

REPORT OF PROCEEDINGS OF HOUSE OF KEYS (QUESTIONS)

**Douglas, Tuesday, 26th February 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); Hon. D C Cretney and 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); Hon J Rimington and Mr Q B Gill (Rushen); with Mr M Cornwell-Kelly, Secretary of the House.

The Chaplain took the prayers.

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**Manx Airlines – Retention of –
Question by Mr Henderson**

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

Will you or your government representatives be holding talks with British Airways to:

- (1) try and retain the Manx Airlines planes and livery solely for the Isle of Man route;*
- (2) retain as far as practical as much of the current advertising by way of in-flight magazines, a Gaelic welcome and staff uniforms*

by way of a negotiated contract as a supplied service?

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

Mr Corkill: Thank you, Mr Speaker. The Department of Transport has already arranged to meet management of British Airways with a view to exploring the possibility of retaining the Manx Airlines livery and/or retaining in-flight magazines, also a welcome in Manx and the subject of staff uniforms. Whilst the Department of Transport will endeavour to do the best that they can in these discussions, early signs indicate that any success is likely to be limited.

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

Mr Henderson: Thank you, Mr Speaker. I thank the Chief Minister for his positive reply and his government's concerns in this important issue, but could he acknowledge also that, regarding what he has alluded to this morning and what my question is chasing, British Airways have for the past year or so owned Manx Airlines anyway and the airline has running its own livery, uniforms et cetera and kept all the special things that make it unique to this Island and would he agree with me that negotiations should continue, be pressed and re-pressed if necessary, because if it can be done for a year then it can be done for a bit longer?

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

Mr Corkill: Yes, the hon. member is quite right. In fact, when British Airways took over Manx Airlines about a year ago, then obviously things have remained unchanged in that time, but obviously, when a major company takes over another company, restructuring is often the very reason why the takeover has occurred and therefore I think we should not be surprised at some of the changes that have been announced.

Can I reassure the hon. member that the issues resulting from recent changes are being fully discussed with British Airways and obviously we have to put a positive way forward and try to achieve what we can. I think perhaps, if you look back a little bit more in history when Manx Airlines was floated on the stock exchange and became a private limited company, then immediately it started to become a takeover target.

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

Mr Henderson: Thank you, Mr Speaker. Would the Chief Minister further agree with me, although albeit a restructuring exercise, because of the nature of this restructuring exercise that we have in effect a takeover of what has become known as our national airline and that it is so important that representations could be made through the Lord Chancellor's office? Also would he agree that negotiations could be more effective than the less than positive remit he has just indicated in as much that we could strike a deal with BA, and would he agree that this is an opportunity to keep what we have rather than trying to lose it?

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

Mr Corkill: Yes, I cannot say much more than what I have said and I am conscious that some of the questions in the order paper follow through on some of these subjects. I did say in my statement to Tynwald last week that we were very disappointed and that the people of the Isle of Man would be upset about losing the Three Legs of Man from the aircraft. We are quite sentimental, I think, when we are at particular foreign airports, as we might describe them, but airports in the United Kingdom where, as you walk out the departure gate and you see the Manx Airlines plane, you know which one you are going to get on almost, although I nearly did that once and went to Dublin from Liverpool, I think it was, so it was not just on the Isle of Man routes that Manx Airline's planes were being used! It is most unfortunate and we will, through the Department of Transport's endeavours, do our best to retain that Manx cultural identity.

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

Mr Karran: Vainstyr Loayreyder, would the Chief Minister not agree that we missed the opportunity as far as Manx Airlines was concerned when some of us were trying to get the previous Chief Minister to buy the shares of British Regional Airways when they were so cheap? We made several representations and really now we are complaining after the horse has bolted.

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

Mr Corkill: I would suggest, Mr Speaker, that running a nationalised airline is a different issue altogether –

Mr Karran: No-one said nationalise.

Mr Corkill: - and in fact, if government had effectively bought the company by buying shares, we would have been running our own airline by now, which I do not think is what people want.

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

Mr Quine: Would the Chief Minister not agree that if we had introduced a licensing system for aircraft flying to and from the Island, as was proposed to the previous administration, our position would certainly be stronger than it is now? And would he support the setting up of a select committee of this hon. House to look at that matter afresh?

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

Mr Corkill: Mr Speaker, I do not have a problem with a licensing system; if the members of this House or another place - because it is to do with policy, and perhaps Tynwald might be a more appropriate area for a select committee - want to have a look at the licensing régime, then I do not have problem with that process being undertaken. That is a matter for Tynwald or this House if the motion is put here to decide.

Can I say that just because we may change the rules and the way that planes operate in and out of the Isle of Man, whether it is through licensing or whatever other system it would not really change matters with regard to slots in the adjacent islands. We might be able to control things at Ronaldsway in a different fashion, but that would not create any difference to the situation that has occurred because we do not have control over slots in other jurisdictions, and that is what has affected the Island in recent times as being mainly the Heathrow slot but changes in airlines that are based off the Island. So I know what the hon. member is saying about licensing; in fact, there was an approach by Manx Airlines to operate on a sole exclusive basis from the London area to the Isle

of Man, and of course the price to have paid for that was in fact they wished to have exclusivity. In other words, they would have agreed to keep the Heathrow service for a certain number of years, and that is a user-agreement type of situation but the price to pay was that we would not have had any services to any other regional airports or airports around the London region. We, and the Department of Transport, thought at the time that that was a price too high to pay and I stand by that.

The Speaker: Hon. members, we have got another three questions on the Manx Airlines issue following straight on from the hon. member for Douglas North, Mr Henderson, so I propose we move on to question 2.

Manx Airlines – Promotion of the Island – Question by Mr Henderson

Question 2. The hon. member for Douglas North (Mr Henderson) to ask the Chief Minister:

Do you agree that the loss of Manx Airlines as one of the best ambassadors of this Island, in terms of promoting the Island generally and our culture, is a major blow to our national identity and heritage promotion, and will your government be seeking alternative and other means to continue to support the Island in such a matter?

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

Mr Corkill: Mr Speaker, the loss of the Manx Airlines identity and Manx Airlines livery is, of course, extremely regrettable and I will reiterate my statement made to hon. members last week that to all intents and purposes Manx Airlines ceased to exist last year when the British Airways takeover occurred.

British Airways is one of the largest companies in the industry. It travels all over the world. Its branding and livery are known to everyone and to expect that it should apply different livery to planes on one small part of its domestic routes may be operationally difficult for them, but I refer back to my answer in the first question, which is that the Department of Transport are talking to them about those issues.

I, like everyone else, felt a huge amount of national pride on seeing the logo on planes in airports throughout the UK, but the promotion of Manx heritage in this way is not the only method that we do have, and I am sure that we will have opportunities to

distribute Isle of Man literature and information on flights to and from the Island and possibly further afield within the British Airways network as a whole.

Obviously we are still in the early stages of what has been a radical review of air services to and from the Island. Therefore we will have to continue to promote and guard the interests of the Island rigorously, and the promotion of the Island and its heritage will always be uppermost in our priorities.

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

Mr Henderson: Thank you, Mr Speaker. Would the Chief Minister agree with me that, considering British Airways have been able to operate the same aircraft on the Isle of Man routes retaining our livery, there is plenty of room for negotiation here, and would he further agree that in these negotiations he has mentioned, which are very welcome, from the Department of Transport in this respect, if there is some sort of cost implication which may be a stumbling block in these negotiations, providing it is reasonable, we should be looking down that road as well in order to retain these special things?

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

Mr Corkill: On the issue of the fact that British Airways have managed to operate Manx Airlines for the last 12 months in the livery that we are accustomed to, can I make the point that a year ago, when BA took over the company of Manx Airlines and its parent company, they bought a route structure, an operating system, a business and they have run that business the way it was for that 12 months, but it was obvious at that time, I would suggest, that they would seek to find efficiency by removing duplication, as any commercial company will, and they have restructured. That has been the announcement that we have received; therefore what has happened for the 12 months, I think, bears little relevance now to the new BA merged company.

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

Mr Quine: Is it not a fact, Chief Minister, that if we have a licensing system there could be a condition of licence requiring, in effect, one or more airlines, for that matter, operating from the Isle of Man to be the Island's flag-carrier by condition of licence? After all, as you pointed out, we have had an airline operating with our colours, other than Manx Airlines, for several months now, so is it not a fact that we could have been controlling our own destiny in this matter if we had listened and acted much earlier?

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

Mr Corkill: I have to say, Mr Speaker, that as to whether or not a licensing system would achieve that objective I cannot comment on this morning but, as I said, if there is a requirement to look at a licensing régime, then I do not have a problem with that. Whether or not a licensing régime, as previously proposed, would have made any difference to what has happened. I cannot comment at this moment.

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

Mr Karran: Vainstyr Loayreyder, would the Chief Minister not agree that the reality is that basically BA is asset-stripped? It has taken away the Heathrow slots which are worth long millions as far as air business is concerned, and would he also not agree that the issue of a golden share would have stopped the takeover in the first place? If they had taken notice of what was said in this House and in representations to the Chief Minister's office when we were trying to get them to buy the shares of British Regional Airways to get a golden share, not nationalisation, and would he not agree that it is a shame that we have had a missed opportunity as far as this is concerned?

The Speaker: Could I just remind hon. members of the question before the House? I have to say the supplementary from the hon. member for Onchan, Mr Karran, does drift outside that, but I do think it is appropriate for the Chief Minister to respond. I call on the Chief Minister.

Mr Corkill: Two points, Mr Speaker. Firstly, why did BA buy Manx Airlines and all of that company and its parent company? It obviously saw a profitable enterprise and took it over and that is –

Mr Houghton: Strip its assets.

Mr Corkill: - the reality of commercial business.

Mr Karran: But you are supposed to look after our interests.

