic power. Over and above the debate on level-2 traineeships and level-3 apprenticeships, we must engage more fully on the issue of the greater skills that NVQ level 4 and NVQ level 5 offer.

How do we maximise the skills for the jobs that are available, and for those that might become available? Like other Members, I rely on evidence, such as that submitted to the Committee for Employment and Learning on 16 January 2008. Several Members have referred to the evidence of David Hatton from the Sector Skills Council for Science, Engineering and Manufacturing Technologies, and I shall add to what other Members' have quoted Mr Hatton as saying. In the Committee for Employment and Learning, when referring to a survey of engineering companies, which showed that many of them were experiencing skills shortages, he said:

“What does that mean for our future skills base? If sufficiently skilled staff are not available to our indigenous companies, what chance do we have of attracting inward investment?”

Given that an investment conference is expected before the summer, that issue must be at the forefront of our minds. What chance do we have of attracting inward investment if sufficiently skilled staff are not available to our existing indigenous companies? For the sake of evidence, Mr Hatton may have slightly overstated that issue. Nonetheless, we must be aware of his point.

At the same Committee meeting, Mr Hatton said that, given that a skills base does not exist in some — but not all — aspects of the Northern Ireland economy:

“there is now a considerable disconnect between the difficult job that Invest Northern Ireland is doing to attract inward investment and our lack of available and appropriate skills.”

My view, and that of the SDLP, is that that disconnect between giving money to the DETI and Invest NI to attract jobs to Northern Ireland and not giving sufficient funds to DEL in order to deliver the skills for those jobs that might be attracted was a flaw in the draft Budget. I have no doubt that the Minister, in his reply, will advise the House whether the final Budget corrects the deficiencies that DEL's response to the draft Budget outlined and that Mr Hatton highlighted. Unless DETI and DEL adopt a joined-up approach to the issue of job skills, we may live to regret what transpires over the next number of years concerning the 6,500 jobs that the draft Programme for Government promised. Those jobs are so desperately needed in this part of Ireland.

Ms Lo: I welcome the opportunity to debate the issue of skills for industry. The Alliance Party supports the Training for Success programme to promote apprenticeships, but it must be targeted at the right areas. We should seek quality in apprenticeships, not just quantity. More importantly, at the end of their apprenticeship, young people should be able to find relevant jobs for which they have been adequately trained. We are not convinced that the motion can realistically achieve that, because of the decline in our manufacturing industries.

The 2006 skills strategy was welcome in that it sought to overcome the stigma of vocational training's somehow being a poor relation of academic education. However, the strategy did not mention manufacturing, which is a reality of the economic times in which we live. A weakness of the skills strategy is that it failed to identify which skills were required in the modern, post-industrial economy, and that is where the Department's focus must now lie.

Therefore the major task of the Departments is to identify important areas of employment in which skills are lacking rather than to promote the provision of apprenticeships for the sake of it. In addition to improving the supply of learning, including apprenticeships, the Departments must work with the employer-led sectors, skills councils and other stakeholders to reduce gaps and shortages in skills.

Northern Ireland was never good at everything, but it used to be good at some things; it enjoyed particular success in the shipbuilding, linen and agriculture industries. In the twenty-first century, the main industries for which people already have the appropriate skills must be identified. Markets to which Northern Ireland companies could export and demands that they could service must also be identified.

The Assembly must target and focus on the skills that have been identified as lacking in Northern Ireland, including the managerial, communication and IT skills that are required in every industry in the modern economy. The Executive pledged to make the economy their number one priority. In response, the Alliance Party specified the requirement to rebalance the economy, not only from the public to the private sector but from low-wage, low-tech jobs to high-wage, high-tech jobs.

Economic requirements are changing, and although apprenticeships are essential to meeting the challenge that that presents, they must be promoted in appropriate areas. Specifically, the Alliance Party wants the Executive to act in response to the Leitch Review of skills, which is being considered by an interdepartmental group that is chaired by the Department for Employment and Learning, and to agree the main industries and skills that must be targeted to meet the Assembly's economic objectives.

Mr Spratt: I support the motion, and I congratulate Mr Shannon on securing the debate and on bringing this important matter to the Floor of the Assembly. The Assembly has debated the Programme for Government, and all sides of the House will agree that its emphasis on the Province's economic development should be a priority for the Executive and for every MLA.

The Department for Employment and Learning has a massive role to play in ensuring that economic development is not simply an aspiration. By developing

a workforce with the necessary skills and adaptability, it will provide the resources from which firms can benefit greatly. Unfortunately, some companies in the manufacturing sector report skills shortages and are voicing their belief that there is little improvement on the horizon.

In light of that, it is worrying to see a downward trend in the number of apprenticeships in Northern Ireland's manufacturing industries. Granted, there has been a downturn in the manufacturing market: for example, the cooling of the housing market has had a knock-on effect on the construction industry. Yet surely those who are already serving apprenticeships must be protected, and pupils from schools throughout Northern Ireland who wish to enter the manufacturing industry must be provided with the opportunity and the incentives to pursue their chosen career paths.

Incentives to employers have played a part in firms taking on apprentices, and the funding framework of the Training for Success programme is central to that. However, today's motion concerns a downward trend in the number of apprenticeships. The impact of prevailing economic conditions on employers is a factor in the downward trend in the number of apprenticeships being offered by firms.

I urge the Minister for Employment and Learning to examine other ways to promote apprenticeships and to entice those in manufacturing to take on apprentices. Importantly, employers must allow those that they have taken on to serve their full apprenticeships. In the current economic conditions, perhaps extra incentives should be offered to employers. Everyone on the Committee for Employment and Learning and in the Assembly will welcome the Finance Minister's announcement today of an additional £40 million.

Shortly after the announcement, the Minister for Employment and Learning, Sir Reg Empey, issued a statement:

"As we all know, Northern Ireland has significant issues in the areas of adult apprenticeships, essential skills, careers and increasing the numbers moving from benefits into employment. We also need to nurture and retain our best talent if we are to compete on the world stage."

The Minister has continually promoted that issue, and I am pleased that he has re-emphasised it in today's statement.

This is the second debate in a fortnight that has raised concerns about apprenticeships. That surely highlights the strength of feeling among Members. The issue affects everyone and is Province-wide, from my constituency of South Belfast to Fermanagh and South Tyrone to Foyle and to Strangford. I am sure that the Minister will take on board the concerns raised today.

