



Northern Ireland
Assembly

Committee for Communities

OFFICIAL REPORT (Hansard)

Pension Schemes Bill: Committee
Deliberations

22 October 2020

Ms Roy: Clause 2 defines "Relevant public service pension schemes" for the purposes of clause 1, which excludes relevant public service pension schemes from the definition of a master trust. Broadly, those are occupational pension schemes established by or under legislation such as the Public Service Pensions Act (Northern Ireland) 2014. In general, public service pension schemes already have specific requirements placed upon them when they are set up, to mitigate risks. For that reason, they are not included within the scope of the master trust authorisation regime. That is clause 2.

The Chairperson (Ms P Bradley): Thank you, Doreen. Again, members, any comments or queries on clause 2?

Members indicated assent.

The Chairperson (Ms P Bradley): OK, we will move on to clause 3.

Ms Roy: This is "Authorisation: applications etc", clauses 3 to 6.

Clause 3 prohibits a person from operating a master trust scheme unless that scheme is authorised by the Pensions Regulator. This is the foundation of the authorisation regime. It also sets out the consequences of breaking that prohibition. The clause also gives the regulator the power to issue a civil penalty if the prohibition has been broken. That acts as an additional deterrent to anyone who may seek to operate a master trust scheme without authorisation.

Finally, the clause defines "operates" for the purposes of this Part of the Bill:

"a person 'operates' a Master Trust scheme if the person—

(a) accepts money from members or employers ... in relation to the scheme, or

(b) enters into an agreement with an employer that relates to the provision of pension savings for employees or other workers".

That is clause 3.

The Chairperson (Ms P Bradley): Thank you, Doreen. Again, members, any comments or queries? You realise that I am not asking Mark; he will put his hand up if he has any, but I will ask Andy again. Andy, are you content with clause 3?

Members indicated assent.

The Chairperson (Ms P Bradley): OK. Thank you. Doreen, clause 4?

Ms Roy: Clause 4, "Application for authorisation", provides for the trustees of a master trust scheme to apply to the Pensions Regulator for authorisation. It sets out details regarding the content of that application and the application process. The application must include certain key information, for example the scheme's latest accounts, the latest accounts of each scheme funder, the scheme's business plan and the scheme's continuity strategy. That key information must be provided so that the regulator can assess whether the scheme meets the authorisation criteria.

The clause also allows the Department to make regulations to set out other information to be included in an application so that further changes can be accounted for and the application process can remain robust. Schemes will be charged a one-off application fee, payable to the regulator at the point of application. That is clause 4.

The Chairperson (Ms P Bradley): Thank you, Doreen. Are members OK?

Mr F McCann: This is just a thing that has crossed my mind a couple of times, and I am just unsure about it. How does the likes of a master trust survive? Does it get money from Government, or does it draw its survival from the people who pay into the trust?

Mr G McCann: Actually, the master trust survives by levying an annual charge. Under the law here, the annual charge is not able to be higher than 0.75%. The average charge is actually under 0.5%, but that is how they generate their money. That is where the income comes from.

Mr F McCann: Is that 0.5% of the total?

Mr G McCann: Yes, of the total fund per annum. That is the maximum charge that can be levied. Under law, it just has to be under 0.75%, but the average is actually under 0.5%.

Mr F McCann: Thanks.

Ms Armstrong: I wanted to ask about clause 4(2)(a) and "the scheme's latest accounts". Given the number of master trusts in Northern Ireland, it is likely that we will have new entries to the market. You do not have to submit annual accounts to Companies House until 18 months after you start business. If it is a new master trust that has been set up, does it have to be trading — how can it trade for 18 months before it gets accounts?

Mr G McCann: To be honest, that is one that I would have to look at further, because it is bringing me into companies law, in which I have no real expertise. I can certainly go away and tease that out for you. As far as I understand it, a new scheme will have to provide accounts, though the accounts only have to be given a certain number of months after the end of the period. There is an extra period of grace for them to be supplied, but I will certainly check that point out further for you.

Ms Armstrong: I know they have to be registered in the UK to operate in the UK, but can a master trust present accounts if it is an existing master trust from outside the UK? Can those be considered as a first point of entry if they join the UK one?

Mr G McCann: Once a scheme is set up, it will only have to do annual accounts at the end of the first year. As part of the overall assessment process, the master trust has to say what amount of money it has, for example, in its scheme accounts, as to how the scheme is actually funded and whether it actually has enough money to run.

Ms Armstrong: It would just be interesting to check that "scheme's latest accounts". If it is a new one, Companies House is saying 18 months and we are saying "at the end". I know that there could be flexibility there.

Mr G McCann: Certainly, I can check it out. However, as I say, that is bringing me into companies law, which I do really not have any knowledge of.

The Chairperson (Ms P Bradley): Andy, any comments? Are you OK with clause 4?

Mr Allen: I am content, Chair.

The Chairperson (Ms P Bradley): Thank you. Doreen, clause 5?

Ms Roy: Clause 5 sets out the procedure that the regulator must follow when it receives an application from a master trust scheme that is seeking to become authorised. The regulator must decide whether it is satisfied that the scheme meets the authorisation criteria. If the regulator is not satisfied that the scheme does, it will not grant authorisation, and the regulator is required to decide on an application within six months.

This clause introduces the authorisation criteria, which are:

"(a) that the persons involved in the scheme are fit and proper persons" —

we will talk more about at clause 7;

"(b) that the scheme is financially sustainable" —

we will talk more about this at clauses 8 and 9;

"(c) that each scheme funder meets the requirements" —

we will talk more about this at clause 10;

"(d) that the systems and processes used in running the scheme are sufficient to ensure that it is run effectively" —

we will talk more about this at clause 11; and

"(e) that the scheme has an adequate continuity strategy" —

we will talk more about this at clause 12.

Where the regulator finds that it is satisfied that the scheme meets the authorisation criteria, it must grant the authorisation, notify the applicant and add the scheme to its list of authorised master trust schemes. If the regulator is not satisfied, it must refuse authorisation and notify the applicant of its decision, including the reason for the decision and details of the right of referral to the tribunal. That is clause 5.

The Chairperson (Ms P Bradley): Thank you, Doreen. Johnny, you had your hand up. Do you want to wait until Doreen has talked about the other clauses — it might be pertinent to one of those — or do you want to ask your question?

Mr Buckley: It is just briefly about the six-month period for the regulator's decision on receiving a new application. Is that a standard period? To me, not having done something like this before, it seems very long. Is there any particular reason why it is six months?

