



HOUSE OF KEYS OFFICIAL REPORT

RECORTYS OIKOIL
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PROCEEDINGS

DAALTYN

(HANSARD)

Douglas, Tuesday, 30th March 2010

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The House adjourned at 1.06 p.m.

Present:

The Speaker (Hon. S C Rodan) (Garff);
The Chief Minister (The Hon. J A Brown) (Castletown); Hon. D M Anderson (Glenfaba);
Hon. A V Craine and Hon. A R Bell (Ramsey); Hon. W E Teare (Ayre);
Mr J D Q Cannan (Michael); Mr T Crookall (Peel);
Mr P Karran, Hon. A J Earnshaw and Mr D J Quirk (Onchan); Hon. G M Quayle (Middle);
Mr R W Henderson and Mr J R Houghton (Douglas North);
Hon. D C Cretney and Mr W M Malarkey (Douglas South); Mrs B J Cannell (Douglas East);
Mr C G Corkish MBE and Hon. J P Shimmin (Douglas West);
Mr G D Cregeen (Malew and Santon);
Mr J P Watterson, Hon. P A Gawne and Mr Q B Gill (Rushen);
with Mr R I S Phillips, Secretary of the House.

House of Keys

The House met at 10.00 a.m.

[MR SPEAKER *in the Chair*]

The Speaker: Moghrey mie. Good morning, Hon. Members.

Members: Good morning, Mr Speaker.

5

The Speaker: The Chaplain will lead us in prayer.

PRAYERS

The Chaplain of the House of Keys

Leave of absence granted

The Speaker: Hon. Members, I have given leave of absence to the Hon. Member, Mr Houghton, from 11 o'clock to attend a funeral and Mr Quayle, Hon. Member for Middle, from 11.30 for the rest of the morning to attend to Government business. I expect the Hon. Member, Mr Malarkey, to be joining us: he has been slightly delayed.

10

Congratulations to Mr J P Watterson

The Speaker: Hon. Members, I am sure you will wish to join me, as a House, in congratulating the Hon. Member for Rushen, Mr Watterson, on his recent marriage (**Members:** Hear, hear.) and accept the congratulations of the House.

Procedural

The Speaker: I remind Members that they are invited to nominate members of the Legislative Council. There is one seat on Legislative Council to be filled and the closing time for nominations, I would remind the House, is on Thursday, 15th April at 5.00 p.m.

15

Questions for Oral Answer

CHIEF MINISTER

Government personnel savings Departmental plans

1.1. The Hon. Member for Rushen (Mr Watterson) to ask the Chief Minister:

20 *How he reconciles his undertaking to reduce the public sector salary bill by 10% with a third quarter increase of 56 personnel; how he hopes to achieve his personnel savings; and whether there is a Department by Department plan?*

The Speaker: We now turn to Item 1 on the Order Paper, Questions for Oral Answer, and I call the Hon. Member for Rushen, Mr Watterson.

25 **Mr Watterson:** Thank you, Mr Speaker.
I beg leave to ask the Question standing in my name.

The Speaker: I call on the Chief Minister, Hon. Member for Castletown, Mr Brown.

30 **The Chief Minister (Mr Brown):** Thank you, Mr Speaker.
I thank the Hon. Member for his Question. As he has correctly identified, in the Quarterly Report of the Council of Ministers dated 11th February 2010, annex D shows a net increase of full-time-equivalent staff compared with the previous quarter. However, I can advise the House that, regretfully, there has been an error with the reporting system and that the figure contained within the Report is, in fact, inaccurate. I have asked for the matter to be investigated and correct figures to be produced.

35 Mr Speaker, I can confirm that, in fact, there has been an actual decrease of 15.99 whole-time equivalents and that information will be circulated to Hon. Members, sir.

40 I would just like to reiterate that the target which is being set is for a 10% reduction in Government's total staffing *costs* in 2010-11, which is distinct from total staff numbers, and that this is a Government-wide target, with Departments not having been set specific individual targets as they must corporately achieve the 10% reduction, sir.

The Speaker: Hon. Member, Mr Karran.

45 **Mr Karran:** Can the Ard-shirveishagh inform this House how is he going to actually make sure that the reductions in staff are going to be in the places that are going to be of best value, as far as the Isle of Man taxpayer is concerned, and for the efficiency, as far as Government is concerned?

50 Would the Ard-shirveishagh not agree that he needs to find the structure outside the usual cronyism of the way things are done, in order that he can have an independent audit of how he is going to actually work out who he needs to replace, as far as getting the reductions, so that we do not end up with Chief Executives just cutting frontline services?

55 **The Speaker:** Chief Minister to reply.

The Chief Minister: Thank you, Mr Speaker.

Again, the Hon. Member has not listened to the Answer at all, and that is obvious from his question.

60 I made it clear that we are talking about a total reduction in staffing *costs*. That may well have an impact on staff, but that may well be through different measures.

65 Again, I have answered Questions, both here and in another place, that we have already introduced new systems for evaluation. In fact, as was outlined in this year's Budget in Tynwald, we already have reduced our staff by about, I think it was 100 staff whole-time equivalents, and we have now 15.99 whole-time equivalents, so there is clearly a view to try and make reductions where we can. I would make the point that this is the first time there has been a reduction in staff

as a whole in all my time in Tynwald, which dates back to 1981. I think that is something we should recognise, and not make outrageous statements, sir.

70 **The Speaker:** Hon. Member for Michael.

Mr Cannan: In order to set at rest the minds of many Government employees, when they see that there is a 10% reduction in staffing costs, will the Chief Minister arrange for Departments to set out, in detail, how they propose to carry out this reduction: whether it is a reduction in overtime; whether it is a reduction in replacement of staff; or whether it is an increase in early retirement?

75 Further, will the Chief Minister agree that, without a detailed submission of how this is going to take place over three years and how it is going to be achieved in respect of front-line services – doctors and nurses etc, schoolteachers – will he present a plan, or request Departments to present a plan, so that it can be discussed and set the minds at rest of public employees?

80 **The Speaker:** Quite a few supplementaries, Chief Minister.

The Chief Minister: Thank you, Mr Speaker.

85 I do not think it set the minds of the staff at rest when the Hon. Member, on Manx Radio, said Government was looking for a 10% reduction in staff, (**Several Members:** Hear, hear.) when that is not the case! So I think if Members were careful what they say, it might give the staff some comfort.

90 Mr Speaker, I have made it very clear on numerous occasions we are talking about a 10% reduction in staffing costs. I have made it clear, on numerous occasions, that Departments are tasked with looking at that right across Government and we will do that. Again, I have made it clear, on numerous occasions, that we have a forum specifically set up which involves union representatives, and the forum is chaired by the Hon. Member for Rushen, Mr Gawne, along with a number of other colleagues, who liaise with the unions and the staff representatives to discuss issues and try to see where we can identify changes.

95 I think we have to be realistic. This is – again, as I have said previously – not a quick fix. This is a matter of many issues to be examined to see where we can actually make savings. The easiest one is where people leave posts, clearly examining whether or not that post should be re-filled, but there is a considerable amount of other work to go on right across Government with regard to seeing whether or not we can make some savings, sir.

100 **The Speaker:** I will take two further supplementaries before we move on.
Mr Cregeen, Hon. Member.

Mr Cregeen: Thank you, Mr Speaker.

105 Will the Chief Minister be looking at the many number of posts where staff have retired and have been re-employed on a consultancy basis?

The Speaker: Chief Minister.

110 **The Chief Minister:** Again, Mr Speaker, I think I answered a question in relation to this, where, in fact, the numbers were extremely small and it is very rare that staff are actually brought back on a consultancy status. Most people who step down, step down and that's it, sir!

115 **The Speaker:** And finally, Mr Karran.

Mr Karran: Vainstyr Loayreyder, a supplementary. Would the Ard-shirveishagh not agree, the fact is that I *did* listen to his reply and would he also not agree the fact that I made representations to the private meeting that you had for us about the cuts in staff, and the issue I raised as far as the peer group is concerned? Would the Ard-shirveishagh give confidence to people in the Civil Service and outside this Hon. House that the people that are going to be in the peer group are not going to be the very same people who have got most to lose by the fact of addressing where the fat is within the public service?

120 And, finally, would the Ard-shirveishagh also not agree that how does he reconcile the issue about overtime when you will be seeing a question down here about the DHSS about overtime and the large amounts of overtime that are simply having to be done because the present bad management we have got, as far as that Department is concerned?

The Speaker: Chief Minister to reply.

130 **The Chief Minister:** Thank you, Mr Speaker.
The Hon. Member did not listen to my Answer to the Question when I gave the original Answer –

Mr Karran: Of course I did!

135 **The Chief Minister:** – or he would not have stood up and said about staffing *cuts* when I had made it very clear it was staffing *costs*. So it does not help when Members do not listen.

140 As far as the issue in relation to staff, there are moves that we are looking to take to see where we can make reductions, sir, and, yes, reductions in public service often means, in effect, in many areas, on services that we provide. Again, we are clear that what we wish to do is protect the less well off in our society, the vulnerable, the sick and those who need our support, sir, and therefore our priorities are to try and see how we can make reductions without impacting adversely on those services.

**Reciprocal Health Agreement review
Mr Burnham's reflection**

1.2. The Hon. Member for Onchan (Mr Karran) to ask the Chief Minister:

145 *Pursuant to his statement in Tynwald on 16th March 2010:
'Mr Burnham has been reflecting on our last meeting which he stated has brought home to him the real issues involved. On reflection he has accepted the arguments put forward by the Minister for Health and myself'
what evidence he can produce to confirm that this was Mr Burnham's true reflection when deciding to review the Reciprocal Health Agreement?*

150 **The Speaker:** Question 2. Mr Karran.

Mr Karran: Vainstyr Loayreyder, I ask the Question standing in my name.

155 **The Speaker:** Again, I call on the Chief Minister to reply.

The Chief Minister (Mr Brown): Thank you, Mr Speaker.
I can only reflect on what Mr Burnham himself said to me during our telephone conversation on 16th March 2010, which I would confirm took place at around 2.00 p.m.. I have no reason whatsoever to doubt Mr Burnham's word. I would reiterate what I said when I made my Statement
160 in Tynwald on 16th March, in that I am convinced that the change of heart has been brought about not only by what was stated by Mr Teare and myself at our meeting with Mr Burnham, but also by the concerns and pressures exerted by everybody involved – that is by the public both on and off the Island, by UK MPs and Lords, by Members of Tynwald and by the Island's Government, sir.

165 **The Speaker:** Mr Karran.

Mr Karran: Vainstyr Loayreyder, I thank the Ard-shirveishagh for his reply, as far as the Question is concerned, and I thank him for being a bit more clear and a bit more realistic about the reality over the situation.
170

A Member: What is the question?

Mr Karran: Would the Ard-shirveishagh also not agree that the fact that the public got on board, as far as this important issue, helped as far as the Government of this Isle of Man is concerned, as far as this issue is?
175

The Speaker: I think you answered that, Chief Minister.

The Chief Minister: Yes, thank you, Mr Speaker.

180 Again, can I say I have always been clear on whom I have thanked for doing this. There are other Members who have not been so clear, sir, and have tried to take credit in different ways, but I have been very clear, as I have said in my Answer just now, sir.

**Government Chief Executives
Political involvement; salaries**

1.3. The Hon. Member for Michael (Mr Cannan) to ask the Chief Minister:

185 (a) *Whether the Council of Ministers have allowed Chief Executives of Departments to become politicised and become involved in contentious political issues in the media;*
(b) *what the current salary is of the Chief Executive of the Department of Health and Social Security; and*
(c) *what the salary will be of the Chief Executive of the Department of Health with effect from 1st April 2010?*

190 **The Speaker:** Question 3. Hon. Member for Michael.

Mr Cannan: Mr Speaker, I ask the Question standing in my name.

195 **The Speaker:** Again, I call on the Chief Minister to reply.

The Chief Minister (Mr Brown): Thank you, Mr Speaker.

In answer to part (a) of the Question, the Answer is no.

The Answer to part (b) of the Question is that the salary of the Chief Executive of the Department of Health and Social Security is presently £114,982.

200 The Answer to part (c) of the Question is that the salary of the Chief Executive of the Department of Health will be £114,982, sir.

The Speaker: Mr Cannan.

205 **Mr Cannan:** I thank the Chief Minister for his reply. How then can he reconcile the Chief Executive of the DHSS being on a 'Sunday Opinion' programme and attending the 'Mannin Line' phone-in when the Civil Service should be removed from contentious political issues (**Mr Karran:** Hear, hear.) and answering on public matters, which should be the preserve of the politicians heading up those Departments and not the chief executives or other officers? That is the first supplementary.

The second supplementary –

The Speaker: We will deal with the first first...

215 **Mr Cannan:** Thank you.

The Speaker: Chief Minister to reply.

The Chief Minister: Thank you, Mr Speaker.

220 I heard that programme and I was very clear, as was the officer, because he was asked some questions and he said, 'They are matters of policy, not matters for me to respond to, and therefore I will leave that to the Minister to respond.' The officer was there, in my opinion – and I am quite happy that officers attend – to clarify more technical matters. He did not in any way respond to policy issues, sir.

225 **The Speaker:** Mr Cannan.

230 **Mr Cannan:** The second part of the question: how can the Chief Minister reconcile a salary of £114,000 a year given, when a Chief Executive is in charge of a budget of £245 million, and he gets the same salary when his status is downgraded to being in charge of a budget of £115 million? Secondly, will he agree that senior executives of chief executive grade have salary protection for 10 years, regardless of the job they are doing?

The Speaker: Chief Minister.

235 **The Chief Minister:** Thank you, Mr Speaker.

The Hon. Member knows only too well the answer to this, and of course, as he has just said, and said outside of this place, any officer – and I emphasise *any* officer – has personal protection if their job changes. That is something that the Isle of Man has developed over many years to improve the standards of employment within the Isle of Man and especially within the

240 Government service.

This present post-holder, I can confirm, as any other would have, will have, on his current salary, protection for 10 years and then it will be reduced on a phased basis over the next four years. However, if that post-holder were to leave that position, then any new post would be advertised and would be newly JEGSd, as we call it, which is actually assessed and put in on a pay

245 scale appropriate for that job, sir.

The Speaker: Mr Karran.

250 **Mr Karran:** Vainstyr Loayreyder, would the Chief Officers' Group actually work out what the new pay scale would be? Would the Chief Minister also agree that I would support his thing that you have to protect people's salary for the 14-year period, but would he also like to inform this House about the issue of politicisation? What is the current role of the Deputy Chief Constable at the present time?

255 **The Speaker:** The last part of the question is quite out of order, but Chief Minister.

The Chief Minister: I appreciate what you said, Mr Speaker. I can tell you that the Deputy Chief Constable is the Deputy Chief Constable and is back in his job, sir.

260 As far as the situation is concerned in terms of the Hon. Member's comments about protecting staff, I thank him for those comments. I would make the point that there is a procedure set out for assessing any of the senior management roles within Government and that is dealt with regardless of individuals. It is to do with the post and what that post requires to attract a salary to get the right person for the responsibilities that that person would be required to undertake, sir.

UK-Isle of Man working relationship Evaluation

1.4. The Hon. Member for Douglas North (Mr Henderson) to ask the Chief Minister:

265 *Following the United Kingdom's treatment of this Island in relation to the Reciprocal Health Agreement and other matters, if he will make a statement on how his Government intends to move the working relationship forward and if he will evaluate the need for adjusting that relationship, Government to Government on a more positive and assertive level as we have had to do with the Health Agreement?*

270 **The Speaker:** Question 4. Hon. Member for Douglas North, Mr Henderson.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

Ta mee shirrey kied yn eysht y chur ta fo my ennym. I beg to ask the Question in my name.

275 **The Speaker:** Chief Minister.

The Chief Minister (Mr Brown): Thank you, Mr Speaker.

280 My Government will continue to be positive and assertive in defending its position and that of the Island, as it always has been, with the United Kingdom and the rest of the world. However, Government will also be pragmatic and realistic in our dealings and will not knowingly do anything to damage the Island's reputation when dealing with other governments, sir.

The Speaker: Mr Henderson.

285 **Mr Henderson:** Vainstyr Loayreyder, gura mie eu.

Understanding what the Ard-shirveishagh has just said, would he not agree with me, though, that when we are met with almost vigorous aggression with regard to things in the recent past, it has done this country well to be more assertive in its dealings, and that, in fact, I am not asking us to shoot ourselves in the foot but to re-evaluate the situation, learn lessons from what has happened and the dynamics of how the games have been played out, if I can put it like that, Vainstyr Loayreyder, so that we can... Would he agree we need to move forward on a much firmer footing?

The Speaker: Chief Minister.

The Chief Minister: Thank you, Mr Speaker.

I think the Isle of Man is on a firm footing. It takes seriously any issues of implication to the Isle of Man. What we cannot do, of course, is read the minds of other parties who determine to change their mind.

In the case we are talking about, which we all accept is the Reciprocal Health Agreement, again, I am very grateful to the Secretary of State for actually changing his mind, sir. I think it is to all our benefit.

The Speaker: Hon. Member, Mrs Cannell.

Mrs Cannell: Thank you, Mr Speaker.

Given that the Chief Minister villified Members of this House, and indeed Members of Tynwald, who persistently fought and were stubborn in terms of letting the Reciprocal Health Agreement go, which he was prepared to do, (**Mr Karran:** Absolutely.) can he explain to the House, in terms of the Question, how he intends to move the working relationship forward? Other than his comment, Mr Speaker, that his Government will remain positive and assertive – which is questionable, given what happened over the Reciprocal Health Agreement – what sort of things is he going to put in place?

Mr Speaker, does he not agree with me that what he should be saying is we are going to have regular meetings at political level, we are going to keep communication open, we are going to be present more often at Westminster, rather than just sitting in his office in this building?

The Speaker: Chief Minister.

The Chief Minister: Again, just nonsense, isn't it, Mr Speaker: (**Mr Cannan:** No.) 'Let's make something up.'

The issue is quite clear. Members are given regular briefings – that is Members of Tynwald – more briefings now, I would suggest, than they used to have in the past on issues of international matters, issues in relation to the Reciprocal Health Agreement, the VAT agreement, pensions agreement, many other things where Members are kept briefed on a regular basis by myself and Ministers, and there are presentations on numerous matters.