Mr Corkill: Now, with regard to the slots at Heathrow, as I have already stated and as I think all hon. members know in this House and I am sure the majority of the public know, we do not have control over slots at other airports. With regard to the issue of golden shares and having a share stake in airlines, then I have to say that those discussions never came to me in the last administration. There may have been representation to other members of this House but they were not made to me and so I cannot comment on that.

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

Mr Henderson: Thank you, Mr Speaker. Would the Chief Minister not agree with me that the argument that the duplication of routes and the streamlining and effectiveness of business and so on is the name of the game in one respect, but will he agree with me that Manx Airlines was sold initially on its profitability, which was admitted in public by the then director, Mr Liddiard so that in effect BA have now come in to control of something that is highly profitable? Would he also agree with me that if there is any deficit in BA attempting to keep what I am seeking here today, perhaps a way forward would be to negotiate with them and for this government to meet in some small way the deficit that may be causing BA to be reticent about our requests?

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

Mr Corkill: The hon. member talks about profits, but perhaps I can say that if airlines do not find it profitable to operate in and out of the Isle of Man, then we will not have those services at all. There has to be profit in it somewhere for the airlines. Now, I am not defending excess profits or anything like that with regard to operations in and out of the Island; as we all know, the Heathrow route has been very profitable for Manx Airlines and most of the other routes have probably been marginal in terms of their profitability. That is an issue, but profit has to exist if we are going to have commercial airlines coming in and out of the Island and so it is in our interests to ensure that profitable routes are maintained.

**Manx Airlines –
Implication of Loss for Business –
Question by Mr Henderson**

Question 3. The hon. member for Douglas North (Mr Henderson) to ask the Chief Minister:

Will you be meeting with the Isle of Man business community, especially the finance sector and specifically representatives of the larger companies, to assess the impacts and implications the loss of Manx Airlines and the Heathrow slot may have on business for the Isle of Man?

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

Mr Corkill: Mr Speaker, the government as a whole is in constant touch with the business community of the Island and any specific problems are brought immediately to attention. My colleagues at the Treasury have always extended an open invitation to the business community to contact them if the need so arises. Notwithstanding this, the Treasury meets regularly with representatives of the four main sectors of the Island's business community to provide a conduit between government and businesses, facilitating an exchange of views and to discuss issues. The next scheduled round of meetings is due in April, by which time I am sure the various sectors would have had time to assess the situation and report on the effects to their respective businesses.

I myself have personally spoken to a number of leading business figures over the past week and I am kept fully aware of developments. As I have already explained in my statement to Tynwald last week, we are already aware that one of the major disadvantages to the finance sector is the loss of convenient interlining traffic through Heathrow. As I have previously stated, Gatwick has its own substantial network of overseas destinations and Manchester is becoming increasingly attractive for interlining, as is Dublin, and the extra two flights a day to Birmingham may also alleviate some of the impact. Time alone will tell how adequate these alternatives are for the business community.

The Island needs to send out a positive message to international business. The loss of Heathrow was a decision that we had no control over, and, although it is disappointing, we must continue to look to the future. I would say we should be presenting a confident and optimistic view to the outside world.

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

Mr Henderson: Thank you, Mr Speaker. Would the Chief Minister not agree with me that it is important to present a confident and forward-looking view of this scenario and, in doing so, would he agree with me that waiting for diaried-in meetings months down the line is hardly the way of doing so (**Mr Houghton:** Hear, hear.) and it would be more effective to be proactive and canvass the business sectors now and see what their feelings are now rather than waiting for something where we could find there may be some impact stored up that would be better addressed now?

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

Mr Corkill: Can I say, Mr Speaker, that there is absolutely no need to canvass opinion from the business sector; they soon find us. What I have already said is that the quarterly meetings are there as a standby, as a regular structure to our consultation with

the private sector. I was at a function yesterday evening where I met probably 30 leading figures in the business world, where of course the issue of Manx Airlines was part of the discussions. Can I say that the business community – a lot of the people I have already spoken to – are already adapting to the new régime, the new route structure, and business moves on at a pace. The hon. member is saying that we need to canvass opinion. We know what the opinion is already, Mr Speaker.

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

Mr Singer: Thank you, Mr Speaker. The cabin crew for Manx Airlines have not yet had their jobs confirmed. Does the Chief Minister not therefore think that this is an early indicator that the service to Gatwick for the business community will not be considered as good as the present one to Heathrow and the fact that they have not had their jobs confirmed does point to possibly further cuts?

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

Mr Corkill: We are now on staffing issues, Mr Speaker, which I believe are not actually part of this question but I am quite happy to say what I said last week which is that we are most concerned about the stability of Manx Airlines staffing arrangements. There were 60 job losses announced as part of this change. I am most hopeful that perhaps most of those 60 lost jobs will not be compulsory redundancies, although that is not clear at the moment but hopefully they are not compulsory redundancies.

With regard to staffing in the airline industries of the world, there have been massive job losses because of the downturn in air travel. We cannot expect as an Island to be immune from some of those changes, but obviously everybody's job at Manx Airlines - I am sure it is an important matter for every member of this House to consider, but I would say that also management has a duty at Manx Airlines as well. It is not a government responsibility totally. So yes, we are concerned about the changes. I do not want to see job losses at Manx Airlines, but I would say again, looking confidently to the future, let us not talk ourselves into those job losses, Mr Speaker.

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

Mr Houghton: Thank you, Mr Speaker. Returning to the comments and concerns of those in the business community - and the hon. Chief Minister says that these businessmen are already adapting to a new régime - can the hon. Chief Minister advise as to whether they are doing that and they are welcoming that - for instance, travelling from Gatwick to

Heathrow when that begins, and back of course, and the time that that takes? And can the hon. Chief Minister advise as to whether they clearly accepted this change in régime? That is what I am trying to find out this morning - just how much concern there is in the business community. Are they concerned or are they less concerned? I find that it is the latter, sir.

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

Mr Corkill: Well, I would agree with a lot of what the hon. member has said. There is a danger of us politically hyping up this loss of the Heathrow slot to a greater level than perhaps what is necessary. It is disappointing; it will have a certain amount of impact on our economy. It will impact – we are talking about business people at the moment – on business travel and their convenience for interlining, because we know that Heathrow historically has been the best airport to interline through. In other words, you can leave the Island here early in the morning, and you can catch your international connection in the morning and business travel is all about time and efficiency (**Mr Houghton:** Hear, hear.) and comfort for those who travel regularly.

Now, I have to say the conversations that I am having with a lot of people are that they have half expected this loss at Heathrow. It has been in doubt for many years, and that doubt existed when Manx Airlines was a separate company before any talks of public limited companies, or takeovers and I think we have done quite well, actually, to maintain the Heathrow slots for as long as we have, bearing in mind that other islands lost them several years ago and they have prospered. Guernsey and Jersey have not had a Heathrow slot for three or four years now, I think, and they still prosper, so the business community is adaptable and they get on with life. The decision was made; the next day they made plans for the future and there are, as I have said, opportunities through London City, through Gatwick, through Luton, through Birmingham and through Manchester to get international connections and I also would say we should not forget Dublin, particularly for transatlantic travel, where in fact a number of business people have actually been using that route to North America for a number of years because it is very convenient for them.

So yes, I would say that business does adapt and business in the Isle of Man is very good at adapting, it is very nimble, and that is why the Island's economy is so successful, sir.

**Manx Airlines –
Discussions to Offset Negative Impact –
Question by Mr Henderson**

Question 4. The hon. member for Douglas North (Mr Henderson) to ask the Chief Minister:

Should there be any negative impact on our business community and especially the finance sector due to the loss of Manx Airlines and the Heathrow slot, will your government enter into discussions with our business community representatives to determine ways to offset any such impact and retain our market status and attractiveness?

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

Mr Corkill: Mr Speaker, as I have stated in the answer to the hon. member's previous question, there are regular meetings held with all sectors of the business community and should there be a negative impact resulting from the Manx Airlines situation and the loss of Heathrow, then of course we will address the issues as we can.

Let us not assume that there will be a negative impact. More importantly is the fact that the outside world should retain its confidence in the Island and its businesses and we need to be sending out that message loud and clear. The Island is always looking at ways to develop new business opportunities, and of course diversification is one of our main policy objectives, and maintaining our market status and attractiveness our ultimate goal in an extremely competitive international arena, sir.

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

Mr Henderson: Thank you, Mr Speaker. Would the Chief Minister not agree with me that the question is addressing possible negative impacts and is also in fact looking at the positives, and would he agree that, in building up business confidence, one should always be looking at option appraisals to cover the positives and the negatives and to have an insurance policy in the back pocket?

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

Mr Corkill: Mr Speaker, we try to optimise business opportunity and business confidence every

day of the year, not just when we have an issue such as the Manx Airlines announcement. Secondly there is no evidence as yet that the change to Gatwick is actually going to affect business on the Isle of Man. In fact, my feeling is that it might make things inconvenient for people but that business will continue to grow, sir.

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

Mr Henderson: Thank you, Mr Speaker. Will the hon. Chief Minister agree, then, that if things are so, he will be looking in to ways with his government to promoting these redefined links and should there be any hiccups, indeed his government departments will be looking into ways to smooth them out if that was the case? Obviously if it is positive then there would be no need to do so.

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

Mr Corkill: Mr Speaker, the Treasury of the Isle of Man Government has a promotional budget and it is used, along with the budgets for the Department of Tourism and the Department of Trade and Industry to promote things for the Island in a positive light, sir.

**Paedophiles – Police –
Sharing of Information –
Question by Mrs Cannell**

Question 5. The hon. member for Douglas East (Mrs Cannell) to ask the Minister for Home Affairs:

(1) *Are you aware that new data protection legislation in place in the UK prevents the police from sharing information on paedophiles with Guernsey, Jersey and the Isle of Man; and*

(2) *in view of this situation how do you propose to ensure that the Island does not become a target for perverts?*

The Speaker: I call upon the hon. member for Douglas East, Mrs Cannell.

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

The Speaker: I call on the hon. member for Douglas East, Mr Braidwood, the Minister for Home Affairs.