Mr G McCann: The six months is to ensure that the Pensions Regulator has the time to go through all the various bits of information which are provided. As you know, the amounts of money that can be involved in these schemes are very substantial and, therefore, it is absolutely vital that they get it right before they say that the scheme can be authorised.

Mr Buckley: You will probably come onto this next — do not answer it now; you do not have to — but it is about the tribunal and the right to appeal. Is there a defined time frame in which that has to be conducted?

Mr G McCann: I do not think that there is a set time frame within which they have to hear the appeal — a certain specified period — but obviously they will seek to hear it as soon as they can. However, that enters into a formal outside process, as it were, which is independent, to make sure that this has been looked at by people who are not involved in the process.

Mr Buckley: One hundred per cent. Thanks.

The Chairperson (Ms P Bradley): Any other members in the room around clause 5? No, nothing? Andy, any comments on clause 5?

Mr Allen: No issues, Chair.

The Chairperson (Ms P Bradley): All right, grand. OK then, Doreen, clause 6.

Ms Roy: Clause 6 is:

"Referral to Tribunal of refusal to grant authorisation".

This clause provides for appeal rights if the regulator refuses to grant authorisation to a master trust scheme. The appeal may be brought by the trustees of the scheme or by any other person who appears to the tribunal to be directly affected by the decision to refuse authorisation. That is clause 6.

The Chairperson (Ms P Bradley): Are there any comments from members in the room? Nothing? Andy, anything from you on clause 6?

Mr Allen: No. I am content, Chair.

The Chairperson (Ms P Bradley): Thank you. OK, Doreen, clause 7.

Ms Roy: Clauses 7 to 12, "Authorisation criteria".

Clause 7 introduces the first of the five authorisation criteria set out in clause 5. It means that the regulator must be satisfied that the persons involved in a master trust scheme are fit and proper persons to act in their roles. It lists the key people whom the regulator must assess as fit and proper to act in their role in relation to the scheme: for example, the trustees, the scheme funder and the scheme strategist. This list can be extended under regulations. It also gives the regulator the power to assess a person who promotes or markets the scheme. Regulations can specify further individuals acting in a particular capacity whom the regulator may assess in order to determine whether they are a fit and proper person for their role.

This clause also makes it clear that, in addressing a person's fitness and propriety, the regulator is able to take into account relevant matters relating to that person's individual or business connections. For example, a trustee is connected with a company if they are a director or shadow director of that company, or a person is taken to have control of that company. That is clause 7.

Ms Armstrong: What is the definition of a person "connected with another person"? I know that we have it in politics quite a bit. What is a "connected" person? Is it defined anywhere?

Mr G McCann: Doreen gave one of the examples there. The person could be a connected person if they were involved in the same business or they had some business dealings with each other.

Ms Roy: That is just one example.

Ms Armstrong: Is it not, for instance —. We have spouse, child, sibling, parent. There are personal connections as well as business connections.

Mr G McCann: This tends to be business connections, but I will verify that. These are the kinds of things we are looking at. We want to make sure that they are not really part of the same business; that is really what we are trying to get at there. We are also trying to check that this person, in their past, has not been working as a full-time director and ended up being disqualified, for example. We are checking that they have always been solvent, just in case there have been any previous cases or they have ever been involved in a firm that has gone bankrupt. Those are the kinds of things that we are trying to tease out.

Ms Armstrong: It can be anywhere in the world? Not just in the UK?

Mr G McCann: Yes. It is not just in the UK. They will be seeking to verify that these people are fit and proper persons.

The Chairperson (Ms P Bradley): Thank you. Andy, again, clause 7? Any comment?

Mr Allen: I am still content, Chair.

The Chairperson (Ms P Bradley): Grand. Thank you. OK, Doreen, clause 8?

Ms Roy: Clause 8 is: "Financial sustainability requirement". Clause 8 sets out key elements of the second authorisation criterion set out in clause 5, which requires the regulator to be satisfied that a master trust is financially sustainable. Under this requirement, the regulator must be satisfied that a master trust has a sound strategy for achieving financial sustainability. For example, the estimates and assumptions about the scheme's future viability on which the strategy is based must be robust. The regulator also needs to be satisfied that the master trust has sufficient financial resources to cover its running and set-up costs; meet the costs of complying with duties arising under other provisions of the Bill to ensure protection and continuity for members and employers, should a triggering event occur that indicates a risk of scheme failure; and meet the costs of running following a triggering event for a period deemed appropriate by the regulator of between six months and two years. In assessing a scheme's financial sustainability, the regulator will take account of a number of factors, which will be set out in regulations: for example, the details of the business strategy; the available financial resources, as set out in the scheme's business plan; the scheme's annual accounts; the scheme funders' accounts; and other supporting documents.

Regulations may also prescribe that the regulator must take into consideration the risk of the scheme funders' insolvency, for example; whether the scheme funder is subject to any requirement by other regulatory regimes; and the terms and repayment periods of any loan funding that is relied on to meet the scheme's running costs. That is clause 8.

The Chairperson (Ms P Bradley): Anyone in the room? Clause 8? No? Andy, again, any comment?

Mr G McCann: Sorry, Chair, I want to go back to clause 7 and Kellie. Clause 7(5) sets out what is meant by a "connected" person. It can be an associate, a company director or shadow director, or, if they have been involved in the scheme, a trustee.

Ms Armstrong: I was enquiring about the "associate of B".

Mr G McCann: Normally, that tends to be from their business operations, but I think that they would probably look at whether they all came from the same family or were involved in the business somehow or other. I just wanted to provide that clarification.

The Chairperson (Ms P Bradley): That is fine; that is grand. We are still on clause 8. Andy, have you any comments on clause 8?

Mr Allen: Content, Chair.

Ms Roy: Clause 9, "Financial sustainability requirement: business plan". This requires the scheme strategist of a master trust to prepare and maintain a scheme business plan as part of the financial sustainability criterion. A plan is to be submitted to the regulator with the application for authorisation and, thereafter, reviewed and, if appropriate, revised annually and following any significant change, in agreement with the key parties involved in operating the scheme. This clause also contains a power that enables the Department to prescribe further detailed requirements in regulations. The scheme strategist or trustees must submit the business plan and any supporting information or documents with the application for authorisation and, thereafter, within three months of any revision of the plan, or at the regulator's request. That is clause 9.

