

REPORT OF PROCEEDINGS OF HOUSE OF KEYS (QUESTIONS)

Douglas, Tuesday, 23rd April 2002
at 10.00 a.m.

Present:

The Speaker (the Hon J A Brown) (Castletown); Mr D M Anderson (Glenfaba); Hon A R Bell and Mr L I Singer (Ramsey); Mr R E Quine OBE (Ayre); Mr J D Q Cannan (Michael); Mrs H Hannan (Peel); Hon S C Rodan (Garff); Mr P Karran, Hon R K Corkill and Mr A J Earnshaw (Onchan); Mr G M Quayle (Middle); Messrs J R Houghton and R W Henderson (Douglas North); Mr A C Duggan (Douglas South); Hon R P Braidwood and Mrs B J Cannell (Douglas East); Hon A F Downie and Hon J P Shimmin (Douglas West); Mr D J Gelling (Malew and Santon); Hon J Rimington, Mr Q B Gill and Hon Mrs P M Crowe (Rushen); with Mr M Cornwell-Kelly, Secretary of the House.

The Chaplain took the prayers.

Questions for Oral Answer

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| 1. Housing – High Rents – Measures to Constrain Exploitation (Mr Quine) | KQ 126 |
| 2. Nuclear Power Stations – Opposition to – Discussions with the Lord Chancellor (Mr Singer) | KQ 130 |
| 3. Social Security – Income and Rent Support (Mr Quine) | KQ 131 |
| 4. Skateboarding – Recognition as Sport (Mr Singer) | KQ 132 |
| 5. Billown Lime Quarries Limited – Insufficient Supplies (Mr Quine) | KQ 134 |
| 6. Hill Lands – Erosion and Damage by Vehicles (Mr Henderson) | KQ 137 |
| 7. Employment Tribunal – Maximum Award (Mr Henderson) | KQ 139 |

Questions for Written Answer

- | | |
|--|--------|
| 1. Employment Tribunal – Review of Workings (Mr Henderson) | KQ 140 |
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**Housing – High Rents –
Measures to Constrain Exploitation –
Question by Mr Quine**

Question 1. The hon. member for Ayre (Mr Quine) to ask the Chief Minister:

- (1) *Will you initiate urgent action to constrain the exploitation of the present housing market by the owners of houses and flats letting out such properties at high rents; and*
- (2) *In this regard, will you consider the imposition of:*
 - (a) *fiscal measures and/or*
 - (b) *rent control?*

The Speaker: I call on the hon. member for Ayre, Mr Quine.

Mr Quine: Thank you, Mr Speaker. I beg leave to ask the question standing in my name, sir.

The Speaker: I call on the hon. member for Onchan, Mr Corkill, the Chief Minister.

Mr Corkill: Thank you, Mr Speaker. We have had a number of debates and questions on the subject of housing in recent months and we all have concerns about the imbalance in the market which has pushed up house prices and rentals. My colleague, the Minister for Local Government and the Environment, has explained regularly what we are doing to respond to the housing situation, and we expect those measures to have an influence on the market over the coming months. We need to be careful that in the meantime we do not overreact to the situation and, as a knee-jerk reaction, do something which will make the situation even worse.

High rents are not necessarily exploitation; they are a reflection of market conditions. A great many landlords are fair and responsible and, whilst as in any situation there are those who will be greedy, I see insufficient evidence to suggest the need to interfere with market forces and promote additional government intervention.

On that point, may I say that in the Council of Ministers we have reflected on the examples of exploitation that we have heard and have concluded that we do not know the true scale of what is being alleged. Do we have isolated instances or is it widespread? What we have been prepared to do is to seek advice on how we might assess the scale of the problem. We hope to be able to consider that advice shortly and decide whether to commission some further research.

In terms of the principle, it is important to appreciate the rôle of rent changes in a rising market. Rising rents indicate a relative shortage of supply, an important signal in itself to policy-makers. They also incentivise the further supply of accommodation into

the private rented sector, something which produces a resultant easing of shortage and the containment of rent rises.

By ‘the imposition of fiscal measures,’ as stated in the question, I am assuming that what is in mind would be something like an additional tax on a landlord’s returns from the renting out of his or her property, and this would apply to both the responsible property owner who is receiving a fair rent and is paying tax already on that and to the exploitative landlord. One of two things or a mixture of both would happen: either property owners would seek to raise rents in order to cover the extra tax liability and so maintain their returns or else they would withdraw their property from the private rented sector altogether. The disincentive for potential property suppliers to enter the market is also clear. Either way, the outcome would be higher rents and less supply, the exact opposite of the objective that we all desire.

If rent controls were to be introduced instead, or simultaneously, then whilst by definition rents could be contained, supply would be even more seriously affected, for as well as suffering limitations on their rental income, landlords would become subject to an additional administrative burden. Their reduced returns would also reduce their ability and their incentive to reinvest in their properties to maintain and improve their quality. Alternatively, they would introduce additional non-rent charges to circumvent the rent control.

The history of intervention in the private rented sector in the United Kingdom and elsewhere has been that rent controls have reduced supply and widened the gap between supply and demand. Landlords have withdrawn properties leading to issues over eviction. Many landlords who continue in the sector under the burden of rent controls have typically reduced their expenditure on property maintenance. Others seek to circumvent rent restrictions by introducing other charges into rental agreements. Obviously, Mr Speaker, under meaningful rent controls some tenants gain, but against this there are those for whom funding to retaining rented accommodation becomes even more difficult. At the very least, all this simply shifts pressure on to the housing purchasing market or onto public sector housing. At the worse, it has the potential to create a situation where significant numbers of individuals are simply unable to find accommodation. Thank you, Mr Speaker.

The Speaker: Hon. member for Ayre, Mr Quine.

Mr Quine: Thank you, Mr Speaker. What studies have been carried out by government as to the advantages and disadvantages of imposing rent control, given the backdrop of the present housing market conditions? And secondly, would the imposition of rent control, notwithstanding what the Chief Minister has said, if only applied to properties below a stipulated rateable value and if only for a limited period, not constrain the excessive rents being demanded by some owners?

The Speaker: Chief Minister to reply.

Mr Corkill: As I said in my initial answer, Mr Speaker, we are commissioning research into this area at the moment, but we do have the experience of other jurisdictions where, in fact, introducing this sort of control has been a disincentive in the supply of that area of accommodation that the questioner is alluding to, thereby exacerbating the problem. In other words, the intervention is not helpful in terms of the supply situation which is the key to the housing problem that we have at the moment, which is insufficient supply for the demand that is there.

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

Mr Karran: Vainstyr Loayreyder, would the Chief Minister not agree that the statements in reply to the hon. member is completely out of reality of what is actually happening outside this hon. House, the sub-classes that we are creating through the fact that we are having people having to have second jobs in order to afford the extortionate rents that your government is not prepared to do anything about? Would he also not agree that, because of his statements as far as £22,000 for some people off local authority lists, he is actually feeding the fire that is the cancer within our society, and will he come back with a statement on this issue to the next Tynwald as the major cause of social deprivation within our society at the present time?

The Speaker: Chief Minister to reply.

Mr Corkill: Mr Speaker, I want to make it clear that this administration's top priority is housing. I have said it before and I will say it again. At the last budget a £20 million housing reserve fund was established for the first time and there has also been a 100 per cent increase in the local authority vote for planned housing maintenance. The total capital budget over the next five years for the Department of Local Government and the Environment alone is some £96 million, to which can be added a further £88 million over the next five years for the local authority housing programme. Government's response to the accommodation shortage is to increase supply.

Now, I have a schedule before me, Mr Speaker, which shows a public sector rental properties for the year 2002-2003; the target is to produce 312 of those plus 245 first-time buyer houses and in addition to that, which may not be public knowledge just at the moment, there are over 40 sites being considered for development either through direct purchase or in partnership with developers, and of course we do have the housing purchase subsidy scheme. Now, the hon. member mentioned the £22,000 income figure in terms of local authority applicants, and I said not very long ago in another place that this is being reviewed and in fact the Minister for the Department of Local Government and the Environment will be making announcements very shortly to sort out that particular issue. The hon. member Mrs Crowe, who has this

responsibility, made it quite clear that, in introducing this Island-wide housing criteria list, there were bound to be one or two glitches in the initial stages that had to be ironed out and that is being done, and there will be a statement quite shortly, hopefully addressing the member's concerns on the particular issue.