Mr Braidwood: Thank you, Mr Speaker. I believe the hon. member, my colleague for Douglas East, Mrs Cannell, is referring to the transfer of data

which will occur under the United Kingdom's Criminal Records Bureau which came about as a consequence of part 5 of the United Kingdom's Police Act 1998. The Criminal Records Bureau is being set up to provide employers with a means of access to information held on government systems and allow them to make informed decisions regarding prospective employees. At present the Isle of Man and the Channel Islands are not listed under part 5 of the UK's Act and, as such, cannot take advantage of the Criminal Records Bureau or its legislative powers giving access to the various intelligence systems outside the police service. However, in relation to the sharing of data on paedophiles, information is quite legitimately passed between agencies under three specific purposes. These are: the prevention and detection of crime, the apprehension and prosecution of offenders and in relation to the protection of life and property. The Data Protection Act, both in the UK and the Isle of Man, does not impede the sharing of information between policing organisations when that sharing is conducted for these purposes, provided that the relevant agency is a registered disclosure. Data can in these circumstances be shared with other responsible agencies.

Mr Speaker, as from 4th March, the Island's own sex offender register will come into operation. This will, in effect, track sex offenders and support inter-agency working between the police, probation service and other statutory bodies. I hope the hon. member will accept that the Island will not become a target in any sense - indeed, the contrary, as our sex offender register has more robust conditions than its UK equivalent as we were able to learn from earlier UK experience.

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

Mrs Cannell: Thank you, Mr Speaker, and I feel very assured of the hon. minister's response to the question this morning. However, in view of what he has said, why is it then that Jersey, Guernsey and the Isle of Man met in Guernsey not so very long ago and discussed going into agreements with the police forces in the UK to ask them to act as the gateway for the islands - in other words, for the UK to act as the agents for the islands to ensure that they did have some form of protection?

The Speaker: Hon. member for Douglas East, Mr Braidwood, Minister for Home Affairs.

Mr Braidwood: Thank you, Mr Speaker. I can say that the Probation Service can confirm that this part 5 of the UK Police Act is under review at the present time, and with our new sex offenders register coming into being on 4th March, all information will be passed between policing agencies in the Channel Islands and the Isle of Man on paedophiles.

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

Mrs Cannell: Thank you, Mr Speaker. Would the hon. minister agree with me, though, that this situation should not have arisen if the UK was acting in the best interests of the offshore jurisdictions? And would the hon. minister agree with me that when the UK legal draftsman was drafting its legislation it either completely forgot about the offshore jurisdictions or conveniently left them without any form of protection? Further, would the hon. minister give us an assurance today that his officers and he will be very vigilant in future to ensure that any new UK legislation, or amendments to existing legislation, does not put us in a dangerous position in respect of this issue in the future?

The Speaker: Hon. member for Douglas East, Mr Braidwood, Minister for Home Affairs.

Mr Braidwood: Thank you, Mr Speaker. I think there is a difference between the Criminal Records Bureau and a sex offenders register. We have agreements at the moment on the sex offenders register where information is passed. The Criminal Records Bureau is for employers to receive information. The employers will contact, through the Criminal Records Bureau, a lowest level of check, being a basic criminal record, through to a more detailed check to the highest level which is usually for posts which allow unsupervised direct access to children - that is, such as doctors, nurses, teachers et cetera - so therefore between the agencies there is already a good working relationship on the sex offenders and information being passed.

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

Mr Houghton: Thank you, Mr Speaker. Could the hon. minister confirm for me whether the new sex offenders register to come in in March this year will have the ability for transfer of information between local government departments on appropriate occasions under our Manx Data Protection Act?

The Speaker: Hon. member for Douglas East, Mr Braidwood, Minister for Home Affairs.

Mr Braidwood: Mr Speaker, we have to remember that it is not all paedophiles that are on this sex offenders register, it is people who have been charged with a sex offence. There is a multi-agency team working together with the social services, with the Department of Education and with the police, and this comes under the Young Persons Strategic Committee meetings. Therefore, yes, information will be passed between the agencies.

**New Hospital – Layout and Design –
Question by Mrs Cannell**

Question 6. The hon. member for Douglas East (Mrs Cannell) to ask a member of the Department of Health and Social Security:

Regarding the layout and design of the new hospital:

- (1) *were all medical staff consulted;*
- (2) *did they have the opportunity to have input prior to the final design stage; and*
- (3) *if not, why not?*

The Speaker: I call on the hon. member for Douglas East, Mrs Cannell.

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

The Speaker: I call on the hon. member for Glenfaba, Mr Anderson, member for the Department of Health and Social Security.

Mr Anderson: Mr Speaker, this question follows on similar questions to the minister in recent weeks. Nonetheless, I am happy to confirm that medical staff along with other clinical staff were fully consulted throughout the planning of the new hospital.

The consultation process began with the establishment of 22 user service teams comprising medical consultants, nurses and other staff associated with particular specialities under consideration. The groups were charged with the task of identifying future service requirements leading to the signing off of the areas within the hospital relevant to their specialities. In addition, the service planning group has, at all times, included in its membership a member nominated by the Medical Staff Committee.

Turning to the second part of the question, I can also confirm that throughout the design process designs were prepared and discussed with medical consultants, nurses and service managers. The consultations with user groups culminated in the production of the detailed designs upon which the layout and fit of the new hospital is based.

In conclusion. Mr Speaker, I hope I have been able to reassure the hon. member that the process followed throughout included wide consultation with professional staff. However, the department has readily accepted that, having regard to the length of the planning process, changes in medical practice will have occurred necessitating amendments to what had previously been agreed. In these circumstances every effort has been made, working with the user teams, to accommodate new requirements. However, as the hon.

member will appreciate, now the construction period is nearing completion, any major change asked for and agreed will only be possible on a post-contract basis.

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

Mrs Cannell: Thank you, Mr Speaker. I thank the hon. member for the department for his answer, but in view of what he has said and his minister has stated previously in terms of consultation with all medical staff, were their views actually properly considered when they met around the table, or completed surveys, or whatever? And did those views form any impact whatsoever on the overall design of the hospital?

The Speaker: Hon. member for Glenfaba, Mr Anderson, Member for the Department of Health and Social Security.

Mr Anderson: The hon. member will be aware it has been a very long planning process, but initially the people that were involved - the concerns that were raised in certain areas were taken on board and, as far as possible, those concerns were met but, as I have stated, as the process has gone along there have been changes; medical changes have taken place and the procedures have taken place and not everything can be fitted in to the existing hospital, but obviously, as the hospital comes on line, any needs that are seen to be deficient would have to be put in place after that.

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

Mr Houghton: Thank you, Mr Speaker. Can I just raise a point of congratulation to the hon. member and his department for providing a dedicated diabetic suite at the new hospital - very well done and many congratulations! It is a much valued asset to come forward, sir. Thank you.

The Speaker: I would say to the hon. member that that was not a question and I would remind members that the object of questions is clearly stated in our standing orders, and I do not wish to see abuse of standing orders, please. Hon. member for Ramsey, Mr Singer.

Mr Singer: Thank you, Mr Speaker. Could I ask the hon. member for health: in regard to the consultation on the layout and design of the hospital, can he tell me what happened to the hydrotherapy pool plans? Was it agreed by the medical profession that they should be struck from the original plans? When they agreed to the increase in design to seven operating theatres, did they in fact agree also to a reduction in the number of operating sessions, and can he explain to me why there is a complaint now from the Medical Staff Committee that, in spite of consultations, there is not a

special care baby unit for paediatric intensive care when they say quite clearly that they cannot operate the hospital without that unit being there?

The Speaker: Again, hon. members, before I call on the hon. member, this question can go very broad because of the nature of it and I would just encourage members to try to focus on the question. I call on the hon. member for Glenfaba, Mr Anderson, the member for the Department of Health and Social Security.

Mr Anderson: Thank you, Mr Speaker. On these three specifics I cannot give you any specific answer this morning but I will look into it and get back to the hon. member with the answers to those questions.

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

Mrs Cannell: Thank you, Mr Speaker. Just my final supplementary, sir: with regard to fitting in any appropriate concerns after the hospital has been completed, can the hon. member for the department confirm whether or not the doorways throughout the new hospital are wide enough to actually push the hospital beds through? Can he confirm that they are or in fact that they do not accommodate the hospital beds?

The Speaker: Hon. member for Glenfaba, Mr Anderson, the member for the Department of Health and Social Security.

Mr Anderson: Mr Speaker, I cannot confirm that the doorways are wide enough or indeed that they are not wide enough but I will get back to the hon. member with the answer to that.

**Dental Treatment –
Arrangements outside Douglas –
Question by Mr Singer**

Question 7. The hon. member for Ramsey (Mr Singer) to ask a member of the department of Health and Social Security:

What arrangements are being made for patients who cannot make a routine NHS appointment with a dentist in areas outside Douglas?

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 hon. member for Glenfaba, Mr Anderson, member for the Department of Health and Social Security.

Mr Anderson: Thank you, Mr Speaker. The department recognises there is currently a shortage of NHS dental practitioners on the Island due primarily to the decision taken by a number of dental practitioners in the Douglas area to significantly reduce their NHS patient list and move towards operating a more privately based dental service.

The department has identified the areas of need and is currently taking steps to address this issue in two ways: firstly, negotiations are taking place with the Island's dental profession in order to try to secure the future provision of dental care through the Island's general dental service; secondly, on 11th February this year the department established a sessional dental service to accommodate patients not able to register with a dentist elsewhere. The sessional dental service is based in Douglas, although patients from anywhere on the Island are able to register with this service. Other parts of the Island have been identified as having a need for additional dental services and the department will be reviewing the distribution of dentists as part of the ongoing discussions with the association.

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

Mr Singer: I thank the hon. member for his answer, but is he aware that dentists in Ramsey are not taking on new patients and this could well be the case in other parts of the Island? And is he also aware that people in Ramsey are being told to go to Douglas to the new NHS sessional service and in fact some of them cannot go for either health or family reasons, and does he accept that the department has a responsibility to these people and their families? How does your department intend to carry out those responsibilities to ensure that the dental health of these people is maintained?