The Chairperson (Ms P Bradley): Any members in the room? Clause 9?

Mr Newton: What is the process for approving the business plan? Clause 9(6) states that:

"The scheme strategist or the trustees must provide the Regulator with the most recent business plan".

Obviously, the regulator will have the ability to reject that business plan if it is not up to standard, but no standard is specified.

Mr G McCann: That would be left up to the Pensions Regulator, who will look at the whole of the plan in its entirety. They will decide whether they are content that the business plan is sound and seems as if it is viable as they head into the future.

Mr Newton: Basically, it is being approved by the regulator.

Mr G McCann: Yes, as, ultimately, all of these documents have to be. They go to the regulator, and he or she will make the ultimate decision as to whether or not they are sound.

Ms Armstrong: Further to that, you say the pension regulator is evaluating the effectiveness or appropriateness of the business plan. Clause 9(2) states that:

"The Department may make regulations setting out",

and it gives the details. Does that have to be cleared by the Pensions Regulator before the Department can set any of the details in regulation?

Mr G McCann: No. The function of the Pensions Regulator is to carry out what is set down in law. So, for example, once you pass this Bill, the Pensions Regulator has to carry that out, and, certainly, once we make a set of regulations, they have to follow it.

Ms Armstrong: That could mean us breaking parity here with what happens elsewhere — say, for instance, in Westminster. The Pensions Regulator —.

Mr G McCann: Well, only if we thought that there was some very good reason why we would want to be doing something different. From the evidence that you have got so far, it seems to be that everybody thinks that we should not be doing anything different. Certainly, that is that the view from the Department as well, because we have one scheme which is based here that also has people who are in England, Scotland and Wales, but we also have schemes which are based, for example, in England, that will have members here. Therefore, it makes sense for the two sets of law to be the same. It is only when we start to diverge that we could end up getting into trouble.

Ms Armstrong: Does this allow us to diverge?

Mr G McCann: In theory, yes. In theory, under the Northern Ireland Act 1998, we have the power to do what we wish, but the problem is in getting it to work.

Mr Newton: You would be taking a big chance, Chair, if you were to diverge from them.

The Chairperson (Ms P Bradley): Yes. As Gerry said, the Pensions Regulator and both the master trusts that we had in to brief us were more than content with this legislation, so I do not see that it will happen, but, of course, who knows? Are members in the room content that we move on with clause 9?

Members indicated assent.

The Chairperson (Ms P Bradley): I will ask you again; Andy, are you content with clause 9, or do you have any comments?

Mr Allen: I am content, Chair.

The Chairperson (Ms P Bradley): Grand, thank you. OK, Doreen, clause 10.

Ms Roy: Clause 10: "Scheme funder requirements". This clause sets out the requirements that the scheme funder must meet. The clause requires a master trust's scheme funder to be set up as a body corporate or a partnership that is a legal person under the law by which it is governed, and for each scheme funder to only carry out activities that relate directly to the master trust, or master trusts, of which it is a scheme funder or prospective scheme funder. Regulations may prescribe exceptions for scheme funders that meet additional requirements in relation to their financial position and financial arrangements with the master trust or provide the regulator with specified information for it to be satisfied of the scheme's financial sustainability.

Another regulation-making power in this clause enables regulations to specify requirements about a scheme funder's accounts. For example, it can require them, if not otherwise required, to be audited, and that includes applying some, or all, of the provisions in parts 15 and 16, whether with or without modifications, of the Companies Act 2006. That is clause 10.

The Chairperson (Ms P Bradley): Thank you, Doreen. OK, are there any members with any comments, or are they content with clause 10?

Members indicated assent.

The Chairperson (Ms P Bradley): Good stuff. Thank you. OK, Doreen, we will move on to clause 11.

Ms Roy: Clause 11: "Systems and processes requirements". This clause contains powers to make regulations to specify what aspects of a scheme's systems and processes used in running the scheme the regulator must take into account in deciding whether they are sufficient to ensure that the scheme is run effectively. This clause lists what the regulations may include: for example, provisions about

record management and the standards, features and maintenance of the IT system, as well as the processes for the governance for the scheme, such as the appointment and removal of trustees and other people involved in the running of the scheme. The examples given are not exhaustive, and the regulations may include other matters relevant to systems and processes which are a key part of the new regime for master trusts. That is clause 11.

The Chairperson (Ms P Bradley): Thank you. OK, members in the room, do you have any comments or are you content with clause 10?

Members indicated assent.

The Chairperson (Ms P Bradley): Thank you. Andy, are you content with clause 10?

Mr Allen: I am content, Chair.

The Chairperson (Ms P Bradley): Thank you. Sorry, that was 11. Apologies; that was clause 11. Sorry, I will do that again, Andy, are you content with clause 11?

Mr Allen: I am content, Chair.

The Chairperson (Ms P Bradley): Thank you. OK. We will move on to clause 12.

Ms Roy: Clause 12: "Continuity strategy requirement". Clause 12 sets out the requirements with regard to the continuity strategy. The continuity strategy must set out how the interests of scheme members will be protected if the scheme experiences a triggering event, and it must make clear any administration charges. This clause covers the basis on which the regulator will make its decision about whether the scheme's strategy is adequate. The aim is to try to ensure that there is continuity of pension saving for the members of a failing scheme. An adequate continuity strategy should demonstrate that the scheme has given careful thought and consideration to what it would do if it were at risk of failing. Regulations under this clause will set out that the strategy should include what actions the scheme will take to manage and protect members' assets. That is clause 12.

The Chairperson (Ms P Bradley): OK, members in the room, any comments? Content with clause 12?

Members indicated assent.

The Chairperson (Ms P Bradley): OK. Thank you. Andy, again, clause 12 —

Mr G McCann: Sorry, I can just add there that one of the things that we will be setting out is how the scheme has to keep in, as it were, full touch with its membership on all these things so that they are kept fully informed of anything that is going on. That is an important criterion that we will be setting down for them.

The Chairperson (Ms P Bradley): OK. Thanks, Gerry. Andy, again, clause 12?

Mr Allen: Content, Chair.

The Chairperson (Ms P Bradley): OK. We will move on to clause 13.

Ms Roy: Clauses 13 to 19 relate to:

"Ongoing supervision of Master Trust schemes".

Clause 13 requires the regulator to maintain and publish a list of authorised master trust schemes, identifying the schemes by name and providing any other appropriate information. That is clause 13.

