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PROCEEDINGS

DAALTYN

HANSARD

Douglas, Tuesday, 12th June 2012

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Present:

The Deputy Speaker (Mr C G Corkish MBE) (Douglas West);
The Chief Minister (Hon. A R Bell) (Ramsey);
Hon. D M Anderson (Glenfaba); Mr L I Singer (Ramsey);
Hon. W E Teare (Ayre); Mr A L Cannan (Michael); Hon. T M Crookall (Peel);
Hon. P Karran, Mr Z Hall and Mr D J Quirk (Onchan);
Mr R H Quayle (Middle); Mr J R Houghton and Mr R W Henderson (Douglas North);
Hon. D C Cretney and Mrs K J Beecroft (Douglas South);
Hon. C R Robertshaw and Mrs B J Cannell (Douglas East); Hon. J P Shimmin (Douglas West);
Mr R A Ronan (Castletown); Mr G D Cregeen (Malew and Santon);
Mr L D Skelly and Hon. P A Gawne (Rushen);
with Mr J King, Deputy Secretary of the House.

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The House adjourned at 11.12 a.m.

House of Keys

The House met at 10.00 a.m.

[THE DEPUTY SPEAKER *in the Chair*]

5 **The Deputy Speaker:** Good morning, Hon. Members. Moghrey mie.

Members: Good morning, Mr Deputy Speaker.

10 **The Deputy Speaker:** I call upon our Chaplain to lead us in our prayers.

PRAYERS

The Chaplain of the House of Keys

15

Leave of absence granted

20 **The Deputy Speaker:** Hon. Members, Mr Speaker has leave of absence today to attend the CPA regional conference in Edinburgh, along with Mr Watterson and the Secretary of the House.

Questions for Oral Answer

25

INFRASTRUCTURE

30 **Solway Harvester Plans for disposal**

1.1. The Hon. Member for Ramsey (Mr Singer) to ask the Minister for Infrastructure:

35 *What plans he has to dispose of the Solway Harvester; who owns the wreck; what payments are made for its upkeep and mooring; what powers he has to dispose of it; and if he will make a statement?*

40 **The Deputy Speaker:** Hon. Members, we turn to our Order Paper, Item 1, Questions for Oral Answer. I call on the Hon. Member for Ramsey, Mr Singer.

Mr Singer: Thank you, Mr Deputy Speaker.
I beg leave to ask the Question standing in my name.

45 **The Deputy Speaker:** Minister for Infrastructure to reply.

The Minister for Infrastructure (Mr Cretney): The Department of Infrastructure took ownership of the *Solway Harvester* in 2008 and its condition is being monitored by the Harbours Division staff. Costs associated with occasional remedial works, such as pumping out and tending to the moorings have amounted to approximately £500 in the last six months.

50 As owner of the vessel, the Department has complete power to determine disposal methods and time. My predecessor advised during the June 2011 sitting of Tynwald, when answering a similar Question, that a commitment had been given to the families of the deceased crew in December

2008 that it would not dispose of the *Solway Harvester* until there was no longer the likelihood of it being required in any legal action that the families may pursue against the previous owner.

55 However, given the increasing concern and potential risk that the vessel poses, it is the Department's intention to advise them that it wishes to begin the process for disposal as soon as practical. The Department remains in close contact with representatives of the families of the deceased crew, who have been aware for some time that the Department is keen to bring the matter to conclusion.

60

The Deputy Speaker: Supplementary, Mr Singer.

Mr Singer: Can I thank the Hon. Minister for his Answer and I understand, obviously, the feeling of the families.

65

Was it not the fact that at the inquest, it was stated there was no need to retain the vessel? As there is a great deal of interest in Scotland, I am sure that his statement today will go some way to solving the matter. I hope the Minister can give me an assurance that now he has decided there will be disposal, that it will be as soon as possible, would he agree, because it is such an eyesore in Douglas?

70

The Deputy Speaker: Minister.

The Minister: I do not believe that is the case, because the latest legal advice that I was offered in June 2011 from the legal representatives of the families was that, unfortunately, until we know whether there is going to be a settlement, I believe that the vessel will be required for any future legal action, investigation etc. So, despite what may have been said at the inquest, that was the latest legal advice we had.

75

We have made it clear that we believe the time has come to move on.

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The Deputy Speaker: Hon. Member for Onchan, Mr Quirk.

Mr Quirk: Thank you, Deputy.

Can I ask the Minister, the disposal route – is it the same disposal route that was already previously done by other Departments?

85

The Deputy Speaker: Minister.

The Minister: I am not aware what disposal route has been followed by other Departments, but the previous-but-one Minister made it clear, I believe, that a potential disposal route was via breaking it up at the Ramsey Shipyard. I believe that is still the preferred option.

90

The Deputy Speaker: Hon. Member for Douglas North, Mr Henderson.

Mr Henderson: Gura mie eu, Lhiass-loayreyder.

95

Following on from my Questions a couple of years ago with regard to this vessel, I would ask the Minister, notwithstanding the respect that we should give to the families involved here, would he consider, as a *pro tem* measure, removal of the *Solway Harvester* to somewhere more appropriate where we do not have this sombre reminder in the gateway to the Isle of Man, or cover the vessel?

100

Also, would he agree that it would be well worth a second legal opinion on the matter, as the vessel has stood there for years and years, deteriorating over time, and as a matter of forensic evidence, all will be lost as far as that goes, so it is time to do something, even if it is something *pro tem*?

105

The Deputy Speaker: Minister.

The Minister: In relation to the final point the Hon. Member made in relation to the lessening of value in terms of any legal proceedings, that is exactly the point, I believe, why I have decided upon the action I have now.

110

In relation to moving the vessel to another port around the Isle of Man, I do not believe that is a viable alternative. I do not believe that that is the right thing to do. I do believe that, as soon as practical, we should move in terms of final disposal of the vessel.

115 **The Deputy Speaker:** Another question, Mr Singer.

Mr Singer: Can I ask the Minister... a little bit of contradiction in him saying that, whilst he has told the families that whilst they might be conducting civil proceedings, it would not be disposed of, he is now telling them that he is ready... he feels it should be disposed of? So where do the civil proceedings come into this?

120 **The Deputy Speaker:** Minister.

The Minister: That was the previous advice that was given, when the vessel was acquired by the Department in 2008. Things have moved on since then and this is the current position.

EDUCATION AND CHILDREN

130 **Pre-school education**
Survey of parents

1.2. The Hon. Member for Douglas North (Mr Henderson) to ask the Minister for Education and Children:

135 *If he will undertake a parents' survey of every school which has pre-school education facilities to discover the percentage of parents or guardians who:*
(a) are willing to pay in full for the required number of placements for their child(ren);
(b) are willing to pay in part for the required number of placements for their child(ren);
140 *(c) are willing to pay or make a contribution (however large or small) towards the cost of the required number of placements; and*
(d) may require assistance?

145 **The Deputy Speaker:** We move on to Question 2, Hon. Members, and I call on the Member for Douglas North, Mr Henderson.

Mr Henderson: Gura mie eu, Loayreyder.
Ta mee shirrey kied yn eysht y chur ta fo my ennym. I beg to ask the Question in my name.

150 **The Deputy Speaker:** The Minister for Education and Children to reply.