In relation to meetings with political colleagues off Island, we have a regular basis of meetings where we meet up as and when we can. If we are ever in London, any of us Ministers, we endeavour to meet either our equivalents or somebody who will have some influence in those areas. I think, again, over certainly the last 12 months, there have been more meetings between myself and the Minister from the Ministry of Justice, Lord Bach, than I think with any of his predecessors. We have continued to do that. We continue to make contact with political colleagues in the UK. All this has been spelled out to Members in briefings and in Answers to Questions, both here and in another place. So, from our point of view, we are quite straightforward.

As far as – again the false statement – that the Government was prepared to let the Reciprocal Health Agreement go, that is not true and I would make that point quite clear. What the Government had to do was... We were dealing with an issue where the UK Government at the time was adamant it was not going to continue with a Reciprocal Health Agreement, albeit that we continued to express our serious concerns about that and we never agreed to that ending of the Agreement – that was a decision unilaterally made by the UK. Furthermore, we had to prepare the people of the Isle of Man if the UK government, as seemed likely, were in fact going to continue to pursue the ending of that Agreement from 1st April. If we had not done that, we would have been criticised, if it ceased from 1st April, if we had not made any preparation or warned the people of the Isle of Man of the changes that were coming, sir.

345 **The Speaker:** We need to be careful we are not widening out to a big debate again.
Mr Karran.

Mr Karran: Vainstyr Loayreyder, would the Ard-shirveishagh not agree that it has been a
350 major success that we now look at international issues, allowing for the fact when certain
Members, the likes of myself, used to be ridiculed over trying to raise the issue that we need to
take a more proactive basis?

Would the Ard-shirveishagh like to inform this Hon. House of the procedures as far as the
negotiations that are going on at the present time with his Department of Health and Social
355 Security to reassure Hon. Members that there is a ball being played with a straight bat, than what
was appearing to be, to most people, not being played with a straight bat before this affair has
managed to resolve itself?

The Speaker: Chief Minister.

360 **The Chief Minister:** Yes, one of the problems that we have in Government is some Hon.
Members believe their own propoganda in the end, because they get so convinced that what they
are saying is right.

Mr Karran: You don't want to talk about yourself!

365 **The Chief Minister:** Can I say, Mr Speaker, I have explained where we have been at. As far
as the latest situation, is that there are officials from the Department of Health in the Isle of Man
today. Meetings are going on, clear instructions have been given by myself to our officials and,
370 hopefully, we can get the matter resolved in the very near future, sir.

The Speaker: Finally, Mrs Cannell.

Mrs Cannell: Thank you, Mr Speaker.

375 Can the Chief Minister advise the House, since heading off that team of negotiators, in terms of
trying to negotiate the long-term security, or some kind of reciprocity in terms of health, will he
accept from this Member of the House, that those of us who stuck to our principles over this whole
debate, truly feel that we were reflecting the public's opinion? Not the Chief Minister's, the
public.

380 **The Speaker:** Chief Minister.

The Chief Minister: Thank you, Mr Speaker.

385 I can say, quite clearly, that I and the Ministers and the Government reflected the public's
opinion clearly to the UK and to the UK ministers. The point was they did not want to listen. At
that stage they were adamant that the agreement was to cease.

390 Again, I refer back to the point I made, Mr Speaker. I have not flown the flag saying how great
I am: what I have said is, well done to everybody who has been involved in this, including the
Members who continue to criticise the Government and what they do and I know some Members
themselves have tried to take the credit – not all them – who fought their battle. That is fine, but
the point is I have been quite clear, this was a matter where the whole Island was concerned about
the ending of the Agreement, including myself, including the Government. I have said it so many
times that it has less impact to certain Members because they just do not want to hear it.

395 As far as the situation is concerned with regard to heading this up, the heading up is by the
Chief Executive of our Department of Health and Social Security with senior staff from the
Department of Health in the United Kingdom and our staff have been given clear instruction by
myself, in conjunction with the Minister for Health and Social Security and the new Minister for
Health at a meeting yesterday, exactly what it is we expect to happen and we are now pursuing
that policy to secure a long-term reciprocal health agreement to the benefit of the people of the Isle
of Man and people visiting our shores, sir.

**Exclusive Economic Zone
Discussions with UK**

1.5. The Hon. Member for Onchan (Mr Karran) to ask the Chief Minister:

400 *Pursuant to his statement to March Tynwald regarding the EEZ what discussions have been held with the United Kingdom Government regarding this?*

The Speaker: Question 5. Hon. Member, Mr Karran.

405 **Mr Karran:** Vainstyr Loayreyder, I ask the Question standing in my name.

The Speaker: Chief Minister.

410 **The Chief Minister (Mr Brown):** Mr Speaker, I would refer to the Statement I made in Tynwald in March, which made it clear that no discussion had taken place and the reasons why, sir.

The Speaker: Mr Karran.

415 **Mr Karran:** Vainstyr Loayreyder, would the Ard-shirveishagh not agree that part of the motion was the issue to try and open up negotiations with the United Kingdom government? What assurances can we have that this initiative coming from Tynwald will get full co-operative support, allowing for the opportunities, as far as the Island is concerned and as far as the Manx economy is concerned, that you will actually now pursue such a move?

420

The Speaker: Chief Minister to reply.

The Chief Minister: My Statement was absolutely clear, Mr Speaker, that we will *not* make such a move.

425

My Statement said there was no acceptable position which it could adopt to progress the matter as envisaged in the motion, sir. We reported back to Tynwald. My Statement was extensive. Hon. Members are aware of it and the Hon. Member is very well aware of it, sir.

The Speaker: Mr Karran.

430

Mr Karran: Vainstyr Loayreyder, would the Ard-shirveishagh not agree that... Doesn't he think that important issues such as the EEZ should be actually brought above the cheap political situation, as far as this House is concerned, in the fact that this is an opportunity for the Island that it could have great opportunities? When will he actually circulate the legal advice that we did request at the sitting of Tynwald also?

435

The Speaker: Chief Minister.

The Chief Minister: Can I just say, Mr Speaker, there is no cheap political comment or situation from myself. I made it very clear in my Statement that the Isle of Man is not a sovereign state. This matter can only apply to sovereign states – it is an international matter – therefore we are unable to progress it.

440

As far as the issue of an opportunity for the Island, the Manx Government and Members of Tynwald, I know, are happy to seize as many opportunities as we can to secure the prosperity of the Island so we can help those people in our community especially who are vulnerable, who need our support, sir.

445

As far as the situation of legal advice, I made it clear, and I quote from my response:

450 'I will certainly ascertain whether or not that legal opinion can be shared outside the Council of Ministers and, if so, then I am happy for that to be the case.'

I am still seeking clarification on that matter.

The Speaker: Final supplementary.

455

460 **Mr Karran:** Vainstyr Loayreyder, would the Ard-shirveishagh not agree that, firstly, that does not prohibit the Council of Ministers opening up negotiations with the United Kingdom government over the EEZ? Would the Ard-shirveishagh not also agree that Jersey had to negotiate with France, as far as its territorial sea, as far back as 1998; that we have the Falkland Islands that have their territorial sea, as far as their sea is concerned; and will the Ard-shirveishagh rise above the issue of it coming from this Hon. Member and seize the opportunity, if there is an opportunity there to actually create another possible economic engine for his Government to protect front-line services?

465 **The Speaker:** Chief Minister.

The Chief Minister: Thank you, Mr Speaker.

470 The Hon. Member is being disingenuous with his comments, in terms that Jersey have an agreement which reflects our agreement with the United Kingdom.

Mr Karran: No, I'm not.

475 **The Chief Minister:** Theirs is reflected with both France and with Guernsey, where they have sea boundaries. The Hon. Member has received a letter from Senator Terry Le Sueur dated 29th March 2010 where the Chief Minister of Jersey sets out quite clearly their agreement in relation to their sea boundaries. We are not in a position to go outside our own sea boundaries because the matter of the EEZ, again I re-emphasise, as I understand it, based on all the information we have, applies only to sovereign states and is a matter covered by international law.

480 What we do have, of course, is our own waters out to 12 miles or the median line, which is in line with all the other islands, as far as I am aware, sir.

Public sector pensions review UK consultants' remit

1.6. The Hon. Member for Onchan (Mr Karran) to ask the Chief Minister:

485 *In relation to the Review of Public Sector Pensions, whether the Isle of Man Government allowed UK consultants to set the parameters for what was affordable for the Island; why this area has not been open for review and negotiation; who were, and are, the members of the steering group for this review and whether it included any members with a technical background in pensions strategy; what the criteria were for membership of the group; what their remit was; and to whom they were responsible?*

The Speaker: Question 6. Mr Karran.

490 **Mr Karran:** Vainstyr Loayreyder, I ask the Question standing in my name.

The Speaker: Chief Minister to reply.

495 **The Chief Minister (Mr Brown):** Mr Speaker, the Hon. Member is fully aware, as he has had a full detailed briefing regarding Government's Report, and he is aware that I intend to bring forward the Council of Ministers' Report and recommendations on public servants' pensions arrangements to Tynwald at the April sitting for determination. He is also aware that there is a further scheduled briefing session in relation to this matter for all Members of Tynwald at 1:30 p.m. today in the Barrool Suite, and that it will be a matter for Tynwald whether it wishes to approve the Council of Ministers' recommendations in relation to the future proposals regarding public sector pensions.

500 In response to the Hon. Member's specific questions, I can advise that (1) the United Kingdom consultants have not set the affordability parameters. They have been asked, as a professionally qualified and suitably experienced actuarial firm, to advise Council of Ministers on controlling the escalating costs, which, under the current arrangements, are increasing year on year.

505 (2) In relation to a statement as to why the area of affordability has not been open for review and negotiations, the Hon. Member is already fully aware that this review started nearly three years ago and that the Council of Ministers sought Tynwald approval, and received it, to

510 progressing this matter and that Government commissioned an independent adviser to undertake
this review. That independence was deemed crucial in an island community where so many are
stakeholders in this matter. Initially, the independent reviewer asked widely for contributions to
inform and assist them in formulating their report.

Following receipt of their advice and after Council published that information, the Council of
Ministers consulted extensively over a period of six months on the information in that report. After
515 further consideration and when the proposal was refined, as a result of the feedback, the Council
of Ministers, again in December 2009, sought further comment through consultation. Therefore, I
do not accept that the matter was not open for review. I do not accept that negotiations would be
appropriate during the initial high level of design of a new unified pension scheme, which will be
subject to Tynwald approval if it is to be progressed.

520 As the Hon. Member is fully aware from the briefings he has received from Government, if
Tynwald agrees with the Government's proposals to take this matter forward, as set out in the final
Report that will be published later this week, then Government proposes that it will be obliged to
undertake further consultation and, importantly, implementation of the proposals will then be
subject to negotiation with the various staff representatives in the appropriate forum.

525 (3) The Hon. Member also queries the existence of a steering group, asking who they are and
whether it includes anyone with a background in pension strategy. At the start of this review, Mr
Speaker, a steering group – although I prefer to call it a working group – of key officers was
formed, consisting of a small team of key officers from the Pensions Division within the Personnel
Office, who have worked along with officers from the Chief Secretary's Office and the Treasury
530 throughout the consultation process, to ensure continuity and to move it forward on Council's
behalf. The group has also worked with Hymans Robertson in delivering presentations to scheme
members and to Hon. Members, and to ensure the documentation supporting the proposal is
appropriate and accessible.

In March 2009, Mr Ian Murray was recruited to the role of Pensions Director. He has over 25
535 years' experience in the pensions sector, advising organisations regarding strategic pension issues.

(4) The Hon. Member has also queried the criteria for membership of this group. I can confirm
that this group of officers are tasked to undertake their role on behalf of the Council of Ministers
to progress and develop, as directed by Council. The officers are responsible and accountable, sir,
to the Council of Ministers.

540 **The Speaker:** Mrs Cannell, Hon. Member.

Mrs Cannell: Thank you, Mr Speaker, apologies for getting up late on my feet.

545 Can I ask the Chief Minister, when he says that the report will be published next week, will it
be published to all the trade unions that have been involved in this whole exercise and will there
be an opportunity for them to make comment on what they find in the report, when eventually they
get it, and for the Chief Minister to be receptive to that comment, prior to him coming to Tynwald
in April to move whatever is the final solution?

550 **The Speaker:** Chief Minister.

The Chief Minister: Thank you, Mr Speaker.

555 Again, can I just make it clear that the presentation to Members today will be a presentation of
our report that is going to Tynwald. We published a report, a draft report, in December, which I
said in my original Answer, which gave an opportunity to all interested parties to look at the basis
of the report that we were going to take to Tynwald, subject to any comment they made. Those
comments have been received and have been considered by Council and Members will be given
the basis of the final report which will be presented to Tynwald.

560 I am sure that if there are any views from any of the represented organisations, that they will
make those known to Hon. Members in the normal way. As far as we are concerned, in relation to
taking the matter forward and publishing it and presentation to staff representatives, the process is
that, today, Mr Speaker, there will be a presentation at 1.30 p.m. to Members of Tynwald, as I
have already indicated. That will be followed in the afternoon by a presentation, as is our normal
format in all of this, to union representatives, or representatives of employees, who will then be
565 briefed the same way as Members of Tynwald, so they fully understand what is being proposed.
Then the document will be published and issued to the public, so they are aware of it, sir, but I
have to say that the bulk of what is being said is already in the public arena, sir.

**Public sector pensions review
Projected entitlements for members**

1.7. The Hon. Member for Onchan (Mr Karran) to ask the Chief Minister:

570 *When statements will be available to members of current public sector pension schemes which project their pension entitlements under a proposed new scheme?*

The Speaker: Question 7. Mr Karran.

Mr Karran: Vainstyr Loayreyder, I ask the Question standing in my name.

575 **The Speaker:** Chief Minister to reply.

The Chief Minister (Mr Brown): Thank you, Mr Speaker.

580 I am not in a position to advise on the matter of members' entitlements under any proposed new scheme, when such a scheme has not yet been adopted. Therefore, it is totally illogical for the Hon. Member to ask me to provide a timescale when individual statements relating to a proposed new pension scheme will be made available to members of the current public sector pension scheme, where no new pension scheme yet exists, sir.

585 **The Speaker:** Mr Karran.

Mr Karran: Vainstyr Loayreyder, would the Ard-shirveishagh not agree that, fair enough, we had a reasonable reply to the previous Question, but to this Question, does he not agree that the implications of how these people are going to be affected, with the new proposals, will have a major effect, as far as whether there is support as far as the proposals that are going to be coming out, after this presentation today?

The Speaker: Chief Minister.

595 **The Chief Minister:** I think the Hon. Member has to accept there are stages of dealing with this matter and, quite clearly, one of the most important stages – if not *the* most important stage – is actually dealing with the people who we employ. That has always been at the forefront of our minds, securing their pensions, but also at the forefront of our minds is affordability and ensuring that the taxpayer can afford to support pension schemes in the long term for our public servants.

600 As far as the issue of taking it forward is concerned, again, I think it is important to be clear that one of the options certainly would be that, if our scheme is not supported then, in fact, all the staff will remain with the United Kingdom pension schemes – and all the signals from the United Kingdom, in relation to their public service pension schemes are, in fact, that they are going to have a major hit by government – whoever is in government – to actually substantially affect the basis of those pension schemes. If that happens and we are part of those schemes, they will
605 automatically apply in the Isle of Man without any say whatsoever by our employees on the basis of those schemes, sir.

The Speaker: Mr Karran.

610 **Mr Karran:** Vainstyr Loayreyder, thanking the Ard-shirveishagh for his reply, bringing the point of affordability as a very important point, would the Ard-shirveishagh not also agree that it is important and indicative that the people who are going to be affected, as far as the current and the new pension schemes are concerned, need to actually see what the entitlements are going to be, before you will get support from the unions to do so?

615 **The Speaker:** Chief Minister.

The Chief Minister: Mr Speaker, I think we should recognise that the Isle of Man Government has provided far more consultation than ever would have been the case in reviewing a pension scheme in the United Kingdom, and certainly ever would have been the case in relation to UK pension schemes adopted in the Isle of Man, which are automatically adopted. We have gone to great lengths of consultation with the union representatives and with individual members of
620

staff, through Hymans Robertson giving presentations, listening to what they have got to say, trying to determine a way forward.

625

At this stage, we are talking about four over-arching principles, and the principle of how we will take this matter forward. If we do not find a solution to this, then all the money in the pension fund that we presently have, which the taxpayer has built up, will actually all be depleted within 20 years, sir.

**Public sector pensions
Withdrawal of proposed fund**

1.8. The Hon. Member for Onchan (Mr Karran) to ask the Chief Minister:

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Why the proposal to set up a fund for public sector pensions has been withdrawn?

The Speaker: Question 8. Mr Karran.

Mr Karran: Vainstyr Loayreyder, I ask the Question standing in my name.

635

The Speaker: Chief Minister to reply.

The Chief Minister (Mr Brown): Thank you, Mr Speaker.

I am not aware of any proposal to set up a fund for pensions. Therefore no such a proposal has been withdrawn, sir.

640

The Speaker: Mr Karran.

Mr Karran: Would the Ard-shirveishagh not agree that there have been fantastic improvements, as far as the fund that has been allowed for a public sector pension fund over the last several years, after representations from a number of dissident Members of this Hon. House?

645

Would he also not agree that the fact of the matter is that if he was working as a company outside, as far as a pension scheme is concerned, we would not be allowed to get away with the way that we fund the present public sector pension scheme and does he not feel that we need to address this issue, if we are to be responsible to the next generation?

650

The Speaker: Minister.

The Chief Minister: I think the point that we will be taking three years to progress this shows that we are addressing the issue. I have to say if we were outside in the private sector we would have just chopped our pensions and people would be told either there is no pension, or your pension is frozen at the date it is today. Because we are in the public service and the public sector, we don't do that!

655

What we have done is extensively consulted with individual members of staff and given them that opportunity, published information, consulted with union representatives, consulted with employee representatives – all sorts of people have been involved in all of this. We are now coming to the final stage, which will be put before Tynwald in April for Tynwald to make a decision as to how it wishes to deal with this matter into the long-term future.