The Chairperson (Ms P Bradley): OK. Thank you again. Are members content with clause 13?

Members indicated assent.

Ms Roy: Clause 14: "Requirement to submit annual accounts". This clause requires the trustees and scheme funders of authorised master trusts to send the scheme accounts and scheme funder's annual accounts to the regulator each year. This is critical to the regulator's ongoing financial supervision of the scheme. It also enables the regulator to risk-assess the solvency of the scheme funder. The clause also provides that the regulator may issue a civil penalty for non-compliance with these requirements. That is clause 14.

The Chairperson (Ms P Bradley): Again, members, any comments on clause 14, or are you content?

Members indicated assent.

Mr G McCann: I can just add something that was asked earlier. The scheme funder's accounts must be submitted no later than nine months after the end —

Ms Armstrong: So it allows that 18 months.

Mr G McCann: — of the year to which they relate, or any other period which is set down by regulations.

The Chairperson (Ms P Bradley): OK. Thank you. Doreen, move on to clause 15.

Ms Roy: Clause 15: "Requirement to submit supervisory return". This clause provides that the regulator may require the trustees of an authorised master trust scheme to submit a supervisory return. This follows on from the clause 14 requirement on trustees and scheme funders of master trust schemes to submit the scheme's and scheme funder's annual accounts. If the regulator requires further information to ensure that it is satisfied that the master trust scheme continues to meet the authorisation criteria, it can require the trustees to provide that information in the supervisory return by notice in writing. This notice must specify the information required to be included in the return, the manner and form in which the return must be submitted, and the time period within which it must be submitted.

In recognition of the fact that this requirement means additional work for trustees, the clause provides that the supervisory return can only be requested once in any 12-month period, and that trustees must be given at least 28 days to compile and submit the return. The clause includes a regulation-making power to allow the Department to specify the information which may be requested through such a return. The clause also allows the regulator to apply a civil penalty to a trustee who fails to submit a supervisory return when required to do so. That is clause 15.

Mr G McCann: Again, I will add one more bit of information. One of the things which we will set down in law is that they will have to tell us how the scheme trustees, each year, are ensuring that they are staying up to date with what the law says and what their duties are etc. The trustees' competence shall form part of this, and they will have to provide information on that.

The Chairperson (Ms P Bradley): OK, thank you. Members, do you have any comments or are you content with clause 15?

Members indicated assent.

The Chairperson (Ms P Bradley): OK. We will move on to clause 16.

Ms Roy: Clause 16:

"Duty to notify Regulator of significant events".

This clause provides that the regulator must be notified in writing if significant events occur in relation to an authorised master trust scheme. The clause also contains a regulation-making power that allows the Department to specify in regulations what constitutes "significant events". The intention is that the list of significant events will capture events that could affect the ability of an authorised master trust scheme to continue meeting the authorisation criteria. The clause sets out who will be subject to the reporting duty and that the regulator may issue a penalty if they fail to comply. It does not require persons to disclose anything that is covered by legal professional privilege. That is clause 16.

The Chairperson (Ms P Bradley): Have members any comments on clause 16? Are you content?

Members indicated assent.

The Chairperson (Ms P Bradley): OK. We will move to clause 17.

Ms Roy: Clause 17:

"Fixed penalty notice for failure to comply with request for information".

It gives the regulator the power to impose a fixed penalty on any person who fails to comply with a request under article 67 of the Pensions (Northern Ireland) Order 2005 in relation to its master trust functions. The penalty will be determined by regulations made by the Department and must not exceed £50,000. It should be noted that clauses 14 to 16 of the Bill make provision requiring authorised schemes to submit information to the regulator on a regular basis, as well as providing that significant events must be reported and allowing the regulator to request further information through supervisory returns. In addition to this, the regulator is able to request information that relates to its functions from the pension schemes which it regulates. This is set out in article 67 of the 2005 Order. That is clause 17.

The Chairperson (Ms P Bradley): Thank you, Doreen. Have members any comments on clause 17? Are you content?

Members indicated assent.

The Chairperson (Ms P Bradley): OK. We will move on to clause 18.

Ms Roy: Clause 18:

"Escalating penalty notice for failure to comply with request for information."

This gives the Pensions Regulator the power to issue an escalating penalty notice to any person who fails to comply with the request for information under article 67 of the 2005 Order in relation to its master trust authorisation functions. This is in addition to the provision in clause 17 which gives the regulator power to issue a fixed penalty notice under article 67 of that Order. An escalating penalty will be calculated by reference to a daily rate set out in regulations made by the Department, which must not exceed £10,000 per day. An escalating penalty may be more appropriate in some circumstances, for example, when an urgent request for time-sensitive information is delayed. Issuing an escalating penalty notice would mean that taking additional time to submit the information would incur a greater penalty. That is clause 18.

Mr G McCann: The intention is that, on day one, the penalty will be £1,000; on day two, it will double to £2,000; and then £3,000, £4,000 and £5,000. After day 10, the extra penalty would be, in total, £55,000. For each day after that, it would also go up by a further £10,000 per day. That is just to give you some idea of what we are talking about. These will only be used where somebody really is not helping at all and is not handing over the information, and when the Pensions Regulator is actually worried about what is going on. These are quite strong powers.

The Chairperson (Ms P Bradley): Thank you, Gerry and Doreen, for that. Have members any comments? Are you content to note that one as well?

Members indicated assent.

The Chairperson (Ms P Bradley): My screen has gone a bit strange here, so I do not know if Mark is content. I cannot see any hands up or hands down. Is he content? Yes? OK. That is fine. We will move on to clause 19.

Ms Roy: Clause 19: "Withdrawal of authorisation." It gives the regulator the ability to withdraw a master trust scheme's authorisation if it stops being satisfied that the scheme meets the authorisation criteria. It must issue a warning notice — standard procedure — or, where there is immediate risk to members' interests, must issue a determination notice — special procedure. The issue of such a notice is a triggering event. This clause is fundamental to the Bill. Without it, there would be no

consequences for a scheme which becomes authorised and then lets standards slip or where events occur that materially impact whether the regulator remains satisfied that the authorisation criteria continue to be met.

The regulator seeks to support and assist those involved in running pension schemes before it moves to sanction them. The process for withdrawing authorisation will be no different. The regulator will work with master trust schemes, and it will support them so that, once they are authorised and operating, they remain well run. However, if an authorised scheme no longer satisfies the regulator that it has met or continues to meet the authorisation criteria, the regulator must have the power to withdraw authorisation. That is clause 19.