The Minister for Education and Children (Mr Karran): Lhiass-loayreyder, the Hon. Member's Question is an interesting one, as it appears to suggest that my Department should survey parents about the system for pre-school education which ceases to exist in less than six weeks' time. The reality is that, following the debate in Tynwald Court, my Department has moved forward with plans to change the provision of pre-school education and has included the redeployment of staff and made commitments to private pre-school providers.

160 The Hon. Member needs to understand that the plans have progressed to a point where any suggestion of the current system being retained, would be misleading. However, if such a survey was considered useful, it would not be something my Department could undertake, as we do not have the contact details of the families or the children below the school age. Therefore it would not be possible for us to undertake such a targeted survey school by school.

165 In terms of what he wishes to identify, as far as families and the need for financial assistance, I would remind the Hon. Member that the existing mechanism is through the records held by the Department of Social Care to pick up the families which are eligible for the free school meals and are at the present time going to get the most help, as far as the pre-school provision. Therefore, for these reasons I have outlined, I am unable to agree with the Hon. Member's request at this time.

170 **The Deputy Speaker:** Supplementary, Mr Quirk.

Mr Quirk: Thank you, Deputy Speaker.

Could I ask the Minister with regard to the number of applicants that work for these particular schools? Is he happy there are enough businesses to take over the schooling of these children in

175 the future? Could he give us an indication, at some time before the summer recess, of where we are?

The Deputy Speaker: Minister to reply.

180 **The Minister:** Lhiass-loayreyder, I answered this question in detail last time. The two places where we had problems: one was Bride and one was Jurby. At the present time, as far as Jurby is concerned, there is not a provider that has come forward for Jurby, but my officers are in discussions with a third party that is still hopeful that we will have some pre-school provision in place for September for Jurby.

185 We are putting the Bride School out to tender again, but on the basis of it not just being the pre-school, but as a nursery as well, as it is not connected to any school that would maximise its use and we might find somebody. Apart from that, everywhere else should be covered, as far as the existing pre-school facilities my Department has got, but remembering that the situation is that we only actually have the facilities for less than half the children of this year group, that we can actually provide facilities through the existing facilities of my Department.

190 **The Deputy Speaker:** Supplementary, Mr Henderson.

Mr Henderson: Gura mie eu, Lhiass-loayreyder.

195 Given that his Department acknowledge they have to make changes within what they do there, and given the wholesale effect that these changes were bound to have on pre-school education, why did the Minister not consider conducting a survey at that point?

The Deputy Speaker: Minister.

200 **The Minister:** Lhiass-loayreyder, the problem I have with the idea of paying for it is that the very children that we want to be going to these... The whole issue of this Frank Field breaking the circle of poverty is making sure that we actually prioritise the very children that need that provision, and I actually think you will find that by bringing in such a proposal, one would leave the Department open to any financial liability; and the second thing would be that the very
205 children you want at these pre-school facilities would not be going, unless they have been brought about by contact through Social Services, through the Department of Social Care.

The Deputy Speaker: Mrs Cannell, Member for Douglas East.

210 **Mrs Cannell:** Thank you, Mr Deputy Speaker.

When the Minister says that he would not, his Department does not have the details in respect of those children who are pre-school age who may require teacher-led nursery education, surely he must be aware that the actual schools that are currently providing it until September *do* have lists of those children whose parents have put them down on a list for this September? So surely using
215 the excuse that he does not have a list, he has not got that particular data, is misleading, is it not?

The Deputy Speaker: Minister.

220 **The Minister:** Lhiass-loayreyder, I do not mean to mislead. My problem is I am generally too blunt.

The situation is that schools did have a children's register for pre-school places before the decision that the Department ceased the provision. Those lists were by no means complete anyway and lists are no longer required. In line with good data protection practice, schools were advised to destroy those lists.

225 Members will remember there were criticisms about us having information on children and families before. The situation is that, under data protection legislation, we have done so.

The Deputy Speaker: Hon. Member for Onchan, Mr Quirk.

230 **Mr Quirk:** Thank you, Deputy Speaker.

Could the Minister please indicate to the House, the subcommittee... where we are with this, to choose these particular people who are to occupy the school premises?

Could we get an indication or an assurance from the Minister before the summer recess that Members are aware who is going to be operating these facilities?

235 **The Deputy Speaker:** Minister to reply.

The Minister: Lhiass-loayreyder, I made a detailed response to this, as far as myself and the Hon. Member for East Douglas, the Minister for Social Care, picked out the individuals. There will be a statement as far as the successful applicants are concerned, but there will be at this present time, until... It will be before the recess comes for this Hon. House.

ECONOMIC DEVELOPMENT

245

Manx Gas **Effect of operating policy on staff numbers**

250 1.3. The Hon. Member for Douglas North (Mr Henderson) to ask the Minister for Economic Development:

If he will make a statement on the operation of Manx Gas and consequent retention of services and possible redundancies for staff; and what his Department's policy is on this?

255 **The Deputy Speaker:** Members, we now move on to Question 3. I call on the Member for Douglas North again, Mr Henderson.

Mr Henderson: Gura mie eu, Lhiass-loayreyder.
Ta mee shirrey kied yn eysht y chur ta fo my ennym. I beg to ask the Question standing in my name.

The Deputy Speaker: The Minister for Economic Development, Mr Shimmin to reply.

265 **The Minister for Economic Development (Mr Shimmin):** Thank you, Mr Deputy Speaker. International Energy Group Ltd, the holding company for Manx Gas, Jersey Gas and Guernsey Gas, known collectively as Island Gas businesses, has reviewed the operating processes and efficiency of the three island businesses and concluded that there are opportunities to centralise some functions that are currently replicated in each island. They have invested in a new IT system, which will facilitate some of the centralisation and this is planned to go live during 2012.

270 We have been assured that the Manx Gas strategy will continue to ensure that safety, quality and on-time delivery will be provided to the highest standard, whilst delivering improved operating efficiency. All staff that work on customers' appliances and on operating assets will continue to be located in each island at a level that is required to meet safety, operating and customer-service delivery requirements. All other support services will, wherever possible, be centralised and located in the most appropriate location.

275 Three directors of the Island Gas businesses are located in the Isle of Man and the business review has determined that the centralised billing and accounts functions, central administration and out-of-hours call-centre functions will all be located in the Isle of Man. The plan has identified that there will be between 50 to 65 redundancies across the three Islands, of which between 10 and 280 15 are likely to be in the Isle of Man. Manx Gas is currently in the process of consultation and cannot determine the final number of redundancies until the end of this process.

The latest news does, however, demonstrate, once again, that the Isle of Man is not immune from the effects of the international downturn and the need for businesses to improve operational efficiency. We must continue to work hard to promote further economic growth and diversification to ensure a sustainable future for the Island and solid employment opportunities for our people.

285 As regards the impending redundancies, the Department will do all that it can to assist those workers that will be affected. An officer from the Department's Employment and Skills Group has visited the company to offer support. Once further details of the redundancies are known, the Department will seek to advise the affected workers of JobCentre vacancies, as well as providing careers and training advice and other relevant information.

290 **The Deputy Speaker:** Supplementary, Mr Henderson.

295 **Mr Henderson:** Gura mie eu, Lhiass-loayreyder.

I thank the Shirveishagh for his straightforward and in-depth Answer on this important matter.

I would ask him, given the size and scale of Government investment into the gas infrastructure, where we have been basically partnering with Manx Gas, that perhaps, if he has not already re-doubled efforts with Manx Gas to look at the redundancy situation to minimise it, and to ensure that the staff-side organisations are fully engaged in this process, so that anyone who is made redundant maximises their chances of re-employment elsewhere.