Can I say that the major issue facing this Island in terms of housing the community is one of supply. Other aspects of intervention that the hon. questioner, the original questioner, is alluding to in this question about intervening in the way that that situation is supplied and delivered - I tried to demonstrate this morning that those type of interventions, as well-meaning as I am sure they are intended to be, will actually be negative; they will actually disincentivise people and the housing supply will not be as strong as what we are experiencing at the moment.

I sympathise with hon. members. I am concerned that this question could turn into a debate and I am contributing to that in my answer, but the issue is all about supply.

The Speaker: Could I, before I call on the next hon. member, just ask hon. members to focus on the question which is quite specific and, in relation to the last comment of the Chief Minister, the matter will not turn into a debate on housing. I call on the hon. member for Ayre, Mr Quine.

Mr Quine: Thank you, Mr Speaker. Would the minister agree that if his administration is not prepared to take the issues of rent control and fiscal measures on multiple ownership of properties seriously, then that makes a compelling case for the provision of rent subsidy for certain sections of our population and it makes a case for it to be dealt with as a matter of considerable urgency?

The Speaker: Chief Minister to reply.

Mr Corkill: I would like to refer to my briefing note from the Income Tax Division of the Treasury of the Isle of Man Government in terms of briefing me for this particular question, and if I may read out, sir, and quote from the assessor for tax, Mr Kelly, he says to me, 'A good supply of rented property is an essential element of any well-structured society. Not all individuals wish to purchase a property. It can be too restrictive on their movements or involves them in an unwanted long-term investment. Clearly the rents being charged should reflect a commercial rate. Given the current shortage of property it is not surprising that rents have been increasing. When the supply catches up with the demand, then rents will stabilise. In the interim, any fiscal controls are more likely to exacerbate the problem by impacting on the supply side, make it too onerous to rent property and the supply will fall and rents will increase. There may be some changes that could eventually improve the supply side such as housing associations and income tax relief for conversions of private property to rented accommodation just being two of them. However, with the low rates of tax that we now charge, the allowances

that are generally available and the absence of capital gains tax, direct taxation is fast becoming a non-issue and a non-incentive. A sympathetic grant system would be far more effective,' and then he ends in his letter to me, 'As to direct control on rents, we are unable to think of any effective direct taxation measures in this area.

The Speaker: Hon. member for Michael, Mr Cannan.

Mr Cannan: A supplementary in respect of the answers given by the Chief Minister. The Chief Minister had detailed that a lot of funding is available for housing. Will the Chief Minister arrange at his earliest convenience, for the benefit for members and the public, a detail of timescale and place where the supply of houses will take place, because is the Chief Minister aware that to date not one single planning application, to my knowledge, has come in for further public sector housing or public sponsored private sector housing? And will he detail that so that, in order to avoid the continuous debate on housing, we can see where the funds are going to actually go?

The Speaker: Hon. member for Onchan, Mr Corkill, Chief Minister.

Mr Corkill: Can I say, Mr Speaker, that on site or programmed to commence in the year 2002-2003 are the following properties: 55 first-time buyers at Springfield, Harcroft in Douglas; 33 first-time buyers at Cronk Grianagh, phase 2 and also 9 public sector at Cronk Grianagh, phase 2; Leodest Road, Andreas, 20 public sector rental and 14 first-time buyers; Archallagan, Foxdale, 2 public sector and 15 first-time buyers; Jurby, that are inclusive of plots for sale, 3 public sector and 13 first-time buyers; the Crossag Farm, 40 first-time buyers; Westmoreland Road, the urban regeneration phase, 18 public sector rental; Colby, which is land owned by the Maddrells, 8 public sector for rent and 6 first-time buyers; Glen Road, Laxey, 3 first-time buyers; Church Close, Lonan, 14 first-time buyers; Bemahague in Onchan, 32 public sector rental; Peel, 12 first-time buyers; Kirk Michael, 14 of the same; Mill Street, Malew Street phase 3, 4 public sector rental; Lower Pulrose, phase 1, 40 public sector rental properties; Lower Pulrose, phase 2, 44; the Ramsey triangle site, 18, and I can go on with this list, but if hon. members are not aware of this I will make sure that the list is circulated, (A Member: Hear, hear.) because in addition to these programmed that total 312 public sector rent and 245 first-time buyer houses, can I say again there are over 40 sites that are being considered for development either through direct purchase or in partnership with developers in line, Mr Speaker, with this administration's priority on housing.

The Speaker: Hon. member for Ayre, Mr Quine.

Mr Quine: I thank the Chief Minister for reading out that list of properties that has been produced. I am, of course, very familiar with it, but does he not accept that as long as we have - and this has been the situation now for five years - a net immigration of 800 a year coming in, even those very significant developments are not going to catch up with this problem and certainly not in the matter of months that you intimated in the early part of your question? Does he appreciate that, and how does he relate this growing demand through unconstrained immigration in relation to our ability to produce houses? And secondly, if I could ask the Chief Minister, in looking for a solution - and I hope he is looking for a solution - has government determined the extent of what has been termed elsewhere as the buy-to-let bonanza, flowing in part from the low interest rates and re-mortgaging of properties? Does he intend, as part of his current studies, to carry out an examination into this problem which exists elsewhere and which I am told exists here? What is his understanding of the buy-to-let bonanza scenario as it applies to the Isle of Man?

The Speaker: Chief Minister to reply.

Mr Corkill: Yes, Mr Speaker, the original question talks of fiscal measures and rent controls; the supplementary refers to an allegation of unrestrained immigration. Now, I am tempted to talk about the residency control legislation but I am aware that this is not a housing debate, but can I say that the numbers of new residents coming to the Island are not the main reason why we have a housing inflation; it is a factor but it is not the only factor. There are many other issues impacting, and the hon. member mentioned low interest rates. Therefore not just here on the Isle of Man but in other places, people have been purchasing properties because of low interest rates. They can get a better return that way than they can with their money in the bank. That is a feature of low interest rates. That is something that we do not have a great deal of control over, although fundamentally we could but we are not going to, and it would look like the low interest rates are here to stay a little longer, although the forecast is for rates to rise over the next year or so. I would say with rising rates, with supply coming on, that in fact the market forces are already beginning to change things. It is the intermediate time, of course, which is painful.

Now, the hon. member calls it a 'buy-to-let bonanza'. That investment - because it is investment - is actually creating supply, and that was the point I was making in my original answer: that if you make that investment if you disincentivise that investment, then in fact the supply will reduce and therefore you will actually make the thing worse, and that is the point I was trying to get across.

There is another time and another place for a debate on residency control. The Council of Ministers was reporting to the October Tynwald sitting with an update on residency controls and can I say that the Council of Ministers is actually considering a paper on that subject this week, but we will meet our

commitment of the October Tynwald deadline to inform hon. members on that issue of the secondary legislation matters which revolve around residency control, and that will be a major debate because there are some very uncomfortable decisions that members will have to face up to in that legislation, which is residency control and not immigration control, as the hon. member for Ayre has alluded to.

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

Mr Karran: Vainstyr Loayreyder, would the Chief Minister not agree that his reply to the hon. member for Ayre's question is a green light to the speculators? Would he not agree that we have the absurdity where we take the likes of Governor's Hill where 10 per cent of Governor's Hill is owned by two individuals? Would he not agree that we have 40 per cent of Governor's Hill which is in the private rental market and would he not agree the reason why we see that homes that should be owner-occupied are not in that situation is because of this government's derogation as far as looking after the fundamental rights of making homes available for ordinary working people? Would he also not agree that everybody in this House would agree with him on the supply and demand issue as far as the housing crisis, but how can members of this hon. House have any confidence in his administration when we heard at the last sitting that his action committee on housing had only met once? He reels out this long list, includes the issue of Pulrose redevelopment which is purely replacing existing council houses. How can we have a situation where we see more action and less spin as far as the issue is concerned, and will he go back to the Council of Ministers and have a statement and a debate on this issue in the next Tynwald in order to try and get some sort of light at the end of the tunnel for those who cannot afford to buy a house who have been thrown to the wolves by the latest restrictions by the local government board?

The Speaker: Chief Minister to reply.

Mr Corkill: I think all those points have been answered in previous supplementaries, Mr Speaker. This government is not lacking in resolve in any way whatsoever with regard to the housing situation on the Island. We may disagree on the way forward but I am glad the hon. member agrees that it is a supply and demand situation.