660

But one thing is sure, Mr Speaker, unless we take very robust decisions in this matter, we will have difficulty in the long term, securing pensions for the public sector employees of the future, sir.

665

The Speaker: Finally, Mr Karran.

Mr Karran: A supplementary, Vainstyr Loayreyder: would the Ard-shirveishagh not agree that I totally agree with him about affordability and was being responsible?

670

Would the Ard-shirveishagh also not agree that if you are in the private sector at the moment, you would be in the dock, as far as pensions are concerned, because we would not be allowed to operate the way we operate the public sector pension scheme, if we were a private company? Is it not a good ethos that maybe we should be taking on board the issues of trying to create the pot, so that we do not end up with a big black hole and a big debt for the next generation?

675

The Speaker: Minister.

The Chief Minister: Thank you, Mr Speaker.

680 I am not really sure what the Hon. Member is trying to get at in terms of the private sector. All I can say is the private sector deals totally differently with pensions than the public sector.

685 However, I do not think we should forget that in I think it was 1989 or 1990, somewhere round there, the government of the day put £5 million and set up a Public Sector Pension Reserve Fund that now has somewhere in the value of £200 million in that same pot. However, if we stay as we are, within 20 years that will be gone and, therefore, there will then be an option to future governments either to move towards saying they cannot afford public sector pensions, or taking more money off the taxpayer from people who may not even have a pension.

690 I think it is our responsibility to try and see if we can move this forward with our staff to secure their pensions in the long term and also to ensure that we can afford to pay pensions well into the future, sir.

The Speaker: Mr Karran.

695 **Mr Karran:** Vainstyr Loayreyder, would the Shirveishagh not agree that if you are in the private sector, as you say, the situation would be that you need something like at least £1.2 billion to £2 billion-worth of fund in order to be legally operating such a pension scheme? Would he not agree that the issue is that we all support him, as far as the issue of affordability for the next generation, but does he not feel that the priority, as far as developing a bigger fund as far as pensions are concerned for future generations, needs to be higher up on the priority list of this Government?

700

The Speaker: Chief Minister.

705 **The Chief Minister:** Mr Speaker, this is a very complex issue affecting somewhere in the region of, I think, about 6,000 or 7,000 staff, because not all staff are covered on this basis because of their terms and conditions, and it is very complex in terms of what we are trying to do. The issue is that the contributions paid by certain members within the public sector are not sustainable at the low level they are at, and what we are projecting in the Report is how we make changes to ensure that we can continue to enable them to contribute towards their pensions for the future while safeguarding those pensions at a level that we wish to see without the influence of the United Kingdom making those changes where we have no say whatsoever and neither do our employees.

710 I believe this is a major step forward, if we take it, (**A Member:** Hear, hear.) which will benefit Isle of Man employees in the public sector well into the future. It may be difficult at the moment for the existing employees, but looking ahead to the future, and with the safeguards we are building into the scheme and proposing to build into the scheme, I believe we can move forward in a very effective way, and all those involved in this, whether they be civil servants or whether they be consultants – medical consultants, I am talking about – have a lot to gain by the scheme that the Isle of Man Government is proposing in this Report, sir.

715

TRANSPORT

Private aircraft and air strips Legislation

1.9. The Hon. Member for Douglas North (Mr Henderson) to ask the Minister for Transport:

720 *What the current situation is with regard to legislation relating to individuals operating aircraft from private land and air strips; and what regulation covers this?*

The Speaker: Question 9. Hon. Member, Mr Henderson.

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

The Speaker: I call on the Minister for Transport, Mr Anderson, to reply.

730 **The Minister for Transport (Mr Anderson):** Thank you, Mr Speaker.
The operation of an aircraft to or from a private site is governed by air navigation requirements and may require planning permission. With regard to the former, the relevant documents are the Air Navigation Order and Rules of the Air. They contain restrictions and requirements to which an aircraft operator must comply, in order to help ensure flight safety. In general terms, as long as the aircraft is flown following the regulations, provided the pilot has the landowner's permission, he
735 can land his aircraft at his discretion.

However, planning permission may be required, but this will depend on the nature and frequency of flights, the land involved and specific circumstances of the case.

740 **The Speaker:** Mr Henderson.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

I thank the Shirveishagh for his positive answer. Can he give some sort of reassurances or an undertaking for the public of the Isle of Man, and certainly for this Hon. Member, in relation to the well-known 'private airfields' that we know about, around the Isle of Man, and particular
745 operations in the parish of Braddan: would he undertake to assess whether these areas have the required planning permission, or indeed require it, and are up to the regulations required?

When he comes back with any information, could he liaise with the Government Immigration Department, just to check that there are no breaches of any particular regulations there, as we are all well aware of the comings and goings from the Isle of Man, with various craft with little or no checks, Vainstyr Loayreyder?
750

The Speaker: Minister to reply.

755 **The Minister:** Mr Speaker, with regard to specific landing strips, the Hon. Member mentions the planning issue is a matter for the former... or current Department of Local Government and the Environment, and their Planning Section. That issue, I believe, is an ongoing issue to do with planning permission.

However, I am content, Mr Speaker, that the people flying in and out of the Island are complying with the regulations, as far as aircraft safety is concerned.
760

The Speaker: Mr Henderson.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

765 So if the Ard-shirveishagh is admitting there are issues, even although they may not be within his remit, could he not give an undertaking to apply due authoritative pressure on any individuals he may be concerned about to acquire the said permissions and everything else and, indeed, to ensure that immigration control is respected in these cases?

770 **The Speaker:** Mr Anderson.

The Minister: I think, Mr Speaker, the hon. questioner's questions would be better redirected to the relevant Government Department that he actually is talking about. He is talking about planning issues. In the future that will be the Department of Infrastructure. At the moment it is the Department of Local Government and the Environment.
775

However, I am content that, as far as the regulations governing the navigation of the aircraft are concerned, they are meeting their obligations to the Department of Transport.

The Speaker: Hon. Member for Middle.

780 **Mr Quayle:** Thank you, Mr Speaker.

Could I ask the Hon. Minister for Transport if he can confirm that I actually convened a meeting of the various Ministers involved concerning the flying activities in and out of Braddan and that if he can confirm that such a meeting took place and that, as he quite rightly says, the matter is in the hands of the Department of Local Government and the Environment?
785

The Speaker: Minister to reply.

Mr Karran: How long ago was that?

790 **Mr Henderson:** Yes. Five years ago or more.

The Minister: Indeed, Mr Speaker, I can confirm that a meeting was arranged with the relevant officials from different Departments to look into the concerns the Hon. Member for Middle had. These were reflected from his constituency concerning low flying in Braddan and that is ongoing.

The Speaker: Hon. Member for Douglas West, Mr Shimmin.

800 **Mr Shimmin:** Thank you, Mr Speaker.

Could I ask the Hon. Minister if he agrees that there are certain legal issues and that Hon. Members should be cautious about taking such comments into the public arena? If they were to raise them with the appropriate Department in the appropriate way, we will be able to tell them where the legal status is. However, having a conversation like this at times is actually detrimental to the public's good interests.

805

The Speaker: I take very much on board what the Minister has said about legal issues and would caution Members on any further supplementaries.

Mr Henderson.

810 **Mr Henderson:** Gura mie eu, Vainstyr Loayreyder.

Not being intimidated by ministerial authoritative speak, Vainstyr Loayreyder, I wish to –

Mr Shimmin: Look after the public interest!

815 **Mr Cannan:** Well done! Hooray!

The Speaker: Mr Henderson.

Mr Henderson: It is a public interest matter, very much indeed, and I would put to the Department of Transport Minister currently, and indeed the future administration who is listening, Vainstyr Loayreyder, would he agree that the perception he has left us with this morning is that there is a washing of hands in this matter?

825 **The Speaker:** Minister.

The Minister: Not at all, Mr Speaker. I think the Hon. Member wants to take into account the Hon. Minister's comments from DoLGE in relation to this matter. My understanding from the comment made by the Hon. Minister for DoLGE was that he had not been approached by the Hon. Member on this issue, and that is the relevant point –

830

Mr Shimmin: It was in the papers.

Mr Henderson: I put it to the Chief Minister.

835 **The Speaker:** Mr Cregeen, Hon. Member.

Mr Cregeen: Thank you, Mr Speaker.

If the Minister is saying this is not a designated landing strip, how come it conforms to his authority to allow aircraft to land there? If it is not designated as that, surely it is just landing in a field.

840

The Speaker: Minister.

The Minister: Mr Speaker, for the benefit of the Hon. Member for Malew and Santon, I am going to repeat my original Answer.

The operation of an aircraft to or from a site is governed by the air navigation requirements and may require planning permission. With regard to that private land, the relevant documents are the Air Navigation Order and Rules of the Air. They contain restrictions and requirements to which an

850 aircraft operator must comply in order to help ensure flight safety. In general terms, as long as the aircraft is flown following the regulations, provided the pilot has the landowner's permission, he can land his aircraft at his discretion.

Planning permission, however, may be required, but this will depend on the nature and frequency of the flights, the land involved and the specific circumstances of the case.

TOURISM AND LEISURE

TT 2010

Improved arrangements

1.10. The Hon. Member for Douglas North (Mr Henderson) to ask the Minister for Tourism and Leisure:

855 *What arrangements are being put in place for TT 2010 to overcome last year's (a) poor entertainment; (b) muddy and sodden Grandstand, camping ground and paddock; (c) badly managed facilities; and (d) lack of bars at the Villa Marina?*

The Speaker: We move to Question 10. Hon. Member, Mr Henderson.

860 **Mr Henderson:** Gura mie eu, Vainstyr Loayreyder. Ta mee shirrey kied yn eysht y chur ta fo my ennym.

The Speaker: I call the Minister for Tourism and Leisure, the Hon. Member for Middle.

865 **The Minister for Tourism and Leisure (Mr Quayle):** Thank you, Mr Speaker.

Hon. Members will be aware that I have already made it clear, both here and in public, that we have responded to the criticism received last year in relation to the TT entertainment and the problems encountered with the paddocks, due to the severe weather during the Manx Grand Prix, with appropriate action plans to cover both matters.

870 In respect of the TT entertainment, we have announced the full programme. Our aim has been to build in the traditional successes, but also to learn from the out-of-town events that were so well received last year. We will have promenade entertainment in Race Week that provides a nightly show outside the Villa Marina, stretching to Bushy's at the bottleneck car park.

875 The nightly show will include screenings of our award-winning TV coverage, chat shows, celebrity quiz nights and live music from local bands. The highlight this year will be the motorcycle spectacular Thunder Dome Game Show, theatrical motorcycle stunts on Harris Promenade. There will also be a beer tent, two separate funfair zones, one providing the high-tech adrenalin rides and one with more traditional fairground rides for families, as well as catering zones and the merchandising zone. At the bottleneck, Bushy's will be providing a stage for bands
880 and my Department is working with the company to provide additional entertainment in this area.

Mr Earnshaw: Well done, Martyn.

885 **The Minister:** The ever-popular Red Arrows, RAF display team, will again be performing flypasts during the week and this year they will be joined by a range of other air displays. Both the White Helmets and the Purple Helmets will be joining in. The Race Week entertainment will close on Friday, 11th June with a winners' parade, the big prize presentation, an airshow and the spectacular White Helmets v. Purple Helmets Challenge. To mark the end of the week, there will be a fantastic firework finale.

890 At the Villa Marina we have already announced two comedians, Ross Noble and Al Murray, for Practice Week and one major music act, Ian Brown, and we will be announcing further acts soon. We will be running a film festival throughout TT, with a wide range of motorcycle films playing all day every day. We were very successful last year with our out-of-town Douglas events. I have again encouraged visitors to get out to other parts of the Island and enjoy some of the other
895 things that the Isle of Man has to offer. As well as the traditional meetings that will take place in Peel, Ramsey, Port Erin and Laxey, there are also many other activities and events to enjoy.

With respect to the second part of the Question, Hon. Members will no doubt recall that I provided a full answer on this point last week and whilst I cannot promise that we will have a

900 sunny, dry TT, I would point out that we have worked hard to understand the problems that the Manx Motorcycle Club faced last year and have identified ways to address them. I have asked for specific improvements in roadways, drainage and welfare facilities and can confirm that my officers have programmed a comprehensive series of measures to address the issues before TT fortnight.

905 In respect of the third part of the Question, I thank the Hon. Member for Douglas North for confirming that he is referring to the way in which the Villa Marina was operated last year, when the gardens were used for bands. I can confirm that the bands this year will play in the Royal Hall and that the venue will work in the normal manner and to its usual high standards. I hope that addresses the fourth part of the Question, too, though of course, I have already advised of our plans to locate a beer tent on Harris Promenade. In addition, the Promenade Suite will open
910 nightly in race week to provide a bar and entertainment after the main activities are over. TT 2010, then, is shaping up to be one of the all-time greats in terms of both racing and entertainment and I trust it will be well received by both our visitors and residents.

915 **The Speaker:** Mr Henderson.

Mr Henderson: Hear, hear, Vainstyr Loayreyder.

I thank the Shirveishagh very much for his positive Answer and can assure him we will be watching this with interest. However, would he agree with me that we still need to monitor all these plans that he speaks about to ensure that improvements are actually going to take place
920 specifically with the Grandstand, but importantly with the Villa Marina, where last year the bars management was substandard and caused a lot of problems for our visitors... if he could to keep an eye on that?

Further to that, I thank him for his comprehensive timetable, but would he give an undertaking to seek if we could have the Battle of Britain flight with us this year, as we did in former years?
925

The Speaker: Minister to reply.

The Minister: Thank you, Mr Speaker.

I think I have already identified that the vast amount of entertainment (**A Member:** Hear, hear.) and activities that are envisaged and already planned now and booked for June this year are something which I think will be well received by visitors and residents, and I do think our residents are the ones we also have to look after because they go through a great deal of inconvenience.

935 In terms of the monitoring of the situation to do with the improvements planned for the Grandstand and in relation to the other matters the Hon. Member referred to, of course this will shortly be a matter for the new Minister for Economic Development and his political team and officers there. However, there is the continuity that we do have a Director of Tourism in place and there is the Chief Operating Officer, Nick Black, who has done an excellent job in assisting with a lot of the work to do with TT. He will be remaining in place until immediately after TT, I
940 understand. Certainly, although I will no longer be the Minister for Tourism, I will be taking a very keen interest, as I always have done, in tourism matters and especially to do with the TT.

Standing Order 3.5.1(2) suspended to allow continuation of Question Time

The Speaker: We have reached, Hon. Members, 11 o'clock.
Mr Karran.

945 **Mr Karran:** I move the suspension of Standing Order 3.5.1(2) to have the remaining Questions.

The Speaker: Mr Cregeen.

950 **Mr Cregeen:** I beg to second, sir.

The Speaker: Hon. Members, I put the question. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

HEALTH AND SOCIAL SECURITY

**Temporary agency staff
DHSS costs 2009-10**

1.11. The Hon. Member for Onchan (Mr Karran) to ask the Minister for Health and Social Security:

955 *What his Department's costs were for hiring temporary agency staff in the last financial year (2009-10)?*

The Speaker: Question 11. Hon. Member, Mr Karran.

960 **Mr Karran:** Vainstyr Loayreyder, I ask the Question standing in my name.

The Speaker: I call on the Minister for Health and Social Security, Mr Teare.

The Minister for Health and Social Security (Mr Teare): Thank you, Mr Speaker.
965 In answer to the Hon. Member, the total amount paid for the period 1st April 2009 to 28th February 2010 is £5,935,618.48. The Hon. Member will appreciate that his Question asks for the information for the last financial year 2009-10, which has still got a month to run.
I will ensure that the data is made available when it is in the Department's hand, sir.

970 **The Speaker:** Mr Karran.

Mr Karran: Vainstyr Loayreyder, thanking the Shirveishagh for the figures, can he tell us what priorities have been given, as far as to try and look at whether this issue of the commission, as far as the costs as far as the temporary staff is concerned, and whether there are ways of making sure that we are actually getting value for money, as far as this area of public cost?
975

The Speaker: Minister to reply.

The Minister: I think the Hon. Member should realise that a large part of that figure, £4.2 million, is in respect of medical staff. We bring staff in according to the need, and the need of the Department is demand driven, so it would be impossible, I would suggest, to say that we will not bring in a clinician because we could not provide the finances, or because the budget was already spent, when the patient was there and the patient needed the treatment.
980

985 **The Speaker:** Mr Karran.

Mr Karran: Vainstyr Loayreyder, would the Shirveishagh inform this House the actual breakdown between medical and secretarial? Would the Shirveishagh not agree that the fact is that the issue of the temps that we have got – secretarial temps, as far as the hospital concerned... What policies has he managed to achieve over the four years of being Minister, in order to try and make sure that we actually evaluate that we are getting value for money, and we are not using the temp service as a way of getting round the realistic level, as far as the man headcount?
990

The Speaker: Minister to reply.

995 **The Minister:** Actually, it is quite interesting, that final question. We have been evaluating the benefits, in effect, of instead of using locums, bringing them back into the permanent staff, which can result in very substantial savings. By efficiencies made in staff reductions elsewhere, we have identified the headcount, and we are now proceeding to directly employ some of the locum posts that have been filled previously by locums. That does bring very substantial advantages, both in terms of continuity of service and also of cost, as well.
1000

To go back to his question about secretaries, we have addressed the issue of medical secretaries. I have to say it has taken much longer than expected, but we are introducing new working practices which will reduce the need for overtime. It is always an issue. It is a very emotive issue, but as I said before, we have to respond to the demand.
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The Speaker: Mr Karran.

Mr Karran: Vainstyr Loayreyder, thanking the Shirveishagh for his previous reply, would the Shirveishagh just clarify the breakdown between medical and clerical staff, as far as this £5.3 million?

1010 Could the Shirveishagh also not agree that, whilst allowing for the fact that I believe that some consultants have been for years on a temporary basis – it is something between £12,000 and £15,000 a week, as far as that is concerned – these practices have finally been sorted out under his stewardship?

1015 **The Speaker:** Minister to reply.

The Minister: I would refer the Hon. Member to my previous answer to a supplementary question: yes, we are looking at it; yes, we are bringing matters back.