The Speaker: Hon. member for Glenfaba, Mr Anderson, member for the Department of Health and Social Security.

Mr Anderson: Thank you, Mr Speaker. For the hon. member's information, as I stated in the original reply, the department is looking at all aspects of NHS dentistry support. As I did state as well, we are well aware that there are places on the Island that are not covered adequately due to the change in dental practice over the last few months, and to that end the department is looking at trying to attract new dentists to various areas in the Island. This is a long-term policy and in the meantime these sessional dentists are being put in place to try to give the members of the

public the opportunity to cover where they have left their own individual practice.

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

Mr Singer: Could I ask the hon. member for health: is he aware that the Ramsey Cottage Hospital League of Friends provided a full dental surgery at the Ramsey Hospital for use by the dental surgeon and the school dentist, and could he ensure that sessions are made available by ensuring that one of the new NHS-employed dentists, a sessional dentist, attends there on a regular basis to see patients in the north who cannot get a routine National Health Service appointment locally?

The Speaker: Hon. member for Glenfaba, Mr Anderson, member for the Department of Health and Social Security.

Mr Anderson: Yes, Mr Speaker, I am aware that this facility is available at the Ramsey Cottage Hospital and is being used by other areas of the dental service. Can I say that all options are being looked at and at the moment we only have one sessional dentist. We are advertising and are having interviews for a further two and, based on the information that we are trying to collate, we will obviously try to assess each individual area of the Island and see if we can find some way of assessing the short-term problems.

Dentists – Remuneration etc. – Question by Mr Singer

Question 8. The hon. member for Ramsey (Mr Singer) to ask a member of the Department of Health and Social Security:

- (1) *Is your department any nearer agreement with the dental profession on increased remuneration;*
- (2) *what would be the annual cost to the National Health Service of meeting the dentists' remuneration requests; and*
- (3) *what is the annual cost of the National Health Service dental service being provided by your department?*

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 hon. member for Glenfaba, Mr Anderson, the member for the Department of Health and Social Security.

Mr Anderson: Mr Speaker, officers from the department are continuing discussions with representatives to the Isle of Man Dental Association on future provision of NHS dentistry on the Isle of Man. The association has indicated a time-scale within which they wish to see the discussions concluded, and this will be one of the subjects that will be under discussion at the next meeting with the department's officers.

In relation to part (2) of the question, the present discussions with the association are not based on particular cost figures. The discussion is about how we can meet the dental needs of the population within a service that will be attractive to general dental practitioners to work within. The costs of whatever scheme is agreed will then have to be independently calculated.

In answer to part (3) I can advise that budgetary costs for the financial year 2001-2002 is £3,188,300. This cost will be offset by the anticipated income of £630,000 from patient charges.

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

Mr Singer: Is the hon. member aware that I in fact telephoned to his department deliberately to ensure that part 3 was clear to them? I was asking for the the sessional dentists' total costs towards the department during the next year, the setting-up costs and the running costs, and has he got those answers or was the question not given to him further to my phone call?

The Speaker: I call on the hon. member for Glenfaba, Mr Anderson, the member for the Department of Health and Social Security.

Mr Anderson: I am afraid, hon. member, I was not aware. I thought this was the answer that the hon. member required but I can go back to the department and look at the question he is now asking and get back to him with that.

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

Mr Karran: Vainstyr Loayreyder, would the member not agree that because there is a large amount of public money involved as far as dentistry is concerned, would he see whether the department will make public the sort of money that is being provided to dentists throughout the Island at the present time? I think it is important. Would he also not agree that people should see that it ranges from one practice, where there is £600,000 going into it downwards, and

will he do that in the interests of open government to make representation to his minister and hopefully he will be successful, better than the previous member?

The Speaker: Hon. member for Glenfaba, Mr Anderson, the member for the Department of Health and Social Security.

Mr Anderson: I am not entirely sure where the hon. minister is coming from on this one, but obviously we are looking at the whole breakdown of dentistry costs and remuneration to an NHS dentist, and until discussions are completed we will not know the implications of the costs to the department.

**North Quay, Douglas –
Rebuilding of Wall –
Question by Mr Henderson**

Question 9. The hon. member for Douglas North (Mr Henderson) to ask the Minister for Transport:

As the wall of the South Quay, Douglas has been completely rebuilt and reinforced from Bridge Road to at least the new swing bridge can you confirm that your department intends to do the same for the North Quay immediately opposite?

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 hon. member for Douglas West, Mr Shimmin, the Minister for Transport.

Mr Shimmin: Thank you, Mr Speaker. The scheme to upgrade the South Quay to provide a good quality route from the south of the Island into Douglas via the Millennium Bridge required the widening of South Quay. This was achieved by the construction of a new reinforced concrete retaining wall in the harbour. As part of the preparations for retaining water in Douglas inner harbour, a condition survey of the North Quay wall was carried out and the wall was considered to be more than adequate for the projected traffic that would use North Quay once South Quay was fully commissioned and also to act as the boundary wall to the harbour. Following this condition survey, minor remedial work was carried out including repointing of the blockwork as required. As the structural integrity of the North Quay is not in question, and also as it is adequate for use by pleasure craft and fishing vessels, my department has no plans to reconstruct it in a manner to the recent work completed on South Quay, sir.

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

Mr Henderson: Thank you, Mr Speaker. Is the hon. minister not aware that in his water retention scheme on the North Quay it is, in fact, leaking out through the North Quay wall into people's cellars, and is he not concerned that we could have the undermining of all the buildings along that side, sir?

The Speaker: Hon. member for Douglas West, Mr Shimmin, Minister for Transport.

Mr Shimmin: Yes, Mr Speaker, I think those properties that are down there that are flooded have been flooded for many, many decades. The structural integrity of those buildings is always a concern for the owners and also for my department. It is one whereby the costs incurred by government and therefore the taxpayer to completely avoid that if it were feasibly possible is one which my department has not the moneys available for or the need to do so at present. One of the things I would say, sir, is there is a whole project designed for North Quay which will afford us potentially an opportunity to address some of these issues and, in light of the floods that have beset the Island in recent weeks, we will be reviewing all of the harbours for which we have responsibility to see if there is any work needed. The consultation on the North Quay area is due to be going out in April and at the time of the proposals in that area we will look to do any remedial works as deemed necessary.

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

Mr Henderson: Thank you, Mr Speaker. I am glad the hon. minister mentioned the scheme that is going ahead for North Quay but would he agree with me that he will not have a scheme if he does not take care with further assessing the viability of the North Quay wall and in fact its permeability to the sea? Would he further agree that this should be progressed as a matter of urgency, given the high tides we have had recently but, more importantly, with the fact of global warming and changing weather conditions we are going to see more and more of these high tides and he will not have a scheme because it will be under water?

The Speaker: Hon. minister for Douglas West, Mr Shimmin, Minister for Transport.

Mr Shimmin: Mr Speaker, the implication is that the department does not take its responsibilities seriously. We are clearly aware of the concerns that we have experienced three weeks ago. However, put into context these are circumstances which will constantly be reviewed in the light of patterns of weather and tides. We do not wish to overreact to one isolated

incident. Far in excess of anything the Island has seen, the previous occasion five years ago was nowhere near as extreme as the one we experienced on 1st February and the previous worst occasion before that was 1961. Therefore we are looking at allocating our resources as we deem appropriate. The responsibility is not just in Douglas; we have responsibility for all of those areas on the Island and we will take our responsibilities seriously, sir.

**Heathrow Air Route –
Reasons for Withdrawal –
Question by Mr Singer**

Question 10. The hon. member for Ramsey (Mr Singer) to ask the Minister for Transport:

What reasons were given to you by British Airways to justify their withdrawal of the Isle of Man Heathrow route?

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 Douglas West, Mr Shimmin, Minister for Transport.

Mr Shimmin: Mr Speaker, the general manager for UK business of British Airways, Mr David Evans, briefed me and my department on 13th February 2002 on the changes to Manx Airlines. Mr Evans advised that British Airways appreciated the importance of a London airlink for the Isle of Man community and to be able to maintain this service were transferring it from London Heathrow Airport to London Gatwick Airport. Mr Evans advised that London Heathrow Airport was a slot-constrained airport and it was necessary for British Airways to maximise the return on its valuable assets and to strengthen its competitive position in Europe by using the company's Heathrow slots to operate larger aircraft than those currently used to service the Isle of Man. Accordingly, the three times a day Isle of Man service was to be switched to operate from the North Terminal at London Gatwick Airport from 31st March 2002, retaining the existing British Aerospace 146 jet aircraft and operating to a similar timetable. The reasons given to me by British Airways is that they are withdrawing the Isle of Man Heathrow route on commercial grounds, the slots at Heathrow currently used by Manx Airlines Heathrow service being of more value to British Airways as slots from which to operate the company's larger aircraft.

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

Mr Singer: Thank you. I thank the minister for his answer. Would he therefore agree that the Isle of Man Heathrow route was one route, however, which was highly profitable for British Airways and that they have actually cynically used the excuse of reorganisation as an excuse to release that Heathrow slot purely on grounds for their shareholders rather than the travelling public of the Isle of Man? And is not the switch of the Isle of Man route to London Gatwick from London Heathrow in fact totally opposite the British Airways reorganisation, which has mainly switched their Gatwick operations to Heathrow?

The Speaker: Hon. member for Douglas West, Mr Shimmin, Minister for Transport.

Mr Shimmin: Mr Speaker, I think that the hon. member is fully aware of the press release from BA, but in that it does draw some reasons for the BA restructuring which the hon. member refers to as being cynical - that is his judgement on it. I think most business people who would look at the circumstances around BA would realise that changes were necessary. I certainly am not here this morning to defend the actions of BA and certainly the Chief Minister and myself and others have expressed our disappointment about the loss of the Heathrow slot. However, put in context, it is one whereby the airlines unveiled a major package of measures designed to return the airline to profitability.