With regard to the housing task force, I answered question in another place a week ago to explain the function of that committee, (**Mrs Crowe:** Absolutely.) which is to ensure that there are no interdepartmental barriers preventing the delivery of housing for the needs of this Island.

With regard to people who cannot afford or cannot purchase their properties for themselves, there will always be a certain number of people in our community who need public sector rented properties and it is an equal commitment, and in fact if you look

at the numbers before us today a greater number of those types of properties are in the government's plans to be built.

The Speaker: Hon. member for Douglas South, Mr Duggan.

Mr Duggan: Thank you, Mr Speaker. Could I ask the Chief Minister: he no doubt is aware there are a lot of people in Douglas paying high rents in little places in Belmont Terrace with little facilities; would the Chief Minister possibly look at the feasibility again of tackling Douglas Corporation for boarding up houses. At present, Mr Speaker, there are 52 houses boarded up in lower Pulrose which could be used for those couples paying high rents?

The Speaker: Chief Minister to reply.

Mr Corkill: I have to say, Mr Speaker, that government is totally committed to the phases of redevelopment of the Pulrose Estate. To see houses there boarded up which do not need, at this time, to be boarded up grieves me greatly (**A Member:** Hear, hear.) because it would seem that their politics are running ahead of the game. Politics are actually running ahead of the needs of people on the housing list at the moment. Now, it has concerned me in relation to another issue the Council of Ministers has been looking at recently, which is a planning issue, that this has come to light, and it is something that I want answers to because there is an argument to say that Pulrose should not have been redeveloped whilst we have housing shortages and that we should have been building extra new properties, but it was considered by the government, by the last administration, and it is my opinion also, that those properties were in such bad repair they had to be replaced; they were unsuitable for habitation and that is the commitment. That is why they are being replaced. It would have been easier and perhaps more logical to build new units somewhere else, but there is a commitment to that area of Douglas which needs help in more than one way, social housing - that expression that I do not particularly like - but other aspects of that community as well, and there is a commitment by government to deal with that area, and it is unfortunate that the boarded-up area, which has been referred to recently in a planning document as perhaps indicating that there is no need for housing in that area because there are houses boarded up, is giving all the wrong signals.

The Speaker: The final supplementary to this question - I call on the hon. member for Douglas East, Mrs Cannell.

Mrs Cannell: Thank you, Mr Speaker. Can I ask the hon. Chief Minister: of the list he read out to hon. members this morning, of all the projects which are earmarked in the provision of new and public sector housing for these people who are being exploited at present, can he identify in that list what are new

initiatives initiated by his new government?
(A Member: Hear, hear.)

The Speaker: Chief Minister to reply.

Mr Corkill: I have referred, Mr Speaker, to 40 more sites that have been available for some time and are now being followed up on top of the list that I read out which has been in the programme. As the hon. member for Ayre who had responsibility for housing for five years and who was asking me these questions today well knows, some of these are already on the list, but can I say that you can add 40 more substantial sites to that in order to rectify the situation that we have inherited.

Mrs Crowe: Yes, precisely.

**Nuclear Power Stations – Opposition
to – Discussions with the Lord
Chancellor –
Question by Mr Singer**

Question 2. The hon. member for Ramsey (Mr Singer) to ask the Chief Minister:

In discussion with the Lord Chancellor on the problems of Sellafield, did you also inform him of the unanimous view of this House to oppose the further commissioning of commercial nuclear power stations in the United Kingdom?

The President: I call on the hon. member for Ramsey, Mr Singer.

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

The Speaker: I call on the hon. member for Onchan, Mr Corkill, the Chief Minister.

Mr Corkill: Thank you, Mr Speaker. Members may recall that my meeting with the Lord Chancellor at which we discussed Sellafield took place on Thursday, 7th February. The House of Keys resolution opposing the further commissioning of commercial nuclear power stations was not debated until 26th February, almost three weeks later. So the answer to the question, Mr Speaker, at the moment is no.

The Speaker: Hon. member for Ramsey, Mr Singer.

Mr Singer: Can the Chief Minister explain to me and to members of this hon. House why he has not, therefore, informed the Lord Chancellor since 26th February of the unanimous decision of this Court to explain to the Lord Chancellor so that he can understand the feelings of elected members who are extremely concerned at the potential dangers from Sellafield and other reactors due to leaks of radioactive

material into the atmosphere and the sea and the potential of terrorist attack? Has the Chief Minister any intention of informing the Lord Chancellor at all of what I consider to be a most important decision of this Court?

The Speaker: Chief Minister to reply.

Mr Corkill: Well, certainly, as I have already said, Mr Speaker, the issue that I discussed with the Lord Chancellor on my visit to his office was in fact to do with the security aspects regarding Sellafield, and of course that was in the light of post-September 11th.

In relation to the resolution that the hon. member refers to which expanded the House of Keys' point of view on Sellafield to include all nuclear power generation, can I say that the terms of this resolution were forwarded to the Lord Chancellor's department, we did receive an acknowledgement advising that our letter has been passed on to the Department of Trade and Industry who have responsibility in this area, and I am awaiting a response from that point. The Lord Chancellor, of course, is visiting the Island; I am very pleased that he is coming to the Island in July and we will have a first-hand opportunity to raise the issue with him then, sir.

The Speaker: Hon. member for Ramsey, Mr Singer.

Mr Singer: Thank you. Could I further ask the hon. Chief Minister, does he approve or support the high profile public opposition in Southern Ireland opposing Sellafield, particularly in the light of the recent inspections by the UK Government safety watchdog, which discovered that thousands of tons of untreated nuclear waste has been leaking into the ground water around Sellafield despite the spending of £100 million to prevent this situation? And would he further like to comment on Sellafield on the comments of Mr Joe Jacob, the Minister of State for Public Enterprise, who accused the UK of not honouring OSPAR, which aims to cut marine emissions to close to zero by 2020 and is accusing the UK of actually breaking the spirit of OSPAR?

The Speaker: Chief Minister to reply.

Mr Corkill: Mr Speaker, it is well documented and well known that the Department of Local Government is, and has been for some time, working and continues to work in partnership with the Republic of Ireland on the issue of Sellafield. We are all at one, I think, in terms of our view regarding the operations at Sellafield, the reprocessing of waste. The expansion of the situation there is not in the Isle of Man's interests and, in my opinion, not in the interests of a number of people. But particularly regarding our relationship with Ireland, we are making progress in that area specifically on the issue of Sellafield, but of course the motion that this House approved went much wider than that into the whole aspects of the pros and cons of nuclear power generation at other sites, potentially, throughout the

United Kingdom and I am sure the United Kingdom may well take the view that that is a matter for them. But I, as leader of the government, wish to focus on Sellafield, but nonetheless, when the Lord Chancellor is here on the Island, I will draw his attention to the resolution passed by this House.

The Speaker: Hon. member for Douglas North, Mr Henderson.

Mr Henderson: Thank you, Mr Speaker. Would the Chief Minister not accept that while he is focusing his attentions on Sellafield in conjunction with the wishes of this House, the production of further nuclear power stations throughout the UK, which seems to be a statement made in their press, will have the effect of ramping up processing at Sellafield and therefore will have an effect on this Island, and therefore we should be redoubling our efforts?

The Speaker: Chief Minister to reply.

Mr Corkill: I await the response from the UK Department of Trade and Industry with that type of information, Mr Speaker.

Social Security – Income and Rent Support – Question by Mr Quine

Question 3. The hon. member for Ayre (Mr Quine) to ask a member of the Department of Health and Social Security:

In respect of Social Security benefit (income support):

- (1) *what were the financial limits for private sector housing for the four specified categories of claimant in 2001-2002;*
- (2) *what will be the limits for the said categories in 2002-2003;*
- (3) *what survey was undertaken to determine the appropriate level of rent support for 2002-2003 and what was the size of the sample; and*
- (4) *do you consider these levels of rent support to be adequate at this time?*

The Speaker: I call on the hon. member for Ayre, Mr Quine.

Mr Quine: I beg leave to ask the question standing in my name, sir.

The Speaker: I call on a member for the Department of Health and Social Security, the hon. member for Onchan, Mr Earnshaw.