The Deputy Speaker: Minister to reply.

The Minister: Yes, Mr Deputy Speaker.

Obviously, the Isle of Man Government policy is to ensure the supply of secure and affordable energy. We have done that work with the Manx Gas business over recent years and continue to do so. And indeed we are all disappointed, with the level of investment, that there is a restructuring taking place. However, that is perfectly understandable in the current market.

With regard to our efforts with this company, and I must say along with many other companies that are equally going through restructuring, and indeed where job losses are of a similar comparable standard to this, we do everything we can in order to try and ensure that work stays on the Island, wherever possible.

Indeed, the main beneficiaries of many of these restructurings have, in recent weeks and months, been out of circumstance of hard effort by the local businesses, to be more damaging to other jurisdictions than to our own Island. I commend all of the businesses that are fighting hard to maintain jobs on our Island, whether it be the gas company, whether it be banks or any other institutions. We are all working to a common aim and indeed the figures that have been released in recent months have indicated that Jersey and Guernsey are experiencing an even greater impact on their employment circumstances than we are. That is not accidental; that is because the customer relations we have on the Island are recognised by businesses and they do continue to have confidence in our local infrastructure.

But I take on board all the Member's comments. The unions and myself are due to meet shortly on a wide range of issues, because inevitably when pressure comes on jobs there is a real concern from the members of those unions about their job security and their futures. My job and my Department's job is to try and make sure that we give all advice and work with all parties to try and minimise the disruption.

330

COMMUNITY, CULTURE AND LEISURE

DCCL recruitment Railways and bus sections

335

1.4. The Hon. Member for Douglas North (Mr Henderson) to ask the Minister for Community, Culture and Leisure:

If he will make a statement on the recent recruiting vacancies that have been appearing for his Department with special reference to its railways and bus sections?

The Deputy Speaker: We move on to Question 4, Hon. Members. I call on the Hon. Member for Douglas North again, Mr Henderson.

Mr Henderson: Gura mie eu, Lhiass-loayreyder.
Ta mee shirrey kied yn eysht y chur ta fo my ennym.

The Deputy Speaker: Minister for Community, Culture and Leisure to reply.

The Minister for Community, Culture and Leisure (Mr Crookall): Thank you, Mr Deputy Speaker.

I can clarify as follows. Two seasonal permanent way vacancies were advertised in a campaign that closed on 30th May 2012. The vacancies arose as a result of changes in staffing, one where the individual has been unable to fulfil their contract of employment. The first vacancy has arisen as a result of resignation which has taken place; and the second vacancy is to provide cover for an employee who is on long-term sick leave.

360 The decision to employ on a seasonal basis has been made on the basis that the individual who is on long-term sick will hopefully make an eventual recovery and on that basis, until we are clear about the next year's budget provision for certain, flexibility in respect of permanent staffing is prudent.

365 In the second campaign with a closing date of 6th June 2012, the MER Craftsman role has become vacant because the Workshop Chargehand was promoted to the Snaefell Supervisor, when the post became vacant as a result of an unplanned retirement. This in turn resulted in promotion within the MER workshops, creating the vacancy which has now been advertised. In view of the ongoing budgetary difficulties, this has been advertised as a limited-term appointment.

370 The bus driver recruitment process advertised at the same time, but closing on 7th June 2012, is for part-time and casual drivers. This is because the recent recruitment for full-time staff, which was the result of vacancies being created by staff leaving our employment for a variety of reasons, including ill health. The full-time driver positions were filled by staff who were employed on 20-hour or casual contracts. We therefore needed to cover those vacancies and the advert placed will allow us to do so.

375 I must make it clear that these recruitment campaigns have been run to fill existing posts that have been vacated. I am very pleased to find that, in most cases all the posts have been offered to existing staff on promotion, as it is clearly better for us to train and develop local staff where we can do so. These vacancies have arisen since the restructuring of the railways' Whitley Council working. This is not a situation where the staffing allocation has been changed with posts created or amended, but one where existing posts became unexpectedly vacant.

380 As the Member will know, our Department provides service to customers. We simply cannot stop those services when staff move on. We need minimum manning levels to ensure a number of cases, such as the NSC pool and the Member will have noticed a recent recruitment for seasonal leisure attendants. In the last 12 months, we have recruited to a total of 50 posts across the Department, many on a seasonal basis as we usually do. At any one time, we employ about 1,000 different people, we review all the posts when they become vacant to see if a saving can be made, but often have no choice but to recruit for safety reasons. Fortunately, we are often able to do this on a flexible basis.

385 I am sure the Member would not wish me to depart from a position of maintaining services, operating safely and developing our employees, unless there really are no other choices.

Thank you, Mr Deputy Speaker.

390 **The Deputy Speaker:** Supplementary, Mr Henderson.

Mr Henderson: Gura mie eu, Lhiass-loayreyder.

395 I thank the Minister for his Answer and some of his patronising comments and I can assure him this Hon. Member understands fully the situation.

400 What we need to clarify is the fact that his Department, on an ongoing basis, has been making many job adverts, or advertising many posts, 30 of which have come to my attention since the redundancy situation not so long ago. I want him to assure us that, in fact... if he can reaffirm that every post he is advertising has been filled locally or internally and that his Department has actually made the savings he originally indicated

The Deputy Speaker: Minister to reply.

405 **The Minister:** Mr Deputy Speaker, they are not patronising comments and if he takes them as such, that is up to him, but they are not meant to be and I do not think anybody else takes them as patronising towards him either. He often says that, when he stands up to make a supplementary question, but they are not meant like that.

410 The five staff who were made redundant last year were given notice in April 2011 and remained eligible for redeployment for three months from the date. They then left our employment. If these posts had come up in that time, they may have helped with the redeployment process.

It may have been useful to remind Hon. Members that the Department endeavoured to find redeployment for all 22 posts who were at risk in that process last year, and succeeded in many cases.

415 Mr Deputy Speaker, we make every effort to promote from within, if and when we can, and recently when we have had to go externally, we have had cases with Work Permits where we have lost those cases and had to go back again. I make no apologies for the system. The system works, and where we can, we will promote from within, sir.

The Deputy Speaker: Supplementary, Mr Henderson.

420 **Mr Henderson:** Gura mie eu, Lhiass-loayreyder.

I thank the Minister again for his positive answer in support of his local staff and the local employment pool.

425 However, can he give some clarification as to why some of the adverts that are under scrutiny this morning, state about the good quality of life and situation with the tax here, if we are aiming to use up and utilise fully the local employment pool?

The Deputy Speaker: Minister to reply.

430 **The Minister:** I would be very grateful if the Hon. Member asking me the question could forward the advert to me. I cannot think which one he is asking about, but as a rule we would always advertise these internally first and if we get no response or a suitable response, we would go external and for that reason, those words would be used, I would imagine.

435

ENVIRONMENT, FOOD AND AGRICULTURE

Meat Plant Future prospects

440

1.5. The Hon. Member for Rushen (Mr Skelly) to ask the Minister for Environment, Food and Agriculture:

445 *If he will make a statement on the sustainable future prospects of the Meat Plant?*

The Deputy Speaker: We turn now to Question 5, Hon. Members. I call on the Hon. Member for Rushen, Mr Skelly.