If Northern Ireland is to move forward and prosper economically, the necessary skills base is essential. I

urge the Minister to take on board the views from today's debate and from the previous debate. I have no doubt that he will do that, in conjunction with the Committee for Employment and Learning. The onus is on all of us to push the matter forward.

Ms Anderson: Go raibh maith agat, a LeasCheann Comhairle. Ba mhaith liom tacaíocht a thabhairt don rún. I welcome the motion and congratulate Jim Shannon for tabling it. I share his concerns about the decreasing number of apprenticeships in the North's manufacturing industries. I have deep-rooted concerns about the Department for Employment and Learning's Training for Success apprenticeship programme. Last week, I secured an Adjournment debate on apprenticeships in my constituency of Foyle. It addressed the privatisation of apprenticeship training schemes and the fact that many schemes have been centralised in greater Belfast.

The decreasing number of apprenticeships across the North is a matter of the utmost concern to us all. Of special concern is the skewed geographical breakdown in the figures, which clearly indicate disproportionality between the east and the west. In 2005-06, out of 320 trainee electricians across the North, only four were trained in Derry. That amounts to continuing discrimination and inequality, which disadvantages the people of the north-west. That goes to the heart of inequality, which the investment strategy pledges to address. Yesterday, many people came from Derry to Stormont to state that injustice and inequality. We have an obligation to answer that well-considered call for hope and justice, and to right the historic inequality that led to the civil rights campaign as far back as 1969.

The Programme for Government states that apprenticeships are at the heart of a commitment to use prosperity to tackle disadvantage and build an inclusive, stable society. Without trades and without the self-respect that paid employment gives people, it is impossible to address disadvantage, exclusion and the divided society that we are trying to change. If people have historically been excluded from society — left unemployed and untrained — they do not and will not share the aspirations of our Programme for Government, and they cannot and will not engage with those aspirations.

The motion demands that we address the underlying question: why has there been a decline in apprenticeships? The answer is obvious: we have left it all to chance, to incentives and to the marketplace. We have an investment plan, and there will be strategic investment of a huge £18 billion over the coming decade, but it cannot simply be left to market incentives and to business to make apprenticeships attractive to employers.

The Minister must take full responsibility for advancing, hands-on, apprenticeship training through this investment. The Executive must also set conditions for procurement to ensure that contracts are grounded

in ending historical and regional disparities and inequalities and display a social return on the investment.

3.45 pm

The strategic investment strategy is our investment strategy, and we must ensure that it does what it says it will do. We must not leave the marketplace to do it — as if by magic — in the belief that declaring our intent will be enough to make it so. That was not enough in the past and it will not be enough in the future unless the Executive ensure — in every strategic-investment sector — that procurement incorporates the number of apprentices, their location, their hands-on training and provides conditions that will foster community and self respect.

We can do it — the Stand up for Derry campaign enables all our communities to stand up. Sinn Féin supports the motion. Go raibh míle maith agat.

Mr Ross: It is appropriate that Members are debating this issue on the day that the Minister of Finance and Personnel unveiled his very positive Budget to the House. I note that the Minister for Employment and Learning said, in the press release that Mr Spratt alluded to earlier, that he was disappointed with the original allocation that his Department received. In fairness, the Department for Employment and Learning did quite well, and the additional £40 million will be welcomed by the Committee for Employment and Learning and the Minister.

At the heart of the Programme for Government and the Budget is the commitment towards building a strong economy in Northern Ireland. The peaceful society that we enjoy today is underpinned by a strong economy, which is in turn underpinned by a workforce that has the necessary skills to maintain it. Although Mr Shannon mentioned the manufacturing and engineering industries in particular, there are others.

The Assembly has debated motions on numeracy and literacy skills, which are central to learning at all levels. The Federation of Small Businesses echoed the importance of those skills in its evidence to the Committee. Upskilling and learning are cross-cutting issues; and Mr Attwood referred to the disparity in funding between the Department of Enterprise, Trade and Investment and the Department for Employment and Learning. There are, of course, cross-cutting issues that affect the latter and the Department of Education.

Much of the debate in education is about maintaining academic selection in grammar schools. However, we must also ensure that children who are more suited to vocational courses are well catered for. This issue is important because of the focus that is being put on pushing young people to go to university to obtain a degree, and though I advocate maintaining academic excellence, one must bear in mind that academic courses are not suitable for everyone.

Mr Shannon asked why there are not enough plumbers and electricians — part of the problem has been that vocational qualifications and the learning of trades have been undervalued. Many employers are now seeking people who have professional and technical qualifications rather than academic qualifications.

I congratulate the Member for Strangford Jim Shannon for bringing the issue to the House and for recognising the importance of apprenticeships to the economy. The Minister for Employment and Learning has also recognised the value of apprenticeships and has pledged to double their number over the next three years through the Training for Success initiative. Much of that initiative was recommended by the Leitch Review. The Committee Chairperson said that the Committee is monitoring that initiative, and it is important that we give it a chance.

A number of companies in Northern Ireland have already won awards for their roles in taking on apprenticeships; for example Bombardier, and FG Wilson, which is in my constituency of East Antrim. There were problems with previous attempts to get more young people into apprenticeships, which Members mentioned, and there have been press reports about the exploitation of young workers. The Jobskills programme has been criticised for the money that it cost and the relatively poor number of participants who went on to get jobs.

Under the new system, an apprentice is employed and earns a proper wage. However, as the Committee Chairperson and Mr Shannon both said, there are already some concerns about this. One issue is that we should be moving towards an all-age apprenticeship system because the current system only accepts people aged between 16 and 24.

The proposed system presents some difficulties. Many manufacturers encounter problems when taking on 16-year-olds. For example, it is difficult to get insurance for them to work. There is also evidence that, because of the new structures, some employers are less than willing to take on apprentices. Under the new arrangements, employers must pay apprentices from the day on which they start, and they do not like having to foot the cost of their training when there is no guarantee that those apprentices will stay with them.

Mr Spratt said that it is important that apprentices see out their term of apprenticeship. There is evidence that some have not been able to do that, because they have lost their apprenticeship after serving one or two years. It is to be hoped that the contract system to which we are moving will deal with that problem.