Mr Earnshaw: Thank you, Mr Speaker. This is a four-part question for which the information requested at parts (1), (2) and (3) was circulated to all hon. members on 12th March last in a memorandum from the department. However, in an effort to be as helpful as possible, I will repeat it.

In answer to part (1) of the question, the thresholds were £70, £75, £80 and £85.

Under part (2) of the question, these figures have now risen to £70.85, £78.75, £85 and £90.

Part (3) - my response is that the survey was undertaken in November 2001 and covered the entire private rented accommodation sector on income support, which comprised 91 people aged 60 and over and 175 people under age 60, a total of 266 persons.

For the final part of the question, part (4), the answer is simply yes, Mr Speaker.

The Speaker: Hon. member for Ayre, Mr Quine.

Mr Quine: Would the hon. member agree that an acceptable test of the viability of these financial limits is the availability of dwellings in the marketplace within the maximum figure stated as opposed to what was clearly a survey of sitting tenants? And further, can the hon. member advise whether or not a check was made with estate agents to ascertain the availability of dwellings at the limits which he has stipulated before his department determined the financial allowances for income support?

The Speaker: Hon. member for Onchan, Mr Earnshaw.

Mr Earnshaw: Thank you, Mr Speaker. As far as the test is concerned, the information I have is that the test was of the entire number of people, the 266 which I have already mentioned; an assessment was made of their circumstances. This was conducted recently in November 2001 in order that we could set the rates for the current year, 2002-2003. My understanding is that a further test will take place, once again of the entire numbers of residents who are on the list and this will take place in November this year. So my view is that a robust test took place and it came up with appropriate facts.

As far as the second part of the hon. member for Ayre's question is concerned, I am unaware whether a test was made with the estate agents, but this may form part of this year's test, Mr Speaker.

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

Mr Karran: Vainstyr Loayreyder, would the member not agree that there is an inconsistency with the report that he says is from his department when I know of constituents that he shares who are paying £650 a month in Queen's Road, £600 a month in Church Avenue and £600 a month in Main Road? Would he not agree that if these individuals have

children they are not allowed into these sorts of properties or the sort of properties that children should be brought up in? And does he honestly and sincerely believe the reports that are coming back from his department that £90 a week at the top end is a realistic reflection of the true amount of rental value in order to afford a decent home for children and wives in our community?

The Speaker: Hon. member for Onchan, Mr Earnshaw.

Mr Earnshaw: Well, I can only repeat what I have already said, Mr Speaker, that I am unaware of people in these circumstances. I am not sure whether the hon. member for Onchan, Mr Karran, my colleague is talking about people who are on income support or not, but the thrust of this question that the hon. member for Ayre has asked relates to people on income support.

The Speaker: Hon. member for Ayre, Mr Quine.

Mr Quine: Will the hon. member recommend to his minister an urgent review of the financial limits for private sector housing support? And in asking the hon. member to convey that message to his minister, may I advise him that, within the last two weeks, written enquiries to eight estate agents have confirmed that only one has a property within the limits set down for income support?

The Speaker: Member for the Department of Health and Social Security, Mr Earnshaw, to reply.

Mr Earnshaw: Well, I have no reason to doubt that what the hon. member for Ayre says is correct but the figures and the facts that we have which came out of our survey showed that of the 266 people who were covered in the survey there were 215 single people and 173 of these had their housing costs met within the £70 limit. Those are the facts and the survey will be repeated again in November 2002.

The Speaker: A final supplementary for this question, I call on the hon. member for Onchan, Mr Karran.

Mr Karran: Vainstyr Loayreyder, would the member not agree the reflection on the rentals in Queen's Road, Church Road and Main Road in our constituency - ordinary homes in ordinary streets - as far as the true rental value? And would he also not agree that because people are on income support, cannot afford deposits and that, it does not mean that they should be forced to be live in squalor in most cases in these rented accommodations, and I am sick to death of having to have to go and call on them to try and get them housed?

The Speaker: Hon. member for Onchan, Mr Earnshaw.

Mr Earnshaw: Well, I think, Mr Speaker, that most of these points were covered under question 1 which was answered by the Chief Minister earlier this morning, but if the hon. member for Onchan, Mr Karran, has further details that he would like to discuss with me, specific details, I will try and respond to those.

Skateboarding – Recognition as Sport

Question by Mr Singer

Question 4. The hon. member for Ramsey (Mr Singer) to ask the Minister for Tourism and Leisure:

Is skateboarding recognised as a sport in the Isle of Man?

The Speaker: I call on the hon. member for Ramsey, Mr Singer.

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

The Speaker: I call on the member for the Department of Tourism and Leisure, the hon. member for Middle, Mr Quayle.

Mr Quayle: Thank you, Mr Speaker. The decision as to whether an activity is to be recognised as a sport is properly vested in the Isle of Man Sports Council. The Council makes a valued judgement on any application for inclusion in the list of recognised sports, and this will generally follow the pattern of the equivalent council in the United Kingdom.

Skateboarding is not presently included in the list of 35 sports recognised by the Isle of Man Sports Council. The Isle of Man governing body for skateboarding, if indeed such a body exists, has not applied for inclusion on the list. For some time, the Minister for the Department of Tourism and Leisure has recognised that certain leisure activities fall outside the strict sports or indeed arts criteria for inclusion for assistance under the Sports Council assistance schemes. For the first time after departmental representation at budget time, a small initial budget to be administered by the leisure division has been made available to assist and support leisure projects. Thank you, Mr Speaker.

The Speaker: Hon. member for Ramsey, Mr Singer.

Mr Singer: Thank you. Can I thank the hon. member of the department for his answer. As he says that his department is aware of the great need for skateboarding facilities, or implies that his department is aware, and that at present the funding burden falls on local authority rates, could the hon. member's department in fact initiate with the Sports Council that

skateboarding is recognised as a sport so that full or partial funding could be provided by the Sports Council?

The Speaker: Hon. member for Middle, Mr Quayle.

Mr Quayle: Thank you, Mr Speaker. I think I should refer to the criteria that the Sports Council apply in determining whether to include activities such as skateboarding as a sport. There is currently no formal criteria as such and each new application would be considered on its own merit. Originally the Sports Council used the criteria of the former United Kingdom's Sports Council, but the recently formed Sport England has now started to recognise a lot more activities as sports. (**Mr Houghton:** Hear, hear.) Isle of Man Sports Council is reluctant to do the same thing owing to its limited resources and the potential reduction in funding that would result for the existing 35 recognised sports.

In the case of skateboarding, although Sport England recognise it as a sport, it does not have a governing body and it does not receive any funding. Isle of Man Sports Council has had a number of requests from organisations asking to be recognised as sports, and it has been decided to define them as leisure activities, which gives them recognition but unfortunately does not make them eligible for funding.

I have a great deal of sympathy for the question posed by the hon. member for Ramsey because, as we all know, skateboarding around the Island is a very popular activity (**Mr Houghton:** Hear, hear.) and an investment in youth is an investment in our future.

The Speaker: Hon. member for Douglas North, Mr Henderson.

Mr Henderson: Thank you, Mr Speaker. Would the hon. member not agree with me that he should progress this as a matter of urgency and certainly to revisit the criteria which are precluding this activity from the benefits of any grant aid assistance? But would he also agree with me that, included within this net, it should be the sports of rollerblading and BMX biking, (**Mr Houghton:** Hear, hear.) and would he agree with me that those sports together - and they are sports, in my opinion, represent a large chunk of our youth of this Island and it should be given a greater degree of national identity and the possibility of a national sports centre to have it incorporated in?

The Speaker: Hon. member for Middle, Mr Quayle.

Mr Quayle: Thank you, Mr Speaker. I thank the hon. member for North Douglas, Mr Henderson, for that question. He raises a number of salient points which I am sure will be considered by the Department of Tourism and Leisure. I think I ought to refer to the implications of an activity that, as he refers to, is not included on the list of recognised sports. The Sports Council has responsibility for providing funding and

support to the recognised sports; as I have earlier responded, I have mentioned 35 sports within the list. We have a net budget for the current year of £306,000, and that budget can only be used in relation to the recognised sports. I think I also ought to then, for clarification, mention the sports that are recognised by the Sports Council: swimming, badminton, hockey, cricket, rugby, tennis, athletics, golf, gymnastics, sailing, football, horseriding, cycling, shooting, table tennis, motorcycling, archery, netball, bowling, squash, basketball, canoeing, fencing, subaqua, ten-pin bowling, triathlon, boxing, croquet, handball, hang-gliding, snooker and billiards, angling, motor sports, marshall sports and volleyball. (*Interjection*)

The Speaker: Hon. members, before I call on the next hon. member, I have had a number of members indicate interest in this matter for supplementary questions. I would advise hon. members that it is not only here the opportunity is to ask questions in relation to a matter and I would just ask members, if they wish to ask a supplementary, to ensure that it is one that requires to be asked in the House. Hon. member for Ramsey, Mr Singer.