1020 It is difficult to actually drill down and get the level of information that the Hon. Member is looking for. What we are looking at is the totality of it, to see how, as a whole, we can drive down agency costs, and I feel that substantial progress has been made. I am sure that, under the Hon. Member for Glenfaba, that will continue, sir.

Temporary agency commission DHSS costs 2009-10

1.12. The Hon. Member for Onchan (Mr Karran) to ask the Minister for Health and Social Security:

How much has been paid in temporary agency commission over the last financial year (2009-10)?

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The Speaker: Question 12. Hon. Member, Mr Karran.

Mr Karran: Vainstyr Loayreyder, I ask the Question standing in my name.

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The Speaker: Again, I call on the Minister for Health and Social Security.

The Minister for Health and Social Security (Mr Teare): Thank you, Mr Speaker.

1035 Separate arrangements for the payment of commission to agencies for the employment of agency workers are not entered into. I fully understand that Hon. Members will have concerns that agencies will be earning an income stream from the employment of agency staff, but the differential between what the employee of that agency is paid and the charges levied to the Department is a matter between the individual and the employing agency, sir.

The Speaker: Mr Karran.

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Mr Karran: Vainstyr Loayreyder, would the Shirveishagh not agree that we are talking about millions of pounds, as far as the commission for these agencies? Would the Shirveishagh also not agree, when you look at clerical services, that we will end up with a situation where they are being paid £7 or £8 maximum an hour and the Department is paying out £16 or £17 an hour?

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Would the Shirveishagh not consider that there needs to be a look here, as we are making a very few people extremely rich on the back of the taxpayers? What initiatives has he got, before leaving, of addressing this issue where there are millions of pounds involved?

The Speaker: Mr Teare.

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The Minister: I would refer the hon. gentleman back to the Question which he previously asked me to answer.

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We have to get the skills to deliver the services and, in some areas, the skills and the availability of staff are in very short supply. I would like to think that I have made it clear that my own preference is to directly hire the staff, and that is what we will do, but there are occasions when we are unable to hire directly, because the services, the specialties, are in very short supply within the United Kingdom. So we have to respond to that. Not to respond would result in us not being able to provide the service and I think that that is totally unacceptable, sir.

1060 **The Speaker:** Mr Karran.

Mr Karran: Vainstyr Loayreyder, would the Shirveishagh not agree that trying to twist common sense and reality around becomes an artform with most Ministers in this House? Would he not agree that this Hon. Member is not trying to do that; this Hon. Member is asking about the issue as far as the commission is concerned, particularly the commission of local agents, as far as clerical work is concerned, where the situation is they are getting £7 or £8 an hour, possibly £9 in some cases, and the fact is that the agencies are charging £15, £16 or £17 an hour? Does he feel that is good value for money, outside the issue of addressing the hiring of medical temporary staff?

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1070 We are all committed in this Hon. Court to a first-class Health Service. It has to be paid for. Does he not feel that this issue needs to be addressed, as far as the commission for clerical staff on this Island?

The Speaker: Mr Teare to reply.

1075 **The Minister:** In terms of clerical staff, I understand that there is a central Government contract, and that is negotiated centrally. It is done on a value-for-money basis. (*Interjection by Mr Karran*)

1080 He has accused me of twisting common sense. It is common sense to look at, and to deal with, the situation that we have; not to deal with it in an abstract way. What I would say is that since I have come into post, the percentage of time lost through sickness has gone down from well over 6% to 5% – that is a 20% reduction. That means that we do not have to have the same amount of overtime or agency staff. I think that is a very positive result that has been achieved by myself and the team over the last three and a quarter years.

1085 **Several Members:** Hear, hear.

The Speaker: Final supplementary.

1090 **Mr Karran:** Would the Shirveishagh not agree that would mean, from another statistical viewpoint, a 1% reduction? Would the Shirveishagh not agree that the argument here is not the issue of the medical staff; it is the issue of the fact that the costs and the commission that we are paying out for temporary staff over years, where almost 50% of the employment costs are actually going in commission charges for those agencies?

1095 Would the Shirveishagh also not agree that the issue is that we have got to look at ways of where we can get maximum value for the taxpayer, as far as this issue is concerned, and that this question is not an attack on medical standards; this is an attack on making sure you get good management practice?

Would he also not agree that it is very sad that he cannot actually give a detailed response to a detailed question? What is he hiding behind?

1100 **The Speaker:** Minister.

1105 **The Minister:** I am not hiding behind anything, sir. What I would say is that if he wants a detailed Answer, then he should put down a detailed Question first. The Question that he has put down is quite a wide-ranging Question. I have had no alternative but to respond in a wide-ranging way. He is talking about costs, etc. The costs of responding to a wide-ranging Question which involves a lot of data is, in my opinion, considerable and, in some areas, disproportionate.

With respect to the Hon. Member, he would do everybody a much better service – a good service – if his Questions were more accurately and tightly focused –

1110 **Mr Karran:** You haven't even answered!

The Minister: – and then I could respond in an accurate and targeted way. I have done my best to respond to the Question that was put down, sir.

1115 **Mr Karran:** Vainstyr Loayreyder, point of order.

This Question is accurate. It asks for the paid temporary agency commission in the last financial year. That is what I have asked for. I have not had an answer. I do not like the way we try to misrepresent what the answer should be.

1120 **The Speaker:** I will give the Minister chance to respond.

The Minister: With respect to him, 'temporary agency staff': he has not said it is secretarial; he has not said it is clerical; he has not said it is medical.

1125 **Mr Karran:** You have not given us a figure at all, sir, apart from £5.3 million!

The Speaker: The Minister has the floor, sir. (*Interjections*) Order!

1130 **The Minister:** So if the Hon. Member would like to be more specific, then I am sure that myself and my colleagues will respond in a specific manner. But I have to deal, with respect, with the Question as it is put down on the paper, and that is what I feel I have done, sir.

Mr Karran: I want you to tell me what the commission is.

1135 **The Speaker:** Hon. Members, as far as I am concerned the Question is in order. It meets Standing Orders and it is entirely up to the Minister how he replies and it is up to Members to put down further Questions at any time. That concludes, Hon. Members, Questions for Oral Answer.

There are six remaining Questions put down for Written Answer and these replies will be distributed.

Questions for Written Answer

CHIEF MINISTER

Government Departments Act 1987 Written directions under section 6

2.1. The Hon. Member for Rushen (Mr Watterson) to ask the Chief Minister:

1140 (a) *Since 1st January 2009, how many written directions have been issued under section 6 of the Government Departments Act 1987; and*
(b) *in the same period, how many directions have been issued to Departments' accounting officers?*

1145 **Answer:** The Answer in respect of both parts of the Question is that no directions have been issued under section 6 of the Government Departments Act 1987 since 1st January 2009.

Reciprocal Health Agreement deferral Letters of thanks to supporting MPs

2.2. The Hon. Member for Michael (Mr Cannan) to ask the Chief Minister:

1150 (1) *Who the current members are of the United Kingdom/Manx Parliamentary Group;*
(2) *did all those Members sign Andrew MacKinlay's Early Day Motion; and*
(3) *has the Council of Ministers sent each Member of Parliament who signed the Early Day Motion a letter expressing, on behalf of the people of the Isle of Man, their deep appreciation and most grateful thanks for all the help and assistance they gave to Andrew MacKinlay MP in his campaign for the Reciprocal Health Agreement to be deferred?*

1155 **Answer:** (1) There are 20 qualifying members¹ of the British–Isle of Man (Manx) All-Party Parliamentary Group:

	Mark Hendrick	Lab
	John Austin	Lab
1160	Kelvin Hopkins	Lab
	Albert Owen	Lab
	Jeff Ennis	Lab
	Geraldine Smith	Lab
	Ian Stewart	Lab
1165	Lindsay Hoyle	Lab
	David Crausby	Lab
	Paul Farrelly	Lab
	Andrew Rosindell	Con
	Angela Watkinson	Con
1170	John Randall	Con
	John Hayes	Con
	Dr Julian Lewis	Con
	Douglas Carswell	Con
	Sir Nicholas Winterton	Con
	Edward Garnier	Con
1175	Nigel Dodds	DUP
	Bob Spink	Ind

1180 In addition, a number of qualifying members, together with Members of the House of Lords and Mr Peter Bottomley MP, are Officers of the All-Party Parliamentary Group; namely:

	Chairman	Andrew Rosindell	Con
	Vice-Chairmen	Jeff Ennis	Lab
		Lord Hoyle	Lab
1185		Lord Shutt of Greetland	LD
		Lord Kilclooney	CB
		Lord Quirk	CB
	Treasurer	Peter Bottomley	Con
	Secretary	Angela Watkinson	Con

1190 ¹ A ‘Qualifying Member’ must be a Member of either the Commons or the Lords. A ‘Qualifying Member’ may also be an Officer of an All-Party Parliamentary Group.

Source: <http://www.publications.parliament.uk/pa/cm/cmallparty/register/memi63.htm>

1195 (2) No, not all the Members did sign Andrew MacKinlay’s Early Day Motion. Only one Officer and seven Members of the All-Party Parliamentary Group signed the Motion. They were:

	Peter Bottomley	Con
1200	Kelvin Hopkins	Lab
	Albert Owen	Lab
	Geraldine Smith	Lab
	Lindsay Hoyle	Lab
	Sir Nicholas Winterton	Con
1205	Nigel Dodds	DUP
	Bob Spink	Ind

1210 (3) On 11th March 2010, I wrote to all Members of Parliament who had signed Andrew MacKinlay’s Early Day Motion, personally thanking them for their support. I also wrote a separate personal letter to Mr MacKinlay, thanking him for his support.

Both letters expressed thanks on behalf of the Isle of Man Government, of Tynwald and of the people of the Isle of Man; and confirmed the Isle of Man Government’s policy, supported by Tynwald, to retain or have reintroduced a Reciprocal Health Agreement with the United Kingdom Government. Any Member who would like a copy of the letters may do so by contacting my office.

TREASURY

**Quarterly Report on the Economy
Expenditure to date**

2.3. The Hon. Member for Rushen (Mr Watterson) to ask the Minister for Treasury:

1215 *Why the Quarterly Report on the Economy does not contain year to date expenditure by Department; and will such data be available in the future and restated so as to be as comparable as possible with previous years?*

1220 **Answer:** The Quarterly Report on the Economy is a document issued by the Council of Ministers. It is a report focused on the current state of the Island's economy and relevant economic indicators, rather than Departmental revenue expenditure.

As it is a Council of Ministers' Report, it is not for me to determine its contents unilaterally. However, I will raise with the Council your request for it to be amended to include Departments' expenditure to date, in a form allowing comparison with previous years.

EDUCATION

**Teachers; pupils; advisers
Numbers**

2.4. The Hon. Member for Rushen (Mr Watterson) to ask the Minister for Education:

1225 *How many (a) teachers; (b) pupils; and (c) education advisers the Department has?*

Answer: There are:

(a) 879 teachers;

(b) 6,649 primary pupils, 5,653 secondary pupils; and

1230 (c) 7 advisers.

HEALTH AND SOCIAL SECURITY

**Hospital treatment for UK visitors to Island
Recording costs from 1st April 2010**

2.5. The Hon. Member for Douglas North (Mr Houghton) to ask the Minister for Health and Social Security:

If he will record the costs of treatment in respect of each and every patient who is a visitor to the Island from the UK and is admitted into hospital with effect from 1st April 2010?

1235 **Answer:** It is our intention to record treatment for all UK visitors from the 1st April 2010. Noble's Hospital is in the process of agreeing the policy for all staff to enable identification of UK visitors who are admitted as patients.

I trust the above reassures you as to the procedures being put into place. Should you have any further concerns please do not hesitate to contact me.

**DHSS staff overtime
Amount paid 2009-10**

2.6. The Hon. Member for Onchan (Mr Karran) to ask the Minister for Health and Social Security:

1240 *How much has been paid over the last financial year (2009-10) in each work area throughout his Department for overtime?*

Answer: I am able to confirm that, for the period 1st April 2009 to the 28th February 2010, the total amount was £7,289,694.41.

1245 I regret that at the time of the preparation of the Answer to this Question, the March payroll data was not yet available and I will be supplying the full Answer to the Hon. Members as soon as the data is available.

The total figure given above, as extracted from Axapta, is for hours worked in excess of those contracted and will include excess basic hours that do not attract an overtime premium.

1250 As such, the total could be said to include payments that are beyond the accepted definition of overtime.

In order for Hon. Members to gain an overview of the quantum of overtime that attracts a premium, an analysis is currently being undertaken by the Finance staff within the Department and, again, will be made available to Hon. Members when the full year position is known.

Orders of the Day

BILLS FOR SECOND READING

Electricity (Amendment) Bill 2010 Second Reading approved

3.1. The Chief Minister to move:

1255 *That the Electricity (Amendment) Bill 2010 be read the second time.*

The Speaker: We turn now to Item 3 on our Order Paper, Bills for Second Reading. First of all, the Electricity (Amendment) Bill 2010 and I call on the Chief Minister.

1260 **The Chief Minister (Mr Brown):** Thank you, Mr Speaker.

The Electricity (Amendment) Bill 2010 is required to address a number of specific provisions for the Manx Electricity Authority and, importantly, to enable the Authority to carry out functions to meet Government's policy primarily on the safeguarding of gas supplies throughout the Island, which will be progressed if Tynwald endorses Government's policy of investing in and owning the gas-main infrastructure to secure the provision of natural gas to the outer towns and villages.

1265 Due to the critical timing associated with progressing this matter, it is vital that the legislation is put in place ahead of the policy determination by Tynwald, so that if Tynwald approval is given, then the Authority can act quickly and ensure there is no unnecessary delay in undertaking the infrastructure works required to secure the natural gas supplies throughout the Island.

1270 The Electricity Act 1996 contains statutory powers for the Authority to operate and provides the legal framework for its activities. The proposed Bill is necessary in order to clarify some accounting matters within the Electricity Act 1996 and address certain wayleave matters which concern the Authority's powers to lay gas-transmission pipelines. Therefore, basically, the Bill provides for a new provision where the approval of Treasury will be required for borrowings taken out by subsidiary companies of the Authority, a new provision in the Bill which will provide the Authority with the power to do anything to supply or facilitate the supply of gas necessary to complete the conversion work in the proposed natural gas extension project. This power may not be exercised without the written consent of the Treasury and the Department of Trade and

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Industry. The functions in relation to the DTI are, of course, to be transferred to the Department of Economic Development as from 1st April 2010, as is provided for in the Transfer of Functions Order.

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Mr Speaker, the Manx Electricity Authority, who will be acting on behalf of Government in this matter, requires additional powers to deliver the proposed extension of the mains natural gas network to supply natural gas to around 6,500 homes and businesses in Ramsey, Kirk Michael, Ballaugh, Peel, Castletown, Colby, Ballakillowey, Port Erin, Port St Mary and Ballasalla. This power in the Bill is necessary to enable Government, through the MEA, to implement and complete the proposed project for the extension of mains natural gas to the rest of the Island. The installation of such mains will ensure a continued uninterrupted supply of gas at a reduced price from that which applies today with LPG for the provision of gas for heating and cooking purposes to residents and businesses throughout the remainder of the Island.

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At present, however, the Authority does not have the vires to undertake infrastructure improvement works, as required in this instance, or to fund such works.

Mr Speaker, presently, as Hon. Members are aware, natural gas is only available to residents and businesses in the Douglas Gas area, that being the town of Douglas, Onchan, Braddan and Marown. Also, in order to meet the Council of Ministers' objective to extend the natural gas network around the Island, as outlined, the Authority will need to agree wayleaves with all affected landowners. The Bill will provide the Authority with powers to quickly obtain compulsory wayleaves for the economic installation of a public gas transmission network at an intermediate pressure.

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The opportunity has also been taken to clarify some accounting issues within the Electricity Act 1996. Since 2002-03 the Authority has reported a deficit in the annual accounts. For the year ended 2006-07 the loss caused the reserves to become negative, a position that remained in the 2007-08 accounts and will continue until after the Authority becomes profitable again. The auditors wrote to the Treasury in 2007 and 2008 and they confirmed that the Authority complied with the 1996 Act, in that revenue exceeded costs, properly rechargeable to the revenue account, but this is on the clear basis that Government grants are included in revenue and depreciation is excluded from costs. It is considered that this position, while accurate, is not properly reflective of the original legislative intent and that the legislation should therefore be amended to reflect both the present financial position of the Authority and the need for external, fiscal control.

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Mr Speaker, the Bill will permit the Authority to operate at a loss, but only with the specific approval of Treasury. The Bill also adjusts Treasury's powers of direction with regard to allocation to reserves, so that directions can only be given when an individual undertaking or subsidiary makes a profit. In addition, the Bill will merge the accounting systems for two separate gas accounts for the conveyance and supply of gas to generating stations and the conveyance and supply of gas to other public gas suppliers.

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Mr Speaker, the main changes to the Electricity Act, therefore, are in relation to the following matters. First, powers of wellbeing will enable the Authority to do anything to supply, or facilitate the supply of, gas to any person if, in the opinion of Treasury, to do so is likely to promote or improve the economic, social or environmental wellbeing of the Island. These powers are necessary to complete the conversion work in the proposed natural gas extension project.

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Second, powers to obtain compulsory wayleaves for the installation of a public gas transmission network at an intermediate pressure will enable the Authority to deliver additional natural gas pipelines required for the proposed natural gas extension project.

Third, it clarifies some accounting issues that will ensure that the Authority is able to make a loss, if the Treasury so authorises and validates the historic position. The Bill also adjusts Treasury's powers of direction with regard to allocation to reserves.

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Finally, Mr Speaker, approval by Treasury will be required for borrowings taken out by subsidiary companies of the Authority.

If I now just finish off by looking at the costs, Mr Speaker, of introducing this Bill, it is expected that the Bill will have no significant effect on public revenue, expenditure or personnel. The cost of implementing the proposed change to the wellbeing powers to provide the Authority with the power to do anything to supply or facilitate the supply of gas necessary to complete the conversion work in the proposed natural gas extension project is likely to be cost neutral, as the cost of the conversion work will be repaid by Manx Gas for accessing the natural gas supplied over the next 60 years. With that, of course, Mr Speaker is a proviso, where in fact Government has made a conscious decision to have a larger pipeline in for future requirements well into the future.

