

**REPORT OF PROCEEDINGS OF
TYNWALD COURT
(DEBATES AND OTHER MATTERS)**

**Douglas, Tuesday, 21st May 2002
at 10.30 a.m.**

Present:

The President of Tynwald (the Hon N Q Cringle). In the Council: The Lord Bishop (the Rt Rev Noël Debroy Jones), the Attorney-General (Mr W J H Corlett QC), Hon Mrs C M Christian, Messrs E A Crowe, D F K Delaney, J R Kniveton, E G Lowey, Dr E J Mann, Messrs J N Radcliffe and G H Waft, with Mrs M Cullen, Clerk of the Council.

In the Keys: 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); 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 (Douglas South); Hon R P Braidwood and Mrs B J Cannell (Douglas East); Hon A F Downie (Douglas West); Mr D J Gelling (Malew and Santon); Hon J Rimington, Mr Q B Gill and Hon Mrs P M Crowe (Rushen); with Mr M Cornwell-Kelly, Clerk of Tynwald.

The Lord Bishop took the prayers.

Apologies for Absence

The President: Hon. members, we have apologies this morning from the hon. member Mr Duggan, who is indisposed; the hon. member for Douglas West, Mr Shimmin, who will be joining us later; the hon. member for Garff, Mr Rodan, who is attending a planning hearing on a constituency matter; and the hon. member for Douglas East, Mrs Cannell, for this afternoon's sitting.

I would wish to record, hon. members, our sympathy to Mrs Cannell in respect of the death of her father-in-law, and particularly, hon. members, to Mr Rimington and Mr Cretney who, since we last sat, have witnessed the death of a father and mother respectively. The death of one's parent is always a sad occasion, and our condolences go to the extended families of the hon. members.

Members: Hear, hear.

Welcome to Guests

The President: On a happier note, hon. members, joining us, in the distinguished strangers' gallery there, are five young people from our East African countries, who are on the Island this week being hosted by the Island's Rotary clubs. These are members of a group study exchange visit to the Island, and it is good to have them visit us, particularly in Tynwald Court this morning, whilst we are in session. On behalf of the members and the people of the Isle of Man, you are most welcome, and we hope your visit to our Island and to our parliament will be both educational and enjoyable.

And also, hon. members, if we turn our eyes to the public gallery there, I think it is of particular note that we have young people again from our Island's primary schools, and we welcome particularly the year six from Kirk Michael and Jurby Schools.

Papers Laid before the Court

The President: I call upon the Clerk to lay papers.

The Clerk: Mr President, I lay before the Court:

Dairy Industry Emergency Financial Assistance Scheme 2002 -
Dairy Industry Emergency Financial Assistance Scheme 2002 *[GC No 18/02]*

Customs and Excise Act 1993 -
Dual-Use Items (Export Control) (Application) Order 2002 *[SD No 182/02]*

Animal Health Act 1996 -
Foot and Mouth Disease (Precautions Measures) (Disinfection) Order 2002 *[SD No 214/02]*

Control of Employment Act 1975 -
Control of Employment (Amendment) Regulations 2002 *[SD No 238/02]*

Road Traffic Act 1985 -
Driving Licences (Foreign Licences) Regulations 2002 *[SD No 184/02]*

The following items were not the subject of motions on the order paper:

European Communities (Isle of Man) Act 1973 -
Zimbabwe Sanctions (Freezing of Funds, Other Financial Assets or Economic Resources) Regulations 2002 *[SD No 183/02]*

Superannuation Act 1984 -
Superannuation (Clerk of Tynwald's Department) Determination (No. 2) 2002 *[SD No 227/02]*

Criminal Justice Act 2001 -
Sex Offenders Register (Prescribed Forms) (No. 2) Order 2002 *[SD No 243/02]*

Gaming, Betting and Lotteries Act 1988 -
Crown Green Bowling Festival (No. 1) Order 2002 *[SD No 244/02]*
Crown Green Bowling Festival (No. 2) Order 2002 *[SD No 245/02]*

European Communities -
European Community Secondary Legislation December 2001/April 2002 *[GC 17/02]*

Value Added Tax Act 1996 -
Value Added Tax (Health and Welfare) Order 2002 *[SD No 193/02]*
Value Added Tax (Equipment in Lifeboats) Order 2002 *[SD No 180/02]*

Currency Act 1992 -
Currency (Decimal Coins) Order 2002 *[SD No 194/02]*
Currency (Queen's Golden Jubilee Crowns) Order 2002 *[SD No 195/02]*
Currency (Princess of Wales Crowns) Order 2002 *[SD No 196/02]*
Currency (Cat Crowns) Order 2002 *[SD No 197/02]*

Customs and Excise Management Act 1986 -
Excise Goods (Accompanying Documents) Regulations 2002 *[SD No 181/02]*
Treasury Directions Passenger Information and Ship Report Inwards *[GC No 16/02]*

Wages and Salaries Agreements -
Wages and Salaries Agreements, dated April 2002

Appointed Day Orders -
Genetically Modified Organisms Act 2001 (Appointed Day) Order 2002 *[SD No 205/02]*

Reports -
Chief Secretary's Office - Report of the Isle of Man Delegation to the General Assembly of the Conference of Peripheral Maritime Regions of Europe - Oporto 2001.
Interception of Communications Act 1988 - Report of the Commissioner for the year ending 31st December 2001.

Questions were taken at this point and concluded at 1.07 p.m. They are published separately.

Manx National Heritage — Personal Statement by the Speaker

The President: Now, hon. members, I think we can take item 3 on the order paper before we break for lunch, so I call on the hon. member Mr Speaker.

The Speaker: Thank you, Mr President. At the April 2002 sitting of Tynwald, when answering a question on behalf of Manx National Heritage, I stated that Rushen Parish Commissioners had initially agreed to fund half of the costs associated with the installation of a new public toilet facility at the Sound, in connection with the development of the new visitors' facility being developed by Manx National Heritage. And I further stated that the commissioners had then withdrawn their offer of funding.

Due to comments subsequently made, I have made enquiries with the Director of Manx National Heritage to seek clarification regarding this important point, as I would not wish Tynwald to have incorrect information. The director has confirmed that two representatives of the commissioners and their clerk attended the site meeting referred to in the answer I gave at the last sitting: the two representatives of Rushen Parish Commissioners who attended were the chairman, Mr Clucas, and one commissioner, Mrs Shimmin, along with Mrs Kelly, the clerk. Clearly, with only two representatives of the board of commissioners at the site meeting, the representatives were not able to agree to any funding by the commissioners; however, they did agree to report back to their board. I confirm that when the matter went before the commissioners at their board meeting, they did not agree to any funding for the scheme.

I am content that this matter has now been satisfactorily clarified between the commissioners, their clerk and myself. I therefore apologise to hon. members, to the commissioners and to their clerk for any misunderstanding that may have arisen as a consequence of my reply in Tynwald at the April sitting, a reply which I gave in good faith and which was based on the information that I had at hand. I can confirm that in an endeavour to find a solution to this matter, Manx National Heritage, at my request, has agreed to have a further meeting with the Rushen Parish Commissioners. (**A Member:** Hear, hear.) Thank you, Mr President.

The President: Thank you, Mr Speaker. Now, acknowledging, hon. members, that questions 32 to 43 on the question paper were down for written answer, which I understand have been circulated - albeit some maybe twice - I think it is an appropriate time at which to adjourn for lunch, after which we will turn to item 4 on the order paper. Thank you, hon. members.

The Court adjourned at 1.10 p.m. and resumed its sitting at 2.30 p.m.

H M The Queen's Golden Jubilee — Project Funding Authorised

Item 4. The Chief Minister to move:

That Tynwald authorises the Treasury to apply from the General Revenue during the year ending 31st March, 2003 a sum not exceeding £110,000 for the purpose of funding projects planned to mark the Golden Jubilee of Her Majesty Queen Elizabeth II.

The President: Now, hon. members, when we broke and had our adjournment, we had just completed item 3, so we are on item 4 on the order paper, and I call on the Chief Minister to move.

Mr Corkill: Thank you, Mr President. As hon. members are aware, 2002 is the golden jubilee year of Her Majesty Queen Elizabeth II, and a committee of the Council of Ministers has been considering how the Isle of Man might take part in the celebrations and mark the jubilee of the Lord of Mann. The committee has made three proposals for projects which require

government funding; these have been considered and endorsed by the Council of Ministers, and I will just briefly outline them, sir.

Firstly, it is proposed that there should be a gift from the Manx Government to each schoolchild in the Isle of Man of a souvenir presentation pack of first day cover golden jubilee postage stamps, containing an explanatory insert and suitably packaged. It is intended that this gift will be presented at the individual schools as a lasting memento of the occasion, and it is expected that the cost of this project will be in the region of £19,500. It is intended to invite hon. members of this hon. Court to help with the distribution at the schools.

Also, we propose to present to each school in the Isle of Man which does not already have a flagpole a commemorative ceremonial-type flagpole and Manx national flags. There is scope for raising the profile of the national flag and the national identity in this way, and the cost of this project is expected to be approximately £25,000.

Thirdly, we are proposing the establishment of a scheme by which the young people of the Isle of Man can be encouraged and supported to fulfil their potential as responsible citizens. The definition of citizenship in this context is broad-based but will be aimed at encouraging young people to have a better understanding of the needs of a caring and responsible society and how they can play their part in meeting those needs. The committee wishes to see this scheme established and operational at the earliest opportunity, and to this end seeks approval of the allocation of the sum of £50,000. It is intended that this sum will form the basis of a trust fund and that donations from other sources will be sought as the scheme gathers momentum.

Apart from these projects requiring significant financial support, I should also inform hon. members that the Isle of Man will be participating in the chain of beacons which will be lit throughout the United Kingdom on 3rd June 2002 and which is being organised by the Royal Institute of Chartered Surveyors. The Manx beacon will be sited on Mull Hill, Rushen, and is due to be ignited at 9.30 on that day by the hon. Mr Speaker. The chain will commence in northern Scotland and work its way south through the United Kingdom to London, where Her Majesty will light the final beacon. This project is expected to have little, if any, cost implications. (*Interjection by Mrs Hannan*)

The committee has also gathered details of many small local celebrations, and a souvenir leaflet that has listed the events has been published and distributed this week to all residential addresses in the Island by the Post Office. The cost of this is approximately £4,000.

The people of the Isle of Man will naturally wish to play their part in commemorating this historic jubilee, and I would therefore ask the hon. Court of Tynwald to support the motion standing in my name, sir.

The President: Hon. member for Garff.

Mr Rodan: Mr President, I have pleasure in seconding and reserve my remarks.

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

Mrs Hannan: Could I ask the Chief Minister whether the schools that have already got flagpoles and flags will get something in place of that, or are they going to be discriminated against because they have got them already? And could I ask about the cost to the environment of lighting beacons all over the place? I think we have to bear in mind that we have a responsibility to the environment, and to have all these beacons lit all over the place in this day and age, when we have got other forms of communication, is a bit backward, I would have thought.

The President: Chief Minister to reply.

Mr Corkill: Thank you, Mr President. I was quite surprised, I have to say, when the committee did a survey - or the Department of Education did a survey on our behalf - of schools on the Island, to find out that the great majority of them do not have flagpoles: there are only, I think, two or three out of 40-odd schools that actually do have proper flagpoles. Discrimination is not intended; I can certainly look into the aspect of perhaps presenting something to a particular school in lieu of a flagpole, but certainly the objective of the committee was to ensure that every school had a flagpole in order to fly the Three Legs.