Mr Singer: Can I ask the hon. member, does his department see it as important to keep young people with skateboards off the footpaths and roads? The provision of skateboard facilities would accomplish this. And further to this, would the hon. member therefore ask his department to show more than sympathy and to make every effort to recognise skateboarding as a sport and therefore to press for funding from the Sports Council for a healthy sport enjoyed by many as well as funding sports enjoyed by only one or two people such as hang-gliding? Perhaps the priority, would he not think, should be for the many (**Mr Henderson:** Hear, hear.) rather than the few.

The Speaker: Hon. member for Middle, Mr Quayle.

Mr Quayle: Thank you, Mr Speaker. I think the difficulty that we have is that there are already 35 recognised sports. That is not to say that other sports cannot indeed be added to the very extensive list that we already have. It is very difficult, when we have a list of recognised sports, to actually delete them from the list and certainly by adding other sports, which is entirely possible, it is going to deplete the funding that is quite small, as I have said, it is £306,000 - for the many sports that I have referred to, so I feel sure that the Department of Tourism and Leisure and the Sports Council will consider the interest that has been shown today and recognise, as indeed I did say at the outset, that skateboarding is a very popular activity around the Island and I know there are other activities too which certainly should be considered for their great worth as being popular sports and activities for our youth. As I have earlier said, an investment in our youth in an investment in our future, and certainly I am sure that

we all collectively in this House want to do everything we possibly can to assist the youth in that direction.

The Speaker: Hon. member for Douglas West, Mr Downie.

Mr Downie: Yes, thank you, Mr Speaker. Is the hon. member aware that a constant level of criticism is targeted against central government by local authorities, who continue to suggest that we erode away their ability to provide certain facilities, and would he not agree that some of the larger local authorities in the Isle of Man could do a lot more to provide facilities for skateboarding and other pursuits within the parks and public open spaces that they currently have? And is it not also a fact that the Department of Tourism, through the Sports Council, can provide grant aid for some of these facilities to be established?

The Speaker: Hon. member for Middle, Mr Quayle, to reply.

Mr Quayle: Thank you, Mr Speaker, and I thank the hon. member for West Douglas, Mr Downie, for his interest in this matter. I entirely agree, the larger local authorities should and can contribute more to providing the facilities that are quite rightly required by the people within their areas. I think I also ought to make mention that there is funding available, for example from the Public Lottery Trust. The Department of Tourism and Leisure has, as I originally mentioned, this very small initial budget which is for the certain leisure facilities that fall outside the fixed sports criteria, and indeed I would say that if there are applications received in that respect, then certainly they will be considered.

In addition to the Public Lottery Trust and the Department of Tourism and Leisure's budget, I think obviously not only the commissioners, the local authorities around the Island, are very easily able to consider and provide the facilities that are required but also, if some of the businesses in some of our principal towns are approached and encouraged to participate, as indeed, I think, has been the case in Peel where a skateboarding facility has been provided by support there through the Lions Club . . . and I congratulate the initiative, I think, which has also been shown by one of the police constables there and I think that is an excellent example of the police working closely with the people within a town to provide a much needed facility.

So I think I have probably covered the questions that have already been asked. If there are any other questions relating to this particular matter, then I will certainly take them back to the department.

The Speaker: A final supplementary to question 4 and I call on the hon. member for Douglas North, Mr Houghton.

Mr Houghton: Thank you, Mr Speaker. The hon. member in his original answer alluded to a small

amount put by for leisure interests. Could he divulge that amount to this hon. House today, sir?

The Speaker: Hon. member for Middle, Mr Quayle.

Mr Quayle: Yes, thank you, Mr Speaker. The funding to which I referred amounts to £20,000. It is a small sum, so whilst I earlier encouraged some of the leisure activities that fall outside sport or indeed the arts, which feel they may merit some support, that is a small sum, but I suppose we have to be grateful to the hon. member for Ramsey, the Minister for Treasury, for allocating that particular amount in this year's budget, and perhaps for a further year he might consider being even more generous.

Billown Lime Quarries Limited – Insufficient Supplies – Question by Mr Quine

Question 5. The hon. member for Ayre (Mr Quine) to ask the Minister for Agriculture, Fisheries and Forestry:

- (1) *What steps are you taking to address the inability of Billown Lime Quarries Limited to supply sufficient lime for the agricultural industry; and*
- (2) *what are the reasons for Billown Lime Quarries Limited's failure in this regard?*

The Speaker: I call on the hon. member for Ayre, Mr Quine.

Mr Quine: I beg leave to ask the question standing in my name, sir.

The Speaker: I call on the hon. member for Rushen, Mr Rimington, the Minister for Agriculture, Fisheries and Forestry.

Mr Rimington: Mr Speaker, my department has operated a Lime Subsidy Scheme since 1968 in order to encourage good agricultural practice by the spreading of lime on agricultural land. This payment is made to the supplier of agricultural lime in order that the cost to farmers can be contained. At present the rate of subsidy is £3 per tonne. Billown Lime Quarries currently charge £16.49 per tonne for the delivery and spread of the lime, but rebate this price by the £3 per tonne received from my department, making the charge to the farmer of £13.49 per tonne. My department proposes to double the current rate of subsidy to £6 per tonne in view of the fact there has been no change in the subsidy level since 1986.

My department believes that Billown's price for agricultural lime has not kept pace with inflation and the cost of extraction. This has caused the supply of lime to be less commercially attractive to the

company. In turn, the current level of subsidy does not fulfil the reasons behind this scheme, which is to make the price of lime more affordable to farmers in order to encourage the production of lime on the Island and maintain the fertility of the soil.

I can advise that I met representatives of Billown Quarries Limited on 26th March to discuss the current anxieties regarding the lack of Island lime supply. The company representatives stated that a minimum of 20 tonnes of lime was being supplied per day and that this figure would increase to 50 tonnes once a new macadam plant is installed in early May. There were, however, some 1,800 tonnes on back order, and the company was unwilling to underwrite the losses incurred by further importation of fine aggregate, which the company undertook in 2001. The department has no voted funds to assist the company in this regard.

The increase in subsidy will permit Billown to charge a more economic price for lime and thereby match production to demand.

I shall now turn to the second part of the hon. member's question regarding the insufficiency of supply of lime on the Island. Billown Quarries Limited is a privately owned limited company. Its mineral extraction licence from the Department of Transport does not carry any condition that it must supply agricultural lime.

Agricultural lime is but one of three demands on the Island for fine aggregate. The other demands are the production of bitumen, macadam and concrete blocks. In simple terms, the problem with the supply is due to a reduction in production capacity at a time of increased overall demand. At current volumes of demand for each product and its respective profitability, Billown Quarries Limited acting commercially has prioritised production of macadam and concrete blocks. Billown's production capacity was reduced significantly following closure of Balladoole Quarry and the failure to secure planning permission to extract the remaining high quality limestone reserves in that area. Whilst permission was obtained to quarry at Billown, the agricultural lime mill could not process the harder Billown limestone. Due to the company's investment, crushing plants at Billown and Turkeyland Quarries now produce fine aggregate for use as agricultural lime as well as for the manufacture of bitumen macadam and concrete blocks.

Over recent years, demand for fine aggregates has increased in total mainly due to the level of activity in the construction sector. Until recently any shortfall in supply has been addressed by purchase of material for use in macadam production from the Department of Transport's quarry at Poortown. However, limited reserves at Poortown have resulted in restricted local availability of fine aggregate. After consultation with the Manx National Farmers Union, Billown Quarry Limited believe that the industry would not be able to withstand the proposed price increase from £16.49 to £22 per tonne necessary to return the spreading of local lime to a profitable position. It is for this reason that the department proposes to increase its level of lime subsidy.

The Speaker: Hon. member for Ayre, Mr Quine.