They started it with one clear objective in mind: to turn the company around. They therefore, from board of directors downwards, determined the only way that they felt of achieving the savings was to simplify the routes and the business that they were involved in. They have explained the attempt to reduce their costs by £650 million by March 2004. When taking that sort of money out of a business, there will be cuts which are difficult. They maximised their profitability at Heathrow by taking larger aircrafts and they have outlined that the eight routes that they will utilise extra from Heathrow will be travelling to Mauritius, Buenos Aires, Lagos, Abidjan, and for short-haul routes to Bucharest, Kiev, Riga and Zagreb. The bottom line for business is the profitability. The reason they have taken the Heathrow slot away from the Isle of Man service is that they can maximise better returns by having the larger aircraft.

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

Mr Anderson: Can the hon. minister give us any indication that any of the cost savings from switching from Heathrow to Gatwick will be passed on to fare-paying passengers?

The Speaker: Hon. member for Douglas West, Mr Shimmin, Minister for Transport.

Mr Shimmin: I sincerely hope so. I have a meeting next week, following further meetings of BA in London this week, and I am meeting with the management next week. They do, however, make the claim - and that is all I can report to this house, it is claims by BA - that the change to its short-haul pricing structure will give business travellers and holiday makers lower fares, greater flexibility and more choice. That is their statement, sir.

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

Mr Singer: In view of the reasons given to the hon. minister by British Airways, will it be your department's policy now to offer every support to British European, who have shown their support to the Isle of Man, and to encourage their further development of the London City route?

The Speaker: Hon. member for Douglas West, Mr Shimmin, Minister for Transport.

Mr Shimmin: Mr Speaker, it is my intention and my department's intention to build and maintain the relationships that we have with all airline operators, current and potentially future. Meetings were taking place yesterday with British European which were very positive and we look forward to continuing good relationships with that company. They, as other airlines, are now looking for the opportunities which develop from BA's announcement. It is an extremely competitive market and for years now my department has been in contact with a whole range of airlines, including the so-called 'no frills operators'. We will continue that dialogue. It is my intention to build strong relationships so that the fare-travelling public from the Isle of Man have a better range and competitive pricing.

Procedural – Standing Order Suspended

The Speaker: Right, hon. members, that concludes Question Time as laid down on the order paper. However, I have received notice from the hon. member for Onchan, Mr Karran, who wishes to seek suspension of standing orders under standing order 198. I call on the hon. member for Onchan, Mr Karran.

Mr Karran: Vainstyr Loayreyder, I would like to move:

That standing order 43(2) be suspended to enable all the questions tabled for oral answer at this sitting to be put.

We have only got one declaratory resolution on the agenda paper. I believe that it is important in the interests of the people outside this hon. House. I did

put down written questions and I was disappointed in my campaign –

The Speaker: Hon. member, you are moving suspension of standing orders, not about your own views about how your answers were given in another place.

Mr Corkill: I beg to second, Mr Speaker.

The Speaker: Right. Any other comment from any member? Right, the motion before the House is that under standing order 198 the House suspend standing orders to continue with Question Time. We require 16 votes for that to be successful. All those in favour say aye; against, no. The ayes have it. The ayes have it. Therefore, hon. members, we continue with the questions on the order paper.

E-Habitant Limited – Registration of Debenture – Question by Mr Karran

Question 11. The hon. member for Onchan (Mr Karran) to ask the Minister for Trade and Industry:

Do you accept that when the debenture for £1 million for E-Habitant Ltd was registered at the Companies Registry it was from that point a matter of public record and issues about commercial sensitivity are therefore irrelevant?

The Speaker: I call on the hon. member for Onchan, Mr Karran, member for Onchan.

Mr Karran: Vainstyr Loayreyder, I beg to ask the question standing in my name.

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

Mr Downie: Thank you, Mr Speaker. All of the debentures created in favour of the department as security for any form of financial assistance are a matter of public record. This does not mean that the commercially confidential details of negotiations, on which those offers were made, should be released. The department does not accept the contention that commercial confidentiality is irrelevant following the registration of the debenture. There are reasons for this - for example, the conditions attached to the department's offer of financial assistance may necessarily cover business performance criteria and this would be highly sensitive information to the companies concerned.

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

Mr Karran: Vainstyr Loayreyder, would the minister then be retracting what was said in the papers when I previously asked written questions, and does the department make it clear to all applicants that if substantial public money is offered, a debenture will be required to protect the taxpayer's money? An offer of public support would be a matter of public knowledge from the moment it is placed on the public register. Would the minister not agree with that?

The Speaker: Hon. member for Douglas West, Mr Downie, Minister for Trade and Industry.

Mr Downie: Mr Speaker, government departments such as my own, such as Treasury, typically negotiate debentures for security for lending, and although these are recorded at the registry there has never been a suggestion that this should lead to disclosure of their business dealings with their clients. I would further point out that the recording of documents does not give any indication of the event or events leading to the creation of those documents. Presumably, according to the hon. member's logic, the fact that the marriage is recorded in the registry should give him the right to access all information about the events and negotiations leading up to the making of that contract - for instance, where there were pre-nuptial relations or, in a situation involving an arranged marriage, what level of dowry was paid.

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

Mr Karran: Vainstyr Loayreyder, would the minister agree then about his U-turn from the original concerns that were in the report in the press and that what I was saying that something that is registered in the public registry is a matter of public knowledge and cannot be used as being commercially sensitive? Will the minister say what the thresholds are going to be in future as far as debentures are concerned that are required in the case of DTI support being offered to companies? Will he, for example, say £50,000 or £100,000 would be the figure that he would like to see where this sort of information would be made available? That should be made clearly available. Especially if somebody can take the time to go into the public registry and get the information, why cannot we allow the media to know that in the first place?

The Speaker: Hon. member for Douglas West, Mr Downie, Minister for Trade and Industry.

Mr Downie: Thank you, Mr Speaker. I think the hon. member is getting confused with some of the planted questions he has for some of the other items on the agenda paper. The issue that he is raising, the one

about debentures - all debentures are registered in the registry, they are a matter of public record, and if the press or anybody else wants to go in there and have access to that information, it is freely available.

Now, a lot of people who seek government support have no problem, and in fact the department encourages the promotion of the fact that they have received support from government by way of debentures and other areas of support, but what we are not prepared to do is to trot out all the confidential information relating to that particular company into the public arena, and in this particular case this is a young striving Manx company who are trying to get on in a very, very competitive field and, as far as I am concerned, I have spoken to the hon. member about this issue and we are more than willing to give the hon. member a personal invitation to come to the department and have all of these issues regarding the debenture and company formation and everything else explained to him. Now, if he is not prepared to accept that, I would suggest that rather than continuing to knock the Isle of Man business college, he enrolls himself on a short course to deal with company formation and business management and he will perhaps then get a better understanding of what is quite a complicated system.

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

Mr Karran: Vainstyr Loayreyder, I do take offence at that, but I accept that there are two laws in this hon. House as far as some of the ministers are concerned. Would the minister not agree that maybe he needs to go and ask his boss, the Chief Minister, who planted the response after he had voted unanimously in this House for an inquiry, for his outburst within the media, as far as that is concerned?

The Speaker: Hon. member, can I just ask you to focus on the question that you have put before the House?

Mr Karran: Vainstyr Loayreyder, I think the integrity of myself has been brought into question and I believe that it seems funny how it is always planted when it happens to be this hon. member, but other members can actually vote for something and then come crying to the media, Vainstyr Loayreyder. I will carry on with my questioning, sir.

**Commercial Property Sales –
Press Reporting –
Question by Mr Karran**

Question 12. The hon. member for Onchan (Mr Karran) to ask the Minister for Trade and Industry:

(1) *What plans does your department have to end the practice of commercial property sales being reported in the newspaper; and*

(2) *will this be stopped on the grounds of commercial confidentiality?*

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

Mr Karran: Vainstyr Loayreyder, I beg to ask the question standing in my name.

The Speaker: Hon. member for Douglas West, Mr Downie, Minister for Trade and Industry.

Mr Downie: Thank you, Mr Speaker. As hon. members will be aware, the Department of Trade and Industry has no powers in relation to the publication of property sales in the newspapers, nor do we have any intention of seeking them. I am not sure of the hon. member's reasons for putting this question, but presumably this will become clear to us from the first supplementary question which he has doubtless been asked to put.

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

Mr Karran: Vainstyr Loayreyder, would the minister not agree, where there is a significant public money involved, that the public should know about the money? It is taxpayer's money. Does he not also agree that it is almost impossible to hide from the public any information placed on public record and that persons involved in such transactions are required to be registered by law? Would he expect then that invariably then that some points of information about such transactions, which are placed in the public domain, somehow become commercially sensitive when the issue is the fact that it is in a public register, and would he not agree that what his statements were to the media, from my written response, were incorrect?

The Speaker: Before calling on the hon. member for Douglas West, I would just say to the hon. member that I do believe the minister has responded to that question when he responded to supplementaries under question 11 and it does not totally relate to question 12, but I will give the minister the opportunity to respond.

Mr Downie: Thank you, Mr Speaker. I have to take issue with the hon. member. The registration of the DTI debenture is in the public domain exactly the same way as a registration of a property transaction. This is the whole purpose of having a register. The Clerk of the Rolls, His Honour the First Deemster, would have to effect new regulations if public access

to deeds was to be limited or restricted in any way. Deeds are primarily available for inspection so that the existence of debentures et cetera can be identified by prospective lenders, and the ability to inspect them is vital to the conveyancing process. No information is released to the newspapers; they glean information as the hon. member has been for the last few weeks ensconced in the registry, by inspecting deeds recorded in the Deeds Registry themselves. Anyone who does not wish their transaction to appear in the press is able to request the newspapers not to publish the details.