450 **Mr Skelly:** Gura mie eu, Lhiass-loayreyder.
Ta mee shirrey kied yn eysht y chur ta fo my ennym.

The Deputy Speaker: I call on the Minister for Environment, Food and Agriculture to reply.

455 **The Minister of Environment, Food and Agriculture (Mr Gawne):** Gura mie eu, Lhiass-loayreyder.

In April 2008, Tynwald unanimously supported an agricultural strategy which set out the key steps to develop a reliable, sustainable, self-reliant Manx agricultural industry capable of feeding the Manx people. The strategy document highlighted the need for an appropriate processing infrastructure to ensure that the strategy is effectively delivered. 2011 saw the end of production subsidies and the loss of protection offered by the red meats derogation, so Isle of Man Meats, the operator of the Meat Plant, faces a considerable challenge competing in European meat markets, against much larger meat processing plants.

465 Isle of Man Meats' entry into this much more competitive marketplace comes at a time when meat plants everywhere are under considerable strain, leading to several recent closures. I was particularly disappointed to hear of the closure of the Orkney plant, which actually had many parallels for the Isle of Man.

470 Farmers now have greater choice of where to send their animals and consumers have a greater choice in what to buy, but everyone is affected by a general reduction in disposable income. The Manx meat market disruption which has been visible over the past year or so has come as no surprise, and was highlighted in the Department's Strategy Document as an unavoidable short-term consequence of trying to develop a more sustainable long-term future for the red meat sector.

The Department stated in the 2008 Strategy Document that additional support may be required for the Meat Plant during these critical few years. It was for this purpose that the Agricultural Development Fund was established to help the industry adapt to these challenges.

475 The red meat industry is global, dynamic and very competitive, so to remain sustainable the Meat Plant must be dynamic and competitive too. Although there can be no guarantees in the meat trade, I believe the plant is well managed, and probably for the first time in the nine years I have

been an MHK, I feel the Meat Plant is now very close to finalising a sustainable long-term business strategy.

480 Recent restructuring has resulted in over £1 million of costs being stripped from the business. In addition, earlier this year, the directors recruited a new chief executive, with many years of experience and credibility in the meat trade. Whilst it is still early days, we are already witnessing a significant turnaround in the plant's position and confidence with its suppliers is increasing.

485 A new pricing matrix has been introduced, which is attracting more beef throughput and an apparent improvement in profitability. There are early indications that live exports are reducing too.

It is clearly disappointing that Manx meat is currently not available in Tesco. However, I am assured that recent changes at the plant will see this position reversed in the near future. I am further reassured by statements from Shoprite that it remains committed to supporting the Manx red meat sector.

490 Isle of Man Meats directors have recently presented a recovery plan to my Department, which is currently being considered. It is clear to me that the Isle of Man needs a meat plant. This is something as a nation we should be prepared to support and, indeed, in the 2008 Strategy Document which Tynwald unanimously supported, this absolutely clear need was explained.

495 Nevertheless, we cannot support the plant without question and the business must have a credible, sustainable backbone. There is a delicate balance to be struck, but one which I am confident can be achieved, and therefore, in my opinion, the outlook for the plant is as good as it has been for more than a decade.

500 Gura mie eu.

The Deputy Speaker: Supplementary, Mr Skelly.

Mr Skelly: Gura mie eu, Lhiass-loayreyder.

505 Can the Minister advise, when the Meat Plant reaches its optimum efficiency, will it require continued subvention, and if so, how much that will be?

The Deputy Speaker: Minister to reply.

The Minister: Gura mie eu, Lhiass-loayreyder.

510 When we were devising the various policies and strategies for support for the agricultural sector – back in, I suppose, 2006, 2007, 2008 – we had various reviews undertaken of the Meat Plant, the most prominent of which was the Andersons review, and at that time Andersons predicted that we needed to support the Meat Plant to the tune of £200,000 to £300,000 a year. This was to take account of the fact that the Isle of Man is remote from many markets in which the meat is sold. It was to take account of the fact that we have a multi-species plant, which again is quite unique, or becoming... Can you become unique? I do not know; it is certainly a rarity these days. And also the relatively small scale of the plant. So, to counter these effects, if we wanted to have a Meat Plant on the Isle of Man, Andersons predicted that we needed to put in between

520 £200,000 and £300,000 a year as a subvention.

The Deputy Speaker: Hon. Member for Michael, Mr Cannan.

Mr Cannan: Thank you, Mr Deputy Speaker.

525 Can the Minister confirm whether the closure of the cutting room and the packaging room are part of the considerations for the future of the Meat Plant? In other words, just to send out the carcasses without cutting or packaging?

The Deputy Speaker: Minister, reply.

530 **The Minister:** Gura mie eu, Loayreyder.

Yes, I understand that Isle of Man Meats have announced the closure of the packaging room. I thinking it is obviously unfortunate that this has been a step that Isle of Man Meats feel that they need to take, but when you are aware of how much money that particular part of the Meat Plant operation was losing I can understand why the directors have chosen to make that decision. If we, in Tynwald, believe that it is so important for us to retain a packing room, then we need to be dipping our hands in our pockets to do so, because quite frankly it makes no economic sense, based on figures that I have seen, to continue with that packing room for the business. It may make sense for the overall food chain on the Island, but I am aware that, since the announcement of the

540 closure of the packing room, a number of wholesalers have stepped in and are now packing meat
for some of the smaller retailers on the Island, and certainly I know Shoprite already has
packaging facilities which it is using.

The Deputy Speaker: Further supplementary, Mr Cannan.

545 **Mr Cannan:** Thank you, Mr Deputy Speaker.

Does the Minister agree with me that the future of the Meat Plant is still uncertain and does the
Minister now agree that we should consider buying shares in a major meat processor in the UK, on
the basis that such a move will enhance our distribution potential, allow expansion opportunities,
increase return to the Manx Investments Fund, and protect the future of Manx meat?

550 And would he agree that, after all, we are going to be hungry, after all the filming that we are
going to be doing in the future? (*Interjections*)

The Deputy Speaker: Reply by the Minister.

555 **The Minister:** Gura mie eu.

I will leave it to others talk about how hungry or otherwise we will be in relation to filming,
although I do... If the Hon. Member wishes, I could relate a tail of when I was an extra, I had the
most fantastic feeds of bacon-and-egg butties, but that is probably not that relevant to the Question

560 –

A Member: You were somewhere else!

The Minister: Yes, I was! What was question? Oh gosh! (*Laughter*)

565 **Mr Cannan:** We should buy shares...

The Minister: To buy shares, yes. I think, bearing in mind what I said about the meat trade at
the moment, I think you would have to be *very* foolish to want to buy shares in any meat plant at
the moment. They are *all* in... I suppose the best you could say is that they are just about
570 managing to break even. A number of them are trading at a loss, because of the various pressures
that are occurring, so the thoughts of us buying into another meat plant – I think it would be a
very, very foolish investment indeed.

I do actually feel, as I say, optimistic for the future of our plant, although... and I said this to
the staff yesterday at the Meat Plant – I went down to meet the directors and also had the
575 opportunity to address the staff of the Meat Plant, nobody can give guarantees about the future,
and bearing in mind the very perilous state that the whole of the meat sector finds itself in, across
Europe at the moment, it is difficult to give any guarantees, but I do feel more confident about our
Meat Plant at this stage than I have done in the nine years that I have been a Member of the House
of Keys.

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The Deputy Speaker: Hon. Member for Douglas North, Mr Houghton.