Mr Quine: Yes, can the minister confirm that the current support scheme is based on a weight, on a per tonne factor, and that it takes no account of the neutralising value of lime and that this is a significant factor in terms of the availability to the farmers of lime from off-Island?

The Speaker: Minister to reply.

Mr Rimington: Yes, he is quite right: it is based on a tonne basis. We have looked at the actual neutralising value of the lime and the import of lime, which is very much more expensive at £130 per tonne but which has a greater neutralising value, a higher solubility, and on this price in fact, if that was taken, into account the subsidy would be approximately £10 per tonne, although it is thought that whereas imported lime might be useful as a stopgap measure, our own agricultural lime which has not such a high rate of solubility and treats the land over a longer period, is in fact far better than the imported lime.

The Speaker: Hon. member for Ayre, Mr Quine.

Mr Quine: Is there not a need for a new formula for the subsidy to be devised, one which will open the marketplace to both on-Island and off-Island sources? And in relation to that, can he confirm that if such a formula was to be devised, then an important consideration would be this neutralising factor, because quite clearly a third of the volume equates to the same requirement for the actual farmers' needs? So the point I am making is, is the subsidy that we have got and the formula that it is based on not outdated and now somewhat out of step with the Island farmers' current needs?

The Speaker: Minister to reply.

Mr Rimington: We have considered this quite carefully in that the increase in the subsidy which would be linked to the scheme which we will be bringing to Tynwald very shortly will meet the necessary position for the production of lime on-Island and hopefully, when Billown have installed their new plant, which should be in place any day now, then their production levels of agricultural lime would be able to increase significantly and hopefully start to address the backlog. So the structure of the subsidy will be adequate for lime produced on the Isle of Man. I do accept the hon. member's points that if we are to then incorporate the neutralising value of lime that has been imported, which has not been a factor to this date now but has only come about because of the recent shortages, we do need to address that issue and, if necessary, amend the scheme in due course.

The Speaker: Hon. member for Glenfaba, Mr Anderson.

Mr Anderson: Thank you, Mr Speaker. In the light of the inability of Billown to supply adequate supply to the agricultural industry, will the minister not give due consideration to the hon. member for Ayre's advice that you should reconsider the ratio of grant on imported lime, even if it is only for a short term, because we have heard these assurances from Billown Lime Quarries for quite a considerable time that once something is put in place there will not be a problem and there will be plenty of lime available, but this has gone on for several months and there is still no lime at the end of the tunnel?

The Speaker: Minister to reply.

Mr Rimington: Yes, we will, as I have said, take those points on board but, in fairness to Billown - and I think I ought to speak in their defence - they have always had a very good relationship with the industry and they have been supplying agricultural lime to the industry at a loss for many years. There is obviously a limit commercially, from their shareholders' point of view, on how long they can do that, but they did give to the Farmers' Union an assurance that they would be supplying 20 tonnes per day and they have kept to that. Obviously there is a backlog, specifically as well because of foot-and-mouth, when access to land was restricted, so there is a backlog and there is an urgency for the use of that land now which unfortunately we are not able to meet at this point in time.

The Speaker: Hon. member for Ayre, Mr Quine.

Mr Quine: How confident can the minister be that this relatively small adjustment in the subsidy will in fact put Billown Lime Quarries in a position to meet the agricultural need? I am advised that although there are certain problems in relation to production, the real reason that the agricultural community are suffering is that Billown have the ability at the moment to sell to the construction industry at much higher prices, and as long as that situation is going to exist with tweaking at £3 a tonne, grateful as, no doubt, the agricultural community are for that there is, I believe, little prospect in finding a solution to this problem.

The Speaker: The Minister for Agriculture, Fisheries and Forestry to reply.

Mr Rimington: As I said before, we have met with Billown Lime Quarries and their commitment to the agricultural community still remains, and they have shown that commitment over previous years by the supply of lime at a less than commercial value. Yes, it is very true that a greater profitability is there from the supply of bitumen and also for concrete blocks, but then we did discuss what the appropriate price per tonne would be to bring them up to an economic level, and that £22 per tonne and with our £6 per tonne subsidy, leaving £16 per tonne to be paid by the farmer. Now,

that is a small increase by the farmer but the farmer has not actually had any increase in the provision of that agricultural lime for many years and I do not think it was an unreasonable jump. It is unfortunate that these issues in terms of the subsidy and the actual economic price of the lime obviously have slipped over the years and have now just come to the fore at this moment of urgency.

The Speaker: Hon. member for Glenfaba, Mr Anderson.

Mr Anderson: A final supplementary from me, Mr Speaker. Can the minister confirm that the original licence granted to Billown Lime Quarries Limited had conditions attached that the quarry would actually supply adequate lime to the agricultural industry?

The Speaker: Minister to reply.

Mr Rimington: As far as I understand, I was not told that there was any such in my briefing but obviously I will go back and confirm whether that is right or wrong according to the hon. member's question. I do not have that information with me at this point.

The Speaker: Hon. members, that concludes the time allotted under our standing orders for the answering of oral questions. We therefore complete our oral question paper. Hon. members, standing order 47 - the hon. member for Douglas North, Mr Henderson, before I move on.

Mr Henderson: I am under a little bit of confusion, Mr Speaker, I beg your pardon, but I think under standing orders I can move for the suspension of the same to carry on with the remainder of the oral questions on the paper, sir.

The Speaker: You can. It is a matter for members whether or not they wish to do that and, of course, clearly it is a matter for a member to move. I presume, then, you wish to move that motion?

Mr Henderson: I beg to move, sir:

That Standing Order 43(2) be suspended to enable the remaining questions tabled for oral answer at this sitting to be put.

Mr Houghton: I beg to second, sir.

The Speaker: All right, we require 16 votes to suspend our standing orders. Anybody wish to speak on the matter? Then I put the question before the House, those in favour of suspension of standing orders to permit questions for oral answers to continue say aye; against, say no. The ayes have it. The ayes have it.

**Hill Lands –
Erosion and Damage by Vehicles –
Question by Mr Henderson**

Question 6. The hon. member for Douglas North (Mr Henderson) to ask the Minister for Agriculture, Fisheries and Forestry:

- (1) *Are you aware of the extensive erosion and damage being caused to our public footpaths in the Manx hill lands by motorised vehicles, especially illegal use of the same in the countryside; and*
- (2) *what initiative is your department undertaking to minimise this unacceptable practice?*

The Speaker: I call on the hon. member for Douglas North, Mr Henderson.

Mr Henderson: Thank you, Mr Speaker. I beg leave to ask the question standing in my name.

The Speaker: I call on the Minister for Agriculture, Fisheries and Forestry, the hon. member for Rushen, Mr Rimington.

Mr Rimington: Thank you, Mr Speaker. I would like to thank the hon. member for Douglas North for raising this issue. My department has been concerned for some while about the increasing levels of damage to Manx hill lands and public rights of way where these cross lands in my department's ownership. I would not wish to comment on which sections of our community may be responsible for such damage, but my department is dealing with this matter in a variety of ways in order to bring it to the attention of those responsible. I should, however, point out that the upkeep of the public rights of way is not the responsibility of my department.

Action taken over the last year has included the appointment of the department's first forestry warden. This post-holder undertakes duties outside normal office hours, and the feedback to date suggests that he is achieving results by ensuring that the department's lands are properly policed at weekends and on public holidays. He has met with members of the Four-Wheel Drive Club and motorcycle clubs in order to provide education and information to those involved. Although this post was filled in May 2001, the advent of foot-and-mouth disease restrictions meant that it is only this year that he has been able to be fully operational on the ground to meet and advise members of the public.

Furthermore, the department has hosted a series of meetings with all the motorcycle clubs on the Island with the objective of bringing the subject of the Island's hill land environment to their attention. An environmental code for land used for motorised events and informal access has been produced by the Forestry Amenity and Lands Division in liaison with the clubs and the department's Agricultural and Wildlife Division. This code is a user-friendly document

produced in leaflet form. Copies have been issued to all clubs and also to motorcycle retail outlets to enable motorcycle suppliers to inform those new to the sport. More recently, a joint meeting has been held between my department and members of the Department of Transport and the Department of Tourism and Leisure, again to raise the issue and consider how it can be best addressed. Arrangements are currently in hand to provide clubs with a brief article for inclusion in newsletters, again with a view to raising awareness.