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

Mr Karran: Vainstyr Loayreyder, would the minister with his reply not say, how many people would actually register a mortgage against their property and not then have the benefit of the mortgage? Would the minister not also say then, why did a company have a £1 million debt from your department and allow your department to register such a debt when it actually has not received the £1 million? That is all I think ordinary working people outside this House want to understand.

The Speaker: Hon. member for Douglas West, Mr Downie, Minister for Trade and Industry.

Mr Downie: Yes, Mr Speaker, I am still puzzled by the logic behind the hon. questioner. As I suggested in my previous answer, the subject of the registration of properties and companies and debentures is quite complicated and, if he is interested in the subject, he would be better spending his time on a short course at the business college to find out how the system works, or please take advice. My door is open in the Department of Trade and Industry; if he wants to raise this issue with myself or any of the other officers in the department, we are more than willing to provide him with the information and the background to the debenture, but I do not think in commercial terms we would be doing investors in the Isle of Man any favours at all to trot out all their private and confidential information on the floor of this House or any other political court. I think it would be totally wrong and totally counter-productive.

DTI Grants to Industry – Secrecy – Question by Mr Karran

Question 13. The hon. member for Onchan (Mr Karran) to ask the Minister for Trade and Industry:

Are you aware that certain business owners and managers in the Island regard your department's policy of secrecy regarding grants to business as being anti-competitive?

The Speaker: I call on the hon. member for Onchan, Mr Karran.

Mr Karran: Vainstyr Loayreyder, I beg to ask the question standing in my name.

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

Mr Downie: Thank you, Mr Speaker. The range of financial incentives offered through the department's assistance scheme is available to all industrial undertakings on exactly the same terms, so there is no issue of anti-competitiveness. I would invite the hon. member to name the certain businesses, owners and managers who have made the claim to him, here in this hon. House today, so that we can invite them to discuss the issue directly with us. I believe that he should do so in order to clear up any suggestion that this ongoing campaign against the company is being promoted by competitors for commercial gain. The hon. member throws out claims that we are not doing enough to help local businesses and our own local people, yet here he is, clearly trying to denigrate and undermine the credibility and future prospects for success of a fledgeling business which is run by a young Manxman and which employs many bright young Manxmen and women. Mr Speaker, I believe we deserve to know the reasons for these attacks and the identity of those who are behind them.

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

Mr Karran: Vainstyr Loayreyder, could the minister for the DTI tell us how many companies does he know that would be satisfied to have in public the implications that are on public record, that they have a debt to your department of £1 million when it is not factual? Could the minister also tell this hon. House if he agrees that there should be a level playing field where the department of Trade and Industry is giving financial support to businesses? Can he say how, for example, in the case of two businesses competing in the same industry, the business not favoured with the public funding would find out from the DTI that a competitor company had received public funds? How does he do that if there is no transparency and if it is all hidden behind commercial sensitivity, Vainstyr Loayreyder?

The Speaker: Hon. member for Douglas West, Mr Downie, Minister for Trade and Industry.

Mr Downie: Mr Speaker, I issued a challenge to the hon. member to name these companies who feel that they have been adversely affected. We provide a level of support which is available for all companies in the Isle of Man, and by and large I think the way the

department and government handles its support for local companies is admirable. It is a matter of public record that the department has made 284 offers of financial assistance in the five years to March 2001 of which 247, or 87 per cent, were to existing local businesses. The total amount involved is published in the annual policy review and totals some £24.5 million, representing planned investment by the businesses involved of nearly £80 million. Expenditure in the same period was £15.5 million. These figures, which have all been published, tend to make it even more questionable as to why Mr Karran has been prompted to mount such a prolonged and detailed attack on one particular start-up company which has not yet - not yet, I repeat - received any money and which is run by a young Manxman operating in an extremely specialised and competitive field. Invisimail employs 20 staff based in Hamilton House. Around 75 per cent of these are Manx-born or are Manx workers. Almost 95 per cent are in their 20s and 30s, the youngest is 16 and most are educated to further and higher educational level.

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

Mr Karran: Vainstyr Loayreyder, I challenge the minister to tell this House did his officials in his department make any efforts to contact other business in the same line as E-Habitants, for example, and invite their applications for funding for this? And would the minister also not agree that the issue is that if people do not know what is going on, then they do not know how to claim for what is going on? And would he not also agree this campaign is not about individual companies, it is about the principle of transparency and having a level playing field as far as his department is concerned - not who you know, but what you know, and if you cannot be told what is going on, then you cannot claim for it?

The Speaker: Hon. member for Douglas West, Mr Downie, Minister for Trade and Industry.

Mr Downie: Mr Speaker, there is an old saying that you can lead a horse to water but you cannot make it drink. Now, the financial assistance scheme operated by the department is open to a wide range of businesses that comply with the definition of industrial undertaking in the Industry Board Act of 1981. This definition was widened towards the end of 2001 to take account of changes in the economy and the advent of the internet and e-commerce. Applications, whether for large or small amounts of assistance, are treated the same and are evaluated on a case-by-case basis and the individual merits of the project. As has been referred to in previous written answers, the information submitted by a company applying for financial assistance and details of any subsequent offers made by the department is treated as commercially sensitive

information. To divulge this information publicly may well discourage applications for assistance. This would be counter-productive in that business, and we must continually look to invest in new technology and working practices in order to remain competitive in this Island.

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

Mr Karran: Vainstyr Loayreyder, would the minister not agree that everybody in this House wants to keep the full employment on this Island, but would he not also agree that in most jurisdictions the principle where large amounts of public money are involved there is an issue of transparency? And would he also not agree that the issue of something that is registered on the public register should be a matter of course as it is put into the public domain and cannot then be claimed to be of commercial sensitivity? Would the minister not agree with that?

The Speaker: Hon. member for Douglas West, Mr Downie, Minister for Trade and Industry.

Mr Downie: I am now beginning to realise what the hon. member is trying to get out of the department. We are not in a position to divulge sensitive information and information which could be used by competitors; (**A Member:** Hear, hear.) the fact that there is a debenture in place and is recorded in the registry, in my opinion, is quite enough. Now if you want to take the hon. member's argument to the *n*th degree and we are looking for transparency, there is every application for grant assistance, for housing improvements and all the other range of moneys that are offered by government. Does that all have to be totally transparent?

I think we are running the risk here of chasing business away from the Isle of Man. There are some very, very good schemes available for people who are interested in expanding their business or bringing new business into the Island and I think that the present framework which exists regarding the registration of companies, the registering of debentures, is more than adequate and complies with the law of the land. The commercial aspects are something that, although I have no problem with the hon. member himself personally, knowing the ins and outs of the situation and the background, as I have indicated previously, I do not think should be a matter for public debate on the floor of this House or in the public domain in general. In the banking and finance world they do not publish the structures of certain companies or the business performance indicators; that is a matter between DTI and the companies involved and I think that should remain the same way in my opinion.

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

Mrs Hannan: Thank you, Vainstyr Loayreyder, the minister in one of his responses said that this company-Invisimail, I think it is - was working out of Hamilton House. Is Hamilton House owned by the Department of Trade and Industry and, if so, what rent is paid by Invisimail?

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

Mr Downie: I would need prior knowledge of that question. It has no relevance to any questions -

The Speaker: So you have no information?

Mr Downie: - that are on the . . . but if the hon. member seeks it, I do not know what the rent structure is for Hamilton House or whether even the department owns it, rents it or leases it. (*Mr Houghton interjecting*)

Companies –Media Reporting of Financial Support – Question by Mr Karran

Question 14. The hon. member for Onchan (Mr Karran) to ask the Minister for Trade and Industry:

Do you think it is right and fair that any company can be favoured with over £1 million of support using public money and that fact is not reported directly to the media in the Island?

The Speaker: I call on the hon. member for Onchan, Mr Karran.

Mr Karran: Vainstyr Loayreyder, I beg to ask the question standing in my name.

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

Mr Downie: Thank you, Mr Speaker. Any examination of past practices will clearly show that in virtually all cases where government has provided backing for new start-up companies there has been more than sufficient publicity to mark the occasion. Indeed, of the case of the company in which the hon. member for Onchan, Mr Karran, has taken such a detailed interest, a great deal of publicity was given to the DTI support even though, as has already been said, no funds at all have yet been realised.

The department's position is that we do not insist on publicity as a condition of any support which is offered, as so to do could well have the effect of discouraging applications and thus inward investment.

On the other hand, we do not object to any successful applicant confirming that they have received support, either in general terms or otherwise. If we want to encourage business to invest, thus creating new wealth in the economy and new and better employment opportunities for our people, then we need to be supportive to them and to conduct our dealings with them in a businesslike manner.

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

Mr Karran: Does the minister not accept that it would be grossly irresponsible of the DTI to give any company substantial public moneys without a proper security being taken in the form of a debenture or mortgage for such sums and such securities being registered in the manner prescribed under company law? As a matter of company law, substantial support from the DTI will be placed on the public record. Why does your department not release this information to the media when the company accepts the offer if it is on a public register? If he can answer that he will not get a hard time, Vainstyr Loayreyder.

The Speaker: I have to say, with respect, I think the hon. minister has already answered it on a number of occasions, but I call on the minister.

Mr Downie: I just reiterate, Mr Speaker, we have made it clear in previous written answers that the department is not prepared to discuss the details of its confidential dealings with companies in public. This is seen as the most sensible approach to adopt if the department is to be successful in encouraging the development and growth of existing business and the attraction of new business to the Island.

E-Habitant Limited – Shares Transfer to Invisimail (IOM) Limited – Question by Mr Karran

Question 15. The hon. member for Onchan (Mr Karran) to ask the Minister for Trade and Industry:

Bearing in mind that on 3rd August 2001 a share transfer was recorded at the Companies Registry in which two shares from Garwood Ltd were transferred to Aston International Ltd, and that on 31st October 2001 Tanwood Ltd transferred two shares to Aston International Ltd, can you explain:-

(1) how you were able to tell me -

(a) that your department was in receipt of executed share transfer forms prior to a

debenture being created for E-Habitant Ltd; and

(b) that the offer was made after the date when, it was claimed, two companies referred to as being shareholders of E-Habitant Ltd had transferred their shares to Invisimail (IOM) Ltd

when the debenture was created on 2nd July 2001;

(2) when did Invisimail (IOM) Ltd become the owner of E-Habitant Ltd shares; and

(3) how could they have possibly done so prior to the creation of the debenture on 2nd July 2001?