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Mr Speaker, I beg to move that the Electricity (Amendment) Bill 2010 now be read a second time, sir.

1340 **The Speaker:** Mr Cretney.

Mr Cretney: I beg to second.

The Speaker: Hon. Member, Mr Karran.

1345 **Mr Karran:** Vainstyr Loayreyder, I have grave concerns about this Bill. It might be good for the Hon. Member for Castletown and his re-election chances, as far as this Bill is concerned, and anybody who lives outside Douglas –

1350 **The Chief Minister:** That's disgraceful!

Mr Karran: – as far as the proposals –

The Speaker: Hon. Member –

1355 **The Chief Minister:** That is disgusting.

The Speaker: – I would ask you to withdraw that comment. It may not have... you may not have meant what we heard and took it to mean, (*Interjections*) but I would ask you to withdraw it.

1360 **Mr Karran:** Absolutely, Vainstyr Loayreyder, but the point is, this whole proposal of this Bill is based on madness, on the economics of... haven't our people suffered enough, as far as the bad management of money is concerned?

1365 This Bill, in my opinion, will only cost the taxpayer a lot more money and we will end up with a situation like we did over the pipeline from Glen Mooar to Douglas, where we paid £20 million for a £5 million pipeline. That is not rubbish: that is fact. That is from the independent assessment. If this Bill would have been bringing about, maybe, the changes that were done away with, as far as the Electricity Act 1984, I am glad to see that we have got somebody who is an electrical engineer, as far as the Chief Executive is concerned now. But I believe that if we were to start putting the safeguards back into the system, so that we can have people who actually know what they are doing...

1370 I think Members of this Hon. House need to realise – let's be perfectly honest about it – we have a situation now where our constituents are paying 7% more, because of bad political decision making, when, in 1989 we allowed the Minister to go in just like Louis XVI and wave his hand, throw out the old Board and we got the new Board – and we have now got the hundreds of millions of pounds worth of badly spent effects from that proposal. If this Bill does... this Bill almost certainly will get its Second Reading because it will have the block vote, but what I will be looking for is seriously looking at trying to amend this Bill in order to protect the interests, as far as the taxpayer is concerned, as far as whether we need to put some sort of requirements, as far as the Electricity Authority is concerned to have to have certain people with professional qualifications on that Authority, that can be put on that Authority on the basis of their qualifications, not on the patronage of the Council of Ministers.

1375 Can I also say, Vainstyr, Loayreyder, will there be any safeguards of any subsidiary companies, as far as the Electricity Authority, if they are to set up? What safeguards will there be to make sure that we do not end up with a situation where we ended up with the shell companies with the MEA fiasco before, when we did away with the safeguards that we had in the 1984 piece of legislation?

1385 Vainstyr Loayreyder, I am very concerned about this proposal because I believe that what we are going to end up with is spending more money that we have not got at the present time, in order to protect the long-term interests, as far as the taxpayer is concerned. I believe that the letters that I have circulated to Members of this Hon. House clarify the concerns, as far as the misguided proposals that are being proposed at the present time. I also feel that there is a concern over the fact of this Authority not keeping to its core duty of actually just generating and looking after the generation of electricity, but now goes into gas and the possibility of telecommunications, which I think needs to be seriously thought about by this Hon. House, as far as this issue is concerned.

1390 Vainstyr Loayreyder, I think that if I was a Member, maybe, outside Douglas, there would be a good reason for supporting this proposal, as far as that is concerned. It is a good move for all the outside areas, but what it is not a good move for is the taxpayers of the Isle of Man. My concern is that I do not believe that the proposal here is the right way forward.

1400 I think, Vainstyr Loayreyder, that the concern I have is that what we are going to see with this
piece of legislation... We should be seeing augmenting, learning the mistakes of the past, as far as
the MEA is concerned, and we should be looking at whether we should be reinstating certain
1405 pieces that were in the Electricity Act 1984 because, at the end of the day, what we have allowed
ourselves is a situation where we have poured hundreds of millions of pounds into this fiasco, and
the situation is what we do not need is yet another opportunity without the proper legislative
checks and balances within this piece of legislation to make sure that there cannot be a repeat of
history.

Mr Shimmin: Mr Speaker, I believe you requested the Hon. Member to withdraw a statement
1410 he made in this place.

The Speaker: And I took it that he did. I heard him to say that he did.
Is that correct, sir?

1415 **Mr Karran:** Yes.

The Speaker: Hon. Member for Malew and Santon.

Mr Cregeen: Thank you, Mr Speaker.
1420 I am going to throw a curveball to the Member for Onchan: I have got concerns regarding this,
as well, so it does not just mean Douglas people. I have got a concern regarding it, as well.

Mr Shimmin: We all have a responsibility. Well done.

1425 **Mr Cregeen:** The reason is that I want to know when this suddenly became critical. I hate
things when we suddenly get: 'Well, it's a critical thing: make a quick decision.' I hate that.

The cost of the wayleaves, is this going to be industry-standard, or is it going to be above?
Have there been promises made that start up early? There may be a number of people who take the
opportunity to change from gas to oil. Have any serious negotiations gone on regarding actually
1430 taking over the infrastructure of the gas to the people of the south and the north and the west, so
that the whole Island can go into the MEA?

We keep Douglas as Manx Gas, but for value for money for the Manx taxpayer, which is what
we are looking at, is this the best deal? Have you had really strong negotiators going in there to
Manx Gas and saying, 'Your structure is not going to be worth anything if there is no gas,' so for
1435 once in your life you are in a strong point to say what you have got at that final mile is worth very
little? Have you gone there and said, 'Let's take this over and run it ourselves'?

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

1440 **Mrs Cannell:** Thank you, Mr Speaker.

I remember, a number of years ago, when the Manx Gas people were actually doing the
conversion in Douglas. Of course, we had all manner of problems to deal with in terms of that
conversion, (**Mr Henderson:** Outrageous.) but the questions were asked, particularly of the
Member for Castletown at the time – who is still the Member for Castletown, the mover of this
1445 Bill – when natural gas could be extended to the rest of the Island. He was very keen to see it
extended to the rest of the Island and, at the time, Manx Gas said, 'when it is economic to do so.'

In those days, what they were saying was that there was not sufficient demand within the rest
of the Island to warrant the cost of putting in the necessary infrastructure to supply natural gas to
the rest of the Island. So now we have the Bill before us, which is quite worrying in that respect,
1450 that if the provider of Manx Gas is still of the view that it is not economic to do so, then why is
Government putting the infrastructure in, because what we are doing is aiding and abetting a
private company to facilitate that infrastructure, and the only exception is that we will charge them
for tapping into it. But we have not been given the case, really. We have not heard the business
case today, in terms of supporting the provisions of primary legislation for this to happen at some
point in the future. We have not had any information from the mover of the Bill, in terms of what
1455 the current position is with the Manx Gas company, whether or not they are now prepared to take
this on board, whether or not there is now a higher demand in the rest of the Island. What they
tended to focus on was Douglas and Onchan because, predominantly, that was the largest
population and economically beneficial for them.

1460 So that worries me a little bit: that we are not being given the business case for doing it, the figures that, hopefully, would stack up to warrant the introduction of primary legislation to enable this to happen. Some of the wording in the Bill I find quite extraordinary, because, under section 2A, it does say that:

1465 ‘Without prejudice to section 2(5), or its powers under the Gas and Electricity Act 2003, the Authority has power to do anything to supply, or facilitate the supply of, gas to any person if, in the opinion of the Treasury, to do so is likely to achieve one or more of the following –’

1470 which is all the objectives that are outlined on the second page, but I have never read in primary legislation or a Green Bill the words ‘power to do anything’ and I am just uncomfortable with that kind of terminology – power to do anything. I find it is actually an unwarranted use of, perhaps, what the intention is.

1475 I would like to ask the mover what are the current powers of the MEA, in terms of the provision of electricity and wayleaves etc, because – apart from the additional powers this legislation provides – it does seem to boost their powers in respect of this. So I am a bit curious about that.

1480 This business of compulsory wayleaves again, as I understand it, under the Electricity Act, there is no... well, there is provision for water infrastructure for compulsory wayleaves, but there still has to be a degree of negotiation with the landowner and those people affected and there is provision laid down in law for those people to be compensated for that. So I am concerned about that.

The other thing is on page 2 under 2B, it refers to the power in section 2A(1) well and then goes on to say:

1485 ‘may not be exercised without the written consent of the Department and the Treasury’

but it does not specify which Department. Is that done on purpose because of all this change? A Department could be any Department, so which Department is it, because I cannot find anything in the explanatory memorandum which describes which Department it is.

1490 The only provision for Tynwald input is if the Authority comes forward and they want to make an order to not comply with the sections on page 3. It says here:

1495 ‘Section 2A(1) does not affect the operation of (a) any other power contained in this Act or the Gas and Electricity Act 2003; (b) the Isle of Man Loans Act 1974; or (c) the Audit Act 2006. (4) The Department, with the written consent of the Treasury, may by order repeal this section and section 2A.’

1500 Now why would they want it to be repealed? I accept that such a repeal would be subject to an Order and had to come before Tynwald and, obviously, it would need to be approved by Tynwald or otherwise, but why would they wish to repeal those three provisions there? What kind of scenario might arise which would require the Department – whichever Department it is – and Treasury to consider repealing those very strong provisions that we already have in law? As I say, I am a little bit disappointed that we have not had more meat in terms of this. I know we are debating the ‘in principle’ stage of the Bill, but nevertheless I do not feel that the mover has made a case quite yet. Perhaps he will when he sums up.

1505 **The Speaker:** Hon. Member, Mr Gill.

Mr Gill: Thank you, Mr Speaker.

1510 Firstly, could I welcome this Bill and the Government’s policy and the scheme this legislation will give effect to. The Chief Minister has indicated the need for it.

I just really rise to my feet to respond to the comments by Mr Karran, which started with an insult and then, frankly, got worse as he went on. It was full of froth. There was no substance, as usual, just about we need to learn lessons, we need to... but what he did say, Vainstyr Loayreyder, is he linked in the new board – which is a historic comment – linking them in with the current board, and that was very misleading and unfortunate.

1515 But he did say that the board... He criticised the board and, indeed, by inference, officers, for not being qualified, and I just take issue with that. The Electricity Act requires us to have a board member who has substantial experience in generating or distribution, and we have that. We have John Reid, who has an exemplary career in generating, (**A Member:** Hear, hear.) –

1520 **Mr Karran:** And hasn't been here a full year!

Mr Gill: – and has been an invaluable board member, (**A Member:** Hear, hear.) and I think it is grossly offensive and unnecessary for Mr Karran to make that.

1525 He also says now we have got a chief executive designate who is an electrical engineer. Our current Chief Executive is a highly qualified (**A Member:** Hear, hear.) and experienced engineer, and again it is very misleading and unfair for him to make that.

In relation to the other board members, if I may take the time to go through them one by one, Mr Lowey is a hugely experienced, competent, respected and trusted politician, and as my Vice-Chairman I draw great comfort from having him on the board assisting me, sir.

1530 **Mr Ken Tomlinson,** we all know from his career in public administration, is a stickler for detail. He does not tolerate fools gladly, but he is scrupulously fair. All those qualities he reflects on the board of the MEA, sir.

Steve Christian we all know, who takes no remuneration for his significant commitment to the board. He brings his accountancy skills, his knowledge of public sector skills and the private sector.

1535 I think as a board, sir, we are very, very well served. (**Several Members:** Hear, hear.) As a nation, we are very well served by that board, and it is grossly unfair to criticise people who have got no right to respond in this place, so I will do that on their behalf.

So there was no plan B from Mr Karran. It was just 'this is not good enough, it is not right' – not why it is not right, other than personal insults and innuendo. That is not really the basis for (*Interjection by Mr Karran*) appropriate opposition.

1540 **Mr Cregeen** mentioned his misgivings, and I entirely respect his right to do that. He wondered whether appropriate endeavours have been to ensure that Manx Gas's position had been fully explored. I am sure, in responding, the Chief Minister will explain that.

1545 But then we move on to Mrs Cannell's reservations. She says there has not been a business case. I think Members who attend to their duties more fully would have accepted the opportunity to attend a briefing in the Barrool Suite, which was well attended.

Mrs Cannell: Point of order, Mr Speaker.

1550 **The Speaker:** Your point of order is?

Mrs Cannell: The Hon. Member (*Interjections*) is misleading the House. He is being economic with the truth and he is criticising my ability and my dedication and commitment to my job.

1555 **Mr Karran:** Absolutely, but that does not matter – he has got the block vote.

The Speaker: That is not a point of order.

1560 **Mr Gill:** It is not a point of order. Nor is it a valid criticism, sir.

The Speaker: Hon. Member, you have the floor: resume your speech.

Mr Gill: Thank you, Mr Speaker.

1565 The point I am making is Members have had the business case, they have had the briefing, a question-and-answer opportunity and, indeed, that is also being extended by the DTI to local authority –

The Speaker: Hon. Members, I am having some difficulty this morning: there is an awful lot of chattering taking place in the body of the Chamber! Would Members kindly do the speaker the courtesy of being heard and allowed to make his or her case.

Mr Gill.

Mr Gill: Thank you, Mr Speaker.

1575 So this 'no business case' argument, frankly I would refute, Mr Speaker.

I think I would finally reflect on the concern that 'compulsory' somehow equates to 'unfair' or 'arbitrary'. I do not believe it does. I think it simply gives a power of compulsion which is a reflection of the overriding need; but in no way would that mean that any public authority could act unfairly.

1580 I am sure when Mrs Cannell was the Chairman of the Water Authority, she would never act in an unfair manner, as part of her dedication to her duties. I am sure that would not be the case. So I do not see why it would be fair to extend the criticism to others in a similar position. I certainly do not accept that and I am sure that the Chief Minister will reflect on that in his summing up, sir.

1585 **The Speaker:** Hon. Member, Mr Quirk.

Mr Quirk: Thank you, Mr Speaker.

1590 Just a couple of little bits, if I could just throw in there, too, regarding the conversion side: could I seek an assurance that I think the lessons to be learned from years ago were that we should be looking to replace the appliances. That was the crux of the matter, and I am sure that the evaluations that took place by the Office of Fair Trading and other organisations really bring that home, that we should be replacing appliances when this is actually done. I seek an assurance that there are capable persons just replacing appliances on the Island and that work could be secured on the Island, to stimulate the economy.

1595 The other issue... I do support slightly my colleague and friend from Malew and Santon regarding the ownership of the network, and I wondered whether the Chief Minister in the response could give us an indication regarding the existing network compared with the network that is to be increased... probably, to put it in the right term, a new network which will have an existing life. I am just concerned that we may enter into some liabilities for the old network site, if I could put that down.

The Speaker: Hon. Member, Mr Henderson.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

1605 I just wish to put a little bit to the debate from a constituency point of view and to seek reassurances from the Chief Minister – I am sure we would get them.

1610 Hon. Members have pointed out in the past when we have suffered gas conversions before. I just want it put on record that North Douglas was the first constituency in the Isle of Man to suffer and experience the gas conversions of some years ago and I can say, Vainstyr Loayreyder, that it caused myself and Mr Houghton one of the biggest constituency jobs of all time. Even putting together other constituencies, the workload it caused us was unbelievable.

Mr Cretney: That's what we are here for.

1615 **Mr Henderson:** That's right – and we did it. The amount of people who were just dumped, ditched, fobbed off and been downright rude to at the time was amazing. (**A Member:** Hear, hear.) As far as I am concerned, at that time, the management of the day at Manx Gas let the public of the Isle of Man down badly and miserably and I would like that on record as well. It caused myself and Mr Houghton to see the executive management at Manx Gas on more than one occasion, set up urgent meetings with Office of Fair Trading at the time and set up urgent meetings with the Health and Safety Executive at the Department of Local Government and the Environment to try and get some rick on what our constituents were suffering.

1620 So we could do with some good PR this time round, Vainstyr Loayreyder. I understand the benefits. I also understand what was inflicted on people – and Hon. Members may not realise but the – or some Hon. Members might not realise the damage and stress that was caused with all this – but to this day there are still at least one or two appliances that I am aware of that are still switched off, because the owners have not had the heart or the motivation to carry on the battle to get them fixed and they have left rooms cold, rather than try and re-engage with the people who were supposed to have converted them at the time, so that is how bad it was. I could not overplay the case and that has been brought home to me, as I say, and by concerned constituents and other people round the Island now who are looking to face what they see as the same thing. So I think we need to put a lot of perspective on that and reassurances on how things are going to be managed.

1630 The Hon. Member for Onchan, Mr Quirk, has put his finger on some of the problems with regard to how gas appliances are going to be converted or, indeed, replaced at the cost of Manx Gas.

1635 I would also be interested to see if the Chief Minister could just go over the business case again, how the figures and financial case are going to stack up and the background. Who pays what to whom and so on, so, as the Hon. Member for East Douglas said, just to review it so we can have a reassessment of the financial picture here. It is unusual in what we are doing; it may be

beneficial but, then again, there are cautionary notes to take on board and very serious ones they are too, Vainstyr Loayreyder.

1645 **The Speaker:** I call on the Chief Minister to reply.

The Chief Minister: Thank you, Mr Speaker.

Mr Speaker, I thank the Hon. Members who have contributed to the debate and those clearly who are silent and hopefully supportive.

1650 Can I just say that this piece of legislation is critically important, if we are to meet a timescale to introduce natural gas to the rest of the Island and therefore safeguard gas supplies to 6,500 homes and businesses and therefore many families, who at the moment are paying a substantial amount for LPG town gas and also taking the view that Manx Gas have indicated quite clearly that, within three to five years, all their existing gas stations, to use the term, will in fact be closed because of the works that are required to be undertaken there to bring them up to standards.

1655 So we have a choice, which will come to Tynwald, which is to decide not to have gas outside the Douglas/Onchan/Braddan area and therefore only leave the consumers outside that area with the choice of electricity or with oil or with some of the renewables and recyclables that they could use. I do not believe that is an option and anyone who knows my record, I have never agreed that we should leave that option.