In addition, following liaison with the Department of Transport, my department has initiated the provision of way-markers along public rights of way over the hills in an attempt to ensure there is no doubt about where routes cross open hill lands. I can further advise that an approach has recently been made to a world class motorcyclist who has agreed to lend his name to an information sheet, which it is hoped, will be made available during this year's TT Races.

From this I trust hon. members will see that my department is determined to give the protection of the Island's hill lands a high priority. Face-to-face approaches to those few who may wish to ignore the regulations or claim ignorance of them will, I believe, pay dividends in the long run. My department is confident that by working in a constructive way with users and interested parties, sufficient peer pressure will be created to achieve the desired results in the long term.

The Speaker: Hon. member for Douglas North, Mr Henderson.

Mr Henderson: Thank you, Mr Speaker. Will the hon. minister agree with me that his department are well aware of the importance of the Manx hill lands in terms of their conservation significance and that the Manx hill lands have some of the best ecological environment in western Europe, and will he agree with me that giving brief notes in newsletters is hardly the way forward in recognising something so significant which is under his charge? And will he further agree that by the continual use of the medium of meetings and minutes and leaving this important issue lying in in-trays in various departments is just delaying the inevitable - irreparable destruction of our hill lands - and will he support the view that what is needed is direct action and that his departmental officers, along with Department of Transport officers, should be out at the weekend with members of the Isle of Man Constabulary to arrest the wayward few who are so damaging our valuable countryside?

Mr Houghton: Hear, hear.

The Speaker: Minister to reply.

Mr Rimington: Thank you, Mr Speaker. Yes, I would agree that the Manx uplands are of great ecological value and it is recognised by my department and recognised by all in this House. In reference to the in-trays and meetings, when one has been in the department so short a time, one can only pick up what

is in the in-tray and has been floating around at meetings by the previous members who are responsible for that area, namely the hon. member for Douglas North -

Mr Henderson: I made it known to you.

Mr Rimington: - who had responsibility for the Forestry, Amenity and Lands Division. I am continuing the very same work that he started.

Now, I would love, personally, to see his suggestion of having all the Isle of Man Constabulary and all the members of the DoT workforce and all my officers out -

Mr Henderson: I can soon stop it.

Mr Rimington: - there on the weekend to resolve the issue, but that is not a practical way of doing it and, as the hon. member knows what pressures are upon the Isle of Man Constabulary and that they have a certain ranking of priorities and orders, the hon. member is well aware what those are and what the problems, in say, possibly the Douglas area are and what the staffing levels are. I am not, hon. member, being flippant on the issue because my personal belief is that I think this damage is unacceptable, but -

Mr Henderson: What are you going to do?

Mr Rimington: - there is a balance to be created between genuine recreational leisure use of those areas and, if we cannot achieve that balance by the process which I have outlined in my original answer, then yes, it will be necessary to take further steps.

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

Mr Karran: Vainstyr Loayreyder, would my minister not agree that we have a situation that we have inherited where the fishing industry has been sold out, we have had the situation where agriculture is in crisis so that the issue of the erosion on the hills as far as far as the odd motorcyclist is not the highest of priorities as far as the department is concerned? And would he also not agree that we do not want to see any excuses used by the police force not to do their real task but run around the hills looking for the odd individual on a motorcycle on the Island? There are priorities for policing and there are priorities for the Department of Agriculture that have been missed out for not just previous departments but for the last 15 years as far as I am concerned as a member of this House, and would he assure the hon. member that it will get the priority it deserves as far as the staff is concerned, allowing that we have supported the conservation officer?

The Speaker: Minister to reply.

Mr Rimington: Thank you, Mr Speaker. I thank my hon. member from the department. I think I

will not choose to respond on the issues of agriculture and fisheries at this point but say, yes, it is an issue, one of the many issues the department has to take on board. No doubt like many other departments, we would appreciate extra staff to tackle that issue, but then we have to fit in, quite rightly, within government's overall priorities and we have - indeed I remember the first 40 minutes of Question Time this morning - been dominated by the issue of housing, and that is obviously something which is considered quite rightly by this House as a matter of priority. We have indeed, within this House and in another place, spent huge amounts of time discussing the question of children and children in care and also the impact that has on policing resources, and these are all important issues and everything has to be weighed in the balance of these matters. I agree that it is an issue that our uplands should be protected and, as a person who from time to time manages to find some time to get on them, I am very concerned when I do come across areas which have been eroded by people misusing that area, but we have to take the resources we have and apply them as best we can.

The Speaker: Hon. member for Peel, Mrs Hannan.

Mrs Hannan: Thank you, Vainstyr Loayreyder. The minister, in answering the question, stated about local people being on the hills and he also spoke about the Department of Tourism and Leisure and having discussions with them. Is he aware that riding around our hills is a real tourist attraction and that people come over just to do that? And what can you do about that?

The Speaker: Minister to reply.

Mr Henderson: Proper management.

Mr Rimington: Yes, I would recognise that that is becoming an increasing factor and that is a disturbing factor, which is obviously why we need to increase our levels of publicity and awareness. But how we actually resolve that issue is beyond my particular department, because my department is only there for the upkeep of the lands; we are not responsible for the ports, we are not responsible for the legislation which is actually on those rights of way. If it was in my department, I would enter quite swiftly into a period of consultation to actually ban all motorcycles and four-wheel vehicles from these, but it is not and therefore we have to take a wider more governmental view on it and take on the various conflicting interests that exist within government from the Department of Tourism and Leisure and from the Department of Transport, and that is the reality within which we have to work.

The Speaker: I turn to the hon. member for Douglas North, Mr Henderson, for the final supplementary to this question.

Mr Henderson: Thank you, Mr Speaker. Will the minister agree that what in fact he is doing is issue-dodging this morning and he has admitted to this Court that he has been on the hill lands, so therefore he should, and could he confirm in his reply to me, be well aware of the extent of the erosion and damage done by the illegal use of motorised vehicles and that his department needs to initiate, sooner rather than later, a properly co-ordinated joint initiative, not incorporating the whole Isle of Man police force, as he so flippantly put it, but a co-ordinated approach to encourage correct use in our hill lands so that at the end of the day we may get a properly managed use of them minimising erosion and despoilment up there as far as possible so that the public at the end of the day can enjoy our mountainous areas, and for our future generations?

A Member: Hear, hear.

The Speaker: Minister for Agriculture to respond.

Mr Rimington: Yes, I do obviously agree with the hon. member that it is a problem that needs to be addressed, and the department has put in the measures within its remit that it is able to do to address that problem. We do not have extra staff to go further than what is already there in place. If the problem persists -

Mr Henderson: It has been going on for years.

Mr Rimington: - then obviously we may have to look at that issue again, but I would remind the hon. member that this has been a problem not just of this recent year but for many, many years and that the hon. member was a member of that department and was in a position to possibly progress the issues in a way different from what he is now dissatisfied with.

Mr Henderson: Take my lead off!

**Employment Tribunal –
Maximum Award –
Question by Mr Henderson**

Question 7. The hon. member for Douglas North (Mr Henderson) to ask the Minister for Trade and Industry:

- (1) *Can you confirm what the maximum award is for an employee applying to the Isle of Man Employment Tribunal in a successful case;*
- (2) *What is the UK maximum award; and*
- (3) *Will your department undertake to align the Isle of Man figure with that of the UK?*

The Speaker: I call on the hon. member for Douglas North, Mr Henderson.

Mr Henderson: Thank you, Mr Speaker. I beg leave to ask the question standing in my name.

The Speaker: I call on the member for Douglas West, Mr Downie, Minister for Trade and Industry.

Mr Downie: Mr Speaker, in July 2001 Tynwald Court approved the Employment (Maximum Amount of a Week's Pay) Order 2001, which prescribed the sum of £385 as a maximum amount of a week's pay for the purposes of calculating a basic award of compensation on a complaint of unfair dismissal and also for calculating the amount of redundancy payments. In the United Kingdom the comparable figure is £250, which is £135 less than ours awarded in the Isle of Man.

Secondly, and also with effect from 1st July 2001, the Employment (Maximum Amount of Compensatory Award) Order 2001 prescribed the sum of £30,000 as a maximum amount that the Employment Tribunal may award by way of a compensatory award on a complaint of unfair dismissal or in respect of complaints arising from a breach of part 2 of the Employment Sex Discrimination Act 2000.