I think the hon. member makes a valid point about environmental concerns in terms of beacon lighting. This is a traditional thing. Can I say that at the site at Mull Hill where the beacon will be lit there is already a concrete pad, which has had beacons lit on it before. It is not something that happens very often, but it is entering into the spirit of what is going on elsewhere, and it is being organised by the Chartered Institute of Surveyors who, whether or not we had been a committee, would have gone ahead and done this anyway, with the appropriate approvals of the landowner and after consultation with Manx National Heritage, who, I do understand, have raised certain concerns about environmental damage. That will be limited, and so I simply ask hon. members to approve the motion.

The President: Hon. members, the motion is printed at 4 on the order paper. Those in favour please say aye; against, no. The ayes have it. The ayes have it.

Supplementary Capital Authorities — Motion Carried

Item 5. The Minister for the Treasury to move:

That Tynwald:

- (a) *authorises the Treasury to expend in respect of the year ended 31st March 2002 from the Capital Transactions Account sums not exceeding £190,222,122 in payment of the items set out in column 6 of the attached schedule;*
- (b) *approves expenditure not exceeding £84,499 incurred in respect of the items set out in column 7 of the attached schedule.*

SCHEDULE — SUPPLEMENTARY CAPITAL AUTHORITIES FOR 2001/02

1 Department	2 Item	3 Project	4 Vote 2001/02 £	5 Actual 2001/02 £	6 Excess Vote 2001/02 £	7 Additional Amount to be Authorised for Project £
Borrowing Authorities	1	Manx Electricity Authority Bond Issue	-	185,000,000	185,000,000	-
Education	2	Kirk Michael School Extension	884,600	906,892	22,292	-
	3	Marown School Extension	483,100	520,033	36,933	-
Home Affairs	4	Prison Redevelopment Programme	88,500	213,806	125,306	84,499
Local Government & Environment	5	Acquisition of Land	907,000	4,055,228	3,148,228	-
	6	House Purchase Assistance Scheme	1,500,000	1,523,375	23,375	-
Tourism & Leisure	7	Villa Marina Colonnade Refurbishment	348,000	501,234	153,234	-
Transport	8	Acquisition of land	187,000	1,197,363	1,010,363	-
	9	Treatment Plant Santon Phase 1	3,986,900	4,689,291	702,391	-
			8,385,100	198,607,222	190,222,122	84,499

Notes

1. Column 6 shows the supplementary capital vote required to authorise the overspending of the vote that occurred in the last financial year. Exceeding the vote for the year does not necessarily imply that the total cost of the project approved by Tynwald has been exceeded. Exceeding the vote for the year can arise simply because a project proceeds faster than originally estimated.
2. Column 7 shows overspending of the project, if any, against the total cost of the project previously approved by Tynwald.
3. Excess spending by the Department of Transport and by the Department of Local Government and the Environment on the unplanned acquisition of land is to be financed by a transfer of £4,158,591 from the Land Acquisition Reserve. The expenditure required and received the prior approval of the Treasury.
4. The £185,000,000 MEA bond issue, which was approved by resolution at the July 2001 sitting of Tynwald Court, was not planned at the February 2001 budget and requires a capital vote for the year.

The President: We move, then to 5, and I call on the Minister for Treasury to move.

Mr Bell: Mr President, the need for these supplementary authorities arises from those items of capital expenditure where the amount spent last financial year exceeded the capital vote approved by this hon. Court. The schedule accompanying this resolution, as set out on today's order paper, shows, in column 6, the excess capital expenditure during the last financial year for which approval is now necessary. The amount shown in column 7 refers to a project where the total amount approved by this hon. Court over the life of the project has been exceeded.

In the case of the MEA bond issue, as noted on the schedule, this is simply authorising the capital vote for the advance of the issue proceeds to the MEA. The MEA bond issue was authorised at the July 2001 sitting of Tynwald, and it was explained at the time that it was more cost-effective for Treasury to make the issue in its own name and to then lend on the proceeds to the MEA rather than having the MEA as the lead name.

So far as the other projects are concerned, the Chief Financial officer has, of course, to honour contractual obligations, and has had to make these payments even though it was evident that the schemes were going to become overspent. It is often difficult for a department to forecast the value of payments to be made in a particular year on a scheme which overlaps several years. Any overpayments arising may be the result of underpayments in previous years and insufficient moneys carried forward, or they may arise from continuing schemes, with the provision for 2001-02 being overspent because the work proceeded more quickly than anticipated. In that case, we would obviously look for a subsequent reduction in the following year.

Of the nine schemes referred to in the schedule that have overspent their vote for the year, all bar one have not exceeded the total amount approved for the schemes and are still within the total vote, albeit not for the particular year 2001-02. The scheme referred to in column 7, the prison redevelopment programme, is clearly still at an early stage of its life whilst the site is being determined, and there is provision of over £1.5 million for it in column 3 of this year's Pink Book. In most cases, the projects are incomplete and have proceeded faster than expected, and additional funds were authorised for 2002-03 onwards in the March 2002 budget. In the case of the two departments' land acquisition spending, this simply reflects the operation of the land acquisition reserve, that is: to meet the cost of acquiring land for land bank and other purposes when the opportunity arises. Mr President, I beg to move.

Mr Radcliffe: I beg to second, Mr President, and reserve my remarks.

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

Mr Karran: Eaghtyrane, I shall be voting against this item on the agenda. I think my input to the July sitting to do with the £185 million bond does give me concern and, even though I know it is almost a formality now, I still am very concerned about it, and it would be wrong for me to condone it, even now that it is really an action after the fact. So I shall be voting against it.

The President: Do you wish to respond to that, minister?

Mr Bell: No, Mr President, other than to say that the issue of the bond is quite separate from what we are proposing today, and the whole principle was approved by Tynwald in July 2001.

The President: The motion therefore, hon. members, is printed at 5 on the order paper. Those in favour please say aye; against, no. The ayes have it.

A division was called for and voting resulted as follows:

In the Keys -

For: Messrs Anderson, Quine, Rodan, Quayle, Rimington, Gill, Mrs Crowe, Messrs Houghton, Henderson, Braidwood, Downie, Shimmin, Mrs Hannan, Messrs Bell, Singer, Corkill, Earnshaw, Gelling and the Speaker - 19

Against: Mr Karran - 1

The Speaker: Mr President, the motion carries in the House of Keys, with 19 votes for and 1 vote against.

In the Council -

For: The Lord Bishop, Mr Waft, Dr Mann, Messrs Kniveton, Radcliffe, Mrs Christian and Mr Delaney - 7

Against: Mr Lowey - 1

The President: Hon. members, again, with the 1 vote being cast against in the Council, the motion therefore carries.

Dairy Industry Emergency Financial Assistance Scheme 2002 — Implementation — Expenditure, and Expenditure on Commissioning Independent Report — Approved

Item 6. The Minister for Agriculture, Fisheries and Forestry to move:

- (i) That the Dairy Industry Emergency Financial Assistance Scheme 2002 [GC No 18/02] be approved;*
- (ii) that Tynwald authorises the Treasury to apply from the General Revenue during the year ending 31st March 2003 a sum not exceeding £556,000, being the sum required by the Department of Agriculture, Fisheries and Forestry to implement the Dairy Industry Emergency Financial Assistance Scheme 2002; and*
- (iii) that Tynwald authorises the Treasury to apply from the General Revenue during the year ending 31st March 2003 a sum not exceeding £60,000, being the sum required by the Department of Agriculture, Fisheries and Forestry to commission independent specialist reports into the insular dairy and fatstock industries with a view to determining their current and future viability and report back to Tynwald no later than 31st March 2003.*

The President: We turn now, hon. members, to item 6 on the order paper, the Dairy Industry Emergency Financial Assistance Scheme of 2002, and I call on the Minister for Agriculture, Fisheries and Forestry to move.

Mr Rimington: Thank you, Mr President. The department has a permanent scheme, the Dairy Cow Financial Assistance Scheme 2000, which allows for a payment to dairy producers when the average annual net price they receive for their milk from the creamery falls below 20 pence per litre, such figure being judged as a breakeven or cost of production figure. The maximum make-up under the scheme is two pence per litre; any net average price below 18 pence per litre is therefore not assisted.

The emergency financial assistance for which approval is sought today has been brought forward because the estimated producer price for 2002 is 15.6 pence per litre, with a price in the peak production summer months of just 13¹/₂ pence per litre. With an average herd size of 80 cows on the Island per producer, it is possible that producers on average are losing over 21,000 by remaining in production at current forecast prices.

Why the fall in price that the creamery is paying? The creamery is dependent for the bulk of its income on the proceeds from the sale of commodity cheese. Of the 40 million litres total milk produced in the Island and purchased by the creamery, 20 per cent goes directly for liquid milk - your daily pint - whilst the remainder, some 80 per cent, is manufactured into cheese. The total cheese produced per annum is 2,800 tonnes. Hon. members, you have had circulated to you an explanatory memorandum, which had quite an explicit graph of what the position of the commodity market for cheese is: over the years, it has remained fairly buoyant in the mid-1990s, but that graph quite clearly shows that the commodity price is dropping through the floor at the moment, and the latest information is that it is still down there and the upturn in the market is yet some unknown time away. The commodity price of cheese, then, has dropped from an average of £2,207 per tonne in 2001 to a current £1,700 per tonne, and that fall has been caused by a combination of factors: an increase in milk production in the UK; lower intervention prices for skimmed milk powder, which has led to more cheese being manufactured, some 13 per cent more in 2001 than in 2000; stockpiling of cheese by supermarkets last year, due to the perception of a lack of supplies due to foot-and-mouth, leading to lower demand this year; and in addition - and this is very important for the agricultural community - the continuing strength of sterling, which has made imports, including Irish cheese, more price-competitive.

The creamery had anticipated a likely fall in cheese prices, and had therefore only made provision to pay 18 pence per litre as an average for the year. However, the price the creamery can pay for 2002 on the income generated is now down to 15.6 pence per litre, and hon. members have been made aware of the latest set of management accounts from the creamery in the last few days, taking us up to date, and even that figure now looks optimistic. The department believes many producers will not be able to weather such a fall in income and lack of cash flow, resulting in either a switch to other areas of agriculture for those with sufficient capital to withstand the transitional period of low income, or a decision to cease farming altogether. This emergency support takes the form of a payment to the creamery of a monthly amount sufficient to restore the price it pays producers for milk to that which it originally budgeted, and these prices are quoted in the scheme at schedule 1. Members will be aware that at the request of the creamery, the department has agreed, with effect from 26th May 2002, to raise the fixed retail price of milk from the current 41 pence to 45 pence per pint, the first increase in price since 1996. This increase will result in additional income to the creamery of approximately £433,000 in a full year and will effectively raise the producer's net average price for the year by 1.13 pence per litre. If this sum is taken into account in the increased period of support from April to December, the estimated cost of maintaining the producer price will be £556,000.

The creamery is well aware that it is a small player in the commodity cheese market and that it has to export on to a market whose prices vary with available supplies and which, over recent years, has had to compete with cheaper imports favoured by relative currency strengths. A five-year business plan was therefore formulated in 2000, based on a move from commodity cheese to mature cheese taking 12 to 15 months to produce, but selling at double the price of ordinary cheese. This strategy, together with the employment of a new chief executive with a proven track record of marketing mature cheese, is therefore in place, to be realised over a five-year period. To date, only 70 tonnes of mature cheese are being produced per annum out of the 2,800 in total. The intention, however, is to raise this to 500 tonnes by 2006, at which time it would be hoped that the dairy industry can support itself financially without recourse to government support.

The second part of the resolution for which Tynwald approval is sought is the appointment of consultants to examine the dairy and fatstock industries on the Island, the basic cornerstones of Manx agriculture. The reports will help to establish that these industries are operating at the most economic level, that the business plans of the processors - the creamery and the meat plant - are targeting the correct areas, and also that support authorised by this hon. Court is justified and fulfils the long-term aim of promoting a sustainable and profitable agricultural industry on the Island. Mr President, I beg to move.