Mr Houghton: Thank you, Mr Deputy Speaker.

585 The Minister, in his opening gambit, said farmers have greater choice where to take their
animals for slaughter; consumers have got greater choice to buy – where and what to buy. In this
age when farms are becoming more like leisure centres and charitable activities, and when he has
just admitted, of course, also that there is a reduction of £1 million in turnover from the Meat Plant
business, he then went on and said that confidence is increasing. Can the Minister offer us some
590 evidence of where that confidence is increasing, taking account of what he has just said in answer
to other supplementary questions today, especially when supermarkets have gone elsewhere for
their meat? What active progress is the Minister actually taking personally on this?

The Deputy Speaker: Minister, your activities?

595 **Mr Singer:** A bacon butty.

Mr Gawne: I presume it would be unparliamentary to suggest that the Hon. Member for
Douglas North is away with the fairies, but certainly most of what he said there –

600 **Mr Houghton:** It's what you said.

The Minister: If he can provide any evidence –

605 **Mr Houghton:** It's what *you* said!

The Minister: – any evidence at all for what he is asserting, I would be delighted to see it, because it is complete nonsense. (*Interjection by Mr Houghton*)

610 **The Deputy Speaker:** Mr Quirk, Hon. Member for Onchan.

Mr Quirk: Thank you, Deputy Speaker.

Would the Minister not agree with me there are a number of traditional good butchers round the Island, including the one in Onchan? That's a little plug! What is the Minister doing with his colleagues in DED, including Mr Skelly, to promote that valuable service?

615

The Deputy Speaker: Minister to reply.

The Minister: Gura mie eu, Lhiass-loayreyder.

620 What we are doing, of course, is making sure we have got a supply for those butchers, which I think is really quite fundamental. The Meat Plant is *not* stopping supplying meat to *anybody* in the Isle of Man. Anyone who wants to buy meat – any wholesalers, any retailers who want to buy meat – can still buy meat. Isle of Man Meats predicts a modest reduction in local meat sales in the short term, but expects that the local meat sales will increase thereafter. Isle of Man Meats also recognises that, particularly with the addition of their new Chief Executive, off-Island sales can

625

become far more profitable than they have been in the past.
As I say, I feel very confident, from what I have seen and what I have heard from Isle of Man Meats, that they have a reasonable opportunity to survive and indeed thrive in the future.

630 **The Deputy Speaker:** Another question from Mr Houghton, before we go to the final supplementary.

Mr Houghton: Yes, thank you, Mr Deputy Speaker.

In the Minister's flippant answer to my supplementary question –

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The Minister: To your flippant supplementary. (*Laughter*)

Mr Houghton: – there was a serious question asked of the Minister –

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The Minister: I didn't hear it.

Mr Houghton: – which he tried to sidestep, and I will ask him again, just for the record. He said there was confidence increasing in this sector. Can he evidence that? And also, second question: can he actually inform this House of what active progress he is personally taking in this matter?

645

The Deputy Speaker: Minister to reply.

Mr Gawne: Gura mie eu, Lhiass-loayreyder.

650

Obviously, the Hon. Member is not listening to the answers, but –

Mr Houghton: Just answer the question, Philly! (*Laughter*)

The Deputy Speaker: Order!

655

The Minister: *I have* answered the question. I have answered the question before you asked it, as it happens. However, the evidence is absolutely clear. I have provided the evidence in the Answer. If I can... Where is the Answer...? Here, I will read it out again –

660

Mr Houghton: You can't remember it, can you?

The Minister: – if he really wants to know.

Mr Houghton: You can't remember. You cannot remember what you have read out.

665 **The Deputy Speaker:** The Minister is replying. The Minister has the floor.

The Minister: Am I replying or am I being heckled by a flippant Member?

670 **The Deputy Speaker:** The Minister has the floor.

Mr Singer: Give him an answer!

The Minister: Gura mie eu, Lhiass-loayreyder.

675 There *is* evidence. There is clear evidence of an increase in throughput at the Meat Plant, which I explained in my original Answer, but the Hon. Member obviously did not hear. There is also emerging evidence of a reduction in off-Island live exports, again which I think is a very positive sign. If you go around and talk to farmers, you will find that there is an increasing confidence in the industry. There is sign of an increase in breeding stock this year, which was not there last year. These are all very positive signs in my view.

680 If the Hon. Member wants, I am more than happy to take him around the farms and show him that evidence, but the evidence is there. (*Interjections*)

The Deputy Speaker: Final supplementary, the original questioner, Mr Skelly, Member for Rushen.

685

Mr Skelly: Gura mie eu, Lhiass-loayreyder.

Given the public buy less than 10% of their food bill on local produce, has the Minister any future plans to improve this appalling rate?

690 **The Deputy Speaker:** Minister to reply.

The Minister: Gura mie eu, Lhiass-loayreyder.

695 Yes, £330 million we apparently spend on food in the Manx economy per year, of which we would reckon around about £30 million is Manx produce. As it happens, I have a meeting this afternoon, which I am chairing, with the Industry Advisory Partnership, which involves the retailers, processors, farmers, obviously political representatives, representatives of the Chamber of Commerce and the Farmers' Union – all there discussing how we can increase the amount of locally produced food that is sold on the Island.

700 So yes, we are looking at that; yes, it is a fantastic opportunity for us, I feel, to expand the amount of locally produced food that is bought on the Island; and yes, I can see a fantastic opportunity there for the Department and indeed the food industry.

The Deputy Speaker: Thank you, Hon. Members. That concludes the Questions for Oral Answer.

705 Item 2, there is one Question for Written Answer, which will be distributed.

Question for Written Answer

710

INFRASTRUCTURE

715

Planning Policy Statement Public consultation

2.1. The Hon. Member for Douglas South (Mrs Beecroft) to ask the Minister for Infrastructure:

720

In relation to the public consultation on the proposed Planning Policy Statement (PPS) 'Planning & the Economy', how many submissions have been received that are broadly supportive of the proposed PPS and how many submissions have been received that are broadly opposed to the proposed PPS in each of the following categories:

725

- (a) Government Departments;*
- (b) statutory bodies;*
- (c) local authorities;*
- (d) residents' groups;*
- (e) developers;*
- (f) individuals; and*
- (g) others (please specify)?*

730

Answer: The public consultation period closed on 3rd April 2012. Analysis of the responses received is currently underway, but it would be premature and may prejudice the formal process of moving the planning policy statement towards adoption if detailed feedback at this early stage in the process is published. Notwithstanding, the Department is committed to publishing later this summer, a summary of the consultation in line with the Government Code of Practice on Consultation.

735

An indicative breakdown of responses received is detailed below. This, however, is subject to readjustment as detailed analysis progresses.

740

- Government Departments – 5
- statutory bodies – 3
- local authorities – 14
- residents groups – 3
- developers – 5
- individuals – 70
- other – 43: Tynwald Members – 5, societies – 12, organisations – 26

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Furthermore, to protect the integrity of the process, it is inappropriate to provide a breakdown of responses into supportive/non-supportive at this stage.

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Above all else, a precautionary approach should always be taken in interpreting initial consultation results/findings. As The Code of Practice on Consultation confirms,

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'The purpose of consultation is not to be a referendum but an information, views and evidence gathering exercise from which to take an informed decision on the content of proposed legislation or policy'.