The Chairperson (Ms P Bradley): Members, do you have any comments or are you content with clause 19?

Members indicated assent.

The Chairperson (Ms P Bradley): Doreen, we will go on to clause 20.

Ms Roy: Clauses 20 to 33 come under the heading "Triggering events: continuity". Clause 20 is the first of a number of clauses that cover what happens when a master trust experiences a triggering event. A triggering event is an event that could put a master trust scheme's future at risk. The clause sets out the requirements that trustees must comply with following a triggering event. They must comply with the requirements set out in clauses 22, 23 and 26 — broadly, that the trustees have to notify the regulator of the triggering event; decide which continuity option they are going to pursue, where they have a choice; and prepare and secure the regulator's approval of an implementation strategy that sets out how the interests of the scheme members are to be protected. That is clause 20.

The Chairperson (Ms P Bradley): Members, do you have any comments or are you content with clause 20?

Members indicated assent.

The Chairperson (Ms P Bradley): Grand. Thank you. Doreen, clause 21.

Ms Roy: Clause 21: "Triggering events". It sets out what the triggering events are and when the triggering event period is taken to start and finish. It contains a table with the ten triggering events and the dates on which each event is taken to occur. Triggering events are key risk events that may arise in the life cycle of a master trust scheme and the authorisation regime. They reflect the different structures and circumstances of these types of schemes, compared with more traditional employer-sponsored occupational schemes. This clause sets out that a triggering event period starts on the date on which the triggering event occurs. This is to ensure that members and employers have greater protection from that point. It provides that this period lasts until the scheme is wound up, where continuity option one applies; the point where the trustees receive notification from the regulator that it is satisfied that the triggering event has been resolved, where continuity option two applies; or it becomes clear that authorisation will not be withdrawn.

The Chairperson (Ms P Bradley): Members, are there any comments or are you content with clause 21?

Members indicated assent.

Ms Roy: Clause 22: "Notification requirements". It concerns the notification of the triggering events that are set out in clause 21. This clause places a duty on specific individuals to notify the regulator when a triggering event occurs. It covers both the person to whom the triggering has happened or who has made a certain decision, and also the other persons involved with the scheme. This is to provide additional reassurance that the regulator will be informed of events that could put a master trust at risk of failing. The clause also includes a regulation-making power to set a time frame by which notifications must be made and to set any further information requirements that must be disclosed as part of the notification process. A civil penalty under article 10 of the Pensions (Northern Ireland) Order 1995 applies where a person fails to comply with the notification requirements under this clause. That is clause 22.

The Chairperson (Ms P Bradley): Members, are there any comments or are you content with clause 22?

Members indicated assent.

The Chairperson (Ms P Bradley): OK. We will move to clause 23, Doreen, please.

Ms Roy: Clause 23 sets out the two continuity options that must be pursued by the trustees where a master trust has experienced a triggering event. Continuity option 1 requires the scheme to transfer out all members' accrued rights and benefits and then wind up. Continuity option 2 is for the scheme to resolve its triggering event to the satisfaction of the regulator. Trustees will generally have a choice over which continuity option they pursue. However, when the regulator's decision to withdraw authorisation has become final, or there is a notification that the scheme is not authorised, trustees must pursue continuity option 1. This is because the scheme poses a level of risk to members and employers which means that it cannot be permitted to continue. A civil penalty under article 10 of the Pensions (Northern Ireland) Order 1995 applies where a person fails to comply with the requirements of the clause. That is clause 23.

The Chairperson (Ms P Bradley): Are members content with clause 23, or do they have any comments?

Members indicated assent.

The Chairperson (Ms P Bradley): OK. We will move on to clause 24.

Ms Roy: Clause 24:

"Continuity option 1: transfer out and winding up".

It sets out a framework for the transfer out and winding-up process. It also includes regulation-making powers to describe the detailed arrangements and timings for that process. To that end, subsection (1) requires that the trustees of the scheme must identify an alternative pension scheme to which members' rights and benefits can be transferred and must notify both members and employers of the proposed changes in the manner specified in regulations made under subsection (2).

Subsections 3 and 4 set out the matters for which provision must be made in regulations to enable a smooth transfer and wind-up of the scheme. Members may choose to have their accrued rights and benefits transferred to a different scheme. The provisions in clause 24 enable members of schemes that are subject to continuity option 1 to continue to save, and their employers to maintain their compliance with automatic enrolment duties where appropriate, with as little disruption as possible. A penalty under article 10 of the Pensions (Northern Ireland) Order 1995 applies to anyone who fails to comply with any requirement that is imposed by the clause. The regulations may also make provision for the application of article 10. That is clause 24.

The Chairperson (Ms P Bradley): Are members content with clause 24?

Members indicated assent.

The Chairperson (Ms P Bradley): That is grand. We will move on to clause 25.

Ms Roy: Clause 25:

"Continuity option 2: resolving triggering event".

This clause sets out the framework where the scheme is pursuing continuity option 2. This is where trustees have decided to try to resolve the triggering event that the scheme has experienced and to continue on. The trustees must notify the regulator when they consider that the triggering event has been resolved, setting out how they consider that this has been achieved. Having considered that, the regulator has to notify the trustees about whether it is satisfied that the event has been resolved. The regulator can form the view that a triggering event has been resolved only if it is satisfied that any other triggering event which has occurred to the scheme since the occurrence of the original triggering event has also been resolved. The aim is that, where the trustees decide to try to resolve the

triggering event, they have the opportunity to do so, so that the scheme can continue and members can continue to save in the scheme with as little disruption as possible. Where a trustee fails to comply with a requirement that is imposed by the clause, a penalty under article 10 of the Pensions (Northern Ireland) Order 1995 applies. That is clause 25.

The Chairperson (Ms P Bradley): Thank you. Are members content with clause 25, or do they have any comments?

Members indicated assent.

The Chairperson (Ms P Bradley): OK. We will move on to clause 26.