The President: Hon. member for Middle.

Mr Quayle: Thank you, Mr President. I rise to give support to the dairy industry and, in hearing what the minister has just put before us, I give my support to the Dairy Industry Emergency Financial Assistance Scheme 2002 -

The President: Hon. member, could I just ask: are you seconding?

Mr Quayle: Oh, I am sorry, sir. No, I was speaking -

The President: Are you seconding?

Mr Delaney: I beg to second and reserve my remarks.

The President: Thank you. Mr Delaney seconds. Continue, Mr Quayle.

Mr Quayle: My apologies, Mr President. I do rise to give my support to the Dairy Industry Emergency Financial Assistance Scheme 2002, and I offer my congratulations to the minister and his departmental officers for so promptly liaising with the industry in an effort to address the present crisis in the dairy industry. The dairy sector, historically, has received rather less than the other sectors in the agricultural industry, and I do believe it is absolutely crucial to preserve the balance of agriculture between the dairy, beef and sheep sectors: for example, a switch by dairy producers from producing milk to then producing beef and lamb would, I believe, cost the government more in the form of financial assistance required.

Could I then also make the minister aware that there has been a further deterioration in the price obtained for cheese by the Isle of Man Creameries since the package has been put together and further, could I ask him to take this into account, coming back to Tynwald in the autumn for further support if required. Welcome though the support is today - and I do hope it does receive widespread support in the Court today - I suspect that it will not actually achieve the 18 pence per litre that the minister has based his calculations upon. Thank you, Mr President.

The President: Hon. member of Council, Mr Delaney.

Mr Delaney: Thank you, Mr President. I hope this hon. Court - strange coming from a 'townie' - will be 100 per cent in support of this £¹/₂ million in the early part of the resolution. I congratulate Mr Quayle for asking members to support it in the same way I will, but what members will be saying to themselves, as I have said before - and I hope members can click

themselves back to the last time we discussed this - is that there is a need for initiatives to do something with the product that we are producing. We cannot go on like this, if you look at the graph, and tell me that we are running a business, because any business that went to a bank with that graph and asked for a loan - and we are being asked for a loan remember, a support, never to be paid back probably. . . What are we intending our future to be? We have not got a future if we continue on that - we are nearly off the graph. I want to support the dairy industry, and they need support with initiatives - political initiatives as well - in selling the product and finding the market. I know their staff are looking, but the politicians of this Court have a duty to work with them to produce a scheme - if there is one - to help them to find a market to sell something we are producing, otherwise it becomes the land of the 'crazies', where we are just making something we cannot get rid of, other than by dumping it, and that would be madness. I am delighted that we are going to look at our navels at the latter part of the resolution, but I do believe that the answer to this, as other members have said on numerous occasions, is to find the markets and to compete in the markets. I am the biggest supporter of doing that very thing, and if it does not work, we can then plead guilty to the fact that we have no ability to sell the product we are manufacturing, and maybe look for something else.

I will ask the minister, in the closing remarks in support of his resolution: please give the people I used to represent, and the members in the House of Keys represent, the opportunity to buy your cheese at a cheaper rate than they can buy English cheese - make a start. I went into a supermarket at the weekend to look, and they can still get English cheeses of the same nature - not matures - cheaper than they can get the Manx cheese, and yet here we have got a glut of it that we are dumping on the market and we cannot get even our own people to buy it. There is something wrong with our thinking. I am sure the farmers who are producing the milk which produces the cheese would not mind our own people eating their product - at least the taxpayers' money will be going back to their own people. And do not tell me it is a disadvantage to any other part of the industry, because we are producing *Manx* cheese - we are competing with nobody but ourselves - but on the shelves we are competing with people who are subsidising their cheese and dumping it on our market, whether it be on pizzas or anything else. I believe that at least the taxpayers of the Isle of Man should, if they wish to consume cheese, consume *our* cheese; whether it be premium stuff or any type of cheese, consume ours and help us to get some return on the £¹/₂ million extra we are going to vote today for them. Thank you, Mr President.

The President: Hon. member, Douglas North, Mr Henderson.

Mr Henderson: Thank you, Mr President. I rise substantially to support this motion here today; I have no problem with supporting our farming community whatsoever. However, my comments fall on the back of what the hon. member of Council has just been alluding to, in that I am concerned with the marketing of products as well, and I want to seek some assurances from the Minister of Agriculture, when he responds to this debate, in reference to some points which I will allude to now.

The first thing is: if we are going to have this massive big review, will the minister give an assurance that he will dig into the files of the department and pull out a report that was done, probably two years ago, by some students who were looking into various aspects of Manx industry and management? One such student looked into the Department of Agriculture and Fisheries and into marketing strategies and some other things. There were some very good points raised from that, and they were raised in the local media, but they seem to have been forgotten.

Now the point is: at the same time, there were at least two bastions of the dairy and fatstock society who went on record saying that some of the products were not up to quality, and certainly the Manx meat was put under the spotlight to words of that effect. Now, I find that

appalling, and what we need to be doing here, if we are trying to rescue the industry and get it on its feet and get things going, is getting an assurance from the minister and the department - and I am sure most folk in the farming community would agree - that we need to be expounding the virtues and the quality of our products, not having influential folk saying that there is something wrong with the quality - that just is not right, and it is really pulling the rug from under the industry. We all need to be pulling together on this one, and I believe this is one of the industries that we can promote in the Isle of Man - a niche market and other initiatives that really will make a success story here - and the last thing we need is people pulling us back down again. Expanding this business is an excellent way forward, because the impact it has on infrastructure and other things is minimal. I believe we have got here one of the most excellent dairy - and fatstock - products anywhere in the British Isles, and probably in Europe, and we need to be expounding those facts from the rooftops of every place and have everyone pulling together in shouting that as well. It is a shame that we have had, in the past, very influential people going on public record saying the complete opposite, and I would seek an assurance from the minister that that is exactly what his department intends to do and that when we do have this large review that he is wanting to have - which seems a sensible way forward - marketing and pulling the agricultural and dairy industry together in one strong voice is something that his review will look into and push, Mr President. Thank you.

The President: Hon. member for Ramsey, Mr Bell.

Mr Bell: Thank you, Mr President. I am sure this resolution today will get the wholehearted support of this hon. Court, and it was not my intention to speak on this matter until the hon. member for Middle made his comments with his closing plea. I have to say that Treasury gave the department a fair grilling, I think, when they came to ask for this particular support measure, and the price of our support was the inquiry into the long-term future of the industry. Whilst we are supporting this resolution, I have to point out that support is not unconditional because of the various points which have been made by other members. It is quite unacceptable to me, as Treasury minister, that every time there happens to be a crisis, we are expected to fund unquestioningly whatever shortfall comes along, without an attempt by the industry and all those involved in it to modernise and to be as focused and as professional as they possibly can be.

The hon. member of Council, Mr Delaney, has made a plea for cutting the price of Manx cheese to make it competitive, but what I would say is that we have to look at quality, not quantity: the only way the industry is going to survive is by producing goods of the very highest quality that people want for its own sake, not just because it is cheap - that is not going to get us anywhere at all. We have to build a reputation that the Manx dairy industry and its produce is the very best quality that we can manage, both to those customers within the Island and to those we wish to sell to off the Island, and that has not been the case in the past. I have been in this Court now for nearly 18 years, and I have heard, periodically, these debates interminably going on exactly the same line - 'we have got to improve the marketing; we have got to improve this, that and the other' - and it all sounds great during the course of the debate; but the next morning it is forgotten completely, we go straight back to where we were before, and six months later we come in with another £¹/2 million bid to bail them out yet again.

Now, I put my marker down, Mr President, as Treasury minister: this will not happen unquestioningly in the future; we will be looking for some concrete evidence that the industry now, along with the support of the minister and his Department of Agriculture and Fisheries, is taking a long, hard, serious look at the industry to see really how viable it is in the long term and what we need to do to make it successful. I want to see the industry exceed. I want Manx agriculture to play the important part it can do in the diversification of the Manx economy and in the care and maintenance of the Manx countryside, but we cannot simply go on putting in unlimited amounts of money after unlimited amounts of money unless we can see some tangible evidence that the industry is now taking on board the comments which are frequently

made within this Chamber. It now has to recognise the world conditions that it is operating in and restructure itself in such a way that it can capitalise and make the most of its potential assets which, I believe, to date, have gone undersold and understood.

So, I do believe that some of the early steps that I am seeing from the creamery, with the specialist cheeses coming along, may well point the way forward, and I recognise as well that we cannot get into the specialist cheeses market overnight; it does take a time to lead in and to build up a quantity of supply to be able to sell on a regular basis to our would-be customers. My understanding is that the initial response to those new cheeses has been very positive from those very customers, and therefore it is quite heartening, I think, to see that we are, at last, making some progress; but I would simply put my marker down now, Mr President, having said all that, that I, as Treasury minister, certainly - and I am sure the Council of Ministers - will be looking for some tangible evidence that that is going to be sustained, built on, fully understood and recognised by the industry itself, rather than simply having them come back whenever there is a shortfall - and it has been hinted that we may see a shortfall again later on this year - and expecting Treasury to sign the cheque without question.

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

Mr Karran: Eaghtyrane, I think everybody in this house is fairly satisfied with the first two items as far as this issue is concerned. I have a lot of sympathy for what the hon. member of Council has to say about the issue of production and making sure that we can get added value, but I am a little bit alarmed, as a member of the department, because I do not want some consultant who is an expert on the dairy industry and on the fatstock industry rediscovering our navels: I think that happened far too often in the past. We have a responsibility to try to make sure that we develop something that has some added value (**Mr Delaney:** Hear, hear.), and I applaud the Treasury in saying that this has to be part of a package of measures, but my greatest fear is that I am going to get some expert who can tell me the 46 types of cow I can have for beef production, and the 36 types of dairy cow, and all this sort of carry on, when what we really need is. . . As I was saying in the department the other day, I cannot remember the last time I picked up a lovely piece of lamb to cook in my oven, but I have three microwave dishes of lamb in my freezer, and I believe that we have to realise that there is no question about the quality: what we have to address is not purely what type of cows we are getting or what type of milk we are producing, but what we are using the base substance for. I do hope that the Treasury will make sure that whoever we pick is somebody with some business knowledge, and obviously we have got to try to work with the Department of Trade and Industry to try to put added value on this produce: it is no use making beautiful legs of lamb if you do not know how to cook it.

Mr Downie: We are talking about milk at the moment.

Mr Karran: But the point is that it is all part of the package of measures as far as the consultancy is concerned, with the greatest respect. (**A Member:** Hear, hear.) The thing on the milk side of it is the fact that we have to find ways of doing it, and I do hope that whoever we get is somebody who is going to have the business knowledge to look for the niche markets where we can do something. It is no use producing cheese which is just going to be dumped. The older members in this hon. Court will remember that we have argued for years about going in for something more specialised, but it has got to be broader than that: we have got to go for chook-cook-chill and things like that, and that is the issue. I believe that any consultant who comes in to look at the agricultural industry has got to do it in a business sense, not an agricultural sense, and that we spend the money to create the markets that the consumers want, because if we do not do that we do a disservice to the industry, because there is no future at the present time. That is all that I want to say as far as this is concerned: when we have these consultants in, it has to be not on the academics of the quality of the agricultural industry, but on

using the base products so that we can put added value into the industry and so that people are producing something that can be used. That is the sort of thing that some of us have been arguing about in the department: whether we can find these chook-cook-chill facilities for the likes of curries and other things that can be used to use the milk production up at the present time.