In addition, in terms of the operational process, the Code of Practice places an onus upon departmental officers that:

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'Responses should be carefully and open-mindedly analysed'.

Importantly, the Code of Practice also confirms that:

'a response does not guarantee a change to that which is proposed.'

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The process is not a simple tick-box exercise but requires careful balancing of the consultation responses and other material considerations. For that reason, to provide detailed information at this early stage may prejudice the process to the detriment of the adopted content of this important Planning Policy Statement.

BILLS FOR FIRST READING

770

**Cash in Postal Packets Bill 2012
Income Tax Bill 2012
Sunbeds Bill 2012**

775

The Deputy Speaker: Hon. Members, we now turn to Item 3, Bills for First Reading. I call upon the Deputy Secretary of the House.

780

The Deputy Secretary: Thank you, Mr Deputy Speaker.
Cash in Postal Packets Bill 2012 – Mr Teare; Income Tax Bill 2012 – Mr Henderson; Sunbeds Bill 2012 – Mrs Cannell.

BILL FOR SECOND READING

785

**Moneylenders (Amendment) Bill 2012
Second Reading approved**

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4.1. Mr Henderson to move:

That the Moneylenders (Amendment) Bill 2012 be read the second time.

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The Deputy Speaker: Hon. Members, we move now to Item 4 on our Order Paper... Bills for Third Reading. Item 5.1 Town and Country Planning –

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Mr Quirk: Point of order, Mr Deputy Speaker.
I am just wondering whether – (**The Deputy Speaker:** Sorry!) There is a bit of disarray, with people wandering about and Members talking: we cannot hear.

805

The Deputy Speaker: Quite right. Thank you for your point made.
Item 4, Bill for Second Reading, Moneylenders (Amendment) Bill 2012. My apologies, Mr Henderson. I call upon that Member, Mr Henderson.

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Mr Henderson: Gura mie eu, Lhiass-loayreyder.
This Bill is the Moneylenders (Amendment) Bill 2012. The Bill is being promoted by the Treasury on behalf of the Office of Fair Trading. In 1991, the Moneylenders Act was introduced to regulate consumer borrowing in the Isle of Man. It aims to protect consumers and unscrupulous lenders.

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There is a presumption in the Act that a person who lends in the Island is carrying on a moneylending business. This arises from the wording in section 1 of the Act that requires the Office of Fair Trading to register any persons carrying on, in the Island, the business of lending money. All lending of any type has the potential to fall within this definition. The Act does not distinguish between different types of lenders and borrowers. Lending to consumers and that which takes place in the normal course of business receives the same treatment under the Act. The current position is that all persons who wish to lend must either register with the Office of Fair Trading or apply for an exemption from the requirement to register.

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Lending to and from businesses is an accepted part of the normal business activity that takes place throughout the world on a daily basis. This type of lending is often referred to as corporate financing. In the Isle of Man, in order to comply with the Act, persons that engage in these types of transactions must either register or apply for exemption from registration.

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Registration and exemption from registration are not mere formalities. Each exemption requires separate regulations to be made for each person or group of persons. These regulations must then all be approved by Tynwald. This is a time-consuming distraction... to remove lending that was never intended to be caught by the Act from the scope of the Act. This is seen to be unnecessary red tape. There is evidence to suggest that this can be a disincentive to doing business in and from the Island.

This Bill will widen the scope of the Office of Fair Trading's powers of exemption by regulation. The new powers will enable the Office of Fair Trading to exempt all lending within defined parameters and where it was clearly never intended to fall within the scope of the Act.

830 This could include, for example, lending between companies within the same group. While whole classes and types of lending not meeting the criteria for consumer lending could be exempted, the Office of Fair Trading will still need Tynwald approval prior to introducing these wide-ranging classes of exemptions.

835 Lhiass-loayreyder, I beg to move the Second Reading.

The Deputy Speaker: Mr Teare.

Mr Teare: I beg to second and reserve my remarks, sir.

840 **The Deputy Speaker:** Member for Douglas North, Mr Houghton.

Mr Houghton: Yes, thank you, Mr Deputy Speaker.

I fully support this Bill and commend my hon. colleague for moving it here in the House.

845 I am just a little bit quizzed as to why a Treasury Member is moving this and not the Chairman of the Office of Fair Trading? Is this a slant on the integrity of the Chairman? Can we find out and can the Member, perhaps answer as to why it is not being moved by the Office of Fair Trading?

850 In my time – and indeed in the Hon. Member’s time – of being there in the Office of Fair Trading, there were always greater powers above that of the office – which is a Board, as we know – of the Office of Fair Trading, where to say the very least, sir, your integrity is sometimes slanted; the integrity of the board of the Office by greater powers. There is a greater power here in the Treasury moving this forward, which is good legislation which I am going to support, but it should have been brought by the Office of Fair Trading, and by its Chairman here today and I would like to know the reason why.

855 **The Deputy Speaker:** Support with criticism. Member to reply, Mr Henderson.

Mr Henderson: Gura mie eu, Lhiass-loayreyder.

860 The answer to – I am grateful my hon. colleague is supporting the initiative. In answer to his queries, I can say that the waiver procedures and also the way the legislation for OFT is laid down, it has always been that the OFT has required a sponsoring Department to put its legislation, and indeed other procedures, through this place of Tynwald. That is how it has always been organised.

865 Certainly, as far as I am aware, the OFT has not got the straightforward power as a Department has, because it is a Statutory Board under Tynwald. It has to use the sponsoring process. The OFT had agreed that this was the best way forward and certainly the Board has agreed to this and were only too happy to assist in this matter, in the way that we are doing. In no way was it ever envisaged that this would be a slant to the Board of the OFT, in fact we are very happy at Treasury to assist the OFT and the Board in this important manoeuvre here, as at the end of the day, it assists local business and future business with the Island.

870 So I hope that reassures the Hon. Member, and with that, sir, I beg to move.

The Deputy Speaker: The motion is as on the Order Paper, that the Bill be read for the second time. All those in favour, say aye; against, no. The ayes have it. The ayes have it.

875

BILLS FOR THIRD READING

Town and Country Planning (Amendment) Bill 2012 Third Reading approved

880

5.1. Mr Crookall to move:

That the Town and Country Planning (Amendment) Bill 2012 be read the third time and be sent to the Council.

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The Deputy Speaker: We move then, to Item 5 on our Order Paper, Bills for Third Reading. Item 5.1, Town and Country Planning (Amendment) Bill 2012 and I call on Mr Crookall, the Member for Peel.

890 **Mr Crookall:** Thank you, Mr Deputy Speaker.

Hon. Members will be aware what brought me to introduce this Private Member's Bill, but it is not just that individual case that highlighted the issue. Sometimes a situation arises in the scenario that is left that leaves little or no room for manoeuvre for the Minister left to deal with the situation. All that I have attempted to do, with the support of Members, is to give the Minister of the Department another option, if they feel they need it. It takes absolutely nothing away from what is already in situ; it is purely about buildings in Government ownership and that is not about deregistering listed buildings.

This Bill has been worked up with the help of the Director of Planning and the Conservation Officer from the Department of Infrastructure and Mr Howard Connell from the Attorney General's Office and I thank them for their input and their guidance.

Mr Deputy Speaker, I beg to move that the Town and Country Planning (Amendment) Bill 2012 be read for the third time, sir.

The Deputy Speaker: Hon. Member for Onchan, Mr Quirk.

Mr Quirk: I beg to second, sir, and reserve my remarks.