The subject of apprenticeships is challenging. The Minister and the Department are moving in the right direction in how they treat apprenticeships and in how they deal with the way in which vocational courses are

viewed and valued. Society must value the academic and vocational routes; it must ensure that young people engage in learning and view apprenticeships as a way in which to enter a career and to further themselves.

Mr B McCrea: One of the advantages of speaking at this stage in a debate is that one has heard what other Members have had to say. There is a temptation to go over old ground, but I refuse to do that. Members talked about evidence: Mr Attwood talked about evidence from the Republic of Ireland; some Members talked about what will happen in their constituencies; and Members from the north-west made great pleas. However, my evidence comes from a different source.

I am one of the few Members who has a degree in engineering. I also worked in manufacturing for a substantial time, and I have employed, managed and used fitters. I have even been known to fix the odd machine. Members will know, because it is in the Register of Members' Interests, that I looked after the Northern Ireland Manufacturing Focus Group's campaign to prevent the phasing-out of industrial derating. Such experience gives one an insight into what is going on.

I am disappointed at the debate's superficiality. All we hear are platitudes from Members, who think that they are saying the right thing but who do not know the reality. Members talked about the situation in other areas and countries that should be examined, but let us look at the situation in Scotland, which is as valid a comparator as anywhere else. In the book 'Scottish Education', it is stated:

"In 1995 it contributed 8.5% of the UK's Gross Domestic Product. In March 1997, 74.7% of employees worked in the service sector; and 16% in manufacturing".

The book concludes that the pattern is the same in all industrially developed areas. It is not the case that one country is at a disadvantage or that some people are doing better than others. We must consider the global economy when considering how to move forward.

Not only is there a decline in the numbers of people employed in the manufacturing sector, but those who are employed in that sector in Northern Ireland and Scotland earn only 80% of the average wage. People who work part-time wonder how they will make ends meet.

One might ask why more people do not become apprentices, but why would anyone be an apprentice if he or she could earn more money by stacking shelves in Tesco? Why would anyone be an apprentice if he or she can work fewer hours somewhere and, as result, be entitled to benefits. That issue is systemic in our society.

There is an image problem with the manufacturing sector, and I speak as one who supports it. People do not view it as a career that they want their children to enter; they do not consider it to constitute a valuable career. They want their children to go down the academic

route, because to do so leads to a career that pays more. That is where the problem lies. Time and time again, students try to achieve qualifications that, in the main, are meaningless to employers. An employer may ask a new apprentice to weld a 45-degree angle, and in 10 minutes the employer will know whether he or she can do it. If the apprentice cannot do it, he or she is useless to the employer.

The proposer of the motion is to be commended for bringing it to the House. The serious challenge to be faced is that about 44% of our manufacturing workforce is not from these parts. Every three years, that number churns: people leave and people arrive. However, that will not carry on for ever. Now that countries other than Sweden and the United Kingdom are taking in those workers, it will soon be difficult to recruit trained and skilled workers. That problem will hit here within three years.

What do we want in this new economy? What type of people do we want to produce? According to this weighty tome there are two types of workers — generic workers and self-programmable workers. The key to tackling poverty, inequality and economic performance is to make sure that our young people have the necessary skills not to do but to learn.

That is why I commend the Minister for his Training for Success programme, because it is about creating the right attitude among young people so that they will believe that there is a viable well-paid future in manufacturing. If we get that right, we will get the right workers; that is what we should be encouraging. I hope that the Minister will address that point.

The Minister for Employment and Learning (Sir Reg Empey): I thank Members for tabling the motion and for participating in it.

It is interesting that this is the second time that we have debated this subject in a week; it shows that people are beginning to realise the significance of the work for which the Department for Employment and Learning and its Committee are responsible.

There was a tendency some years ago to throw money at potential investors to attract them with grants. Those days are gone not only because of the European Union's insistence that different methods should be used, but also because employers no longer choose to locate purely for that reason. Employers choose a location only because they can make money there, and a Government giving them a great deal of money will influence their decision.

However, our experience has been that when the money ran out they went elsewhere. We found that throwing money attracted low-skill — rather than high-skill — companies that could move elsewhere when it suited them.

Tomorrow, as I promised, I will visit Limavady to meet the workers' forum of the former Seagate Technologies, officials from Limavady Borough Council, the local chamber of commerce and officials from my Department. Seagate is a classic example of a company feeling that it can move lock, stock and barrel to Malaysia or somewhere else because it can make more money there. We live in a changing world.

Apprenticeships have ensured the continuity of skills needed by our industries over the years, and they are needed in order to compete and grow in a vibrant, dynamic economy. However, some years ago they went out of fashion, and the large companies that used to supply skills to the next generation of the workforce through their apprenticeship programmes abandoned them, against the advice of many people. Sadly, many of those companies are no longer around, precisely because they ran out of the required skills and became inefficient as a result.

I am committed to apprenticeships for very fundamental reasons: they are one of the main vehicles by which we support business, industry, employers and our economy; they help large numbers of young people each year to move from education into the world of work; they provide young people with training to develop the technical knowledge and skills that they and their employees need; and they are also employer-led. That is the kernel of the matter.

Martina Anderson said that apprenticeships should not be left entirely to employers. However, at the end of the day, it is only in the workplace that apprentices learn their business or trade. We can try to simulate the workplace in a training scheme, but there is no substitute for experience on the job.

4.00 pm

The Department has made a considerable investment in apprenticeships; my colleague Mr McClarty quoted the figures. I assure Members that I will do what I can to ensure that as much of that as possible is maintained.

The apprenticeships target set by one of my predecessors still exists. Last year, there were some 6,000 apprenticeships, which included an intake of some 4,000 for the new scheme, and over 2,000 people who were on the previous Jobskills programme were making the changeover. There are still many apprenticeships, although there was a slight dip this year, which is largely the responsibility of employers.

The Public Accounts Committee heavily criticised our system, so we introduced the Training for Success programme. There have been concerns about the bidding process and about who won contracts and who did not win. I assure Members that the bidding process was robust; it was conducted by the Department of Finance and Personnel's procurement section. Opportunities

will arise for people to bid again in future competitions, and I wish the successful bidders well.

Mr Attwood referred to the position of Northern Ireland, the global economy and the Republic's national development plan and its concentration on innovation, research and development, and so on. He asked about the implications for the Department and the Budget. I appreciate the support that I have received from the Committee for Employment and Learning since the draft Budget was published and from a range of organisations that back our endeavours. It would not have been possible for the Department to have delivered on its Programme for Government targets had it not been for the significant uplift that it was given.