This very day I wrote a letter to someone that my minister and I went to see who was in the ice cream business. Now, it is not going to be the saving grace of milk production but, at the end of the day, the suggestion is of whether we can be helping to pump-prime - and what I want out of this consultant is to maybe pump-prime - someone to come along and develop milkshakes and things like this so we are not importing those sort of facilities. That is what I want, that is why we have written today to that particular individual, and that is why I think, on that item, we have to have 'joined-up government' between my department and the Department of Trade and Industry. I do believe that that must be done, and hopefully, with the three departments working together - the Treasury and those two departments - we might actually get somewhere, so that the likes of the hon. member for Middle's young farmers may have a future, rather than the ridiculous situation that we have at the moment, where we dump so much of our agricultural produce because we have not looked at the real core issue of developing the business side to pump-prime that sort of facility to add the added value. And that is what I hope will happen, as the member for agriculture.

The President: Now, hon. members, I still have four people wishing to speak. Can I suggest, if we are all supporting the motion on the order paper, that we try to avoid repetition. (**Several Members:** Hear, hear.) Hon. member for Douglas West, Mr Downie.

Mr Downie: Yes, thank you, Mr President. I will try to be brief. I rise to support the motion that is before us today, but I see the support to the dairy industry actually falling across three departments, because the Department of Agriculture deals with it at grassroots as it were, the Department of Trade and Industry then provides the mechanism and the support to enable us to turn the product into other value-added products, and the Department of Tourism then promotes this green and lush landscape that we have to potential visitors. So, between the three of us, I think the system works quite well.

Now, I would ask members to take their minds back two years ago, when a dairy scheme was brought before Tynwald and supported, but because of the prices at the time, it did not need to be implemented. So we have already established a principle, and I would just like to remind hon. members that within the creamery and the infrastructure regarding the milk and deliveries and so on, there will be the best part of 250 to 300 jobs. They are not all people who are suitable for work in the finance sector or other area; they have an important role to play, and as long as I live in the Isle of Man, I will always fully support doorstep deliveries, because I think that is the right way to have your milk delivered - fresh to your door every day. That is something that we do in the Isle of Man but that sadly, for whatever reason, they have moved away from in the UK, and you have not got a clue now, really, where your milk comes from over there.

As a model, the creamery really needs about 40 million litres of milk to be viable: that, in my view, is the figure that we need to produce in the Isle of Man. We can take more, of course. And I would just like to put on record here that the present chief executive, Mr Findlay Macleod, has done an exceptional job (**Several Members:** Hear, hear.) since he has been here in the Isle of Man. Contrary to what the hon. member for Onchan says, we do *not* dump produce; all of the produce that is manufactured through the creamery - and, in fact, the meat that passes through the meat plant - does find very, very good markets. The problem that we have with the milk and the cheese at the moment is that we are in the middle of probably the greatest recession: there is an abundance - or a total glut-of milk and milk-related products on the UK and the European market, and that has forced the price down. Now, this is not going to last forever, and this is the

time when, I think, the present strategy of the creamery must continue. We must keep putting our funding in and keep that business viable, because one day it is going to be a very valuable asset to us and the people who are work-connected in the industry itself.

It is sad to think that farmers - those in milk - today are actually working for less money than they were 10 years ago. That is a fact of life, but things will improve; I have no doubt about that. I know that the creamery is continuing to develop new products, and there are a lot of smaller companies springing up in the Isle of Man, which we are also keen to support, producing things like ice cream, gateaux and other milk-related products. As someone said earlier on, it is a good, top-quality product in the Isle of Man: the creamery itself has all the EU classifications, and we work to the very finest standards. I think if we just help as we are doing at the present time, we will have a viable future for the milk and dairy industry in the Isle of Man. So I am pleased to support it, and I wish the minister well.

The President: Hon. member for Ayre.

Mr Quine: No, thank you, sir.

The President: Hon. member for Peel.

Mrs Hannan: Thank you, Eaghtyrane. I have only got to my feet because of the comments made by the Treasury minister, because I felt that he was looking at this particular issue from a very simple accountant's approach (**A Member:** Hear, hear.), and I think it was quite narrow. Mr Bell spoke about being fully understood but about the future financial support: now, that is all very well, but I think you have got to look at the whole picture, not just part of the picture.

We have got supermarkets who are bringing food in day after day after day. They are looking for increased profits. Tesco, who we have here, buy very little Manx-produced food (**Mr Houghton:** Hear, hear.), but their profits are sky-high and everybody flocks to buy food there, so most people in the Isle of Man are not buying Manx food. Even when the supermarkets do have Manx food, they find it very difficult to find.

The public expects to buy cheap food, but the farmer has the increased standards on the production area, on the farm, and also within the creamery and with regard to collection. There are also improved standards of animal welfare, and members would say, 'Yes, we expect that', but unless you are going to fund those sorts of improvements, the farmer is again losing out. We have got farm-assured schemes brought on by the farmers, but they are also raising the standards. Somebody has got to pay, so who pays? It is the farmer. And how does the farmer stand still? We have heard about the price dropping: ten years ago the farmer was paid more for milk. What does the farmer do? The farmer, just to stand still, produces more milk, so we have more milk going to the creamery, and the farmer is not getting any more because their financial situation is standing still because of the other aspects they have to fund.

So, we can talk about niche markets; we can talk about gateaux; we can talk about all of these sorts of issues; but we have to get down to absolute basics by supporting good quality production and saying to the farmers, 'You do not have to produce this huge amount of milk to make a living; you can produce a smaller amount of milk to make a living.' Every niche market brings added value but also added costs, and where are the costs going to come from? Not the person purchasing, but the farmer, and therefore I think that you have got to get down to absolute basics on this, and I hope the Treasury minister will listen to some of the comments that have been made today. It is not a simple accounting (**A Member:** Hear, hear.) philosophy; you have got to take everything into account with the production. That is the only reason I got to my feet, Eaghtyrane. I will be supporting it because I was the first minister to bring this forward. I know members forget, but I am quite happy to support it today.

The President: Hon. member for Michael.

Mr Cannan: Mr President, I will not be repetitive. I just want to say that I concur with the remarks that the Treasury minister must not look at this as a pure accounting exercise. Our countryside is adored by everybody; it is marketed by the tourist industry; it is part of our heritage. The people who look after it are the farmers, and you cannot allow - and I do not believe Tynwald will allow - the agricultural industry to die or collapse. (**A Member:** Hear, hear.) We are not going to. But the farmer is committed to his bank manager: if he cannot meet the conditions laid down by the bank manager, he goes out of business. We have got to support the farmer. Yes, lectures on niche markets are being taken on board - I have been to the creamery and I have seen them doing their very, very best to get the best possible return - but if the world markets are down and the prices are down, there is very little the creamery can do. You are in the hands of a global economy and, on that basis, if the milk prices collapse, there are two alternatives: the farmers stop having dairy cows, or we support them to have dairy cows. And if the beef sector goes down or the sheep sector goes down, who is going to look after this wonderful countryside which we all admire and take for granted every single day of the week?

What I am saying - and I am putting my marker down too - is that I will firmly support every effort by the creamery to introduce its cheeses into niche markets and to get the best possible return, but if it is beyond their control that the price falls still further, then I will say to the agricultural minister, 'You cannot let the dairy industry just die and wither away, because the farmer himself is beholden to his bank manager, and if the bank manager, in accountancy terms, does not get his return, then the farmer goes out of business.' This, I hope, will be supported unanimously by the Court. It is not a handout to the farmers; it is a handout to maintain the countryside which we all take for granted and which our visitors next week will be going round with their cameras, saying, 'Look at the cows in the meadows!' and 'What a wonderful place the Isle of Man is!' Thank you, Mr President.

The President: Mr Speaker.

The Speaker: Thank you, Mr President. I was reasonably content with the motion before us in terms of providing the support, but I had a concern about part (iii) of the motion and, in fact, my concern has actually been, I suppose, enhanced a bit by the comments from the Treasury minister. Partly reflecting the points that were made by the hon. member for Peel, Mrs Hannan, and the hon. member for Michael, Mr Cannan, I am concerned that the reason why we have part (iii) there is because that is what Treasury wanted - it has not come from the industry, in terms of the Department of Agriculture, as I understand it - and that there is a danger, I think, if you look at the wording, of actually doing an exercise that, to some degree, is irrelevant. The point is that if we want an effective and efficient farming industry, that is a different question; that needs somebody from another country to come in and see whether or not it is viable. The point is: whether or not it is viable is a different question.

I think the difficulty we have is: what is the government's policy towards the farming industry? Does it want one? That question might sound a bit daft, but we have a situation where the Isle of Man's farming industry is minute, within the whole context of Europe, and yet the Isle of Man market is open to all the products, in theory, that are produced in that industry. The difficulty we have is that we are being swamped - and when I say 'we', I am talking about the people of the Isle of Man - with products being imported by the big stores - all of the big stores, by the way - on the Island. They are importing these products and are putting the Manx products there, if we are able to get them on the shelf, but basically the price difference is the one issue that they push to get the UK products sold in the Isle of Man. What happens is that the UK market is big enough that the big groups, like Tesco and Marks and Spencer and all those, can put the pressure on the producer in the United Kingdom to get a price and that price, then applies throughout the whole of their network. And the Isle of Man is just part of their network.

We can take on board the views that were expressed by the Treasury minister - and I can understand partly where he comes from and am not being over-critical - who said something like, 'What we need is top-quality and high-priced products.' I agree with that. In theory it sounds wonderful, but just remember Manx Ices: a high-quality product at a high price, but as soon as the imports came in, the Manx public bought the imports. That is what happened -

A Member: And who brought the imports in.

The Speaker: It does not matter who brought it in -

Mrs Hannan: He did.

The Speaker: I know he brought it in, but it does not matter who brought it in. The point is that when the products came into the Isle of Man - which, legally, as I understand it, we could not stop anyway, because it was part of the EU agreement - what happened is that the Manx consumer looked at the best-priced product and bought what was a cheaper product.

I would have been much happier if part (iii) of this motion looked at the issue of what we actually want and said, 'Do we want an agricultural industry in the Isle of Man, and if we do, how are we going to support it?' That would be better than something that says, 'Is it viable?', which is basically what that says: 'determining their current and future viability'. Well, future viability is based on one issue, and that is: support for the industry, and the industry, in turn, being efficient and effective and promoting its product within the Isle of Man and elsewhere. I just think that there is a danger of part 3 sending us down a road that we may not actually benefit from, and we are going to spend £60,000 on what is quite a restricted view in that way.

The other point is that I do think we need to take a realistic view on this issue. I know very little about the farming industry, but I do know that if you have a small industry competing against a big industry - in other words, one which has freedom to push everything in through the market, of which now we have a greater danger than ever because of the big stores being in the Isle of Man - then quite clearly the smaller industry cannot compete, because on price alone it cannot compete. I find it amazing - and I understand why, because I asked the Minister of Agriculture the last time he made a point about this - that the price of milk had not been increased since 1996. No industry can have increased costs and not increase the product it manufactures during that period. And now the department has allowed an increase of a certain amount, but it is still not up to speed with what the reality of the picture is, and therefore the whole industry suffers because we are trying to produce a product at an unrealistic price for the manufacturer - to use that term - because we have a problem selling it in the market. The market itself has a problem, because if the price is too high, they will go for the cheaper alternative, which is the plastic bottle that comes off the shelf and which has come from the UK. That is basically the problem that the industry has, I would have thought, and that is really where we have a problem. So I think what we need to decide is: what does the Isle of Man actually want? Does it want a viable farming industry, and if it does, how can the Isle of Man Government bring that about with the industry? And it does not mean the industry just standing back and saying, 'Just give us more money, by the way' and 'We do not care how we do it'; it is a partnership, being as efficient and effective as possible in promoting the product.