1660 I would make it clear, as I did in my introduction, this is putting in place legislation, if the House approves it, so that if – and I emphasise *if* – Tynwald approves the policy, when it gets its report to agree to invest this money to put in the main infrastructure, then in fact the legislation will be in place to take it forward. If Tynwald does not approve that policy then, of course, the legislation will not be required at this time, because Tynwald will have refused to allocate the funds to enable us to invest and safeguard gas supplies for the people outside of the Douglas gas area.

1665 So I just make the point that is critical. The point that I am a Member for Castletown is irrelevant on this, in terms that I do my job, firstly, as Chief Minister; secondly, because I firmly believe and have for many years – in fact, I was the only Member of Tynwald if we are going to go historical, back in 1982 or 1983, as a new Member who voted against selling Manx Gas to the private industries, because I said, at that time, that in fact there was a strong possibility we would be able to get natural gas to our shores and therefore we should own the company. I was outvoted. I do not whinge on about it, because I accept democracy. So from my point of view, that is where we were.

1675 I also – coming back to the Hon. Member for East Douglas, Mrs Cannell's point of view – was extremely critical, when I was Speaker, that the Isle of Man Government at the time had not agreed to continue to implement putting natural gas round the rest of the Island. In fact, I was quite firm in my criticism of both the Government – the Department of Trade and Industry at the time – and Manx Gas, and made it very clear that, in my opinion, my advice to my constituents would be, if there is no natural gas, do not use gas because it is too expensive.

1680 Now, the reality is we have an opportunity because, whether we like it or not, we are advised by Manx Gas that LPG appliances are now very difficult to get – I know that from some of my constituents. It is likely that the appliances will not be available for the type of LPG gas that we have in the Isle of Man in a very short time and, if that happens, it means that all the investment in gas that the Government has undertaken, in its public sector houses and elsewhere, in some of its Government properties outside of Douglas, will in fact be wasted and we will have to invest in putting in different heating systems for our people.

1685 But this is also about securing an investment we have already taken. Mr Speaker, we have invested something like £90 million in bringing natural gas from the Scottish-Irish pipeline into the Isle of Man. We were only able to do that because they had to go through our territorial seas and part of the agreement to doing that was to give us the opportunity to tap off that natural gas pipeline which interconnects into the whole of the European gas pipeline and Russia and everywhere else, so that we actually have the ability to safeguard gas supplies into the Isle of Man and that, in itself, has reduced the cost of electricity generation on the Isle of Man. It has also reduced the CO₂ emissions substantially into our atmosphere, because we are now not using heavy oil, therefore there have been a lot of pluses on that.

1690 The issue is that we actually put a pipeline in which was to feed the whole of the Isle of Man, and we are not doing that. So that investment, which is I believe part of the issue of what we saw happen with the MEA, and that will come out at a time when there is a report, was in fact that they maximise their investment and were not able to maximise it, in terms of selling gas round the whole of the Island. So that is part of that history, which I think is important to put in place.

1700

1705 The issue is there is an opportunity. The opportunity – and as far as I am concerned, I would urge Members to grab it, and they will, hopefully, make that decision in Tynwald, in another place – is, in fact, that we should own the main infrastructure. So that whoever the gas company is, whether it be another private company or whether it will ultimately become Government, we already own the main feeders to the Island, to those districts: Castletown, Port Erin, Ballasalla, Peel, Ramsey – all those areas will be controlled by us, who will then sell space in our pipeline round to those different areas, and the company will sell their gas to the consumer.

1710 Again it will be demonstrated in the report that comes before Tynwald that, in fact, there will be savings on this, because at the moment LPG is extremely expensive.

1715 Mr Speaker, Hon. Members need to be aware... they get issued with regular reports from the Office of Fair Trading about the price of gas. The latest figures show a difference between LPG town gas and natural gas of 3.55 pence per unit, for what they call the CB1 and NB gas and, for the Star Saver, 2.13 pence per unit. These are substantial differences in prices in an Island where, with the electricity undertaking, we have actually taken that away from when we had the Douglas Corporation electricity generating body and the Electricity Board, when in fact again, because they were small and it was split, we had a substantial difference in cost to the people we all represent. I do not pick off ‘That’s Douglas, that’s Castletown.’ I do what I believe is right for the Isle of Man, and I believe this investment will be right for the Isle of Man, but that is for another day. This is about the legislative provision to go in there.

1720 Mr Speaker, Government policy will be clear. Members will have an opportunity when this matter comes before Tynwald, whether or not to support it, and if they do not, then this legislation will not be required at this time. But we do need to get it in place now, because if Tynwald approves that policy of investment, then in fact we have a short timescale to undertake such a massive undertaking and to get it all in place before gas supplies are lost to the consumers outside of the Douglas Gas area. So, I believe it is the right thing for Tynwald to do.

1725 The Hon. Member for Onchan, Mr Karran, has grave concerns and I think he needs to put aside the issues that have gone on to some degree with the MEA, at the moment, and really move on and look at whether or not this is actually an investment opportunity to safeguard an alternative supply of fuel to the people of the Isle of Man who presently enjoy an alternative amount of fuel, and I hope he would look at it in that way. Safeguards into the system: again, in the Bill – and I made this point – there are new provisions being brought in, in relation to controls in relation to the MEA, and I spelt that out in my introduction.

1730 This is not based on madness; it is based on a lot of discussion, consideration that has gone on now for nearly two years, internally within Government, being conscious that there were issues going on in relation to Manx Gas. We are all aware of the issues with the parent company and what has gone on there, which has been affecting Jersey, Guernsey and the Isle of Man, and therefore we have been looking at what our alternatives are – and yes, whether or not we should buy the whole company.

1740 The issue is it is not practical at this time for us to buy the whole company; what is practical for us to do is to safeguard, as a first step, the gas supplies to the rest of the Island and then be in a position where the gas company will pay to use our pipeline, which will repay back the investment that we put in, in relation to their requirements. (A Member: Sixty years.) (Mr Karran: Absolutely.) Sixty years is nothing in Government terms! (Mr Cretney: Hear, hear.) It is absolutely nothing, and for the Hon. Member for Onchan to say, ‘Absolutely’ is a distortion of the reality, he knows! We put 30 and 60 years’ borrowing for building houses. This is a gas pipeline that will last a hundred-plus years. We will have a repayment period back.

1745 Members need to look outside the box and look at the long-term investment future to safeguard supplies to the people of the Isle of Man and, whatever you do, in terms of investment into energy supplies, it is going to mean quite a substantial commitment because this sort of work is not cheap: £19 million to bring gas from the Scotland-Ireland pipe to the Isle of Man. That has effectively reduced electricity prices in the Island. That has effectively reduced the price of gas in the Douglas gas area. Why should the rest of the Island be deprived of that opportunity? That opportunity means that we need to do some more investment in a main gas pipeline within the Isle of Man to secure that supply. (Interjection)

1750 The point is the infrastructure of the Isle of Man costs money. We have been extremely fortunate, in fact, I would suggest, Mr Speaker, out of all the British islands, in providing many, many infrastructure services at no cost to our ratepayers, because we have invested in the way we have. So some costs have been borne because, clearly, the water rate, there was a decision made on that, but the sewerage is being put in at the cost of the taxpayer and no charge has been passed on to the consumer. So here are lots of things we have done and that is where we are.

1765 Also, Mr Speaker, in relation to the issue that was raised by Mr Cregeen, I would just say, once you get the information, it will be clearer. Members have already had a presentation from the Minister for Trade and Industry, with the MEA – or from the MEA, with the Minister for Trade and Industry, one or the other! – in relation to the basis of the proposal, and until the report is finalised, the final figures will not be available to Members until that stage. But that has got nothing to do with putting in place legislation that if Tynwald says yes, we can then say to the MEA, ‘Now, get on with the job.’

1770 Mr Speaker, the Hon. Member, Mr Cregeen said, when did this suddenly become critical?
 As I have indicated, we have been discussing this for about two years. We have been looking at it. What we do know is that, within three to five years, based on the information we have, the LPG that we have in the Isle of Man will no longer be available through the mains gas system. Therefore, we, I believe, have a short window opportunity and responsibility to safeguard supplies to the people of the Isle of Man. Wayleave costs will be dealt with by the Authority. What we are doing is giving powers for wayleaves. We are not specifying costs. We do not in this; we do not in any. It is a matter for the Authority, then, to deal with in that way. This is about safeguarding the public interest. This is not about safeguarding Manx Gas; it is about safeguarding supplies of gas to the public, and that is what you want to keep uppermost in your mind.

1780 If Tynwald approves the proposals, then what we will do, and what we will have effectively done, is secure gas supplies right round the Island, where presently gas is enjoyed, in a stage where it will give long-term security to people. It will provide heating for people in our society who need heating: those who are sick; those who are elderly. We will reduce the cost to them of gas – that is already projected in our cost figures – and furthermore, we will help those on lower incomes. If we do not do that, they will lose gas altogether as an opportunity and will only have the opportunity to either pay for electricity heating or oil heating or using some maybe more expensive other gas. So there is a long-term aim here, which Members want to keep in mind.

1785 Mr Speaker, Mrs Cannell asked about some issues about the draft Bill. She referred to paragraph... the new section 2A, I think she referred to, and the powers ‘to do anything’. They can only do that if Treasury approves it. So Treasury has to approve, in the opinion of Treasury, that they are able to do that, in the opinion of... one or more of the following achievements which are set out on page 2 of the Bill, which will be discussed when we go through the clauses stage. Quite clearly, just to give an example, the promotion or improvement of the Island’s economy; the promotion or improvement of the social well-being of the Island – these are specifics and they are the only reasons that the Treasury can give that approval. This will be what the legislation will say, if Tynwald approves it.

1790 The Hon. Member also asked about what ‘the Department’ means. If the Hon. Member looks at section 20 of the Electricity Act 1996, it quite clearly sets out there – and I did say it in my introduction – the Department at present means the Department of Trade and Industry.

1800 Under the Transfer of Functions Act, that will mean the Department of Economic Development, so that is pretty straightforward. The use of the term ‘Department’ in that way, of course... clearly this Amendment Bill will then become part of the 1996 Act, and therefore it will all tie together well, as we know, as legislators.

1805 The other issue was why the power to repeal under 2B: again, the power to repeal is actually to repeal those provisions when, in fact, we have got the gas pipeline in, when all the work is completed. If we do not believe we should retain those powers for whatever reason, Tynwald can, if it so wishes, repeal that legislative provision by an Order approved by Tynwald. So it can be dispensed with, if we do not want to keep it in the longer term and I would have thought that would be welcomed by Members as a proper way to manage our affairs in dealing with this issue.

1810 The board membership: the Hon. Member for Rushen, Mr Gill, the Chairman of the MEA – I thank him for his intervention in clarifying the points that were made, and again, if I just read out schedule 1 of the Electricity Act 1996, where it states in schedule 1, paragraph 1:

1815 ‘The Authority shall consist of –
 (a) a chairman, and
 (b) not less than 4 and not more than 6 other members,
 all of whom shall be appointed by the Council of Ministers, subject to the approval of Tynwald.’

1820 So, regarding the patronage bit the Hon. Member for Onchan goes on and rants on about all the time, the logic is the Council of Ministers recommends to Tynwald the membership of the board and, if Tynwald approves it, they are then appointed to the board.

Then it goes on to say in paragraph 1(2):

'In appointing members of the Authority the Council of Ministers shall secure' –

1825 so again 'shall', not 'may' – *shall* secure –

'that, so far as practicable, the members of the Authority include –
(a) one or more persons having substantial experience in the generation and distribution of electricity, and
(b) one or more persons having substantial financial experience.'

1830 That is what is on the board. We have that sort of experience there and that is a provision that
echoes the 1984 Act. I know because I took the 1984 Act through this House and was, in fact, the
Member who instigated what became the MEA, by getting an enquiry to be look at the state of our
1835 electricity industry on the Island, when we had the Isle of Man Electricity Board and the Douglas
Corporation Electricity Authority, both in a mess, to be blunt, which required substantial
investment. Do not underestimate the critical importance to the Isle of Man's economic future of
stable electricity supplies!

We have never had electricity so stable as we have now. Never in our history have we had it –
never in our history. So keep that in mind. If the lights were going out every week, I can imagine
1840 the Questions that would be going on in this House and in another place. Members would be
jumping up and down. When I was young, and when I was even working on the Electricity Board
– in fact, up to the 1980s – it was a regular occurrence for the electricity supply throughout the
Island to go down. In fact, the spikes were a real problem in the Douglas area –

1845 **Mr Malarkey:** Not in Douglas, no, we were okay.

The Chief Minister: Yes they were, in the Douglas area, because of a total lack of investment
in the infrastructure, because even in Government Offices – (*Interjections*)

1850 **The Speaker:** Hon Members!

The Chief Minister: Even in the Douglas Corporation area, they had put virtually no
investment in from when the original cables were put in, and in Government Office next door, we
used have to, as Government, spend hundreds of thousands of pounds to put equipment in to stop
1855 the spikes, because it was switching off the computers all the time, because the electricity was so
unreliable. We forget that bit of it, because we now have such a fantastic supply! We should really
give some recognition to just what has gone on, and we should be proud of what we have
achieved, because the Isle of Man has got a good stable network.

Mr Speaker, the ownership of the main pipes, I think, is critical to Government because it
means that we have control and influence over the supply of gas round the Isle of Man. We own
1860 the gas pipeline into the Island to the power station. Why do we not own it to the rest? Not to the
houses; to the main areas, to distribute it into the subsystem which will then go to the houses. If
we owned it to the houses, we then own the whole of Manx Gas. I have already made the point, Mr
Speaker, it is not practical at the moment. We have looked into this for us to take that move and,
therefore, let us take these things step by step. We are in a position where we will provide a system
1865 and we will get money paid back that will pay for that system, subject to what we have actually
asked for – an increase in the pipe diameter, so that we can actually anticipate, possibly, the use of
a power station in Peel being serviced by natural gas. So I think there are a lot of things we can do
there.

1870 Finally, Mr Speaker, just to respond to the conversion issue which, clearly, we all remember
with fondness, when Douglas area was switched over! Manx Gas have admitted they got it wrong.
(*Interjections*) Yes, but they *admitted* they got it wrong. They did not put enough resources in.
(*Interjection by Mr Henderson*) Manx Gas have admitted they got it wrong. They did not put
enough resources in. They did not manage it properly. They did not change appliances when they
should have done.

1875 All these things are lessons they have learnt. Again, all I can say is that, as far as we are
concerned, if we move forward for the conversion, I hope we are in a position where we will make
sure that that conversion is carried out as painlessly as possible, so that we can be in a position
where we can ensure that the consumers are clear.

1880 In terms of the Hon. Member for Douglas North, Mr Henderson, who asked about the business
case figures, etc, again, as I have said, that will come to Tynwald. That is a separate issue. This is
purely a legislative provision, so that if we do determine to go down that road, we have in place
the legislation. To do it the other way round would mean that we would not be able to meet the

1885 timescale required to secure gas supplies outside of Douglas. Be under no misunderstanding: the advice we have, the information we have, after lots of questioning, looking into it, is that within three to five years, if we do not have natural gas round the Island, then we will lose LPG mains town gas to those areas I have explained. So it is important to secure that, which I believe is our role, Mr Speaker.

I therefore beg to move the Second Reading of the Electricity (Amendment) Bill 2010, sir.

1890 **The Speaker:** The motion is that the Electricity (Amendment) Bill 2010 be read for the second time. All in favour, say aye; against, no. The ayes have it.

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

FOR	AGAINST
Mr Quirk	Mr Karran
Mr Earnshaw	Mr Cregeen
Mr Brown	Mr Henderson
Mr Crookall	
Mr Anderson	
Mrs Craine	
Mr Bell	
Mr Teare	
Mr Cannan	
Mr Malarkey	
Mrs Cannell	
Mr Corkish	
Mr Cretney	
Mr Watterson	
Mr Gawne	
Mr Gill	
The Speaker	

The Speaker: Hon. Members, the motion carries: 17 votes for, 3 votes against.

Civil Partnership Bill 2009 Second Reading approved

3.2. Mr Bell to move:

That the Civil Partnership Bill 2009 be read the second time.

1895 **The Speaker:** We turn now to the Civil Partnership Bill 2009 and I call on the Hon. Member for Ramsey, Mr Bell.

1900 **Mr Bell:** Mr Speaker, the purpose of the Civil Partnership Bill is to allow same-sex couples to make a formal, legal commitment to each other. At present, they have no means of gaining legal recognition for their relationship and, as a result, suffer from a range of disadvantages in their everyday lives, not only during the relationship, but also on the breakup of the relationship or the death of a partner.

1905 The unavailability of legal rights can lead to difficulty in a variety of circumstances. For example, when a relationship ends, same-sex couples do not have the same protection as spouses in matters relating to land. One partner might reasonably expect a share in any division of property or to be able to apply for maintenance from their former partner. The latter is not presently possible at all and the other can be achieved only by recourse to trust law, rather than to general family law. Bereaved same-sex couples find it difficult to achieve full recognition, for example, for the purposes of fatal accident compensation. In cases where a partner does not leave a will, same-sex partners do not have any rights under the intestacy legislation. Partners have been refused a hospital visit to see their seriously ill partner and same-sex partners have been refused the rightful place at a partner's funeral. The Civil Partnership Bill will address many of these issues and provide rights and responsibilities for those same-sex couples who form a civil partnership.

1915 Mr Speaker, the general principle that we are considering today is straightforward. Should the rights of a minority group of Manx citizens be properly catered for? Should same-sex couples who

live together in a relationship be entitled to receive similar treatment and benefits as that of any other married couple?

1920 I would like to make it clear to this House that the formation of civil partnerships is not the same as civil marriage ceremonies and is not 'gay marriage' by another name. Also no religious activity will occur during the process of registering the partnership. In order to bring about the necessary legal changes, a rather large and complex piece of legislation is needed to be fashioned. The Bill's amendments touch all Government Departments dealing with the responsibilities of the Departments and, in some cases, those of the Church.