The Department is closely considering the marketing side of apprenticeships and trying to get the message across to employers that it is in their interests that we succeed. Some money is available in the innovation fund for adult apprenticeships and also for apprenticeships generally in key areas. The opportunity exists for us to do some work in areas that otherwise would not have been possible.

Although the Department's Budget allocation was not as much as it would have liked — that is true of every Department — what it has secured will at least enable it to make progress. I hope that the forthcoming economic conference will be a success, and I will work with other colleagues in Government to ensure that it is. However, I am conscious that, if we do get investors, we must be able to provide a workforce that will make them successful. It is a big responsibility that I am happy to take on.

Reference was made to the fact that 75% of engineering companies experience difficulties in obtaining labour. I am aware of the difficulties, although the figures ebb and flow. My colleague Basil McCrea made some interesting points. Part of the problem is that, if a company is successful, it tends to be a company that is paying its workers a rewarding wage. We must create the circumstances in which we try to minimise the oncosts, because there are many of them. Those issues formed part of the campaign that was led by Basil McCrea and others.

The prospect of the Varney Review II might open up the opportunity for us to do something. I have a long-standing belief that we should address the issue of excise duty, not only to get rid of prevalent criminal gangsters who operate so effectively but to deal with a significant cost base.

Reference was made to the disconnect between the Budget and Departments working together. The Minister of Enterprise, Trade and Investment is in the Chamber, and I am sure that he would be prepared to confirm that his Department, my Department and Invest NI work together all the time.

We meet regularly, work together and discuss those issues, and, although we may have some distance to travel, I assure the Member that we are attempting to resolve any outstanding issues. We recognise that we are in the same boat, and, if we are unable to deliver services and the same message to any potential investor, we will harm no one but ourselves.

This debate has focused on some of the issues that people must grasp. It has been hard to get that message across, because although one can understand, and see, what is happening in Departments that deal with roads, health and so on, skills are not visible to the naked eye, and, when success is achieved, we do not value it as much as we should.

The week before last, I had the great pleasure of hosting a reception for young men who had achieved great things in the WorldSkills Competition. In 2005, we had gold and bronze medallists, and in 2007 we had a bronze medallist. No other region of the UK achieved that, and for Northern Ireland's size, those were mega achievements. A reception was held to recognise those young men as role models. It is hard to get the message across that that is the future. Those young men pitted themselves against the best in the world — and won. Mr Spratt, as Deputy Chairperson of the Committee for Employment and Learning, is grateful that he travelled to Japan because he saw what happened.

We have the people who can deliver. However, they require the support of willing employers who are prepared to invest in them; tell them they are valued, and that there is something to gain. That is the message that we must convey to employers. Skills development must be a partnership because if there is a sudden upswing in trade, employers cannot expect trained labour to be waiting at the door — the supply is no longer there.

We in Northern Ireland are no longer interested in mopping up large pools of unemployment by feeding in low-skilled workers. In the Programme for Government, my colleague, the Minister of Enterprise, Trade and Investment, is also raising his sights on the type of jobs he wants to be created. The aim is not just to create jobs; it is to create certain types of jobs with certain wage levels. We are making no real impact on moving off the 80% benchmark on which we have been stuck for a long time. Some surveys even indicate that we have slipped back a point or two. It will only be through skills development that we will be able to move off that figure.

The money for innovation that we secured in the Budget will allow us to address the problem of level-4 apprenticeships. I am as conscientious as Mr Attwood, and I have spoken at length to my counterparts in the Republic, and we will be working with them on several

innovation-fund projects, a significant proportion of the funds for which have come from the Irish Government.

We will also work throughout the United Kingdom. Last week, I was in London with the Minister for Skills, and we were looking ahead to 2011, when the WorldSkills Competition will be held there. A ministerial group is already planning for that event throughout the UK and is considering how to encourage more companies and employers to participate. It will only be when we value the young men and women who participate in such schemes and who do achieve, and when we can get employers to weigh in and push those people into such competitions, that we will have role models who will show people that, despite the difficulties, manufacturing is not dead.

There is good reason to believe that well-run and well-skilled manufacturing companies can still succeed in Northern Ireland, and there are several examples — although, sadly, not as many as there were. However, I, the Department and Members have not thrown in the towel.

We do ourselves down all the time. We talk about sunset industries and industries of the past. I value the past — as do we all — and we should be proud of it, but we should not talk ourselves out of a job, as we tend to do. Who benefits from that except our competitors? They are glad to hear us talking about sunset industries. If we say that manufacturing industries are a thing of the past, we are not providing much of an incentive to seek work in manufacturing for the young men and women who are listening and watching. Manufacturing is not a thing of the past.

Having put the economy to the forefront of the Programme for Government, we in the Executive must now deliver on that. As long as we maintain, and give succour, substance and support to employers, the apprenticeships will follow. However, we cannot do it alone. It can only be done in partnership with the employers, and they must play their role.

Mr Newton: I do not want to concentrate on whether the numbers are right or wrong, or whether we need more or fewer apprentices. There was a time when Northern Ireland had a vocational training system that was the envy of Europe. I refer to the Government training centres that were dotted throughout the Province, which provided training to apprentices who were later employed in industry. In those days, all sectors of industry were covered by statutory training boards — and the key word is “statutory”.

Although I do not want to replicate that system, our objective must be to establish a system that will deliver training to the same standard that we achieved in the past. We are working in a new context, with a devolved Administration in which Ministers can make their own decisions and develop their own strategies. The economic

vision for Northern Ireland is outlined as a high added-value, highly skilled, innovative and enterprising economy, which will enable us to compete globally and lead to greater wealth creation and better employment opportunities for all.

Underpinning that strategy is the Department for Employment and Learning's objective to ensure that our people have the right skills for future employment opportunities. We have a multi-layered strategy in place to deliver the skills agenda for the Department for Employment and Learning. There is the Province-wide Economic Development Forum, which comprises four subgroups to deal with innovation, enterprise, skills and infrastructure. That is supported by the Northern Ireland skills expert group, which has a regional remit. That, in turn, is supported by local workforce development forums, which cover Belfast and the northern, north-western, south-western, southern and south-eastern regions. There are 25 sector skills councils, which operate on a UK-wide basis to cover all sectors of industry. Underpinning the sector skills councils are sector training councils, which have a local sphere of activity.