The Deputy Speaker: Hon. Member for Douglas East, Mrs Cannell.

Mrs Cannell: Thank you, Mr Deputy Speaker.

As the Bill is down for Third and final Reading, I have to make comment again that I am actually very disappointed that the mover has not seen fit to answer any of the concerns that were raised at both 'in principle' stage and also clauses stage. That is in respect of clause 5, 'regulations may provide for'.

I recognise that the regulations 'may' provide, which also means that they may *not* provide and there is a list of suggestions of what the regulations may provide, but there is no mention within this legislation of any kind of Tynwald approval for regulations and that disturbs me, because what it means is that the Council of Ministers, who may provide regulations, will determine what those regulations are, without any kind of formal procedure for the regulations to be laid before Tynwald, or indeed debated by Tynwald.

So for that reason, I would ask Members to vote against it.

The Deputy Speaker: Mover to reply.

Mr Crookall: Thank you, Mr Deputy Speaker.

I feel sorry that the Hon. Member who has just resumed her seat feels like that. I have tried to address these issues going along the way and I know the Hon. Member, Mr Karran is happier than he was before, although he is not with us this morning. All I can do is make an apology, I have tried and done my best and I will leave it up to Members, Mr Deputy Speaker.

Thank you.

The Deputy Speaker: The motion is as on the Order Paper, Hon. Members: Town and Country Planning (Amendment) Bill 2012. Those in favour, say aye; those against, no. The ayes have it. Division is called.

Mr Crookall: If you were here for half the time, you would know what was going on!

Mrs Cannell: I beg your pardon?

A division was called for and electronic voting resulted as follows:

FOR

Mr Quirk
Mr Hall
Mr Crookall
Mr Anderson
Mr Singer
Mr Quayle
Mr Teare
Mr Cannan
Mr Houghton
Mr Henderson
Mr Robertshaw

AGAINST

Mrs Beecroft
Mrs Cannell

955 Mr Shimmin
Mr Skelly
Mr Gawne
The Deputy Speaker

960 **The Deputy Speaker:** Hon. Members, the vote is 15 votes for, 2 against. It therefore carries in the House.

965 **Company and Business Names etc Bill 2012**
Third Reading approved

5.2. Mr Henderson to move:

970 *That the Company and Business Names etc Bill 2012 be read the third time and be sent to the Council.*

The Deputy Speaker: We move on to Item 5.2, Bills for Third Reading, the Company and Business Names etc Bill 2012. I call upon Mr Henderson, Member for Douglas North.

975 **Mr Henderson:** Gura mie eu, Lhiass-loayreyder.

Lhiass-loayreyder and Hon. Members, this Bill is the Company and Business Names etc Bill 2012. The Bill will apply to every case in which approval must be sought for the use of a name by a body corporate or unincorporate.

980 Before I continue with the Third Reading, I would like to clarify the position in respect of the query raised by the Hon. Member for Onchan, Mr Quirk, at the last reading. Mr Quirk queried what format the register of sensitive names would take, and I can confirm that this will be an electronic register that will be available to view on the main Companies Registry website.

985 Lhiass-loayreyder, turning to the Bill itself, the Bill seeks to address the recommendation of the IMF arising from the 2009 Report on the Isle of Man. The recommendation concerned the lack of regulations surrounding the use of certain words and phrases, such as 'bank' or 'banking' that are ordinarily associated with a specific regulated activity. This Bill seeks to replace the existing guidance issued by the Companies Registry with legislation. The words and phrases that can ordinarily be used in the names of bodies corporate and unincorporate that are registered in the Isle of Man will be put into legislation.

990 This created an opportunity to review and update the existing regime in respect of name approvals across the various Acts. The various Acts to which the existing regime applies span a period of over 100 years. At its most basic level, the Bill consolidates the existing regime across the various Acts into a single, central piece of legislation.

995 The Bill will also redefine the various names given to the person with authority in respect of the approvals, and this is achieved through the creation of the role of the appropriate name approval authority. This term will apply across all relevant Acts. Conventions that have arisen over time, such as the ability to reserve a name, will be clarified and put into the legislation to provide certainty.

1000 The Bill contains 14 clauses and one schedule. The schedule sets out the consequential amendments that would be required to be made to other Acts.

Clauses 1 and 2 contain the opening provisions of the Bill and allow for commencement by Appointed Day Orders.

Clause 3 defines certain words and expressions used in the Bill. Notably, the term 'appropriate name approval authority' is defined.

1005 Clause 4 lists all persons, bodies corporate and unincorporate to which the Bill applies. This includes bodies corporate and unincorporate established or registered under various Acts, including the Companies Act 1931 and the Companies Act 2006, and various other Acts.

1010 Clause 5 sets out when it is necessary to obtain approval to use a name. The most common circumstances are either on establishment, registration, incorporation or changing the existing name.

Clause 6 confirms that application must be in the required form of the appropriate name approval authority. This clause also introduces a new power, but not an obligation, that will permit a fee to be charged on application.

1015 Clause 7 replicates existing powers that permit outright approval of use of a name, approval subject to conditions being met, or for refusal of permission. This clause also replaces the existing

practice of consulting with interested parties, such as Statutory Boards and Government Departments, with a statutory duty to consult these stakeholders. A new power under clause 7(7) gives the appropriate name approval authority ultimate discretion to consent to the use of a name. In circumstances where consent has been given but would ordinarily have been withheld, the name must be placed on a public register of such cases.

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Clause 8 replicates the existing powers which consider that an approved name may be made subject to certain conditions or additional conditions, or conditions may be varied or revoked.

Clause 9 again reproduces existing powers that currently appear in the various Acts. The power to direct that a person change its name is retained as it is now. Reasons must be given for making the direction. The existing power to impose a change of name is also retained.

1025

Clause 10 places on a statutory footing a convention that has arisen over time. The reservation of names for a period of three months has been permitted, despite there being no statutory basis for doing so.

Clause 11 considers appeals against decisions of the appropriate name approval authority. The persons who and circumstances in which an appeal can be made are set out. Appeals must be made to the court and the ruling is binding on both the appellant and the appropriate name approval authority.

1030

Clause 12 gives the Treasury wide-ranging powers to make regulations on various matters included in the Bill. The most important of these is the power to replace the existing guidance on restricted words and phrases with legislation.

1035

Clause 13 sets out the consequential amendments that will be needed as a result of this Bill. These are set out in the schedule to the Bill. This clause also contains an automatic repeal provision. This will not affect the operation of any of the amendments under this section. This is a housekeeping exercise that aims to declutter the statute books.

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Clause 14 contains certain savings provisions.

Lhiass-loayreyder, I beg to move the Third Reading.

The Deputy Speaker: Member for Ayre, Mr Teare.

1045

Mr Teare: I beg to second and to reserve my remarks, sir.

The Deputy Speaker: Hon. Member for Douglas East, Mrs Cannell.

Mrs Cannell: Thank you, Mr Deputy Speaker.

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I would just like to congratulate the Member for the way in which he has handled this Bill; the comprehensive way in which he has laid out Second Reading, clauses, and today's Third and final Reading; and also to praise him for highlighting clause 12 regulations; but most importantly, that the regulations have to be laid before Tynwald and have to be approved by Tynwald – very important provision in any kind of regulation coming forward, which impacts upon our community.

1055

So I congratulate him.

The Deputy Speaker: Hon. Member for Michael, Mr Cannan.