1925 The Civil Partnership Bill has been drafted in order to enable same-sex couples to obtain legal recognition of their relationship by allowing for the formation of a civil partnership. They may do so by registering as civil partners of each other, provided they are the same sex, they are not already in a civil partnership, or lawfully married, that they are not within the prohibited degrees of relationship and they are both aged 16 or over – and, if any of them is under 18, the consent of the appropriate people or bodies has been obtained. The Bill also sets out the legal consequences of forming a civil partnership, including the rights and responsibilities of civil partners. In addition the Bill makes minor amendments in respect of adoption, in particular to remove existing restrictions on adoption by couples other than married couples. Such amendments are required in consequence, partly of the provisions of this Bill, and partly in order to amend certain provisions of the Adoption Act 1984, which are incompatible with provisions of the Human Rights Act 2001.

1930 It will bring into operation legislation that will permit two people of the same gender to register as civil partners of each other in the Isle of Man and will provide corresponding rights, remedies and ancillary provisions in relation to the registration procedures and requirements, annulments and dissolution of the civil partnership, the separation of civil partners and the children of the family of civil partners, as apply in the case of a marriage.

1935 The Bill will also provide recognition on the Island of civil partnerships registered in the United Kingdom and equivalent relationships formed under the law of the Channel Islands and overseas countries and territories, where certain conditions are met.

1940 Mr Speaker, same-sex couples will not be able to enter into a civil partnership anywhere they like. There will be certain offices approved for the registration to take place, some examples being the current district offices, hotels, restaurants and prestigious buildings. However, amendments to be moved at the clauses stage of the Bill will reflect the breadth of options which will be available to civil marriages, if the Marriage and Civil Registration (Amendment) Bill 2010 is enacted.

1945 Mr Speaker, I believe the Civil Partnership Bill meets the strategic objective and aims of the Government's Strategic Plan by catering for individuals in disadvantaged situations. This meets the strategic aim of social inclusion, ensuring equality of opportunity and fair treatment for all.

1950 It is also my opinion that its provisions are compatible with Convention rights within the meaning of the Human Rights Act 2001, ensuring that the Isle of Man complies with international legislative and regulatory obligations, protecting the Island's international relations with the United Kingdom and Europe.

1955 Mr Speaker, I have already mentioned that, since the First Reading of the Bill, some amendments to its provisions have come to light as being desirable and it is envisaged that these amendments will be moved during the clauses stage. This is to reflect the changes in approach taken to the venue and circumstances in which civil marriages can be held and which this Bill needs to reflect.

1960 Hon. Members, we have come a long way since the dark days of the early 1990s and I am proud that, as a nation, the Isle of Man has evolved into a caring, inclusive and forward-looking society. Today gives us the opportunity to take our maturity a stage further and enshrine in legislation our commitment to equality and fairness for all by supporting the Second Reading of the Civil Partnership Bill 2010. I beg to move.

The Speaker: I call the Hon. Member for Rushen, Mr Gill.

Mr Gill: Thank you, Mr Speaker.

1970 I have great pleasure in seconding and could I briefly welcome particularly the adoption provisions that the mover touched upon. I think that is entirely laudable. He did not use the phrase, but I think the sentiment that the mover describes reflects the confidence this House should have, and this Island should have, that, internationally, our reputation will be enhanced and secured, where we have had a very unfortunate history, which we do not need to rehearse, of bigotry, basically, and this sort of legislation goes a long way in the right direction towards addressing that.

1975 I would, with your concurrence, Mr Speaker, like to introduce two letters I have had – the only two letters I have received – and I think other Members have received the same letters. One is

1980 dated 19th February from Mr Peter Murcott, who is a good friend of mine – I do not agree with him, he is in the public gallery. I am sure he would accept that we disagree on some fundamentals, but I very much welcome the fact that he has the commitment to make his sentiments and his beliefs known to me and other Members. So his letter of 19th February which, with your permission I would like to lodge in the Tynwald Library and, likewise, a letter from Mr Ray Richardson, signing it for and on behalf of the members of the Grace Baptist Church in Peel – and, again, if I could lodge that letter in the Tynwald Library for reference.

1985 The sentiments of both letters are based on faith, which I entirely accept is an individual or a group's right. I do not tend to share many of their core values and one of the core values which I fundamentally disagree with is in some way we should treat people who are gay or lesbian in some kind of second-class manner. If I could just conclude with the letter from Mr Richardson. It concludes:

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'Homosexual activists are still not satisfied, and in 2010 once again we ask the question, 'Who knows where it will end?'

1995 Well, I hope the answer to that from this House and from us, as a legislature, is it will end when people are treated with inclusion and equality and regardless of their sexuality, because, frankly, we have seen the froth that gets whipped up and a frenzy about the end of the world.

2000 We actually regulated the age of consent for gay and lesbian individuals to be in line with heterosexual activity and that was going to be the end of the world – and nothing has happened that has been so shocking! So let's not be sidetracked from doing the right thing and the right thing is supporting this legislation and the mover. Thank you, sir.

The Speaker: Hon. Member for Onchan, Mr Karran.

2005 **Mr Karran:** Vainstyr Loayreyder, I think it should be a proud day for the mover of this Bill, as he has been one of the few who actually had the bottle, with the former Member for Peel, Hazel Hannan, and one or two, to actually stand alone in horrendous times when the vast majority did pander to prejudice and to popularity. I think it is a good day and I am glad that the Hon. Member has seen this day, as far as he is concerned.

2010 My only concern with the legislation is, as I said, with the recent marriage legislation and civil registration legislation. I would have preferred to see us take the brave step of actually including this into one piece of legislation. That would have shown true commitment, as far as heterosexuality and homosexuality in the same basis, as far as their relationships are concerned.

2015 The other thing that I have to say is, whilst maybe I am not sure if the Liberal Vannin Party would support me, but I would have thought it would have been quite acceptable nowadays to try and bring in the legislation, as far as allowing them to have the marriage, so long as it is not based on a religious... that there is no forcing of any religious church to do it.

2020 I do think that this is a step in the right direction. I think that the Member should be applauded and I am quite happy to be outside the mainstream, like I was with the Labour Party, when the situation was that they were not supporting the Hon. Member for Ramsey in those brave days when some of us had to put up with an awful lot of abuse, not just verbal abuse, but physical abuse and many of the Members were supportive of the actions of a minority... a vile minority within our society.

2025 Vainstyr Loayreyder, I do think that the important thing is that there is no compulsion on any religious organisation to have to recognise this. This is a civil issue, as far as the law of the land is concerned, and I think that the Council of Ministers should be applauded by actually taking the stance. It is easy now, when you only have two organisations actually writing in and complaining about this piece of legislation. It was a lot harder for the likes of the Hon. Member for Ramsey and the likes of the Hon. Member for Peel and one or two others who had to put up with the abuse that was about.

2030 Vainstyr Loayreyder, I would be interested to see whether the Council of Ministers are going to go further, as far as this is concerned, and maybe consider the fact that the concept of marriage, which is accepted in many religious countries, such as Spain, who are very Catholic, should be extended further.

2035 I see this as a step in the right direction and I hope that this will put an end to the sad history that we have had of people, young men and women, who have lost their lives over the intolerance within our society, as far as their sexuality. I hope that we never see a situation where the Police Force is allowed to be completely out of control and be able to do things that you wondered who were the more vile, as far as within our society.

2040 **The Speaker:** Hon. Member for Douglas South, Mr Malarkey.

Mr Malarkey: Thank you, Mr Speaker.

2045 I think, had I been standing here 20 years ago, I would probably have been outraged at this Bill, because that was my feeling at the time. I would probably have been jumping up and down saying this is not the direction we should be going in. This Bill has caused, for me, a lot of debate, because I have gone out my way to talk to my constituents, my friends, to the Bishop, to the Adoption Society, to find out what their views are.

2050 I am supporting the Bill today. I think we have to move in the right direction. I know that the Bishop does have concerns about, maybe, we are giving rights to some people, yet we are still not giving rights to others in the same way. I do support that and I ask the mover to consider that, going forward. It is emotive, what we are doing today with this Bill. My concerns, where I stand mainly today, why I rise to my feet as a Member for Social Services, a Member who has the Adoption Society under my remit. I have sat down and telephoned, with great debates, last week to find out what the Isle of Man Adoption Society's views were and where we were going forward with this and was it the right thing to do? I can categorically say today that they do not have a problem with this Bill going forward. I can say that, because I spoke to them, Mr Speaker.

2060 I expressed my concerns about same-sex couples adopting and what was that going to do for a child for the future, because my immediate reaction was, are we then going to lead a child down what we consider to be the wrong road? But I am reassured by the Adoption Society that they have absolutely no evidence whatsoever of this, that if a child is that way inclined, no matter where you put them, that is the road they will take down in their life. Those children who are not that way inclined, even if you put them with a same-sex couple, they are not likely to go down that road just because they have been adopted and looked after by a couple.

2065 So I am quite reassured today, Mr Speaker, that I believe the Isle of Man has to move forward with time. This is a big step for us, today. For me, it is a big step, actually standing up in here supporting a view like this because, 20 years ago, I certainly would not have done, but I think we have to move forward. I want to give the reassurance to those in here today that the Isle of Man Adoption Society does not have a problem with this. I have spoken to them in great depth with it, so I will be supporting the Bill today.

2070 **The Speaker:** Hon. Member for Glenfaba, Mr Anderson.

Mr Anderson: Thank you, Mr Speaker.

2075 The hon. mover will not be surprised to hear from me that I have some reservations about this Bill, and was not reassured by the presentation on those aspects, when it was made to Hon. Members in the Barrool Suite.

2080 However, Mr Speaker, at the outset, I would say that I do have a different perspective from those who think that same-sex relationships should be viewed as equal to heterosexual relationships. By doing so, in this modern era, you become a target for the press in particular, as I found out when I opposed the teaching of homosexual relationships on a par to heterosexual relationships in schools some time ago.

2085 Mr Speaker, I think freedom to speak your mind, for anyone with a Christian perspective, is now restricted, unless you want to be labelled a zealot. I think freedom of speech is for all, not just those who claim to be restricted by laws that are based around traditional family values. So I ask that those who claim to represent a marginalised part of our society not themselves to be zealots on the other part of the argument.

2090 Coming closer to home and to the Bill, Mr Speaker, I believe that the Civil Partnership Bill before us, in some respects, gives more rights than those in certain marriage relationships and some of the benefits that are in this Bill are superior to traditional marriage, as they contain benefits that are not available at the moment to married couples. What this Bill does not do is give specific financial benefits that are not available to other couples who choose to live together for companionship and sharing costs, etc. An example of this might be two elderly sisters living together and supporting each other. This Bill does nothing for those people, and I thought it would.

2095 Maybe when replying, the hon. mover could confirm whether clergy are allowed to enter into civil partnerships under Church law, as this is shown in various amendments to the clergy and the notes.

With regard to the financial and resource implications of this legislation, despite the implications that there are not costs, and they are modest costs, there must be costs because there would be considerable annual benefits relating to the DHSS, of recognising civil partnerships in

2100 terms of rights to various benefits, and of course, costs of various financial measures which may apply.

Maybe the hon. mover can explain, in clause 86, what the phrase ‘manifestly contrary to public policy’ means. I do not expect him to have the answer today, but I would request an explanation maybe at the next reading of the Bill.

2105 Hon. Members, I hope that you will respect that our legislation in the past has been based around those traditional family values, and I hope that by continuing to promulgate those values, we are not lambasted in the press. I know I am in a minority in this Chamber, but I would rather speak on behalf of people who have faith than those who do not have faith.

2110 **The Speaker:** Hon. Member for Douglas East, Mrs Cannell.

Mrs Cannell: Thank you, Mr Speaker.

2115 I am quite surprised to have heard the view – although a welcome view, an opposite view – from a Minister of this Government, because I always thought that when a Minister brought forward a piece of legislation for reading –

Mr Anderson: Point of order.

2120 **The Speaker:** Mr Anderson.

Mr Anderson: Point of order, Mr Speaker.

I should point out that, as the Hon. Member should be aware, where there are points of conscience, there is an ability for a Minister to take a different opinion, if he has a preheld position in the past, and I am glad that the Chief Minister allows that to continue.

2125 **The Speaker:** Mrs Cannell, continue.

2130 **Mrs Cannell:** Mr Speaker, I appreciate the explanation to the House, because I think it needed to be said. The impression given to Hon. Members, and also members of the public, is that when a Bill comes forward, it has unanimous support by the Council of Ministers, as a team. So I am grateful that it has been explained.

2135 Mr Speaker, I will be supporting the Bill, because I believe in equality. I believe in equality for all. Back in the late 1990s, I – and the former Member for Peel, Mrs Hannan, prior to me – began to take through sections of legislation which was called matrimonial proceedings legislation. The Bill that I took through the first time put into law provision for common law couples – these are people who were not married, in terms of a legal marriage, but cohabited together and were referred to as ‘common law’. Back in the late 1990s, they did not have property rights. They did not have rights to real estate. They could both be raising a family, sharing a property and sharing all of the bills, the running of the property, the mortgage etc, and if one or the other died, there were no property rights in law for the remaining partner, who might have children to raise, so that was a red flag day, too, because it did provide a degree of equality for those who chose to be together but not to be legally married.

2140 That is what society is all about. That is what our job is, really: to rise above any of our personal views and feelings, but to look at the wider picture and to legislate accordingly, to legislate for the wider good. I believe today that we will be achieving the wider good, and I thank the Member for bringing it forward.

2150 What I would like to ask him, though, as part of supporting the Second Reading is now that my hon. former colleague, Mr Braidwood, no longer sits in the House of Keys, but sits on the Legislative Council, who, how and when will be bringing forward the Marriage and Civil Registration (Amendment) Bill 2009? That puts into place all sorts of provisions to make it easier for people to register their relationship.

2155 I would just finally say, Mr Speaker, that the previous speaker did raise a valid issue in terms of brothers and sisters or same-family members, if you like, sharing a property and sharing the outgoings of a property. I believe that there is provision in law for that sort of situation, but if there is not, then perhaps we ought to be looking at that, as well. (**Mr Malarkey:** Hear, hear.)

Thank you.

The Speaker: Hon. Member for Douglas West, Mr Corkish.

2160 **Mr Corkish:** Thank you, Mr Speaker and thank goodness that we all have different points of view and are allowed to express them!

I lend support to the speech given by the Hon. Member for Glenfaba. (**A Member:** Hear, hear.) On this Bill, yes, it is a serious Bill, it is an emotive issue before us today, but I find, Mr Speaker, no support from the public, certainly no clamour – because there is no public clamour. I hear Mr

2165 Gill's reference to the Island being subject to being open to bigotry – I have never heard that.

Mr Speaker, the Civil Partnership Bill is about marriage, in all but name, between people –

The Chief Minister: No, it's not.

2170 **Mr Corkish:** – of the same sex. Its provisions replicate, I think, every piece of existing legislation on marriage and if I am wrong, the hon. mover will tell me.

I have been compromised and challenged over many issues since my election and my subsequent role of playing my part as a responsible, national politician. I believe, in many ways, that I am a realist, but with a little romanticism creeping in now and again! I admit I have an

2175 annoying habit of seeing both sides of an argument but, above all, I think I have a feeling of the thoughts and aspirations of our society.

I travel the Island widely – that is not hard with our size – but I meet a lot of people from all walks of life, religions, persuasions in and out of this Hon. House. I, too, like other Members, have listened to and joined in arguments and discussions outside this Hon. House relating to a number

2180 of subjects, as we do – the Budgets, other budgets, bendy buses, sustainable energy sources, price of electricity, the Reciprocal Health Agreement and much more... I, like others in this Hon. House, chair meetings, I sit on question-and-answer panels. As others in this House, I get involved in the community on a large and continuing scale and not just some sections of the community, but all sections within the community.

2185 Mr Speaker, not once have I picked up on my antennae any concerns, or worries, or vibes that in any way leads me to think that this issue before us, is an issue, or indeed, that we view some people as second-rate citizens.

Why is it an issue and why is it being raised as an issue? When we presume to say, perhaps, that this is what society believes, if you do not agree, then it is your problem. We are perhaps

2190 over-reaching our authority to govern. What is an issue is the present and ongoing position of the Isle of Man regarding its constitutional status in relationship with our neighbours and sponsors in the UK Government and the onward effects of our quality and security and our way of life. That is a worry to me and the people.

This Bill will probably be passed and be seen as another step towards our Island being seen as being part of the new Labour thinking, perhaps, rushing onward into the modern free age, an age with less and less adherence or regard for our long-held and much relied upon moral and social values that have sustained and formed us into being where and what we are today. But I will stick to my fuddy-duddy view while the law allows me to, that the only proper marriages can be

2200 between men and women. I know of some friends who have been in very long-term same-sex relationships that might put some heterosexual couples to shame in the love and loyalty stakes, and I have always regarded them as being married, but not quite married, and this Bill is not going to change my mind, should it pass.

Mr Speaker, human and moral values are the cornerstones on which we have built our framework of life and the standards by which we have measured our life and measured the lives of

2205 others and abiding by them we have measured our success. I do not want to appear in any way prissy or religiously romantic when I try to express my feelings on the subject, but I am being honest with myself and I believe, to many more of our people who share such views. Only yesterday I was talking to some people over this issue and they said the Isle of Man is not ready for this, nor does the Isle of Man want it.

2210 We all have our views. I try not to sound like I am sermonising and I detach myself from a Christian upbringing and, as a regular churchgoer, believe that you need not attend church to be a good liver of life. I speak as a member of the human race of our close-knit and tolerant community, who has a view and is expressing a view shared by a great many and acknowledging humanity's struggle for aeons to aspire to better things.

2215 I hear from the mover and others regarding the inequality, with regard to the death of same-sex couples and on the question of property and reading of a will and pensions. There are questions to be asked.

On a question of property, Mr Speaker, there is nothing to prevent anyone from holding property in whatever way they will. A married couple will often own their house as equitable joint

2220 tenants, believing that when one dies, the other will acquire it, by virtue of being the survivor.

2225 There is nothing to prevent anyone else from making a similar arrangement. With regard to a Will, you can leave your property to whomsoever you wish and if you die intestate, there are statutory laws of inheritance. With regard to pensions, it is true that there are currently certain rules as to who can claim part of a pension and perhaps it is normally confined to a spouse or a former spouse. However, if this is thought to be discriminatory, you do not need to interfere with the laws of marriage to address it.