I will not say that that is the wrong way to deliver skills planning, but it is a complex approach, which has no political input. That strategy is in its early days, and time will tell whether it will deliver the necessary outcome.

4.15 pm

I welcome the motion proposed by Mr Shannon; it is timely and necessary. However, I wish to consider apprenticeships in a wider context. Mr Shannon was guided by the manufacturing figures that he saw, but I wish to broaden the context. Northern Ireland is experiencing relative prosperity due to the political stability created by the reinstatement of the Assembly and the laying down of arms by the mainstream paramilitary organisations.

I welcome the fact that the Minister of Finance and Personnel has recognised in the Budget the need for the skills base to be strengthened and has agreed to increase the Department for Employment and Learning's budget by 35%.

A Member: Hear, hear.

Mr Newton: Hear, hear.

At this time it is not possible to say how many apprenticeships will result from the 20,000 jobs that may be created in the Titanic Quarter. That is relevant not just to people living in my constituency of East Belfast, but to the whole of Northern Ireland. The potential creation of 20,000 jobs in the Titanic Quarter will produce a number of apprenticeships.

The Minister has referred to the economic development conference that is soon to be held. All the research

confirms that there is an increasing demand for qualified workers in all skill areas. Earlier in the debate, reference was made to the fact that we are producing young people who are qualified to skill levels 1 and 2 and, indeed, to the fact that we need to build on that.

The key to solving the problem is to place greater emphasis on apprenticeships and to encourage more young people to consider them. For that to happen, school pupils must achieve good grades in academic and vocational subjects. If the number of young people entering apprenticeships does not increase, and if we do not encourage the young to enter them, there will be an adverse overall effect on the Northern Ireland economy.

Mr B McCrea: Will the Member give way?

Mr Newton: Mr Deputy Speaker, if I give way, will the time be added on?

Mr Deputy Speaker: No.

Mr Newton: I will not give way if the time is not added on.

Mr Deputy Speaker: It is not normal for Members to be compensated for giving way.

Mr Newton: However, in this instance, will you allow me that time?

Mr Deputy Speaker: I will on this occasion.

[Laughter.]

Mr B McCrea: That was very consensual.

Does the Member agree that we must do more than just encourage young people to enter apprenticeships? They must see that it is in their economic interest to do so. We have considered paying pupils to stay on at school, and, in the same way, we must ensure that, when they consider their bank balances, entering an apprenticeship is not only the right thing to do, but is seen to be the right thing to do.

Mr Newton: The Member is obviously a mind reader — a clairvoyant. The next words on my page are “the way forward”.

All over Northern Ireland people need to be offered apprenticeship opportunities in projects such as the Titanic Quarter, Victoria Square and those that are outside Belfast.

People from less-well-off backgrounds need to be given equal opportunities in skills and training to help to develop the economy. Those who are currently unemployed, which is just fewer than 5% of the Northern Ireland population, need to be reintroduced to apprenticeship and employment schemes. Furthermore, those who do not want to return to further education in school should be informed about those schemes in Northern Ireland that develop long-term skills. Young people need to be made aware of the demand for skills,

of their relevance and of the opportunities — both economic and career — that apprenticeships offer. Young people also need excellent career guidance at school. That must underpin everything that we do.

Mr Ross made the point that this is a cross-cutting issue. Therefore, the young people need to be employed during the apprenticeship. Following the restoration of the devolved Assembly, and in the period of relative peace that we are now experiencing, there has never been a more promising economic opportunity. We all know that the investors who attend the investment conference will consider the skills base of Northern Ireland, as well as the academic qualifications of young people and the opportunities and incentives that are on offer.

Mr Shannon spoke passionately about the issue. I welcome the fact that he feels so strongly about it, as one should. It is an important matter for all our young people and for the overall economy.

As a member of the Committee for Employment and Learning, I am aware of the concerns of the Committee Chairperson. I am also aware of the concerns of employers. Department for Employment and Learning needs to produce the policy, strategy and delivery mechanisms that will ensure successful outcomes in this field.

Also in my capacity as a member of the Committee for Employment and Learning, I have been supportive of the Training for Success strategy, and I welcome the direction in which it is going.

Mr McClarty referred to the reduction in the number of apprenticeships in the manufacturing sector, and he is correct to do so in the semantic context of the debate. However, all Members have acknowledged the need to widen the debate and have recognised the economy's need for highly qualified and skilled personnel across all industrial sectors, not just manufacturing — although it is important.

I agreed with Mr Attwood when he referred to the Irish Republic's success. We must not be afraid to take lessons from the Republic of Ireland, which has recognised that a skilled workforce is a primary requirement of a successful western economy.

I disagreed with Anna Lo. I am not sure whether she meant to say that apprentices should get jobs after their training has ended: they should have jobs while training. Mr Spratt recognised that employers, especially manufacturers, must have incentives. It is vital that apprenticeships are incentivised in order to recruit employers —

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

Mr Newton: I will, Mr Deputy Speaker. I regret that Martina Anderson went down the road that she did; it

is inappropriate to talk about such negative aspects as discrimination.

I am glad that the Minister is committed to the apprenticeship training scheme; I was aware of that from the beginning. I am glad that there is an employer-led strategy rather than the previous supply-driven strategy.

Mr Deputy Speaker: I am afraid that I am merely an apprentice who has no authority to add time to the debate.

Question put and agreed to.

Resolved:

That this Assembly expresses concern over the decreasing number of apprenticeships which are available in Northern Ireland's manufacturing industries and calls on the Department for Employment and Learning to address the current decline and to promote the provision and facilitation of apprenticeships.

Motion made:

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

ADJOURNMENT

The 2006 Collapse of TriVirix and Recovery of State Funds

Mr Deputy Speaker: All Members who wish to contribute to the debate will have 10 minutes in which to speak.

Mr Attwood: At the outset, I thank the Business Committee for agreeing to the debate, not least because it is the first opportunity on the Floor of the House to train a spotlight on how Invest NI (INI) does business. I welcome the Minister to the debate. I get a sense from what he has said on the Floor and in correspondence that he is vigilant on the issue; however, I urge him to go further than he has in his correspondence to date.