I would just ask, Mr President, if, under standing order 3.17(4), we could have the motion divided into parts for the vote. I am not sure yet whether I am going to vote against part (iii), because I want to actually hear how the minister comes back and responds to that part. I want to know what he, as Minister for Agriculture, thinks about that part of the motion, because it sounded to me as if what actually happened is that Treasury said, 'Well, we will not give you parts (i) and (ii) if you do not do (iii).' And I do not believe that is the right way to do the business. I really do not. I think what matters is how we are going to secure the farming industry and what

it produces in the Isle of Man for the long-term future. Or are we going to abandon it and just say, 'Look, boys, there is no future; let us get rid of you' and let it just fade away? Because that would be far more honest, and that is the danger we have.

The other thing is: if we are looking to try to get milk products used in the Isle of Man, why not go back to free school milk? (**A Member:** Hear, hear.) Why not do that? We only stopped it because the UK stopped it: Maggie Thatcher decided, 'Let's stop it', so the Isle of Man in those days said, 'Yes, let's stop it.' And by the way, we saved some money. I do not know how realistic it is, but is it a real option? What would be the benefit to the industry? We know it has a benefit to the children (**A Member:** Hear, hear.) so that is another way to help the industry. (**A Member:** Hear, hear.) I can remember being at school and they actually struggled, at certain stages, to provide the milk for us.

Also, while we have some of the representatives of the industry up there who actually produce the milk cartons, I would plead to them: for goodness' sake, sort out how people can open them! (*Laughter*) Because I tell you what, Mr President: if there is anything to stop people buying Manx milk in a carton, it is because they are glued too tight. Heaven knows how the older people open them, because I have an awful job, and I know many people do, so that is a plea I would make to the industry, and I hope they will go and look at how much glue they put on these cartons. (*Interjections*)

The President: Hon. member for Douglas South, Mr Cretney.

Mr Cretney: Yes. I will be brief, Mr President. Just a couple of points. I would like to associate myself with the remarks the hon. member for West Douglas made in relation to the work which Findlay Macleod has done at the creamery (**Two Members:** Hear, hear.) and the way he has gone out and is seeking out new markets. I think we should be supporting that via our various departments, and I think we are moving towards that via industry, agriculture and tourism. We should be very proud of the Isle of Man as a name and of the good-quality things which are produced on this Isle of Man, and I am glad that we have got somebody who is actively out there selling what we have.

I have got three little hobby-horses. My first hobby-horse is that the future of the dairy industry is not strictly only what we are talking about here today. I believe not only do people like the look of the countryside, but people like to stay in the countryside. My department has money available to assist people in the infrastructure, in perhaps converting redundant buildings in the countryside which would provide wonderful opportunities for people who come to stay here. Come and talk to us. The member of my department, Mr Quayle, hon. member for Middle, has a lot to do with this part of the department. If we can help, and if we can get past any obstacles, (*Interjections and laughter*) then I am sure there is something which would be good for both parties there. The second little hobby-horse is: we live on an island where we are very proud to have a dairy industry, and yet everywhere in government we will have these horrible little cartons (**Several Members:** Hear, hear.) of whatever it is. It is not milk as far as I am concerned, and if I could dump the whole lot of them, I would do; I just wish we could introduce a policy of having real milk throughout government. (**A Member:** Hear, hear.) I had another hobby-horse, Mr President, but I think I fell off it; I am sorry. (*Laughter*)

The President: Hon. member for Malew and Santon.

Mr Gelling: Yes, thank you, Mr President. When you think of what we have just gone through in the agricultural industry in the UK, I think members could be excused in wondering how we have this situation, and I did wonder if, perhaps, the minister might, in his summing-up, explain this to members. When we have just gone through the culling of thousands and thousands of animals in the UK - in other words, obliterating herds of dairy cows - you would have thought it would have been the reverse and the demand would have been such that we, thankfully not

having had foot-and-mouth, would have been supplying into a market where the demand was actually greater. Now, I pose the question to the minister: could he perhaps inform us if it is because the consumer has stopped eating cheese? Is it because the UK market is being flooded now by cheese from other European countries, and perhaps the UK authorities got it wrong and did not slaughter as many animals as perhaps the other European members would have liked them to have done, sir?

The President: Right, hon. members, before I invite the minister to reply to the debate, I would make it plain, in respect of Mr Speaker's request, that I am content to take it in divided form if the minister who has moved is equally happy that we should take the motion. I invite the minister, then, to reply to the debate.

Mr Rimington: Thank you, Mr President. I am not sure I will be able to respond to every contribution at length. Perhaps taking the last first, I thought I addressed some of those issues in my opening remarks: in anticipation of the increased demand that there would be from the culling of herds, there was, in fact, overproduction in the marketplace for that, and also the supermarkets themselves overbought and actually stocked up, so that created part of the problem, and yet it is a wonder how, from that previous year, we end up in this, but the marketplace - commodity markets - do strange and wonderful things. I think it is worth referring back to the graph that was circulated to members, which showed the price of commodity cheese, and if we had been in the position, say, seven or eight years ago, when in fact the creamery was doing very well and the money that was produced from the sale of commodity cheese was funding a lot of the improvements that went on in the creamery, we would actually be standing up in this Court and saying what a wonderful job the creamery was doing, that we are very pleased, and that this is Manx produce and so on. And it is really that we are just tied to the global market because we have a small population, but a large area of land, and so we are an agricultural-based community in that respect. We have the added disadvantage of that great expanse of water, which adds a cost for everything coming in and everything going out, and our creamery, our abattoir and many other things on the Island are not an economic size in today's terms - in terms of the marketplace in the UK and elsewhere. And those are the disadvantages that we face.

I thank, obviously, all members for their support. Acknowledging Mr Quayle's comment that the price does not look rosy for the rest of the year, obviously that is an issue we will have to take on board, and we will have to consider, as the year unfolds, what that response should be. It would be pointless for me to try and make any form of commitment or not at this point in time, but obviously we will be very much alive to that situation and we hope that it is not so.

I would say to the hon. member of Council that, yes, there may be concerns about the price of cheese and so forth, but in my own local supermarket in the south of the Island, which is different from, say, some of the ones in the centre of the Island, the Manx cheeses are actually quite well promoted and well priced, and I have no difficulty, every week, going to buy Manx cheese as a matter of course. I think that, obviously, if that message gets through - 'support your own product where you can' - then we should all do that.

A Member: Is that Shoprite?

Mr Rimington: It is Shoprite - I hate to mention particular names on the floor of the House.

I do take on board the concerns of Mr Henderson about the marketing of products, which obviously is an issue, as he said, which has been brought up many times before. I think, echoing the comments of Mr Cretney there, that the chief executive of the Isle of Man creamery has been one of the lead members in actually taking that issue and trying to move it forward, through the Isle of Man Producers' Association and through the creamery itself, in putting forward a branded image. Obviously, there is a long way to go on that - we are probably just at

the beginning of that process - but I think we do need to be alive to the steps that have been taken. Very recently, in a matter of the last weeks, they have secured further contracts for the supply of branded cheese, but the reality is that that is not going, at this point, to make a great deal of difference to the bottom line of the accounts; it will take some years before that marketplace can be built up to have a significant impact.

I do note the hon. Treasury minister's concerns, as the hon. Treasury minister would, whoever that hon. Treasury minister might be, always have concerns in terms of the use of public funds, but it is obviously wider than just an accountancy issue. My colleague next to me just reminded me of something I said some time ago, I think in the election period: the Isle of Man is not a business; it is a society (**Several Members:** Hear, hear.). And they will always have to bear that in mind.

I would obviously thank the many members, without going through them individually, for their support. In terms of Mr Speaker's reservations and concerns about the reviews into the two parts of the industry and about whether we are just voting on those because they were imposed upon us by Treasury, I shall say this: at the meeting with Treasury, they said 'Yes, we would like that', and I immediately said, 'Yes, I would like that too', because I think that it is necessary and that it is actually part of my policy to look at the viability. I have just pulled out of my briefcase this little wodge of paper here which does encapsulate some of the issues that we are looking at in terms of the future of the industry; the poor old Treasury minister will not have had time to get back to his desk yet, but they have been delivered over to Treasury today (*Laughter*), and no doubt these have to go through various hoops and discussions and they will come out into the public arena, hopefully, provided they get through the various hoops, in due course.

At the same time, I would like those reviews also to incorporate the sorts of ideas we are looking at for the future of all the agricultural industry and to take on board a new direction and a new look at the future, not just to look narrowly at the existing support mechanisms and the existing industry as it is. We do have to think: how is agriculture going to survive in the future and what role does it play within our society? The hon. member for tourism has made the point that, in fact, agriculture is a very central part of our image - of the Isle of Man - and what takes place in the countryside is immensely important to all the people who live here and to all the people who come here to live from elsewhere and settle on the Island and bring prosperity to the Island. They enjoy what is out there in the countryside and so do our visitors, and we obviously want to increase that level of enjoyment.

And I will just say, as a final point, that the price of milk in Jersey is 51 pence. I think that is about right; I think that is the right price for a pint of milk. I cannot see it on the Isle of Man suddenly jumping that six pence, but when you think of the sort of rubbish you can buy for 51 pence and throw down your throat. (**A Member:** Hear, hear.). . . As I have said before elsewhere, you can buy a bottle of water for about that price, and that has got a fantastic nutritional value! All that bottle of water is is marketing, a bit of plastic and what our good Lord has sent down from above. And you can go and buy a can of Coca-Cola at 50 or 60 pence, or whatever you can put a bit in your cup and you can put a tarnished two pence piece in it and see how it descales that two pence piece. That is what it is doing to your insides, and people pay good money for it! (*Laughter*) And here we have a fresh product, which people have worked hard for and which is produced to the highest European standards, and we are only selling it for 45 pence. (**A Member:** Hear, hear.) It is remarkable. Mr President, I beg to move.

The President: Now, hon. members, the motion placed before you is at 6 on the order paper and, as indicated, I intend to take it in three parts, the first part relevant to the actual emergency financial assistance scheme, the second part implementing the money, and the third part in relation to the review.

Those in favour of item 6, part (i), please say aye; against, no. The ayes have it. The ayes have it.

Part (ii): those in favour please say aye; against, no. The ayes have it. The ayes have it.

Part (iii), hon. members: those in favour please say aye; against, no. The ayes have it. The ayes have it.

Dhoon School — Alterations and Extensions — Approval of Expenditure — Motion Carried

Item 7. The Minister for Education to move:

That Tynwald approves of the Department of Education incurring expenditure not exceeding £1,586,600 on the alterations and extensions to Dhoon School.

[Reference: Item number 13 under the heading 'Education' on page 7 of the Isle of Man Budget 2002-2003 and as detailed in the Estimate of Capital Payments 2002-03 to 2006-07 (new schemes - Dhoon School Extension) on page 111 of the Isle of Man Budget 2002-2003].

The President: We will turn, then, to item 7, and I call on the Minister for Education to move.

Mr Rodan: Mr President, the Department of Education is this afternoon seeking Tynwald approval for the latest of its capital schemes in respect of primary schools, the scheme for the extension at Dhoon Primary School in Maughold, to create four new classrooms and a multi-purpose hall, stores and changing area. There will be internal refurbishments and the creation, for the first time, of a playing-field for that school, as well as road traffic lay-by and off-road parking. Two mobile classrooms which are on the site will be removed, and I would point out that one of them has been in place for some 30 years. The school has an assessed permanent capacity for only 25 pupils and in September last had 63 on the roll. In recent years, the number of pupils has shown a steady growth, and the new buildings will provide this school with the capacity for 100 pupils and, as I say, the new play areas will give the school, for the very first time, its own playing-field.