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Mr Cannan: Can I ask the mover of this just to clarify for me – it is quite late in the day, I appreciate this – but what the impact would be on the fees for those corporate services providers who effectively bulk register names and store often many hundreds of names well in advance, in order to make life easier for their clients. If he could just clarify the impact and the cost potential or new cost, that would be very helpful.

1065

Thanks very much.

The Deputy Speaker: Mover to reply.

Mr Henderson: Gura mie eu, Lhiass-loayreyder.

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Firstly, in response to the Hon. Member for Douglas East, Mrs Cannell, I thank her for the supportive comments. Yes, she is quite right, regulations will have to come before Tynwald as a final stage in this, so that there can be a further level of smoothing, which is what we wanted.

With regard to Mr Cannan's comments, we have been through in detail the clauses, where I discussed each separate item, including this, in much more detail, and tried to make it clear with regard to the effects.

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1080 The first effect is that the custom and practice procedures that are ongoing at the minute, with regard to name reservations and so on that he alludes to are just that, and this puts it on to a formal footing. It makes it clearer, more transparent and places this practice into formal legislation. That will require anybody so affected or in the future, that they will have to do the form filling, basically as if they were applying for a new name every three months that this is rolled over.

1085 So, the effect, basically, is that it is going to be a little bit more paperwork, a little bit more due diligence and there is a little bit more of an audit trail, which is exactly the kind of thing that the IMF are looking for. We have gone a little bit further in what we are doing here, but it gave us the opportunity to do some housekeeping, while we were at it, so that it puts custom and practice onto a formal footing.

1090 With regard to the fees, as I have tried to make clear, it is a provision that is there. It is a 'maybe', it is not a given, but it is there in the future. So I cannot foresee currently that there would be any fee effect; but it is there, should the powers that be wish to bring in any charging process in the future. It saves coming back and moving a small Bill again or an amendment process. That is why it is there. There is no current envisaged charging regime to the Hon. Member's queries. (**Mr Teare:** Hear, hear.)

Gura mie eu, Lhiass-loayreyder.

1095 **The Deputy Speaker:** Hon. Members, the motion is as on the Order Paper that the Company and Business Names etc Bill 2012 be read a third time. All those in favour, please say aye; those against, no. The ayes have it. The ayes have it.

1100 **Heavily Indebted Poor Countries (Limitation on Debt Recovery) Bill 2012**
Third Reading approved

5.3. Mr Teare to move:

1105 *That the Heavily Indebted Poor Countries (Limitation on Debt Recovery) Bill 2012 be read the third time and be sent to the Council.*

1110 **The Deputy Speaker:** We move to Item 5.3, Bills for Third Reading, Heavily Indebted Poor Countries (Limitation on Debt Recovery) Bill 2012. I call the Hon. Member for Ayre, Mr Teare, to move.

Mr Teare: Thank you, Mr Deputy Speaker.

1115 Mr Deputy Speaker, Hon. Members, this Bill is the Heavily Indebted Poor Countries (Limitation on Debt Recovery) Bill 2012. The Bill supports the enhanced Heavily Indebted Poor Countries Initiative, which will be referred to as 'the Initiative' for ease of reference.

1120 The Initiative is an international Initiative to provide debt relief to heavily indebted low-income countries. This is in support of the Millennium Development Goals set in 2000. At the time, 189 nations pledged to free people from extreme poverty and multiple deprivations by 2015. The Millennium Development Goals include the eradication of extreme poverty, reduction in mortality rates, fighting disease epidemics, and also developing a global partnership for development. It has subsequently become clear that many countries, particularly those in sub-Saharan Africa, will not meet these objectives without the co-operation and support of international creditors.

1125 Ultimate responsibility for the Initiative lies with the International Monetary Fund and the World Bank. In order for the Initiative to succeed, all international creditors must participate. This includes multinational creditors – regional development banks and the World Bank; the official bilateral creditors – governments or their instruments, such as credit export agencies; and also private creditors. Private creditors unwilling to participate in the Initiative threaten its success. These creditors have become known as 'vulture funds'.

1130 To qualify for relief under the Initiative, countries must be eligible for assistance from the IMF and the World Bank, continue to face an unsustainable debt burden after non-official development aid has been reduced by a factor of 67%, and also have a track record of reform and sound policies under IMF and World Bank supported programmes.

1135 I respectfully remind Hon. Members that there are four stages to the Initiative. These are: (1) the preliminary period, at which point preliminary debt relief should be provided by all creditors; (2) the decision point sees the IMF and the World Bank carry out a debt-sustainability analysis to

see if the country qualifies for relief under the Initiative; (3) the interim period sees tailored debt relief provided to the qualifying countries; (4) at completion point, debt relief is irrevocably provided.

1140 The Initiative was never intended to be a permanent mechanism for all countries that experience difficulty in servicing external debt. The list of countries potentially eligible under the Initiative was closed to new entrants in 2006.

1145 This ring-fencing is for three reasons. Under the Initiative, all creditors are expected to provide the same level of debt relief. Although it appears to be at odds with the Initiative itself, external debt is recognised to be a valuable source of financing for developing countries. The ability to raise funds from the international financial community is critical, enabling developing countries in transition to finance their development. This includes equity from foreign direct investment, grants from donors and borrowing from foreign lenders.

1150 All debtor countries will seek comparable treatment from all creditors, including those that do not participate in the Initiative. Failure of some creditors to provide relief increases the prospect of these countries continuing to face unsustainable debt burdens. This underlines the prospects of economic development and poverty reduction.

1155 Some unco-operative creditors are indulging in morally dubious practices. The debt of a country is sold on the open market at a substantial discount. The purchaser of the discounted debt then seeks to recover the full amount of the debt with costs and damages through the courts. Creditors of this type are referred to as 'vulture funds'. They free-ride on the back of creditors who do provide the level of relief expected under the Initiative. This free-riding diverts the benefit of debt relief from its intended use in the fight against poverty in some of the world's poorest countries.

1160 This Bill will ensure that the courts of the Isle of Man cannot be used to enforce a judgment in full against a country eligible for the Initiative. If the Bill is enacted, it will ensure that the highest amount of debt that can be recovered by the Isle of Man and its courts will be limited to the level of debt that remains after the reduction factor has been applied. This will ensure that the Isle of Man continues to act as a responsible world citizen that does not sanction attempts to further morally questionable practices.

1165 Mr Deputy Speaker, I beg to move the Third Reading of this Bill.

The Deputy Speaker: Hon. Member for Douglas North, Mr Henderson.

1170 **Mr Henderson:** Gura mie eu, Lhiass-loayreyder.
I beg to second, sir, and reserve my remarks.

1175 **The Deputy Speaker:** The motion is as on the Order Paper, Hon. Members: that the Heavily Indebted Poor Countries (Limitation on Debt Recovery) Bill 2012 be read for a third time. All those in favour, please say aye; those against, no. Hon. Members, the ayes have it. The ayes have it.

Thank you, Hon. Members. That concludes the business of the House today.

1180 I am reminded by the Minister for Infrastructure that we are invited to attend a briefing on the Town and Country Planning (Telecommunications) (Permitted Development) Order 2012 in the Barrool Suite at 1.30 p.m. today.

The House will now stand adjourned until the next sitting, which will take place at 10.30 a.m. on 19th June in Tynwald Court. Thank you, Hon. Members.

The House adjourned at 11.12 a.m.