It would be remiss of me if I were not, first and foremost, to acknowledge those people who lost their jobs when TriVirix collapsed in February 2006. More than 100 people were employed at its interface site — from both sides of the community — in an economic black spot in one of the most disadvantaged areas of West Belfast. The loss of those jobs has been felt deeply.

TriVirix's responsibility must be acknowledged. Several months after its collapse, the company was taken to a tribunal by the Communication Workers' Union. The tribunal found that TriVirix had failed to give notice of redundancies until 48 hours before they happened; failed to discuss its financial problems with the union; ignored requests for information and offers of assistance from the union; and sought to give its employees the impression that there was no cause for concern. That was an employment tribunal's indictment of how TriVirix conducted its affairs. Whatever I might say about Invest NI, it does not diminish how TriVirix treated its workforce and how right it was that an employment tribunal commented on how it had done business.

Before I discuss Invest NI, it is important to stress that £2.597 million of public money was given to TriVirix. As far as I am aware, not one penny of those public moneys has been recovered. I know that the Minister is attending to the matter. Will the Minister advise the Assembly whether he is in a position to confirm if, and when, moneys may be clawed back into the public purse after the collapse of TriVirix International? Is it still the case, as INI has contended, that approximately £1.5 million of the money that was paid to TriVirix International might yet be recovered? INI has put in

writing to me that that is a realistic assessment. Will the Minister confirm whether that is the case, given that the public, the trade union and the workers who lost their jobs will be anxious to determine whether TriVirix International will be called to account financially for the way in which it treated its workforce?

I turn to the way in which INI conducted its affairs with regard to the business of TriVirix International and its ultimate collapse. The Minister has written to me on those matters. However, I continue to have deep doubts. For that reason, I have four questions.

First, it has come to my attention — as a result of the Minister's letter — that in October 2004, TriVirix International was added to an “at risk” register by Invest Northern Ireland. Approximately 16 months later, TriVirix International collapsed. Why was TriVirix International paid the sum of £572,000 in grant aid in June 2005, seven or eight months after it was added to that register? Why, if a company was deemed to be at risk, were moneys handed to it? There may be an answer to that.

Secondly, eight weeks after handing £572,000 to TriVirix International, INI became aware that the business was in difficulties. INI, by its own admission, said that it had regular contact with the company; that it monitored the company's performance; and that it had accepted a revised business plan from the company before approximately £600,000 was released. How is it that, despite all the contact, the monitoring and the business case, eight weeks later, INI was told that the business was in difficulty? I find it difficult to reconcile INI's release of so much money with the company's being in difficulties eight weeks later.

Thirdly, it seems to be generally accepted that a business deal in which TriVirix International was to acquire another business, Medtronic Inc, was — to borrow a phrase — a lifeboat for that business. However, in Invest Northern Ireland's correspondence to me, it confirmed that the deal was intended to happen in June 2004 and scheduled to complete in the first quarter of 2005. It failed to complete, and INI conceded that TriVirix International's admission that the Medtronic deal was “loss-making” in any case. INI knew that the Medtronic deal was not completed and knew, as I understand it, that the Medtronic deal was so important to the success of TriVirix International. Why did INI release almost £600,000 to a business in those circumstances?

Fourthly, what did INI do, after August 2005, when it had become clear that TriVirix International was getting into difficulties? What did it do when it knew that a leading investor had concerns — a fact that INI has confirmed? What did INI do, bearing in mind that it knew that the Medtronic deal was in difficulty? What did it do between August 2005 and January 2006 to

exercise due diligence in respect of what was happening in that business? What did it do to keep the union involved and to keep the workers informed, so that they could, at least, have had some foreknowledge of the catastrophe with which they would find themselves faced in January 2006?

4.30 pm

It is true, to a degree, that INI was not given the full picture by TriVirix. As we know from the employment tribunal, TriVirix failed to give the full picture to its own employees. However, that is not the end of the matter. I have asked questions about what happened, and, to date, I have received no satisfactory answers. My sense is that INI either failed to probe diligently and deeply into the affairs of TriVirix to get the full picture, or TriVirix gave the information to INI, which failed to assess diligently that information to determine the future viability of the company. Either way, as an organisation that deals with significant public funds, INI's performance should be been of a much higher standard.

In conclusion, I ask the Minister to further consider the papers and the files that pertain to this case, and, if necessary, to come back to the Assembly with a further view on it. In any case, I now refer the matter to the Public Accounts Committee so that it can determine whether it has an interest in it.

Whatever about TriVirix, nothing should take away from the fact that West Belfast is open for business. Before Christmas, the Minister privately visited one of the best and most successful employers in west Belfast, Delta Print and Packaging Ltd, which employs close to 200 people and now has investments in China and India. The way forward is to invest in the likes of Delta Print and Packaging Ltd, because, unlike TriVirix, that company and its workforce will not let us down.

Mr Adams: Go raibh maith agat, a LeasCheann Comhairle. Tá mé buíoch de mo chara as iarthar Bhéal Feirste as an cheist seo a chur ar chlár an lae inniu.

I thank my colleague from West Belfast for securing this Adjournment debate. As he said, it gives us the opportunity to shine a spotlight on how Invest NI does its work. I also thank the Minister for his attendance.

Last week, I raised the case of TriVirix in a supplementary question. To recap: in 2005, TriVirix had an annual income of \$51.5 million. It was one of the top-100 fastest-growing companies in the USA. However, in February 2006, it suddenly pulled out of the Springvale site in West Belfast. Some £4 million of public money had been invested by Invest NI, which appeared to have been taken completely by surprise when the firm went into administration. A total of 119 people lost their jobs, which was a devastating blow for them and their families. The closure also dealt a major blow to morale and to the economy in West Belfast, which has long been starved of inward investment.

Before I go on any further, I wish to commend my former colleague, the former Assembly Member, the late Michael Ferguson, who worked closely with the staff and the trade union representatives to salvage something from the mess. I also want to acknowledge that it will always be a difficult endeavour, particularly in these globalised times, to attract inward investment and to ensure that such investment is proper, sustainable, and offers fair and decent wages.

However, the TriVirix affair raises serious questions about the methods used to encourage inward investment, including the scrutiny of the companies being brought into the North and the monitoring of how public money is spent after it has been given to them. The TriVirix debacle stands as a stark reminder of the inadequacy of those processes.