The total cost of this scheme is £1,902,500, of which Tynwald has approved pre-contract expenditure of £315,900. Today's motion is to seek further approval to the construction phase, which, it is envisaged, will start in July. I would point out that the whole scheme to date has come in under budget - some three per cent within budget - and therefore represents very good value for money. I trust, Mr President, that this very worthwhile part of the department's programme will receive Tynwald approval, and I beg to move, sir.

Dr Mann: I beg to second and reserve my remarks.

The President: Hon. member of Council, Mr Lowey.

Mr Lowey: I rise to support the resolution before us and to say, Mr President, along with you, sir, I can remember, I believe, the first of the mobiles arriving, so it has done pretty good sterling work. But I do believe that this investment in the country, in a small village school (**A Member:** Hear, hear.) - and I know it is not a village as such, but it is for the community - is the right approach. I commend the department for getting the Dhoon fixed up, and I am certain it will be a great investment in the Manx countryside. I wish the school well.

The President: Hon. member for Malew and Santon.

Mr Gelling: Yes. I rise to support this particular motion, Mr President, because it is amazing how the Dhoon School and Santon School were the two small country schools that were going to be closed down because they would not be required in the future, and I remember very well lobbying members outside the front door. Santon School was closed, Dhoon was saved, and how I now look back and think, 'Santon School, what a marvellous situation it is in, with all the acreage round about, and the same thing could apply.' I appeal to the minister.

A Member: Hear, hear.

Mr Delaney: Re-open it.

A Member: Hear, hear.

The President: Minister, do you wish to reply, sir?

Mr Rodan: Just briefly, if I may. I do echo the comments of the hon. member of Council, Mr Lowey: there is no doubt, I think, that one of the - if we could put it this way - 'glories' of the Manx education system is the second-to-none start in life that our young people get, particularly at the small country schools, where there is a quality of education. I can tell you that, in the case of Dhoon, according to outside inspectors - it is not anybody in the Island saying this - if that school was in the adjacent isle, it would be amongst the top five per cent in that country, such is the quality of the education. It is not buildings alone which a good education make (**A Member:** Hear, hear.), and we have been lucky, despite, perhaps, the slowness - until now - of recent years in being able to renew buildings as fast as we would like, that we have still been able to delivery good quality education.

As far as Santon School is concerned, I am pleased that the department of the day retained that building. It is in use, as the hon. member will know, for teacher training and other services which take place up there, and it may well be that that school will need to be brought into use at some point in the future. It is geographically well-located, and I think the department has learnt the lesson not to get rid of its redundant buildings. It has kept this Santon School building, and one day it may well be needed as a primary school in that area. I beg to move.

The President: The motion, hon. members, is printed at 7 on the order paper. Those in favour please say aye; against, no. The ayes have it. The ayes have it.

New-Build Housing Projects — Pre-Contract Fees — Approval of Expenditure and Borrowings — Motion Carried

Item 8. The Minister for Local Government and the Environment to move:

That Tynwald:

- (1) approves the Department of Local Government and the Environment incurring expenditure not exceeding £675,000 in respect of pre-contract fees to progress new build housing projects;*
- (2) authorises the Treasury to spend out of the capital transactions account during the financial year ending 31st March 2003 a sum not exceeding £675,000;*
- (3) approves of and sanctions borrowings not exceeding £675,000 being made by government, such borrowings to be repaid with a period of 30 years; and*
- (4) approves the transfer of £675,000 from the housing reserve fund to the capital transactions account during the year ending 31st March 2003.*

The President: Item 8. Minister for Local Government and the Environment, Mrs Crowe.

Mrs Crowe: Thank you, Mr President. When this hon. Court approved the creation of the £20 million housing reserve fund in this year's budget, my department was given the financial support to enable it to progress and accelerate the housing programme. The resolution which is before us today gives the first opportunity to utilise this financial support to progress projects where no funding currently exists in this financial year. Support for this resolution will enable a number of housing schemes to be progressed to tender stage. These include the development of affordable homes for first-time buyers and housing for public sector rental. The funding will meet the cost of surveys, site investigations, building control fees, consultants, legal costs and all that is associated with the design and tender phase of any project. I anticipate that the

£675,000 requested in the resolution will enable the development of proposals for some 150 properties to start immediately and add to the programme of house-building which is already progressing through the existing capital and local authority programmes and other first-time buyer initiatives in both public and private ownership.

I appreciate that this money represents only a small part of the £20 million reserve fund, but I assure you that I shall shortly be bringing forward proposals to Tynwald identifying how my department will be able to expend the rest of the housing reserve fund in pursuing the housing strategy needed to deliver affordable housing. I would therefore hope that all hon. members will wholeheartedly support this motion to assist in achieving an increase in much-needed affordable housing. Thank you, Mr President.

The President: Hon. member Mr Henderson.

Mr Henderson: Thank you, Mr President. I beg to second, sir, and reserve my comments.

The President: Hon. member for Peel.

Mrs Hannan: Yes. If I could just ask the minister: I know I have got a motion later on on the agenda about play areas and playing-fields, but do play areas and playing-fields form any part of these developments? What we have done in the past is we have developed - and I do not want to rehearse what I am going to say later - large housing estates with no play areas for children - no play facilities - and then we have the temerity to complain about children. (**Two Members:** Hear, hear.) So I would hope that children, and the facilities that are required for them, can be included within these developments.

The President: Minister, do you wish to reply?

Mrs Crowe: Yes, indeed. In all housing developments that go through the planning process at the present time, there is always a play area in a size appropriate to the development, and it is under section 18 that the developer can transfer the land that they have made available for a play area to the local authority so they too can keep the land to progress play facilities or whatever for the children in that area. But we do consider it important, in all housing developments, to have an area set aside so that children can play safely.

The President: Hon. members, the motion I put before you is printed at 8 on the order paper. Those in favour please say aye; against, no. The ayes have it. The ayes have it.

Sewerage — Schemes Transferred from Local Authorities — Completion of Payments — Approval of Expenditure and Borrowings — Motion Carried

Item 9. The Minister for Transport to move:

That Tynwald:

- (1) *approves additional expenditure of £1,431,000 to complete payments on sewerage schemes commenced by local authorities before 1st April 2001;*
- (2) *authorises the Treasury to expend out of the capital transactions account during the year ending 31st March 2003 a sum not exceeding £1,431,000 in additional expenditure; and*
- (3) *approves of and sanctions borrowings not exceeding £1,431,000 being made by government, to be repaid within 30 years.*

[Reference: Item number 24 'Local Authority Sewage Schemes (Committed)' under the heading 'Transport' on page 10 of the Isle of Man Budget 2001-02, and as detailed in the Capital Estimates 2001-02 to 2005-06 on page 118 of the Isle of Man Budget 2001-02]

The President: We move on to the Minister for Transport to move item 9.

Mr Shimmin: Thank you, Mr President. This motion seeks approval to bring into the capital expenditure budget sums for which local authorities had already successfully petitioned the Department of Local Government and the Environment but which they had not spent prior to the appointed day for commencement of the Sewage Act 1999. Mr President, the adjustment is of a purely technical accounting nature, and I beg to move.

Mr Cretney: I beg to second, sir.

The President: Hon. member Mr Cretney seconds. The motion, hon. members, is printed at 9. Those in favour please say aye; against, no. The ayes have it. The ayes have it.

Dual-Use Items (Export Control) (Application) Order 2002 — Consideration Deferred

Item 10. The Minister for the Treasury to move:

That the Dual-Use Items (Export Control) (Application) Order 2002 [SD No 182/02] be approved.

The President: Item 10. The Minister for the Treasury. We seem to have to pass by that, so we will turn to item 11.

Foot and Mouth Disease (Precautions Measures) (Disinfection) Order 2002 — Approved

Item 11. The Minister for Agriculture, Fisheries and Forestry to move:

That the Foot and Mouth Disease (Precautions Measures) (Disinfection) Order 2002 [SD No 214/02] be approved.

The President: The Minister for Agriculture, Fisheries and Forestry to move.

Mr Rimington: Thank you, Mr President. During the upheaval of last year's outbreak of foot-and-mouth disease in the United Kingdom, the Island carried through a variety of precautionary measures. Despite the widespread incidence of foot-and-mouth disease practically on our doorstep, the Island managed to avoid infection. The first line of defence was a disinfection regime. Hon. members will recall the mats and sprays for passengers and vehicles, but perhaps will not be aware that particular attention was paid to treating certain consignments which were destined to go onto farms: packaging and containers were carefully and thoroughly treated; machinery was made a special priority to be cleaned and disinfected.

There has not been a case of foot-and-mouth disease reported in the United Kingdom since late last September. Our disinfection regime was stood down towards the end of 2001. The legislation we have put in place to provide for disinfection has now lapsed and is replaced with the order which is now before this hon. Court. This order provides powers to institute disinfection, as and when necessary, if foot-and-mouth disease flares up again. I sincerely hope that it will not be necessary to use it; I recommend it to hon. members as a prudent precautionary measure. Mr President, I beg to move.

Mr Cretney: I beg to second, Mr President.

The President: The motion, hon. members, that I put to you is printed at 11 on the order paper. Those in favour please say aye; against, no. The ayes have it. The ayes have it.

Control of Employment (Amendment) Regulations 2002 — Debate Commenced

Item 12. The Minister for Trade and Industry to move:

That the Control of Employment (Amendment) Regulations 2002 [SD No 238/02] be approved.

The President: Item 12. The Minister for Trade and Industry to move.

Mr Downie: Thank you, Mr President. The Control of Employment (Amendment) Regulations 2002 have been prepared by the Department of Trade and Industry in order to respond to concerns relating to the inflexibility of the present system and the potential negative impact this may have on our economic well-being at a time when we face some degree of uncertainty.

Work permit legislation has been a part of Isle of Man life for very many years, and the current Act dates back to 1995. In the intervening years, we have seen various periods of comparatively good times and bad, and the regulations have been amended from time to time to reflect this, the last such occasion being in 1993. At that time, the rate of unemployment stood at about 5.5 per cent- or 1,800 people - whereas today it is, of course, less than 200. The amendments being proposed include a provision that when applications are being considered, consideration should be given to the level of unemployment on the Island as it exists at the present time. Perhaps surprisingly, this is the first time that this factor has been introduced, although most people will have assumed that it has always been one of the main elements to be taken into account.

To allow this to be effective, the amendments also include a proposal to move the matter of the availability of a suitable Isle of Man worker, either now or in the forthcoming 12 months, from those to which regard *must* be had, to those to which regard *may* be had. In general terms, this can be expected to mean that when labour is plentiful and unemployment low, the committee will have more discretion to be able to respond to the needs of employers to recruit staff quickly and with minimal bureaucracy.

The other change which is being proposed will allow an employer to make a case to be allowed to engage the best applicant for a particular job and for these representations to be taken into account as part of the deliberations on that application. I have to say, hon. members, that I believe this to be fundamental to any fair and reasonable system, and it has been one of the main criticisms of our work permit legislation that no such right has existed in the past. I have already said we are facing a period of potential uncertainty as far as the economic outlook is concerned, and if we are to encourage existing and new business to invest here and to create new and better employment opportunities, then we must recognise that, where they can demonstrate that the future success and well-being of their business is dependent on the employment of a particular individual, our law must not prevent them from doing so. At the end of the day, a business is only as good as the people who work for it, and we have to be prepared to recognise that a business is likely to be most successful when it employs the best people, particularly in key positions.

