

Feedback to the Independent Fiscal Commission for Northern Ireland on its Interim Report

From: Jim Allister MLA, Traditional Unionist Voice

Date: 19 January 2022

Question 1: Do you agree with our understanding and representation of why fiscal devolution might be considered important and the contemporary context of Northern Ireland, as described in Chapter 1?

Response: Largely yes. Your careful analysis is particularly useful as a reality check for some of the advocates of wholesale devolution of fiscal powers to a region which patently is not self sustainable. The fact that this is a two way process with adverse impact on the block grant is too often ignored.

Question 2: Do you agree with our understanding and our representation of the current Northern Ireland context?

Response: Yes.

Question 3: Do you agree with our analysis of the suitability or otherwise for devolution of the individual taxes listed in Chapter 4?

Response: We are particularly sceptical about any devolution of income tax, not least because of the lack of fiscal responsibility demonstrated by the NI Executive. The 'begging bowl' mentality and irresponsible spending demands do not sit well with the idea of allowing any control over income tax. The Scottish experience, where there is political stability, is a timely reminder of being careful what you wish for.

Question 4: Do you agree with our conclusions regarding the prioritisation of specific taxes to be carried forward for further consideration in the second phase of our work?

Response: Excise duties are we believe beyond the capacity of an administration which has failed to show demonstrable fiscal responsibility and finances on a sustainable footing.