Last week, I was pleased to be given an assurance by the Minister of Enterprise, Trade and Investment that Invest NI has:

“implemented full recovery procedures to claw back all public moneys owed”

and:

“remains in regular contact with the joint administrators, who continue to review creditor control and who have indicated their intention to pay a dividend to creditors in the coming months.”

However, I will wait to see exactly how much will be returned, as the Minister was unable to give any detail regarding that in his answer to my question.

Therefore, there are many questions to be answered about how Invest NI handled the TriVirix affair, and I ask the Minister to consider all the issues involved in this disgraceful episode and to bring details and information to the Assembly.

I also have serious concerns about the performance of Invest NI generally, and specific concerns about its abject failure to locate employment in West Belfast, including the greater Shankill area. Invest NI has consistently failed to get the balance right in targeting investment in those areas, as well as in the border counties west of the Bann, including Derry. That is despite the fact that those are the areas that need the greatest investment as they have the highest levels of deprivation and unemployment.

Invest NI’s annual report for 2003-04 revealed that North Belfast and West Belfast together received less than one third of the financial assistance that was given to South Belfast and East Belfast — £12.6 million compared to £41.5 million. The five border constituencies of South Down, Newry and Armagh, Foyle, West Tyrone and Fermanagh and South Tyrone together received less assistance than South Belfast, which is one of the most affluent areas in the North.

The same report showed that the seven constituencies west of the Bann received only 10% of the assistance

that was given and were allocated only 10% of future planned investment. It is no accident that the areas that are receiving the lowest levels of Invest NI financial support and investment are predominantly nationalist areas. The correlation between those areas that are losing out on Invest NI support and areas of high unemployment and deprivation is stark. They match almost exactly. Therefore, there appears to be truth to the accusation that Invest NI is operating a disinvestment strategy rather than an investment strategy as far as those particular areas are concerned.

My concerns were reinforced last week when, in a written reply to a question posed by me, the Minister of Enterprise, Trade and Investment revealed that no first-time investors were secured by Invest NI for the West Belfast and greater Shankill area last year. Some money from Invest NI did make its way into West Belfast; however, it was a pittance compared to what is required. The Minister said:

“during 2006/07, Invest NI offered £39 million of assistance to projects within the four Belfast Constituency areas. This included £20.7m of assistance towards 16 inward-investment projects”.

Not one — chan ceann amháin — of those projects was located in the West Belfast or greater Shankill areas. The pattern continues, and it is totally unacceptable.

When Invest NI was established in 2002, we were told that the idea was that a single agency would be more flexible, would not have the baggage of the past, and would be more effective in tackling the major economic challenges confronting the North. There can be no doubt that Invest NI — let us be gracious — has secured significant investment in the North’s economy, including an increase in exports generated by companies funded by it.

Mr Deputy Speaker: Order. Will the Member link his remarks with the Adjournment topic, please?

Mr Adams: OK, a chara, thank you.

Invest NI is failing in its duty to equality proof its investment strategy, and it is failing in its duty to ensure that public moneys — as we have seen with the TriVirix affair — are properly spent, and it is clear that bad practice is continuing.

The TriVirix affair is an example of one type of failure by Invest NI. However, the wider questions point to other failures. Sinn Féin will continue to scrutinise Invest NI’s strategic approach to investment. We will offer praise where praise is due, but will expose Invest NI’s failings and hold its management to account when we believe that it is not working in the interest of all sections of our people. Go raibh maith agat.

Ms J McCann: Go raibh maith agat, a LeasCheann Comhairle. Like those Members who have already contributed, I welcome the opportunity to take part in the Adjournment debate, and congratulate Mr Attwood

for securing it. As the other Members have said, local community anger was roused in February 2006 when TriVirix pulled out of West Belfast and 119 employees lost their jobs.

West Belfast is a community that has, over the years, endured high unemployment and social and economic disadvantage. The TriVirix employees, who came from both sides of the political and religious divide, were treated badly by the company, which refused to keep them informed of what was happening, and would not help them in their search for other employment or future skills development.

Invest NI gave major financial help to TriVirix over a number of years. As the previous contributors have said, serious questions must be asked about the whole affair. How can Invest NI pump millions of pounds into an operation, only to see that company take those moneys and leave? Did Invest NI know that TriVirix was on the verge of closure when it put that money in? Surely any company in receipt of that level of public money must enter into an agreement to honour its commitments if it decides to pull out.

The situation leads us to ask other questions of Invest NI. Is the same level of commitment and finance that is provided to foreign direct investment given to SMEs? I know that foreign direct investment is important for the economy, but some smaller local businesses are also very important to the economy. In the same way, the setting of targets and outcomes for the social economy does not appear to have been given priority. Yet social economy projects not only provide essential front-line services to those who are most disadvantaged in society, but create employment opportunities for local people. There is a real need for the stringent monitoring of public moneys put into large companies, and a level of accountability must be built into the agreements that are made with them.

I will take this opportunity to put some final questions to the Minister. How many companies in West Belfast have been given a similar deal by Invest NI? Will West Belfast, and other constituencies in the North, have to face the same issues in future? Has the Minister commissioned a review of the TriVirix case, and if not, will he do so now? Go raibh maith agat.

The Minister of Enterprise, Trade and Investment (Mr Dodds): I am not sure what time is available to me.

Mr Deputy Speaker: Ten minutes.

Mr Dodds: I hope that I will have enough time to deal with the points that have been raised. I thank Mr Attwood for securing the Adjournment debate. He has been assiduous in following up the matter regularly, and I have listened with interest to the points that have been made. I welcome the opportunity to set out the position of the Department of Enterprise, Trade and Investment on the matter.

As Mr Attwood said, I wrote to him recently with further details of the case, to which he has referred in the debate. Any announcement of business closure and associated redundancies, whether large or small, is, of course, a blow that is to be regretted. I do not need to remind Members that, as others have mentioned, behind every statistic there is an individual, family or community that bears the trauma of this type of event and the terrible uncertainty that comes with such bad news, particularly when it comes without much warning, as happened in this case.

Members will know that the events in question occurred under direct rule and under a different Minister. Therefore, I do not have access to the papers directly related to the case. However, I assure the House that I and the Department take that responsibility seriously. Along with colleagues in the Department for Employment and Learning, we will continue to do all in our power to support and assist individuals to find alternative employment at the earliest opportunity in any circumstances that arise, such as the collapse of TriVirix.