The Speaker: I call on the hon. member for Onchan, Mr Karran.

Mr Karran: Vainstyr Loayreyder, I beg to ask the question standing in my name.

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

Mr Downie: Thank you, Mr Speaker. The first point I would make is that at no time have I commented on the beneficial ownership of E-Habitant Ltd. I have indicated that the shares held by Garwood Ltd and Tanwood Ltd in Croftport Ltd, which changed its name to E-Habitant Ltd in May 2001, were transferred to Invisimail (IOM) Ltd prior to the creation of the department's debenture in July 2001. I have also recently pointed out to the hon. member that companies are required to notify the General Registry of changes of share ownership when submitting their annual return. As this had not been done when my previous answer was given, the details would not therefore have been on the public record. I have no knowledge of any interest of Aston Corporate Trustees Limited in E-Habitant Limited and neither, I am told, have the shareholders of Invisimail Limited.

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

Mr Karran: Vainstyr Loayreyder, is the minister aware that Invisimail (Isle of Man) Limited filed on companies registers the following returns of allotments on 22nd January 2001 and 9th October 2001? The date of the creation of the debenture by your department with E-Habitant Limited is 2nd July 2001. There is no record of any shares being transferred from E-Habitants to Invisimail (Isle of Man) Limited. In the return of the allotments covering the 10-month period from January to October 2001, how then can the

department of Trade and Industry, who have been in receipt of the executive share transfer forms from E-Habitant to Invisimail . . . why was this not shown in the returns and the allotment? And a further supplementary to speed up the process: does the minister agree that it is noteworthy that on the returns for the allotments made by Invisimail (Isle of Man) Limited there is no record of any shares being transferred from E-Habitant Limited, and on the file of E-Habitant Limited there is no record of any shares being transferred to Invisimail (Isle of Man) Limited. Yet he has stated that his department is in receipt of the executive share transfer forms prior to the creation of the debenture for E-Habitant Limited on 2nd July 2001. I would like to know what the minister's reply is to that.

The Speaker: Hon. member for Douglas West, Mr Downie, Minister for Trade and Industry.

Mr Downie: Mr Speaker, as far as I am concerned, as explained in the department's written answers on 22nd January 2002, Garwood Limited and Tanwood Limited transferred their shares in E-Habitant Limited to Invisimail (Isle of Man) Limited on 25th January 2001. In the department's further written answer on 5th February 2002 it was made clear that companies are only required to notify the General Registry of changes of shareownership when their annual return is submitted. We are not responsible for their in-house operation or what goes on regarding the shelf companies. My understanding is that the debenture is with legitimate companies and thus the change of share ownership of E-Habitant will not show on the public records at the General Registry until the first annual return has been submitted. It is also a matter of fact that the share ownership change has taken place and the department has in its possession copies of executive share transfer forms which prove this, and if the member will not believe this he is more than welcome to come over to the department with me during the lunch recess and look at these documents.

As I have said, all this questioning can quite easily be resolved by your accepting the invitation to come to the department and I am more than willing to show you the background to all this, the information, the registration certificates, the debenture and everything else. As far as I am concerned, I have nothing to hide in this matter. It was all done before I joined the department and I am perfectly willing to let you have the information you require, but not on the floor of this hon. House, please.

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

Mr Karran: Vainstyr Loayreyder, could the minister then explain why it is that it has not been registered with the companies? Can the minister offer an explanation why a million-pound debenture was not

registered with Invisimail (Isle of Man) Limited when the directors and companies have claimed that E-Habitant Limited is a company owned by Invisimail? Would it not have been more prudent for the debenture to be with Invisimail (Isle of Man) Limited if in fact it is owned by E-Habitant Limited?

The Speaker: Hon. minister for Douglas West, Mr Downie, Minister for Trade and Industry.

Mr Downie: I am really at a loss to give the hon. member an answer. We are getting into a really complicated situation and I said if he wants to pursue the matter further with me in the department we can have all the paperwork at hand, but I really think this is not the place to discuss this issue. It not only brings discredit to the company itself and involves them in a lot of ill-feeling but I do not think it is totally fair.

**Aston Corporate Trustees Limited –
Shares Transfer –
Question by Mr Karran**

Question 16. The hon. member for Onchan (Mr Karran) to ask the Minister for Trade and Industry:

- (1) *Are you aware that at the time you were telling me that Invisimail (IOM) Limited was the beneficial owner of E-Habitant Ltd, the shares were actually on public record as being held at Garwood Ltd and Tanwood Ltd which were owned by Aston International Ltd and that after further share transfers at January 2002 the public record showed E-Habitant Ltd was owned by Aston Corporate Trustees Ltd; and*
- (2) *do you know who are the beneficial owners of Aston Corporate Trustees Ltd?*

The Speaker: I call on the hon. member for Onchan, Mr Karran.

Mr Karran: Vainstyr Loayreyder, I beg to ask the question standing in my name.

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

Mr Downie: Mr Speaker, the interests of Garwood Limited and Tanwood Limited in Croftport Limited, which changed its name to E-Habitant Limited in May 2001, ceased when their shares in Croftport were required by Invisimail (Isle of Man) Limited on 25th January 2001. This was several months prior to the debenture being created in July of that year. Any transactions involving Garwood

Limited and Tanwood Limited on dates after January 2001 have thus had nothing whatsoever to do with Invisimail or in E-Habitant. As I have already told the hon. member, these companies were merely vehicles used by Invisimail's appointed registration agents to establish legal incorporation in the Isle of Man.

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

Mr Karran: Would the minister be aware that in banking and corporate service providers there is a big process now of knowing your client? It seems crucial to identify the people you are doing business with as regards banking and corporate service providers. Isn't it also crucial for the DTI to also know the people who they are doing their business with?

The Speaker: Hon. member for Douglas West, Mr Downie, Minister for Trade and Industry.

Mr Downie: Mr Speaker, as I indicated previously, I am as keen as anybody to get to the bottom of this line of questioning and sort this issue out for the last time and I would issue this challenge to the hon. member: if you can get up and reply to my answer and give me names or anything in your question which you think is either illegal or will bring this Island into disrepute or is a matter which you think you should refer to the courts bearing in mind you are in a very, very strong position in the Island, you are one the few people who have privilege, let us name and shame, let us get the issue out on the table and let us get it rectified, but do not get up and make wild accusations and then fail to deliver the goods, hon. member. As I say, I am as keen as anybody to get this issue resolved, and if there is something untoward going on here I would very much like to know about it so that I can rectify it.

The Speaker: Before I call on the hon. member for Onchan, I wish to clarify an issue because the minister, Mr Downie, has on a number of occasions questioned the questioning that is going on in the House. I wish to make it absolutely clear that standing orders are quite clear: members have a right to ask questions and if a question contains a statement, the member asking it shall be personally responsible for the accuracy of the statement. I just wish to make that clear, because it is a matter for the person asking the question and that member has the right to ask questions. The minister, of course, or the person responding on behalf of the department, can frame the answer in the way that they feel is appropriate in the House in responding to a point put forward. I just think it is important to clarify that. Hon. member for Onchan, Mr Karran.

Mr Karran: Vainstyr Loayreyder, I am glad for your support to protect the rights of individual

members to ask the questions. A supplementary to the minister: does the minister agree that the shareholding of a company that at the present time . . .? We have the situation where he does not know who are the beneficial owners or the person that has the million-pound debenture that has claimed it on E-Habitant Limited. Why does the minister go down for such personal abuse against this hon. member who is trying to have a campaign to have the same criteria for banking, corporate service providers, service providers? Shouldn't the DTI know who it is dealing with?

The Speaker: Hon. member for Douglas West, Mr Downie, Minister for Trade and Industry.

Mr Downie: As far as I am concerned, hon. member, the department does know who it is dealing with, but I just would like to reiterate the comments that were made by Mr Speaker: I have no problems answering questions and in fact I support the right of any member to ask questions, but to the people outside who are listening to this debate on the radio, they must be wondering just what type of business we are trying to encourage into the Isle of Man or whether we are actually trying to kill off any new business initiatives that government may have. I am all for transparency but please, hon. member, if you have a problem or you think there is an issue which would reflect badly on the department or on the credibility of government, let us know what it is about. Let us not have all the innuendo and 'we need to know who is involved in the company.' If there is somebody nasty here or the department of government are heading for a fall and you know about it, let us know the answer. Do not keep throwing mud continually because the only people who are suffering are these 40 young Manx people who are trying to get a start in life and trying to get this fledgeling business off the ground, and really that is not in anybody's interest to be hurting members.

The Speaker: Hon. members, I am going to conclude Question Time. There are two people who have asked to ask supplementaries. I will allow those two supplementaries and then conclude Question Time. The hon. member for Peel, Mrs Hannan.

Mrs Hannan: Thank you, Vainstyr Loayreyder. From the responses from the minister, I am rather confused as to who owns E-Habitant. We have heard Invisimail, we have heard about other companies such as Garwood, Aston, Tanwood - do we actually know who was involved with E-Habitant? Is E-Habitant the same as Invisimail? I am rather confused, Vainstyr Loayreyder, and I would like clarification of that point.

The Speaker: Hon. member for Douglas West, Mr Downie, Minister for Trade and Industry.