Ms Roy: Clause 26: "Approval of implementation strategy". This clause sets out the duty on the trustees to submit an implementation strategy to the Pensions Regulator where a triggering event occurs. An implementation strategy is a document that sets out how the interests of members are to be protected following the occurrence of the triggering event. The regulator can approve the implementation strategy only if satisfied that it is adequate. Where necessary, the regulator has the power to direct trustees to follow the approved implementation strategy. An adequate strategy should demonstrate that the scheme has carefully thought through the actions that it needs to take, the tasks that it needs to complete, who is responsible for those, the deadlines that it needs to meet and so on. More detailed requirements about the information that must be contained in the strategy will be set out in regulations. The intention is that these will cover the key activities for either resolving the triggering event under continuity option 2 or the key tasks and administration in preparation for a transfer or as part of a winding-up under continuity option 1. Where a person fails to comply with a direction to comply with the clause, a civil penalty under article 10 of the Pensions (Northern Ireland) Order 1995 applies. That is clause 26.

The Chairperson (Ms P Bradley): OK. Are members content with clause 26, or do they have any comments?

Members indicated assent.

The Chairperson (Ms P Bradley): Clause 27, then, Doreen.

Ms Roy: Clause 27: "Content of implementation strategy". This clause sets out what the implementation strategy must contain in order to demonstrate to the regulator that the strategy is adequate. It requires that the implementation strategy include a section setting out the levels of administration charges that apply in relation to members. The details of how that should be done will be set out in regulations. The regulation-making power provides the flexibility to add to the requirements for the implementation strategy. This clause also requires that the strategy includes information about the continuity option that is being pursued. Subject to which of the two continuity options is being followed, the clause provides for further requirements to include details of transfer arrangements that the scheme plans to pursue or of how the scheme proposes to resolve the triggering event. That is clause 27.

The Chairperson (Ms P Bradley): Gerry, do you want to add to that?

Mr G McCann: Yes. Once again, one of the very important things will be to set out how they will speak to the membership about that to make sure that it is kept fully informed about what is going on. That is one of the things that we will be setting down in law as well.

The Chairperson (Ms P Bradley): OK. Thanks for that, Gerry.

Are members content with clause 27, or do they have any comments?

Members indicated assent.

The Chairperson (Ms P Bradley): We will now move to clause 28.

Ms Roy: Clause 28: "Duty to pursue continuity option". This clause requires the trustees to pursue the continuity option that they have set out in their implementation strategy once the regulator has approved the strategy. It requires the trustees to undertake the steps that they have identified in the

strategy as being needed. Where they do not follow the strategy, the regulator has the power to direct the trustees to do so. The trustees also have to make the strategy available to the employers participating in the scheme. A penalty for failure to comply under article 10 of the Pensions (Northern Ireland) Order 1995 applies to anyone who fails to comply with the direction made by the regulator. That is clause 28.

The Chairperson (Ms P Bradley): Do members have any comments on clause 28, or are they content?

Members indicated assent.

The Chairperson (Ms P Bradley): We will move on to clause 29.

Ms Roy: Clause 29:

"Prohibition on winding up except in accordance with continuity option 1".

This clause provides that master trusts can only be wound up in accordance with continuity option 1. In conjunction with other clauses of the Bill, the clause ensures that the winding up of a scheme is carefully managed and overseen by the regulator, to whom the scheme will have to report regularly under clause 30. Where a person fails to comply with subsection (1), a penalty under article 10 of Pensions (Northern Ireland) Order 1995 applies. That is clause 29.

The Chairperson (Ms P Bradley): OK. Are there any comments on clause 29, or are members content?

Members indicated assent.

The Chairperson (Ms P Bradley): OK. Thank you. We will move on to clause 30.

Ms Roy: Clause 30: "Periodic reporting requirement". This clause requires that, during a triggering event period, the trustees of a master trust must submit periodic reports to the regulator. These reports must contain information on the scheme's progress against its implementation strategy, record relevant events or decisions, and provide such other information as will be set out in regulations. The length and content of those reports will depend on the particular scheme and its circumstances. A penalty for failure to comply under article 10 of the Pensions (Northern Ireland) Order 1995 applies to a person who fails to follow the reporting requirements imposed by this clause. That is clause 30.

The Chairperson (Ms P Bradley): Do members have any comments on clause 30? Are members content?

Members indicated assent.

The Chairperson (Ms P Bradley): OK. We will move on to clause 31.

Ms Roy: Clause 31: "Pause orders". Clause 31 makes provision for pause orders and introduces schedule 1, which makes additional detailed provision. A pause order will allow the regulator to pause a range of activities within a master trust scheme if that scheme is in a triggering event period. Directions which a pause order may make include preventing new members being admitted to the scheme, prohibiting further contributions or payments into the scheme, prohibiting transfers out of the scheme etc. To make a pause order, the regulator must be satisfied that making a pause order will help the trustees to carry out the implementation strategy or that there is an immediate risk to members' interests or scheme assets and that it is necessary to make a pause order to protect the members' interests.

Schedule 1 gives more detail about pause orders. It voids any action that is taken in contravention of the pause order and sets out the position when certain directions are made. It clarifies the arrangements for pension sharing on divorce. It sets out the time limits for pause orders and requires various notifications. It allows the regulator to validate action taken in contravention of the pause order, for example, by the trustees. Pause orders will enable the regulator to act effectively under the new authorisation and supervisory regime when it can see that the interests of savers in master trust schemes are at risk. That is clause 31.

The Chairperson (Ms P Bradley): Thank you, Doreen. Do members have any comments on clause 31? Are members content with clause 31?

Members indicated assent.

The Chairperson (Ms P Bradley): Doreen, clause 32.

Ms Roy: Clause 32:

"Prohibition on new employers during triggering event period".

Clause 32 provides that when a master trust is in a triggering event period, it may not take on new employers to participate in the scheme. That is to prevent significantly more members being added to the scheme, possibly exposing them to risks and adding to the risks that are already being experienced by the scheme. Also, the master trust cannot enter into an agreement during the triggering event period to take on new employers after that period has ended. Employers that are currently using the scheme for their employees can continue to use it and, if there are new employees, they can join the scheme. The clause also allows the Pensions Regulator to apply a civil penalty to a person who fails to comply with subsection (1) when required to do so. That is clause 32.

The Chairperson (Ms P Bradley): Do members have any comments on clause 32, or are they content to proceed?

Members indicated assent.

The Chairperson (Ms P Bradley): Clause 33, then.

Ms Roy: Clause 33:

"Prohibition on increasing charges etc during triggering event period".