4.45 pm

However, in order to provide those employment opportunities, we must face up to the realities of modern business and competitive pressures that know few boundaries and that are increasingly sophisticated and relentless, whether in pursuit of market share, capital or human resources, or a combination of all three.

Those factors were borne out by our recent visits to the United States, and I am sure that honourable Members who joined that delegation at a senior level made those points to their colleagues. Therefore, if we are to deliver on the key economic objectives of the draft Programme for Government, we must continue to encourage our local and foreign-owned businesses to become more innovative in everything that they do, whether in research and development, the approach that they take to marketing their products or services, or the training and education of their employees. It will only be through the success of businesses that embrace that ethos that we will, over time, be able to reposition our economy as one that supports better jobs, better salaries, higher value products and services, and one that creates more prosperity for everyone.

Under my direction, Invest Northern Ireland will continue in its efforts to secure more overseas investment in the face of stiff competition from other regions. INI will also help and support developing local companies to export more and become more export-orientated. We must utilise our limited resources effectively by adopting a targeted approach to the type of investments that we want, which bring the characteristics that I have just mentioned.

I, along with my wife, Diane, who represented West Belfast in the Assembly at the time, deeply regretted the closure of TriVirix in 2005, which resulted in the loss of 113 jobs. As a specialist-contract manufacturer of precision medical equipment, the business operated in the high-value medical-devices sector, offering innovative solutions to its customers. TriVirix supported a range of highly skilled jobs, such as electrical and electronic engineers and software developers. That is why its loss was such a blow.

I remind the House that TriVirix was a venture-capital-backed start-up business. Despite a failure to achieve key performance targets, the company's business proposition remained compelling to its funders over a number of years from its inception. That was demonstrated by the fact that the US parent company, TriVirix International, successfully raised five rounds of venture-capital funding, totalling around \$57 million, or £34 million.

Invest NI did not — as some have said — fund the organisation. One must consider the amounts that were injected by private investors, including £2.7 million from two Northern Ireland venture-capital companies, Crescent Capital and Enterprise Equity. Almost half of the £34 million — £15 million — was invested in the Belfast operation by the US parent company. The most recent of the venture-capital funding rounds occurred in December 2004, when approximately \$8 million, or £4.2 million, of private money was invested. Along with the support of the US board and lead investors, and with the ongoing transfer of manufacturing operations to Belfast from the sister plant in Copenhagen, the prospect of up to 45 new, highly skilled jobs being created led to significant business confidence being generated.

In June 2005, after the company made an eligible grant claim and satisfied the conditions in its letter of offer, Invest Northern Ireland proceeded to approve grants totalling around £595,000. However, Invest Northern Ireland had been withholding those grants for 12 months, pending resolution of the dispute over company rent arrears and the need to satisfy the conditions in the relevant letters of offer. As I understand it, both matters were dealt with and, at that time, TriVirix settled rent arrears of just under £176,000. That was handled by way of an offset of the grant that was due to TriVirix in June 2005.

I must correct something that the Member for West Belfast Mr Adams said. Invest Northern Ireland offered £4.3 million for assistance; however, only £2.1 million of that was paid to TriVirix by way of grants and loans between November 1999 and June 2005.

Subsequently, in March 2006, a loan of £85,000 was provided to the joint administrators to maintain the business as a going concern while a buyer was being

sought for the company. Invest Northern Ireland was made aware only in late August 2005 of the lead investor's increasing concerns about the company's trading performance, and it learned of the resignation of Trivirix's chief executive officer in September 2005.

However, as late as 17 January 2006, the independent consultant, who had been appointed by the lead investor to review the business, informed Invest Northern Ireland that there was still a possibility of implementing a recovery plan and that he would be making a submission to the US board on 25 January 2006 for a multimillion-dollar funding package.

The closure of the company is regrettable. Members should, however, acknowledge the benefits to the local community over the six and a half years that Trivirix was located in West Belfast. It was one of the largest employers in the area, and, at its peak, provided well-paid, highly skilled jobs for 154 people. During the period in which it operated, the company paid out approximately £9.5million in staff salaries. Despite the closure in early 2006, the percentage of working-age claimants in West Belfast dropped from 6% in February 2006 to 5.2% in December 2007.

I can inform the honourable Member and the House that Invest Northern Ireland is in regular contact with the joint administrators about the recovery of public funds. In September 2007, I informed the House that the administrators planned to make a payment to creditors in January 2008. Administrators have since informed Invest Northern Ireland that delays in agreeing creditor claims have, in turn, delayed the dividend payments.

As Members know, the final amount of the dividend can be agreed only after all creditor claims have been determined. Therefore, I am not in a position to confirm to the House the exact amount of public funds that will be recovered. However, I stand over the figure of £1.5million that Invest Northern Ireland mentioned in its letter to Mr Attwood, and the current position provides no reason to go back on that figure.

The delay in the payment is frustrating, but the latest position, as of today, is that the court has decreed that the administration be discharged in May 2008. As I indicated previously, I will keep the House fully informed about the recovery of public funds in this case. My Department is determined that that avenue will be explored fully to achieve the optimum result.

Unfortunately, I will not have time to deal with wider issues that relate to West Belfast. Mr Adams raised matters about South Belfast and East Belfast. The constituency boundaries of South Belfast include Belfast city centre, where several major multinational companies have invested. They draw employees not only from the four Belfast constituencies but from further afield.

Therefore, it is completely misleading to describe that as investment only in affluent South Belfast and to say that other areas do not benefit. All areas benefit from investment in the city centre. Of course, Members want to see all the areas that they represent being boosted by investment, and I am determined to see that happen.

Much of Invest Northern Ireland's investment is demand-led. It is not a question of going round and distributing a wish list for areas throughout Northern Ireland. Investors and companies will determine the issues. The parties must work together to create an entrepreneurial spirit in order to ensure that areas are attractive to investors and to provide the required level of education and skills. Everyone has a role to play in that.

No one can forget that West Belfast, and other parts of the Province, have been gravely disadvantaged for years by the ongoing violence, deprivation and problems that arose as a result of some of the activities that Mr Adams supported for many, many years.

I hope that we are now in a new era and that parties will work together to provide the best employment opportunities for everyone. I would have liked the opportunity to address some issues in greater detail, but I hope that I have allayed some of the concerns about Trivirix.

Adjourned at 4.54 pm.