Mr Downie: I am more than willing to provide that information when I have it to hand. It does not form part of the questions as to who are behind the companies, but in one company in particular, there is a young Manxman who heads it up; he is one of the principals of the company. I do not have this information available to me. As for the other companies which were referred to, Tanwood and Garwood, (*Interjections*) they were companies which were purchased to get this business on the road, as it were, they were shelf companies because - well, the hon. member said, 'Why?' but this is how business is done. When you set up a company generally, you buy a shelf company, of which there are thousands available in advocates' offices, and then you register that company to progress all the other business arrangements and then, when you want to set your company up properly, you get out of one and you go into your new company. Now, this is what has happened with Invisimail and E-Habitant. They were set up under other company names and then finally they have been brought to fruition under their own right. I do not have any control in this issue. This is the way business is conducted in the financial world and that is why we have a registration system where all these deeds of registration and other matters pertaining to the companies are lodged, and they are a matter for public records.

The Speaker: A final supplementary, Mr Karran, the hon. member for Onchan.

Mr Karran: Vainstyr Loayreyder, can the minister, as Minister of Trade and Industry, tell me how many companies does he know of that would be satisfied to have on public record that it has a debt to your department for a million pounds if it was not factually correct? And would he also not agree that the issue is that he does not know who actually owns the company as far as E-Habitant is concerned?

The Speaker: Hon. member for Douglas West, Mr Downie, Minister for Trade and Industry.

Mr Downie: I, on this occasion, have to concur with the hon. member; I do not know who owns the company. Neither do I know who owns British Airways or half-a-dozen other companies.

Mr Karran: You haven't given them a million pound debenture.

Mr Downie: Well, as far as I am concerned, they satisfied the criteria under the legislation. They made their application in the normal way and they have entered into a business relationship with the DTI and with government as a whole. As far as I am concerned, if we do not provide a mechanism to be able to support new business, we are not going to have any new business coming in, and I should say also that there are

a lot of companies in the Isle of Man who are doing exceptionally well and prospering now because they have had the opportunity to latch onto the system, they have had the opportunity to borrow money from government and they have been able to do well and become very good employers, and really this is what the DTI does - we are a facilitating department, and if the hon. member wants all this transparency that he lays claim to but he cannot give us any reasons why he cannot name any of these companies who say they have been disaffected, well, I think he is going to be disappointed but I would still leave the hon. member with the thoughts that my door is open. I am more than willing to discuss this whole issue, show him these documents that he refers to, these registration certificates, and see if we can clarify this issue once and for all. It has taken a lot of time up within the department when we should be doing other things like promoting the Isle of Man in business.

The Speaker: Hon. members, that concludes the questions for oral answer on the order paper. Questions on the order paper for written answer are questions 17 to 20 inclusive and will be circulated in compliance with standing orders.

**Churches Conservation Trust –
Question by Mr Karran
for Written Answer**

Question 17. The Hon Member for Onchan (Mr Karran) to ask the Chief Minister:

Would the Council of Ministers consider the establishment of a churches conservation trust on similar lines to that operating in England, so that Government funds could be made available for the preservation of historic churches which were declared surplus to the needs of the established church and make a statement on the issue to the public by the April sitting of Tynwald Court?

Answer

The Council of Ministers is aware of the issue of the preservation of historic churches which are declared surplus to the needs of the established church. In fact discussions are already taking place between the Department of Local Government and the Environment, Manx National Heritage and representatives of the leading Christian churches with a view to establishing the scale and nature of the problem across the Island and possible options to secure the long-term future of such churches for the contribution they make to our Manx heritage.

A church conservation trust such as that operating in England is one of a range of options that will be

examined once the scale and nature of the issue has been defined by a thorough investigation of the current stock of ecclesiastical buildings.

I am happy to confirm that a report on the issue will be made at the April sitting of Tynwald Court setting out the nature and scale of the problem; the scope of a ecclesiastical buildings survey and the options for securing the long-term future of such buildings including the financial implications.

**Manx Airlines – Value of Fleet –
Staffing Costs –
Transfer of Undertakings etc. –
Question by Mr Karran
for Written Answer**

Question 18. The Hon Member for Douglas North (Mr Henderson) to ask the Chief Minister:

- (1) *What is the estimated purchase/rental/leasing value of the current Manx Airlines Fleet per annum;*
- (2) *what are the current estimated staffing costs for the running and servicing of that fleet; and*
- (3) *what prospect is there for the Isle of Man Government to negotiate with British Airways the transfer of undertakings and assets to a management system such as that operated by the Manx Electricity Authority, to ensure the current level of service (excluding Heathrow) or similar and retaining the image identity and ambassadorial role of the current air fleet?*

Answer

- (1) Manx Airlines operates (from 31.03.2002) a fleet consisting of:-
 - 1 x BAE 146-200 jet with a current replacement market value of approximately £4m;
 - 2 x ATP with a current market replacement value of approximately £3m per aircraft;
 - 1 x Jetstream 41 current market value of approximately £1.5m

Total fleet replacement £11.5m

Typical lease cost would be approximately 1% p.m. therefore £115k per month.

- (2) A typical operation of the size of the Manx Airlines operation would require approximately:

Pilots	44
Cabin Crew	44
Engineers	15

(does not include scheduled maintenance)

Ground Staff	50
Operations	6
Telesales/Marketing/	60
Revenue Accounts	

Plus management, finance, administration etc.

Additionally to staffing cost are operating costs such as fuel, navigation fees, aircraft scheduled maintenance (including spares provisioning) and selling costs (travel agents commission etc).

- (3) Manx Airlines is not currently for sale.

**Territorial Sea Committee –
Question by Mr Quine for Written Answer**

Question 19. The Hon Member for Ayre (Mr Quine) to ask the Minister for Transport:

With regard to the application by IoMIB plc to site a radio broadcasting station in Isle of Man territorial waters:-

- (1) *under what statutory authority is the Territorial Sea Committee constituted;*
- (2) *what is the membership of the Territorial Sea Committee;*
- (3) *is a quorum established for the Territorial Sea Committee; and, if so*
- (4) *what figure has been determined; and*
- (5) *when the Territorial Sea Committee took the decision to issue a provisional siting licence to IoMIB plc how many members of the committee were present?*

Answer

- (1) The Territorial Sea Committee (TSC) was established in 1991 on advice from the then Attorney-General, Mr T W Cain. As

ownership of the territorial sea is vested in the Department of Transport (DoT) by virtue of the Territorial Sea Act 1987, an Act of Parliament, as it applies to the Island and the Territorial Sea (Consequential Provisions) Act 1991, the Attorney-General recommended that the DoT, in conjunction with other interested Departments, set up a management plan to co-ordinate the activities within the territorial sea.

The first meeting of the TSC was held on the 16th December 1991, and was chaired by the Chief Harbourmaster.

- (2) The Departments of Transport; Trade & Industry (DTI); Agriculture, Fisheries & Forestry (DAFF); Local Government & the Environment (DoLGE); the Treasury; HM Attorney-General's Chambers and the Chief Secretary's Office are all represented on the TSC. The principal officers from these departments are as follows:-

Captain M Brew, Director of Harbours,
DoT, and Chairman of the TSC;

Captain K Horsley, Harbour Operations
Manager, DoT;

Mr K Stewart, Director of Operations &
Strategy Planning, DTI;

Mr D Morter, Director of Infrastructure
Development, DTI;

Mr M Shimmin, Financial Controller,
Treasury

Mr D Howell, Director of Marine
Administration, DTI;

Mr R Carswell, Fisheries Secretary,
DAFF;

Mr I McCauley, Director Planning and
Building Control, DoLGE;

Mr W J H Corlett, HM Attorney
General, HM Attorney General's
Chambers;

Ms J Williams, Head of Divisions, Chief
Secretary's Office.

- (3) The TSC does not require a quorum as it is not a decision making body. It is constituted to co-ordinate the management of the territorial sea and is therefore a means to distribute information, consult with

government departments and other bodies and advise government departments as necessary.

- (4) Incorporated in (3) above.

- (5) The decision to grant IoMIB conditional approval to site their long-wave radio aerial on an offshore platform in Ramsey Bay was taken by the DoT as owner of the seabed and not by the TSC. Prior to making this decision the DoT had consulted with the members of the TSC who had advised that the application from IoMIB was satisfactory and that the platform would not have any significant impact on the marine environment.

**Dental and Opticians' Lists –
Applications to Join –
Question by Mr Singer
for Written Answer**

Question 20. The hon. member for Ramsey (Mr Singer) to ask the member for Health and Social Security:

- (1) *During the last two years, how many applications have been made to your Department to join –*

(a) *the NHS dental list;*

(b) *the NHS optician's list?*

- (2) *With regard to the above –*

(a) *who were the applicants;*

(b) *for which areas of the Island did they apply to open their practices;*

(c) *how many were accepted;*

(d) *how many were refused;*

(e) *what were the grounds for refusal;*

(f) *which of the applications were granted on appeal;*

(h) *which of the applications were refused; and*

- (3) *What were the change in circumstances that allowed the appeals to be granted?*

Answer

(1) (a) Nine (including three applications from existing dentists to vary their entry on the list);

(b) Three.

DENTAL

(2) (a) and (b)

Applicant	Area
Mrs M Drottvik	Douglas
Mr R Leong	Douglas
Mrs J Gifford	Onchan
*Mrs A E Wraneus	Douglas
Mr J Greenough	vary entry within Douglas
Mr J Dallimore	Douglas
Mr E Cerowski	Douglas
Mr A Jowett	vary entry from Douglas to Port St Mary
*Mr C. Partington	vary entry from Douglas to Laxey;

(c) All accepted;

(d) None refused;

(e) n/a;

(f) n/a;

(g) n/a.

*Applications were granted with conditions attached. Mr Partington and Mr Jowett have appealed against those conditions.

OPTICAL

(2) (a) and (b)

<u>Name</u>	<u>Area</u>
Miss J. Sznepka	Castletown
Miss J. Sznepka	Douglas
Specsavers	Douglas;

(c) nil;

(d) Three;

(e) refusal on the grounds that the service in the area concerned was already adequate;

(f) Specsavers;

(g) n/a.

(3) In relation to Specsavers appeal against the list committee decision, the department considered that there was sufficient evidence to show that a refusal to allow the inclusion of Specsavers on the ophthalmic list would result in inconvenience to the public of the Island as a whole.