In the United Kingdom in February this year the maximum amount of a compensatory award for unfair dismissal was set at £52,600. There is no maximum amount prescribed for awards arising from claims of sex discrimination.

In answer to the third part of the question, our intention has to be to ensure that the prescribed maximum amounts remain at levels that are appropriate to and reflective of employment circumstances on the Isle of Man. I am therefore not in a position to give the undertaking sought by the hon. member. The highest award made by the Island's tribunal in recent memory was a total of around £10,000 in 1997, of which some £7,000 was a compensatory element, a fact which suggests that the current maximum is realistic and that an increase is neither necessary nor justified at the present time other than perhaps as some political gesture.

As regards calculation of the basic award, our higher figure for the maximum level of a week's pay means that workers here are much better off, so to follow the UK figure would be to their detriment.

The Speaker: Hon. member for Douglas North, Mr Henderson.

Mr Henderson: Thank you, Mr Speaker. I thank the minister for his answer, but will he not agree with me that the current legislation favours the employer and discriminates the employee, and will he further agree with me that we should be raising the Isle of Man maximum award for unfair dismissal, that an employee so unfairly treated is equitable for the Isle of Man businesses and that in fact raising it to equate to the UK levels will only mean that the only employers affected - would he not agree with this? - would be the ones acting illegally against the Isle of Man Employment Act?

The Speaker: Minister to reply.

Mr Downie: Yes, I honestly think that the hon. questioner has got hold of the wrong end of the stick here, and it should be important to bear in mind that the compensatory award is intended to reflect the actual losses that the employee suffers as a consequence of being unfairly dismissed. It is important to note that the award is not made by any sense as a punishment for errant employers; it is an award that is considered by an independent and judicial body. There are rules and levels which they must apply to and they seek to compensate the person who has been unfairly dismissed in as fair a way as possible and within the parameters laid down by the scheme.

The Speaker: Hon. member for Douglas North, Mr Henderson.

Mr Henderson: Thank you, Mr Speaker. I again thank the minister for his answer, but would he not further agree that what we are seeking here is to readdress the balance of legislation which clearly discriminates against employees and that the amount of maximum awards that have been made over the years are fairly few and far between, and that we do have to revisit the elements that make up these awards into something more realistic and, if needs be, we do need to look at bad employers?

The Speaker: Minister to reply.

Mr Downie: The black situation that the hon. questioner paints - I would be grateful if he could provide me with some examples of this. As I say, there are very few cases which actually come before the tribunal and, as I have said, the highest award made by the Island's tribunal in recent memory was a total award of around £10,000 of which £7,081 was a compensatory element. In the UK, out of the 1,993 cases receiving an award following a successful claim for unfair dismissal, only 38 achieved an award, including both the basic and compensatory award of over £30,000, and the medium award for all of the cases amounted to only £2,744.

Now, I feel that the member is trying to say that it is in an employer's best interest to pay what he thinks is the minimum to get rid of the person he wants to dismiss. Well, in my view, that would be a fair and just opportunity to take the case to the tribunal and in fact, under the rules as they exist in the tribunal at the moment, a figure of up to £30,000 could be awarded, so it is not in the employer's best interest at all. There is a procedure here and the procedure works in such a way that the person who has been unfairly dismissed - his case is properly examined, his Isle of Man factor gives him an additional benefit that he is already £135 better off when they take the years of service into consideration, and, as I say, there are very few awards which have ever been made which approach anywhere near the figure of around £10,000, so there is lots of scope available and I am sure, if there were a dearth of

cases going through the tribunal where the tribunal itself considered that the awards were perhaps not high enough, they would be contacting the department and we would be seeking to bring the issue before Tynwald Court. At present we do not see a problem in the existing mechanism but, as I said to the hon. member, if he can provide me with evidence of where people are being unfairly dismissed and the employer is paying this minimum amount as he refers to, let me see them and I will be only too willing to examine the situation and take it up with members of the tribunal.

The Speaker: Hon. member for Rushen, Mr Gill.

Mr Gill: Thank you, Vainstyr Loayreyder. Could the hon. minister please advise if the Isle of Man Employment Tribunal determines awards in compensation based on UK authorities or case law, or are they entirely self-determining?

The Speaker: Minister to reply.

Mr Downie: I can tell the hon. questioner that when an Employment Tribunal, which is an independent judicial body, finds an employee has been unfairly dismissed within the meaning of the 1991 Act, then it is for the tribunal to make the award of compensation consisting in accordance with section 59 of the 1991 Act, and there are two elements there which they take into consideration: one is the basic award and the other is a compensatory award. If the hon. member wishes to have all the details and the background to how the amounts are actually determined, I have no problem providing the information but, in order not to take up too much of the House's time, there are four full A4 sheets of ground rules and they are available if you want to see them.

The Speaker: Right, hon. members, that concludes item 1 of the order paper in terms of questions for oral answer. Item 2 of the order paper is questions for written answer, and we have one question which will be circulated in compliance with our standing orders.

**Employment Tribunal –
Review of Workings –
Question by Mr Henderson
for Written Answer**

Question 1. The hon. member for Douglas North (Mr Henderson) to ask the Minister for Trade and Industry:

- (1) *Can you confirm, or otherwise, that your department is currently reviewing the workings of the Isle of Man Employment Tribunal?*
- (2) *Will you please state:*

- (a) *what work has been undertaken since my previous parliamentary questions on these issues and subsequent meetings;*
- (b) *when the tribunal was set up; and*
- (c) *whether there has been any previous review and, if not, why not ?*

Answer

- (1) From answers previously given to him by my predecessor, the hon. member will be aware that the department considers it reasonable to consider a review of the tribunal's work, and has taken advice on the most appropriate way of progressing this proposal.
- (2) (a) The former minister acknowledged that such a review was appropriate, and undertook to take advice on the most appropriate way of progressing the proposal.

Enquiries established that the proposal for such a review coincided with a major review, the first in some 44 years, into the work of tribunals in England and Wales, including employment tribunals. The review was commissioned in May 2000 by the Lord Chancellor, Lord Irvine, who appointed Sir Andrew Leggatt, a former Lord Justice of Appeal, to carry it out.

Sir Andrew's report was published in August 2001 and contained some 361 recommendations aimed at rationalising and modernising the service provided by tribunals.

The report was the subject of a consultation document which invited comment by the end of November 2001, and it is understood that the United Kingdom Government is to announce its conclusions during the summer of 2002.

As it is likely that in the light of the Leggatt Report a review on the Island will need to be more wide-ranging than simply focusing on the work of the Employment Tribunal, it is considered premature for a review of the Employment Tribunal to be instigated before the final outcome of the review in the United Kingdom is known.

Whilst it is reasonable for a review of the work of a judicial body such as the tribunal to be undertaken, such a review has to be wholly independent of the department.

Meanwhile progress is being made on the matter of training provision for the chairmen and members of the tribunal, and arrangements are well progressed in this respect to establish access to the knowledge and skills developed in the UK Tribunal Service.

- (b) The Council of Ministers is responsible under the provisions contained at schedule 4 to

the Employment Act 1991, for the appointment of two persons appearing to the council to be suitably qualified to act as the chairman and deputy chairman of the tribunal.

Council is also responsible for the appointment of persons to panels of members of the tribunal, one panel consisting of persons appointed after consultation with organisation(s) representative of employers, and the other after consultation with organisation(s) representative of employees.

Appointment of the chairmen and members is normally for a three-year period, the last such appointments having been made from November 2001.

- (c) The review envisaged following the Leggatt Report will be the first review of the tribunal. No need for a review was identified in the intervening period, and as already stated, the UK review is their first for 44 years.

The Department of Trade & Industry has responsibility under schedule 4 to the Employment Act 1991, for establishing rules, which are subject to Tynwald approval, to govern proceedings before the Employment Tribunal, the current such rules being the Employment Tribunal Rules 1992.

The tribunal operates essentially as an independent judicial body, and within the provisions of the tribunal rules, is responsible for conducting its own business. The tribunal has responsibility for hearing complaints brought by individuals on a range of matters arising under Manx employment law, such as claims of unfair dismissal, unlawful deductions from pay and, since the introduction of the Employment (Sex Discrimination) Act 2000 which became effective in October 2001, claims relating to sex discrimination.

The outcomes from the Leggatt review are likely to be of particular interest as they will address such matters as the independence of tribunals, the methods of appointment of chairmen and members, and how tribunals conduct their business.