Clause 33 provides for a prohibition in relation to members' charges during a triggering event period. The trustees must not increase charges above levels set out in the implementation strategy, introduce new charges on members or impose charges as a consequence of a member leaving or deciding to leave the scheme during the triggering event period. Regulations under this clause set out how the charge levels in the implementation strategy are to be calculated. The aim is that members should not pay more during a triggering event period than they did previously. This clause also restricts the charges that can be imposed by a master trust proposed by trustees or employers to receive members under continuity option 1. The aim is to prevent pension pots from being depleted by additional charges. Such a receiving scheme is prevented from increasing charges above the levels set out in a statement that it must provide to the regulator before a transfer or from imposing new charges to meet the costs that were incurred by the transferring scheme or which relate directly to the transfer.

This clause provides that members continue to pay charges at the levels that applied when their scheme was running normally, so they do not have to pay for the costs that the scheme is incurring because it has experienced a triggering event. The aim is to protect members' pots and help to maintain their value. A civil penalty under article 10 of the Pensions (Northern Ireland) Order 1995 applies to a trustee who fails to comply with the prohibition. That is clause 33.

The Chairperson (Ms P Bradley): Thank you, Doreen. Robin, do you have something that you want to ask?

Mr Newton: Yes, Chair. Charges could have been, or may have been, a triggering event. Is that right?

Mr G McCann: As the charges themselves would normally be?

Mr Newton: Yes.

Mr G McCann: The way this will work is that they will look back and see what the charges would have been normally. That is to make sure that you do not have a scheme that knew that it was about to have one of those triggering events and therefore put up the charges. We will look back over a period of time to see what the charges would have been normally, and the scheme will not be able to charge

anything more than that. As I said, that is to avoid a scheme putting up the charges just before such an event occurs and, therefore, being able to get more money out of the members, and the members' pots being cut.

The Chairperson (Ms P Bradley): Robin, did that answer your question?

Mr Newton: I think so. Just for clarification, if charges can be a triggering event, can those charges continue to apply during the period of the triggering?

Mr G McCann: I am sorry; I will have to come back to you on that point about the charges. I am not entirely clear on that point, but I will certainly look at it and come back.

Mr Newton: That is fine.

The Chairperson (Ms P Bradley): OK. There are no other comments on clause 33. Are we content? Yes, people?

Members indicated assent.

The Chairperson (Ms P Bradley): I just remind you, Mark, to turn your mute button on in between your contributions. Thank you.

Clause 34, Doreen.

Ms Roy: Clauses 34 and 35 come under the heading:

"Decisions on withdrawal of authorisation: timing".

Those clauses operate together, so, if you are content, I will deal with them together.

The Chairperson (Ms P Bradley): OK.

Ms Roy: The clauses set out the procedure to determine when it becomes clear that a scheme's authorisation will not be withdrawn by the Pensions Regulator or a decision to withdraw authorisation becomes final. Clause 21 includes a table of triggering events. The first two items in that table are:

"The Regulator issues a warning notice under the standard procedure in respect of a decision to withdraw the scheme's authorisation"

and

"The Regulator issues a determination notice under the special procedure in respect of a decision to withdraw the scheme's authorisation."

Should such events occur in relation to an authorised master trust scheme, the scheme will be required to follow continuity option 1. This involves transferring members out of the scheme and commencing wind-up. However, schemes will have the opportunity to appeal by way of a referral to a tribunal. If a scheme makes such a referral, and also if it makes any subsequent appeal of the tribunal's determination, it will not be required to follow the process set out in continuity option 1 until the outcome of any appeal process is known and the decision to withdraw authorisation becomes final under clause 35.

Clause 35 makes provision, based on various factual scenarios, for the date on which a decision to withdraw authorisation becomes final. Clause 34 sets out the date on which it becomes clear that authorisation will not be withdrawn from a master trust. That is relevant for working out when a triggering event period ends under clause 21.

That is clauses 34 and 35.

The Chairperson (Ms P Bradley): OK. Do members have any comments on clauses 34 or 35? Are members content?

Members indicated assent.

The Chairperson (Ms P Bradley): Thank you very much. OK, then. We move on to clause 36.

Ms Roy: Clauses 36 to 40 come under the heading "Supplementary". Clause 36 concerns fraud compensation. It allows the Department to make regulations that modify the provisions on fraud compensation in the Pensions (Northern Ireland) Order 2005 so as to make the fraud compensation arrangements more applicable to master trusts and any other occupational schemes to which some or all of the provisions of Part 1 apply. At present, fraud compensation payments can be made to occupational pension schemes where certain conditions are met. These conditions include that the value of the scheme's assets has been reduced and there are reasonable grounds for believing that this was due to dishonesty. In addition, there is an insolvency requirement in relation to the scheme's participating employers. As master trusts are used, or intended to be used, by multiple employers who do not need to have a connection to each other, they would likely have difficulty meeting the current condition on employer insolvency. Therefore, the intention is to remove this requirement for master trusts and to add other conditions to make fraud compensation more suitable for these types of schemes. The intention is to use the regulation-making powers under clause 40 to apply some or all of the provisions of Part 1 to other types of occupational pension schemes. These will be schemes to which the master trust regime will be extended. That is clause 36.

The Chairperson (Ms P Bradley): Clause 36: content or any comment?

Members indicated assent.

The Chairperson (Ms P Bradley): OK, then. Clause 37 and schedule 2.

Ms Roy: Clause 37:

"Master trusts in operation on commencement: transitional provision".

Clause 37 introduces schedule 2. This schedule modifies parts of the Bill in relation to how it applies to existing master trusts. It ensures that the measures in the Bill apply to existing master trusts appropriately by allowing for transitional arrangements and an application process for current schemes that were in existence before the commencement date. The commencement date is defined by reference to the commencement of clause 3 — that is, the prohibition on operation of a master trust without authorisation. It protects members and employers where a master trust that is already operating has a triggering event before the regime as a whole comes into operation. The modifications are designed to allow a master trust to continue to operate until its application is received by the regulator or the regulator determines that the scheme should not be authorised. It also provides that the trustees of a master trust scheme must, within the six-month application period, either apply for authorisation or decide to wind up the scheme. That is clause 37.

Mr G McCann: I have to say that those provisions are ones that we do not think we shall ever have to use, in the sense that we only have the one scheme. However, we have them in just in case there is some scheme out there that we have not picked up on, and that means that they will be caught by the law and they cannot avoid the law by our not including this. That is why it is there.

The Chairperson (Ms P Bradley): Members, are we content with clause 37 as well?

Members indicated assent.

The Chairperson (Ms P Bradley): Good stuff. OK. We will move on to clause 38 and schedule 3.