The amendments being proposed do not change the work permit law; they merely introduce into the regulations two new factors which must be taken into account when permit applications are considered, and by moving two of the matters to which regard currently *must* be had, to those to which regard *may* be had, allow for a greater degree of flexibility, particularly in relation to consideration of those factors. Some will argue that the interests of Isle of Man workers are being diluted, but I would vehemently disagree. If we do not introduce this flexibility and continue to require a suitable Isle of Man worker to be given preference in all cases, then the new factors we are proposing to introduce would be worthless. I would also argue that the best interests of the great majority of Isle of Man workers are served when they work for successful companies, and our prime aim must therefore be to create and encourage successful businesses. I beg to move, Mr President.

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

Mr Singer: I beg to second and reserve my remarks.

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

Mr Henderson: Thank you, Mr President. I have quite a substantial amount to input into this debate, so I would ask if hon. members could bear with me. I think it is a real shame that we are here today to discuss this item on our order papers: that the Control of Employment (Amendment) Regulations 2002 be approved.

The main reason we are here, and I am absolutely sure, is because of last year's problems with the Director of Education issue; let us be honest about that. Even the Chief Minister admitted as much on yesterday's Manx Radio news. I am also well aware that, following the successful defence of a Manxman at that time, some ministers were making private calls for a change in the control of employment legislation. I feel this was more to do with the principle that government were heavily defeated on this matter rather than bothering to work out if there were any real problems and to work up appropriate solutions to address real and tangible inadequacies that might - and that is the operative word - be within the current legislation. This is quite evident in the flawed and deficient proposals before us, deficiencies which I intend to prove to this Court beyond manner of doubt. Those who made mutterings last year propped the case on the fact that there should be legislation in place encouraging the best person for the job, that the current work permit system does not do this, and that the Work Permit Committee should not be appointing staff and they had no competence to do so. And that is what I firmly believe has driven these amendments here today - for no other reason - as the reasons being preferred by the minister through the press are the same that were being slung around last year. If there had been no issue last year, then I am absolutely confident that we would not be having this debate now.

To be perfectly blunt, what we are being asked to do today is to sell our community down the river. I do not blame the minister for this, because he is toeing the line with the Council of Ministers' policy, but nonetheless this is one of the final nails in our community coffin: changes that I feel are unnecessary; changes that we will come to regret in time; changes that are being brought about for the wrong set of reasons and not addressing any possible real problem areas. Our community still has some safeguards to keep it special, and here we are being asked to take those very safeguards away. We are being asked to cut the legs from under us; I just cannot believe it. We already have a completely open-door policy on immigration: there is nothing whatsoever to stop anyone from coming from anywhere to live on our Island. Now we are sending out another message: that absolutely anyone can come from anywhere and work here with no restrictions whatsoever. That is the signal that will be sent from here today, Mr President, on the end of a huge flashing beacon: come to the Isle of Man; free for all; open 24 hours a day, 7 days a week.

However, there is another signal being sent out from this debate, Mr President: that local people, including non-Manx residents, are not up to employment standards; that there is something inherently wrong with local folk; that for some reason they are not as good as someone who comes from off-Island; that there is something deficient with the local staff pool. I have heard these biased and nasty comments before. 'Getting the right person for the job' is just an excuse; this is about managers getting their own way, and personal preference. That is what this debate is about, and nothing more. Local applicants will be usurped as a result of these changes. But there is something fundamental being manipulated here, and it will compound this already unacceptable situation. What is really going to happen is that if we approve these amendments today, then we are also saying - and the minister has never flagged this up, and I think it is an atrocious omission - that we do not think anyone currently in post anywhere in the Isle of Man is any good and worth promotion. There is no-one good enough to be promoted from within one of our organisations: that is what this is saying. No faith in the local staff pool, especially now that we are going to give employers *carte blanche* to bring in people for the good of the business, backed up with the removal of the local employees' safeguard. Any aspiring and well-motivated staff who have been working hard at their careers now have to face

the fact that their promotion prospects or any career changes they may wish to make are being taken away in the wake of considerably weakened regulations. That is the most significant thing.

There is also a deliberate and blatant attempt to push these changes through in the knowledge that this is being done in a void, with no counterbalance - just the complete opposite - making this situation even more intolerable and offensive. There is no word of any policy endorsing the principles and advantages of a staff development and succession training policy being advanced by the minister in the changes of these regulations. There is nothing to balance these changes, giving local staff a fair chance. Neither is there any mention of a staff development and succession training policy that I can find, which is clear and shining out of the government's 2001 policy document; not a thing; nothing about ensuring staff have this opportunity. How on earth do we ensure that our staff stay motivated and gain the type of experience required if they have no chance to do so? It is not here; not a mention.

We have all heard the guff that the work permit system is out of date and it is urgently required to address the issue of no unemployment; that the work permit regulations are out-of-date and out of tune with what is happening in today's job market, and that therefore they need reviewing, modernising and more flexibility built in; that the work permit system is causing some sort of slowing down and disruption, blocking job appointments. Even the Chamber of Commerce were jumping on the minister's bandwagon on Manx Radio this morning, bemoaning the fact that in the specialist area of IT, waiting for a work permit to come through was causing uncertainty. Absolute rubbish! We are being deliberately misled. And we are being deliberately misled about safeguards because, in reality, there will not be any for local staff. We have heard no mention of how easy it is to gain a work permit precisely because of the employment situation. The Work Permit Committee knows exactly that there are currently around 200 unemployed on the books, and they know that organisations require staff and expanding businesses require additional staff. They know that some businesses require specialist staff. That is why 12,000 permits were granted last year. There is no problem with the system - not how it is being portrayed, anyway.

We need this system to protect our community and for when times become leaner again. We need this system more than ever now to protect local staff, career progression and promotion, in the absence of anything else. I have got news for the minister: I have yet to see how this system is causing such serious problems that the whole employment sector is grinding to a halt. Not one shred of evidence, which goes back to my initial arguments as to why we are here in the first place. There are no practical reasons that I have heard thus far to warrant what will be draconian changes. I have not seen any petitions signed by employers and managers stating these supposed insurmountable problems; their silence is deafening. The minister has made great play of how inadequate the system is, how we must have greater flexibility, how we cannot discriminate against our own staff, and how we must not place an administrative burden on employers. And woe betide placing a burden on the Work Permit Committee. Yet there is no mention of how our 40,000 local staff in the public and private sector are to be supported in the absence of any regulations, because that is what is happening here: a deregulation of our labour market. By the introduction of new wording and replacement of the old, we are giving *carte blanche* to an employer to employ anyone from anywhere at any time, especially if it is thought vital for the organisation. That is the most subjective criterion I have ever heard. It leaves the system open to abuse and personal interpretation. We are in danger of instructing the Work Permit Committee to overlook local talent. Staff will become demotivated, leading to underperformance, or leave when they realise there is little at the end of the tunnel for them, no career progression. The new criteria also have the serious potential to make the Work Permit Committee defunct, as the wording is such that all permits could be handled at an administrative level, all just bounced through.

The main thrust of these changes is the change of wording, in the regulations, of the Employment Act: specifically, matters to which regard 'shall' or 'must' be had, in respect of whether there are any suitable local candidates, are being changed to matters to which regard 'may' be had or which do not have to now be taken into consideration, even if there are suitable local candidates. One further deregulation attached on the back of this is the fact that no regard need be taken if there is a suitable local candidate who could be trained up in 12 months. Bang goes that chance as well. Hon. members must appreciate the serious implications of this: we are in danger of establishing a two-tier employment pool, with local employees as a sub-class with no rudimentary employment protection.

We have just been told there are problems, but there is nothing specific and tangible, no evidence. So what if we have virtually no unemployment? So what if there were 12,000 permits issued last year? So what if there were 80 permit refusals? Where is the problem? And those are the figures issued by the DTI and in all our Tynwald packs. Or have I missed something here? Is the minister actually saying that his vision of speeding up the system is by way of permits being issued by default? Is that what is going on here? Then we really are in trouble. We should be looking at streamlining the administrative process - the sensible way forward - and making exemptions for any specialist areas, such as nursing or IT, so that for the time being, due to the chronic shortage of expert staff, a permit would not be required. If there are no suitable local applicants, a permit will always be granted. Employers can ring up the work permit secretary and order an urgent permit that can be sorted out in a matter of 48 hours or so, and it does not need the committee to sit. Every employer on the Isle of Man knows this. There is also an administrative part of the work permit section - a very effective administrative section - which processes most of the permits. It is not just one committee, completely bogged down, as we have been led to believe; far from it.

The minister has sprung a trap on himself and there is no wriggling out of this one. The only way I can see how any fast-tracking will occur, in the absence of not removing any administrative burden, is by altering the criterion from 'shall' to 'may', thereby encouraging the Work Permit Committee and officers to put more permits through on the first round - or worse, bounce it through at administrative level - and encourage them to ignore more local people, and by removing the necessity for any appeals. That is the real trick, and that was also clearly stated on Manx Radio this morning by the Chamber of Commerce representative during his interview. But - and this is the significant thing - we are again being misled into thinking that there is some sort of large-scale disruption and waiting-lists, and as I have just demonstrated, the only delay is possibly having to wait for the result of an appeal. And also, in answers to my questions earlier today in written format, there have never been any delays, as far as the department can tell, and that is for all members to see here on their desks. Judging from the DTI information, appeals and refusals have only happened in a few cases out of the 12,000-plus applications. That is how disproportionate the DTI argument is, balanced against their case of mass disruption. These figures clearly demonstrate that there is no case to change the regulations; the system, in fact, operates smoothly and efficiently if it can screen 12,000-plus applications.

Mr Downie: Renewals.

Mr Henderson: Or renewals. What is wrong with that? The point is that it has been screened, and that is what we set the committee up to do in the first place. And if that is not enough, the 57 refusals of permits gave a possible 57 local people a chance at a job or a promotion. That is what it is all about, is it not?

Then I hear the sarcasm about 'the best person for the job'. Well, let us support our community for once; let us stop saying that local is not good enough; let us give our staff a fair chance. This 'best person for the job' argument falls flat right here and right now for the simple reason that if we give those 57 possible local people a chance at a job, they are on a

probationary period; any good manager will be monitoring their performance, and if they do not cut the mustard, they can have their contract of employment terminated very quickly and decisively during a probationary period. And if they had the opportunity of a recognised staff development and succession training programme in the first place, then they would be able to compete fairly at interviews and not be the underdogs, wouldn't they?

If an employee is underperforming, and the organisation is fearful that they may apply for a promotion and that person will have a chance of achieving this by way of the current criteria for Isle of Man Worker status, then this is the fault of the organisation for not implementing proper and correct procedures, as laid down for all organisations, for best employment practice and best management practice. Staff should be supported by their employers to develop and progress. Performance must be monitored by way of regular appraisals. This keeps staff keen, motivated and up-to-date, and gives them a chance to build up the experience they require. If someone is failing in this or in their work performance, then the employer has no-one but themselves to blame for failing to operate appropriate capability procedures in these cases, where this underperformance can be successfully arrested or that staff member relocated to a position they can cope with, thus taking this kind of problem out of the frame. Proper development and performance procedures are paramount to a successful business; you cannot just blame work permits for promoting someone who is not up to the job. There should be systems by way of best practice in place to stop this from happening in the first place. Either an employee is fully capable or they are not, and it is a scandal to just leave them thinking they are in with a chance, especially when everyone is muttering behind their backs. That is an organisational failure, not the work permit.

As for the issue of enhancing confidence of employers and workers and avoiding unnecessary delays, all staff and employers who come to this Island or apply to work here are aware of our work permit system and accept it, or have come to accept it. So no-one is losing confidence. It is an accepted part of our way of doing things here and that is it, the same as employers have to accept the FSC regulations if they want to stay. All employers are aware, as I have stated, that if there are no local applicants, then they will get their work permit. There is no problem with that, Mr President. If they trained and motivated their local staff sufficiently, they would not need to be looking for a work permit in the first place - one more argument falling flat on its face.