2230 The answer would be to take a long, hard look at a number of factors and ask, suppose pension rights were to be altered, who ought to be the beneficiaries of such a change? And that would raise the question, are there injustices that ought to be remedied and, if so, what are they? If we looked at it like that, we would engage in a wide-ranging investigation and will consider the matter in terms of priorities and proven hardship. There are many other matters that I feel are problematic in this, Mr Speaker, and at present I cannot support this Bill and will be voting against it.

2235 **The Speaker:** Hon. Member for Michael.

Mr Cannan: Thank you, Mr Speaker.

2240 The interesting thing about this Bill is that when we had the presentation in the Barrool Suite with the gentlemen from the Attorney General's department, I asked him, what would be the reaction of the United Kingdom government, if we voted against the Bill? He explained – I put it briefly – that we would be against the Human Rights of the European Union, we would be unfavourably looked upon by the United Kingdom government, the Department of Justice etc, and we would be expected... in accordance with the European custom and all these European Union countries that have support of this Bill... we would be in conflict with general practice around Europe. So I said to myself, 'Why bother to debate it? If we are going to be forced to approve it, we might as well rubber stamp it.' However, let that be.

2245 My personal view is I have no objection if two men live together or two women live together, they want to form a partnership, register it, enjoy the privileges of Will and property and all the other matters in here. As long as they do not impose their lifestyle on me and my family, (**Mr Teare:** Hear, hear.) then that is okay, because I am not imposing my lifestyle on them. (**Mr Henderson:** Good.) (*Interjection by Mrs Cannell*)

2250 But there is one issue in all this where I do draw the line, and that is adoption. I will tell you why. Nature – nothing to do with religion – nature decreed that a male and a female get together to procreate the human race. That is the natural order of things. The partners have their civil rights and the homosexuals have their civil rights; the *child* has its civil rights, too, I believe. I believe that, notwithstanding that the Adoption Society may say they are relaxed about the issue, they are people who are doing a job – probably doing it well – I query whether they reflect public opinion on this matter, because, like the Hon. Member for West Douglas, I too meet people from all parts of the Island. He is not alone; he does not have a monopoly.

2260 **Mr Corkish:** I did not say that.

2265 **Mr Cannan:** I, too... and the one issue that has always cropped up is adoption, that a child should be able to be brought up – if I am allowed to use the word – in a natural environment, and then after it has reached puberty, it can decide for itself, or it can identify its sexuality. That is a point upon which I draw the line. I believe that a child in adoption should be brought up in the environment of a man and a woman, from which it was born.

Mr Karran: But that's against single parents.

2270 **Mr Cannan:** The child also could be disadvantaged and I can see it in school – 'Who are your parents? You're living with two men.' It should not happen, but it will happen, because life is like that. Life is like that. We may be full of the best intentions of life that people do not discriminate against anybody else, but discrimination against each other goes on all the time. It goes on all the time! We may be full of the best intentions in the world and that is a problem, that the child, who has had no say in its Human Rights, is suddenly placed upon a couple of same-sex partners.

2275 I want to emphasise the point that, for the rest of the Bill, I am quite happy, almost, to let it go through and I will support the Bill; but the clause on adoption, I will oppose for the reasons I have stated, and I believe, in doing so on this occasion, I speak for the majority in our communities.

The Speaker: Hon. Member for Douglas West, Mr Shimmin.

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Mr Shimmin: Thank you, Mr Speaker.

I was not going to rise to my legs on this, but discrimination does exist on the Isle of Man. It continues, and I suppose it always will in one form or another.

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The Hon. Member for Michael has just raised the issue regarding the Human Rights element of this, and it was quite rightly pointed out that to fail to go down this road would be a potential breach. To be honest, Mr Speaker, I do not care. I believe this legislation should be done for ourselves by ourselves, regardless of the alternatives elsewhere. I understand that that is a parochial... looking at it from internally: taking the wider issue, we must bear in mind our international responsibilities, but I think we have come an awful long way. As somebody who entered politics in 1996, I have witnessed, from a distance, some of the observations the Member for Mr Karran was referring to. It was a vile time. There were things done that were shameful.

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Certainly, the Hon. Member for Michael, I believe is quite right that, if there are individual areas that you disagree with, then certainly the clauses stage is the time to take up those matters and we can then talk about the other elements of inappropriate raising of children within our Island, whether it be single parents, whether it be alcoholics, whether it be people with mental problems, whether it be poverty, or whether it be many other areas that our children are forced at times to be brought up into, without any Human Rights being considered, and we as a state have to try and look at the best interests of those children. (**A Member:** Hear, hear.) I certainly believe that anybody who denies the ability to understand that this is a significant day forward for the Isle of Man... this is something which is affecting a relatively small number of people, but is certainly, for those people, a major step forward to be recognised in their own country.

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I disagree fundamentally with my colleague for West Douglas, when he talks about having persons in long-term relationships, all but married. No, by the denial of them to have the same rights, to have the same consideration within our community, they are and feel second-class citizens, and it is the patronisation of people who say, 'It is all right, it is over there, we tolerate it', that just shows how far we still have to go before we actually deal with some of the discrimination which exists.

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I am sure I am not perfect; I am sure I discriminate against people in ways that are inappropriate, but in this matter, we have an opportunity of taking a significant step forward. By all means, whether it be on religious or personal reasons, people have a right to oppose it. Certainly, at clauses stage, I understand there will be some areas that are more contentious, but to actually put on record, I believe this is a significant day for the Isle of Man, and I would like to see as much support as possible for the principles involved in looking after those in our community who continue, until this has been resolved, to feel they are second-class.

Mrs Craine and another Member: Hear, hear.

The Speaker: I call on the mover to reply, Mr Bell.

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Mr Bell: Thank you, Mr Speaker.

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I suppose I should start by thanking the general tone of the comments from Hon. Members, which have generally been in support and, indeed, quite measured, I think in response to the content of the Bill. Right at the outset, though, I would just like to reiterate the point I made in my presentation initially that this Bill is not gay marriage; it is not providing a legislative base to provide a lifestyle which, in any way, would undermine the religious interpretation of what marriage is meant to be. This is to provide basic civil rights for people in same-sex relationships, to enable them to register that civil partnership and, indeed, gain the same sort of rights that most other members of the community take as granted now.

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At the outset, Mr Speaker, I would like to acknowledge that there are still deficiencies in our system that we need to improve the legislation on and the brother and sister, or two sisters, or a mother and child, or something, who have been living together for a great many years, we recognise is still an area that needs legislation to be brought into play. I would very much hope that a Bill to that end will follow the Marriage Bill and this Bill fairly shortly, to put everybody on the same level, because the fundamental drive of this Hon. Chamber, Mr Speaker, has to be equality and fairness for all. That is all that is being sought by this Bill and by other measures which have been taken over the years.

It is not, as is sometimes suggested, a move to impose an alien lifestyle on those who do not wish to pursue that or have no inclination towards that end, it is simply to bring fairness and equal rights to all before the law. Every person in our community, of whatever persuasion, Mr Speaker,

2340 has to have that right to enjoy the life, the right to establish relationships with whomever they please and to have that relationship recognised and respected by the law and, indeed, by the Government of this Island. I am delighted to hear that that measure, that approach, has been supported by most people who have spoken during this debate.

2345 The Hon. Member for Rushen, Mr Gill, strongly supports it and, indeed, has emphasised the point that the gay community must not be treated as second-class citizens. In spite of the comments, I think, by the Member for West Douglas, Mr Corkish, there is, and certainly there has been, a long history of intolerance on the Isle of Man towards these minorities.

2350 The Hon. Member was not in this Hon. Chamber, as the Member for Onchan has referred to, during the horrendous times in the early 1990s, when we had the most savage, bitter, unpleasant debate I have ever experienced in my 25 years in this Hon. Chamber, and I would hope that would never happen again. We had strong examples of this bigotry within this Hon. Chamber, but the behaviour of an aggressive minority outside against the gay community was absolutely outrageous and, indeed, because of a combination of the social attitude of the time and the actions of certain authorities within Government, a number of young people lost their lives over a relatively short period, as a result of that intolerance.

2355 So it is very easy to say, today, in the modern climate, intolerance does not exist. It has existed. I think it is a lot less obvious today than it was 20 years ago, but it has had seriously damaging effects on the lives of many, many people on the Isle of Man, as well as, of course, as the Hon. Member for Onchan has said, the international reputation of the Isle of Man, which we still struggle with, in some quarters today and has contributed very much to the negative image that some people, particularly in the United Kingdom, have of the Isle of Man. I hope, Mr Speaker, that this Bill today and the steps which are being promoted within it, are now a recognition that the maturity of the Isle of Man is such that we accept equality right across our community, and that level of bigotry and intolerance now is very much a thing of the past.

2365 The Hon. Member for Onchan makes reference to the fact that he would prefer to have had all this in a single Bill – the Marriage Bill and the Civil Partnerships Bill – and that is a valid point, Mr Speaker. It was felt, though, by the draftsman that it needed to be done in this sequence, to make sure that all the relevant points were covered, because some of the proposals in the Marriage Bill will have to lead now to further amendments in the Civil Partnership Bill, as a consequence.

2370 He also says that we should be braver, perhaps, to allow for gay marriage. There is a strong argument for that. That takes equality to its ultimate conclusion. I believe, in the present circumstances, an incremental approach on this particular issue is probably the best way, to give people those fundamental rights in the first place.

2375 Mr Malarkey: I thank him for his support and I acknowledge the change of position he has had over 20 years. I think that many people on the Island had a similar journey over the last 20 years, where, when this debate was at its fiercest, as the Hon. Member for Onchan, I think, has said, or other Members have said, it was deemed then, and warned then that it would be the end of civilisation as we knew it. I think the decriminalisation of homosexuality and the various changes we have made subsequently, Mr Speaker, have shown that all the worst fears of those in our community were not borne out in any shape or form and, indeed, we have a stronger society as a result of the changes that we have brought in.

2380 The Hon. Member does make the same comment, Mr Speaker, that we are giving rights to some and not to others, and I acknowledge that we do need to do some more work in that area, to bring that into line.

2385 The Hon. Member and one or two other Members have mentioned the rights of adoption. The important thing to remember in this, Mr Speaker, is that one or other of the partners entering into this relationship – the civil partnership – may in fact have been married before and have children as a result of that partnership. Therefore, it is important that the adoption law is brought in line, to enable those children to be absorbed into the new family unit.

2390 The Hon. Member for Michael, Mr Cannan, made strong objections to this. I do believe this is absolutely essential to ensure the completion of this new civil partnership unit which is being established. I think the Hon. Member for West Douglas, Mr Shimmin, made the point that whilst it is easy to criticise and make comment about children being brought up within a same-sex relationship and that they may lose their Human Rights as a result of it, we have to also acknowledge, alongside that, Mr Speaker, notwithstanding the point that was made, the Isle of Man has a very high level of children in care coming from heterosexual relationships in all various forms, and their civil rights and Human Rights have not been considered at that point, as the Hon. Members said. They are brought up in abusive families, in families where alcoholism is rife, where drug-taking is rife. These children are vastly more disadvantaged in that context than children being brought up in a loving, caring same-sex relationship. I think it is wrong to condemn

2405 same-sex partners as being incapable of providing love and care, affection and sustenance to children as they go through life. So I do ask Hon. Members, please, whilst I acknowledge there is always a concern for the welfare of children, to put it in the broader context. Because it is a same-sex relationship does not mean in any way that children would be entering into an abusive relationship.

The Hon. Member for Glenfaba, Mr Anderson: I naturally expected his opposition to that. Without going through all the points which have been well rehearsed, I think, he comments that same-sex relationships are not equal to heterosexual relationships. I would suggest, Mr Speaker, for those partners in a same-sex relationship, it is very much the same as a heterosexual relationship. That relationship, that love and care, is as important to the people in same-sex relationships as it is in heterosexual relationships. So, we cannot, I think, accept the point that the Hon. Member has made.

2415 He also asks that the gay community should not be zealots. I do not believe the gay community are zealots.

Mr Karran: Neither are Christians.

2420 **Mr Bell:** All that the gay community has been asking, Mr Speaker, has been for equality of recognition of these basic civil rights alongside those of heterosexual communities. There has not been a public clamour from the gay community for these changes; just a quiet request that we should consider fairness and equality within our society. I believe the gay community has responded to this issue with great dignity and calm and have been very respectful of other people's views, I think, as this debate has gone on.

2425 The only point I cannot answer straight off, Mr Speaker, in relation to the Hon. Member's question, was the full explanation of clause 86. I will need to get further explanation of that to clarify the point for him.

2430 Mrs Cannell: I thank her for her support. I know she has long been a supporter for this particular change and supports it for achieving the wider good for the community. She does make the question about the Marriage and Civil Partnership (Amendment) Bill. I did not refer to the Amendment Bill; what I said, Mr Speaker, is that there will be a need for amendments to this Bill, which will be moved at the clauses stage, as a result of the passing of the Marriage Bill. These simply relate to the places where civil partnerships can take place, which as the Hon. Member will recall, there was some debate in this Chamber, when the Marriage Bill went through.

2435 I am always respectful of other people's views on these matters, Mr Speaker. We have been on a very, very long journey over the last 20 years, to achieve equality before the law for same-sex relationships. Therefore, I acknowledge the Hon. Member for West Douglas, Mr Corkish, in his religiously driven views that he should oppose this Bill.

2440 **Mr Corkish:** I tried not to.

2445 **Mr Bell:** The Hon. Member, Mr Speaker, made the claim that there has been no public clamour for this Bill, no public clamour for change. There has not in that context, and there never will be, where the rights of a minority group are concerned. If you look throughout history, there has never been a majority public clamour for change for the rights for individuals. Individuals in that situation have had to fight for those rights, often against the oppression of the majority in any community. I do believe, though, Mr Speaker, that there is a public majority in favour of equality and fairness before the law, as far as this particular issue is concerned.

2450 The Hon. Member also, again, strongly emphasises his belief that this Bill is marriage by another name. It is not marriage by another name and that is quite clear. It is providing certain civil rights within the law. It is not, in any way, gay marriage and it is not replacing or undermining the traditional Christian heterosexual marriage and its implications. I have to say that it is disappointing to hear the comment that the Hon. Member believes that this legislation is an example of New Labour thinking, rushing into change. That is complete nonsense and shows a total lack of understanding of what it is we are trying to achieve with this Bill, and the basic humanity that underpins the essential elements of that Bill.

2455 He says the Isle of Man is not ready for this, nor does it want it. I do believe that the Isle of Man is ready for it. The Isle of Man is now a mature, outward-looking, compassionate, inclusive society. It is a very different world altogether from what it was 20 years ago. I do believe the Isle of Man is ready for this and is ready to extend equal rights and fairness to minorities within our community.

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2465 I touched on the comments from Mr Cannan, Mr Speaker, and I thank him for his overall support, although I would ask him to look again at his hostility to the adoption aspects of it, because there is a very good reason for this to be brought in. I do believe that it is absolutely right that people with children prior to a civil partnership being established should have the right to adopt and bring up those children in a supportive and loving family form of relationship.

2470 The only other points that he made, Mr Speaker, and I remember his question in the presentation when we made it – is what would be the UK reaction if we did not pass this Bill. This Bill in part, I admit, is to keep the Isle of Man in line with a Human Rights requirement that is placed upon us, but we should look beyond that. We should not, as an Island today, be looking to bring in legislation simply because there is pressure from the United Kingdom or the European Convention on Human Rights: we should bring in this legislation because we feel it is the right thing to do, because we want to help and support all our people at this time, that we are mature enough to recognise that these people have rights. We do not need outsiders telling us what to do. This should be what we do, because we know it is right and we want to help our people on the basis of that.

I believe, certainly, the UK would look favourably on us if we pass this Bill, but, as I say, I do not believe that should be of any consequence for the purposes of this debate.

2480 Finally, Mr Speaker, I would like to thank Mr Shimmin again, for his support and I think I have touched on many of the points he made.

2485 Mr Speaker, I understand the personal concerns that one or two Members have and, indeed, some members of our wider community have, the discomfort in some cases of passing legislation of this nature, but I do believe history has shown us over the last 20 years that the changes, the recognition of the rights of the gay community generally have not in any way damaged Manx society. They have not undermined the Isle of Man's way of life in any respect. I think we can take comfort from that and, really, today's Bill, as we have before us, is simply a further step along the road to provide equality and fairness within our community. I do believe the Isle of Man is ready for it and I do believe that the gay community have a right to expect it.

I beg to move.

2490 **The Speaker:** Hon. Members, the motion is that the Civil Partnership Bill 2009 be read for the second time. All in favour, say aye; against no. The ayes have it.

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

FOR	AGAINST
Mr Quirk	Mr Anderson
Mr Earnshaw	Mrs Craine
Mr Karran	Mr Houghton
Mr Brown	Mr Corkish
Mr Crookall	
Mr Bell	
Mr Teare	
Mr Cannan	
Mr Cregeen	
Mr Henderson	
Mr Malarkey	
Mrs Cannell	
Mr Shimmin	
Mr Cretney	
Mr Watterson	
Mr Gawne	
Mr Gill	
The Speaker	

The Speaker: Hon. Members, the motion carries: 18 votes for, 4 votes against.

2495 **Mrs Craine:** I beg your pardon, sir, I did press the green button. In fact, mine was the first to come up.

The Speaker: We shall vote again, Hon. Members.

A second vote took place.

Electronic voting resulted as follows:

FOR

Mr Quirk
Mr Earnshaw
Mr Karran
Mr Brown
Mr Crookall
Mrs Craine
Mr Bell
Mr Teare
Mr Cannan
Mr Cregeen
Mr Henderson
Mr Malarkey
Mrs Cannell
Mr Shimmin
Mr Cretney
Mr Watterson
Mr Gawne
Mr Gill
The Speaker

AGAINST

Mr Anderson
Mr Houghton
Mr Corkish

2500 **Mr Karran:** I hope your numbers are better than your colours, luv! (*Laughter and interjections*)

The Speaker: With 19 votes for, 3 votes against, the motion therefore carries.
Hon. Members, that concludes the business of the House today. The House will now stand adjourned until the next sitting which will take place in Tynwald Court on 20th April.
2505 May I take this opportunity to wish you a happy Easter.

Members: Hear, hear.

The House adjourned at 1.06 p.m.