Ms Roy: Clause 38: "Minor and consequential amendments". Clause 38 relates to minor and consequential amendments to existing legislation. First, it introduces schedule 3 to the Bill, which makes minor and consequential amendments to existing legislation. Secondly, it contains a regulation-making power to make further consequential amendments to other legislation. That is clause 38.

The Chairperson (Ms P Bradley): Members, are we content with clause 38 and schedule 3?

Members indicated assent.

The Chairperson (Ms P Bradley): Brilliant. OK. We will move on to clause 39.

Ms Roy: Clause 39: "Interpretation of Part 1". It contains a variety of provisions, definitions, modifications for mixed-benefit schemes and a regulation-making power that enables the Department to treat persons as being or not being scheme funders, whether or not they fall within the definition in the Bill. That is clause 39.

The Chairperson (Ms P Bradley): Members, are there any comments or are you content with clause 39?

Members indicated assent.

The Chairperson (Ms P Bradley): OK. We will move on, Doreen, to clause 40.

Ms Roy: Clause 40 makes provision to make regulations to modify the way in which Part 1 of the Bill is applied. Master trusts are a recent development in a pensions landscape that continues to evolve. In order to ensure that the right schemes are in scope, it is necessary to have some flexibility in the application of the authorisation regime. Clause 40 makes provision for regulations to apply some or all of the provisions in Part 1 to non-master-trust pension schemes with certain characteristics. Such regulations can also disapply some or all of the provisions in Part 1 to master trusts with certain characteristics. This is intended to ensure that the requirement for authorisation applies in a proportionate way. The provisions in this clause also allow for regulations to provide for two or more pension schemes to be treated as a single master trust scheme in certain circumstances. These circumstances include, but are not limited to, schemes being under common control subject to common rules or schemes provided by the same provider. That is clause 40.

The Chairperson (Ms P Bradley): Brilliant. OK, members, are there any comments or are you content with clause 40?

Members indicated assent.

The Chairperson (Ms P Bradley): OK. We will move on to clause 41.

Ms Roy: Part 2: "Administration charges". Clause 41: "Power to override contract terms". This clause amends the Pensions Act (Northern Ireland) 2015 to allow regulations to be made that enable a term of a relevant contract to be overridden to the extent that it conflicts with a provision in those regulations. The power would only allow a contract to be overridden where there is a conflict with a provision in regulations, and this ensures that relevant contracts are consistent with the regulations and provide certainty to the parties involved. The intention is that clause 41 will be used alongside existing powers in the Pensions Act (Northern Ireland) 2015 to make regulations to, for example, cap early exit charges. Early exit charges are any administration charges which are paid by a member for leaving their pension scheme early when they are eligible to access the pension freedoms, which they would not face at their normal retirement date. It will also be used to override contractual terms which conflict with the ban on member-borne commission arising under existing contracts and certain occupational pension schemes.

"Contracts" in this context means a contract between a trustee or manager and a person who provides administrative services to the scheme which permits the person to impose the member-borne commission charge. This will complete the ban that already exists for member-borne commission arising under agreements entered into on or after 6 February 2016. That is clause 41.

The Chairperson (Ms P Bradley): OK, members, are there any comments or are you content with clause 41?

Members indicated assent.

The Chairperson (Ms P Bradley): Members, I know that we had said that we would stop at 12.55 pm, but I think that we are motoring through and that we can get it finished OK. Doreen, I will move on to clause 42.

Ms Roy: This is Part 3: "General". Clause 42 makes further provision about the regulation-making powers in the Bill and the procedures for exercising those powers. It allows for the inclusion of

incidental, supplementary, consequential, transitional, transitory or saving provisions. That is clause 42.

The Chairperson (Ms P Bradley): OK, brilliant. Members, are you content with clause 42?

Members indicated assent.

The Chairperson (Ms P Bradley): I think that was content. We will move on to clause 43.

Ms Roy: Clause 43 sets out the definitions of key terms used throughout the Bill. That is clause 43.

The Chairperson (Ms P Bradley): OK, members, are you content with clause 43?

Members indicated assent.

Mr Durkan: My apologies, Chair; I am going to have to nip out for about 10 minutes. I am content with everything so far, and there is nothing that I can see coming down the line that has the alarm bells ringing.

The Chairperson (Ms P Bradley): OK. Thank you, Mark. We will move on to clause 44.

Ms Roy: Clause 44 provides for the commencement of the provisions within the Bill. The majority of clauses in the Bill will be commenced by order. However, there are some clauses in the Bill which will come into operation on the day after Royal Assent. In so far as master trusts are concerned, these include provisions concerning the definition of a master trust scheme and provisions relating to master trusts in operation before the regime is fully commenced, including the triggering events on prohibition on increasing charges, certain information powers, penalty notice powers and interpretation, and the power to override contracts to the extent that they conflict with provisions of regulations to restrict charges or impose requirements on schemes. Part 3, concerning general aspects of the Bill, will also come into operation on the day after Royal Assent. That is clause 44.

The Chairperson (Ms P Bradley): OK. Thank you again, Doreen. Are members content with clause 44?

Members indicated assent.

The Chairperson (Ms P Bradley): Finally, we move to clause 45, the short title.

Ms Roy: Finally, clause 45 simply establishes the short title of the Bill. That is clause 45.

The Chairperson (Ms P Bradley): Thank you. I assume that members are content with clause 45.

Members indicated assent.

Mr Buckley: I always wonder why that one does not come at the very start.

The Chairperson (Ms P Bradley): I know. It is really good that we got that finished today. The final departmental response to the Committee's discussion on the Bill will be available for consideration at our next meeting. The Committee is due to formally read the clause-by-clause consideration into the record on either 5 November or 12 November. Thank you, Gerry and Doreen.

Mr G McCann: Sorry, can I just clarify the point from Robin about the charges?

The Chairperson (Ms P Bradley): Of course.

Mr G McCann: I just want to make sure that I understand. If the charges in themselves could not be one of the main triggering events, charge changes would not be caught by that, because they are capped under law to 0.75%. They in themselves would not be an event.

Mr Newton: OK. So there cannot be charges applied that would be a triggering event?

Mr G McCann: No, they cannot, because they are covered elsewhere, which says that they have to be inside the cap. Does that answer your question?

Mr Newton: I am content, Chair.

The Chairperson (Ms P Bradley): OK, Gerry and Doreen, thank you very much. We will see you when we come back after recess.