If these changes go through, in many cases local staff will be disadvantaged by not being able to compete for a vacancy on a level playing-field, because there is no commitment to staff development and succession training been offered here this afternoon to run in parallel. Therefore, someone from off-Island may very well have a head start or unfair advantage. This is especially so with crafty employers where job descriptions are purposely beyond the reach of local staff. The committee or employer will not necessarily now have to look locally, especially if the unemployment figures are low and the 'shall' has been turned into 'may' have regard in the new criteria, as I have already stated. We cannot have this; it is discriminatory in its own right by encouraging off-Island employment ahead of the local employment pool, especially in the environment of no government staff development policy and succession training. It is unfair competition. These changes legitimise discrimination, in my opinion, against our own community. I would go further and state that it may well impinge on people's human rights, as there is nothing else on offer running in parallel, as I say, and the fact is that there will be a two-tier employment pool: newly appointed staff and what will be seen as the second-rate local staff. This includes those staff who have come to live on the Island, shown this place some commitment and moved over here at considerable expense, stress and upheaval; they, too, are being sold out.

The minister makes several points unashamedly clear in his press article, where he is quoted as saying, 'A new provision is proposed which would allow a prospective employer to

make representations that they should be allowed to employ the best person for a post in certain cases where the future success and development of the applicant's business or businesses was considered to be dependent on the employment of the individual for whom a work permit is required.' It then goes on, 'The interests of Isle of Man Workers are ultimately best served when the business they work for is successful, and the business is likely to be most successful when it employs the best people, particularly in key positions.' I find this deeply insulting, personally and to our community: a Manx department coming out in public and heralding this kind of thing as the saviour of the supposed employment crisis, by way of saying - and I am not sure if anyone has picked this up - that Isle of Man Workers should put up or shut up; we need off-Island people; they are better and they will make our businesses more successful than locals; and, 'Oh, by the way, which will have the knock-on effect of being good for the local staff.' What is being stated here is that an employer will be able to advance a very subjective argument for an off-Island member of staff on the grounds that their business might fail otherwise, and this includes government departments and no chance for local employees. This is a national disgrace and should not be allowed; it is tantamount to putting down any local employment talent we may have; it will kill off any local enthusiasm; and it is a slur on every one of our 40,000 hard-working staff in the public and private sector, Manx or not Manx. They are effectively being damned.

My final point - and probably the most important and telling - is that we are being encouraged to support these amendments, yet the very people who use these regulations have not been consulted to find out if there are any problems. (**Two Members:** Hear, hear.) Not only is this astonishing, but this is why I cannot understand the noise being made by the department. How can they know if any problems exist when they have not consulted with the most important players in this scenario, the Work Permit Committee itself and the Isle of Man Trades Council, the very bodies who know more about this than anyone else and are in contact with the regulations and processes on almost a daily basis? I have personally spoken to the Chairman of the Work Permit Committee and the President of the Isle of Man Trades Council, and they informed me that they and their associates have not been consulted and have never been invited to meet with anyone to put any observations forward. I find this absolutely incredible. We have not got the views of the very people who would be able to tell us exactly what was what. Therefore, we are left with only the highly subjective, and now unreliable, statements from the department, a set of measures driven by what I would see as perception rather than the hard facts of the matter. I would also say that there is nothing on the table for hon. members to look at from observations made by the Chamber of Commerce and others and letters from employers.

Mr President, I propose to move that we put these regulations back to the department for further consideration until, and when, our various concerns have been properly examined. This must include an examination of an employee development and succession training programme, the effects these measures will have in general, and comment from the Attorney-General as to the possible discriminatory and human rights impacts that I have flagged up. Also, at the very least, something so fundamental as this requires, I would have thought, a full and proper report to Tynwald for debate. It is not a matter of great urgency; there is time. I would also say that the merits of a two-stage recruitment system should be evaluated but, most of all, the main reason for putting this back to the department must be on the grounds of consultation to see if there are any real problems and what they are, and for those views to be examined. I am fairly sure that employers have not been formally approached and, at the very least, we need to know what the Work Permits Committee and the Isle of Man Trades Council think, otherwise we are making an unsafe judgement which will affect our entire community.

Mr President, I beg to move the amendment to the motion, circulated in my name, which also has five conditions appended to the back of it, sir. I beg to move:

That the word 'approved' be deleted and replaced by -

'referred back to the Department of Trade and Industry for further consideration.'

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

Mr Houghton: Thank you, Mr President. I beg to second this amendment made in my hon. colleague's name. I can do nothing more than congratulate and compliment my hon. colleague for the very in-depth detail of his speech this afternoon. It is not just a damning speech against this particular issue, but also makes some very, very good suggestions about this two-stage recruitment system, staff development and succession training programmes in order to motivate staff. Where are they? I do not see them either.

The point I am particularly concerned about in this particular issue is the fact that the two main organisations to do with this, the Trades Council and, more importantly, the Work Permit Committee, have not been consulted with. Now, I just wonder, because I do have a great deal of respect for the hon. minister for Trade and Industry, Mr Downie: has Mr Downie been ill-advised on this particular issue by the departments that he is actually in charge of? It would not be the first time. Is this the case here? Because I am pretty sure that if Mr Downie - and we will have his answer in due course, I know that - had evaluated this circumstance, I do not really think that that gentleman would be here today with this in front of us. I think what my hon. colleague is actually proposing here is simply to refer this back to the Department of Trade and Industry for further consideration. Now, that is not asking an awful lot, but it is asking for that, and I am quite sure that my hon. colleague - and I would be more than willing to support him in that - would go and see the Department of Trade and Industry and discuss this matter further, because it does have serious connotations for Manx workers, and I am getting thoroughly sick and tired of seeing Manx workers themselves being trodden on by the arrogant attitudes of some employers, none more so than those employers in government, who are the leaders of arrogance in my opinion.

I am also getting sick and tired, and I am sure many others are too, of the gerrymandering of job applications in order to knock local people out of it. It happened recently in the Isle of Man Constabulary, but in the case of the Isle of Man Constabulary, those particular incoming officers from the United Kingdom are exempt, and that is the situation that did not impact, needless to say, on work permits, but in all fairness, certain other people who had influential effect saw good sense in that particular issue. So, it is happening, and we are the leaders of arrogance and we should be ashamed of ourselves. Thank you, sir.

The President: Now, hon. members, I think it is an appropriate time at which to adjourn for a break. I would point out that I have three members who have already indicated that they wish to speak on this; perhaps we can reflect on that during our tea break. The Court will resume, Mr Delaney being the first to speak, at ten minutes to five by the Court clock.

The Court adjourned at 4.27 p.m. and resumed its sitting at 4.50 p.m.

Control of Employment (Amendment) Regulations 2002 — Debate Concluded — Motion Withdrawn

The President: Hon. members, as I indicated before, we have three names on my list here, ready to move on. So I call on the hon. member Mr Delaney.

Mr Delaney: Thank you, Mr President. I am delighted we have got a quorum for what I have to say. The situation is that at certain times in every parliament - certainly in the Isle of Man, and probably in all parliaments - when key things happen, sometimes they happen very late in the life of the House and sometimes they happen very early - and this is one of the early ones.

I want to ask the mover, who may have picked this up for many reasons: what is the reason why we have got this in front of us? What is the problem? If it is in education, I do not see any problem in exempting teachers from work permits while we have a crisis. I do not see the reason why, if we had a problem with nurses - if we were short of nurses - they could not be

exempt. I cannot see why we cannot exempt anybody if we are the people who move orders and amend regulations when we have to, in the same way that this regulation is going to amend things. But to take a hammer for the old cliché of crushing a nut seems to me stupid.

Through the mover of this resolution, I want somebody - the Chief Minister is obviously probably the best - to tell me that all ministers in the Council of Ministers agree to this. I want it on record, you see, because, as I say, it is early in the life of this House and the public have long memories - even if we have short memories - and I want to be able to say when this started and how it started if we have got to a situation where we have virtually got to abandon the work permit system. We had difficulty with it anyhow, because of European changes and what have you, but I believe this is the finish of it because there is wording in here which states '... not have regard to the availability.' What we should say, really, and to be honest about it, is just, 'Do away with the work permits.' I know ministers in the past, who are no longer with us, and the key time in their life was when they made decisions; they are not here any more, and this, I am afraid, is one of those times. It is a make-your-mind-up time. Nowhere, in the government's policy, can I find that we had a desperate need to amend the work permits Act. Are we saying now that the Isle of Man is a free, open state and that we are going to take the unemployment off the list of anywhere in Europe because, actually, the Europeans have a right to come here? Are we saying that? If we are, let us tell the Manx people we are doing that.

'Best man for the job': I believe in the best *Manxman* for the job. If it is a shame to say that, I will say it: if we have not got a Manxman with the ability to do the job, then we get the best person from off the Island to do the job. But do not turn around and tell me that in this small community, which happens to be on a good roll at the moment, we are not having thoughts for the future, when we may get a small unemployment problem: are we then going to rush and change the employment law back again? Where did the call for this change come from? Were there people knocking on the doors of the House of Keys, demanding a change? Were there constituents phoning you up day and night, like I get and you get on housing problems, demanding you change the work permit Act because somebody off the Island they knew could not get on to the Island for a job and they were the best person for the job? Was it the fact that we had an educational problem with the Director of Education? Because that was some of our own making. Is that why we are changing it? I think the public have a right to know, because they were not told at the election and we are complaining about them not voting. Let us tell them now, then - if we did not tell them then, let us tell them now - that it is open season on the Isle of Man: anybody who is short of a job, while we have got low unemployment on the Isle of Man, can get a job here. We will sort the housing problem out in 10 years, when these new people become entitled to go on the housing lists; that will be fine. We will sort your problems out; we will be building houses then, just as we are not now. The minister, at the time, will have to be here asking for millions of pounds from the Treasury minister at that date to build more and more houses, and then there will be people complaining about building on green fields. But that is the only place you are going to build them. Those are the problems you are putting forward. It does not stop with a work permit; it stops with all the problems, even when they get to an old age and they need aftercare. We will all need it, until we die off and make space for somebody else to take our places, and some of you are probably wishing I would do it now. But they are the problems we are creating; they are all going to be there for a small community.

This one should be looked at again, and let us be honest with the Manx people and tell them where the policy is. We have been told, when questions are asked, that we have not got a roof on immigration; I can accept that - very hard to do it, we do not know - but do not say, in that case, that we are going to wait until it gets that bad on a system we know. Even the minister will admit, when it was passed through, that the Bill on the amount of population is going to be very difficult to implement. Let us tell the Manx people now that it is going to be difficult to implement but, at the moment, do not worry about it, because it is just open season. And when our young

people are again queuing up for more houses and more houses, and the cost of houses is going up because of the demand of the new people coming in for jobs - they will all want to live somewhere - we tell them, 'Ah well, there is nothing we can do about it; it is supply and demand; it is an open, free market.' Is the work permit system to blame for that? Are we going to say this is the day that it happened? Because it is going to happen, and I would like to know when it happened and who was responsible for making it happen, because at least I have got a right - and everyone else will have a right - to know who was keen and wanted this piece of legislation amended in this way. Who knocked on the door of the Chief Minister or the minister responsible for putting it through here? Who knocked on the door and demanded it? Where are the letters? Where is the correspondence? Where is the record, even, of the Council of Ministers that this was a major crisis of the Isle of Man and the legislation had to be amended? Did the pressure come from off the Island to change the legislation? Is it something to do with European immigration laws or the free movement of people? Is it something like that? The Attorney-General will probably tell us later. Is there something we are not being told? But the Manx public have a right to know, when problems arise in the future with the amount of people pursuing the jobs that they need for their children, that we can tell them, 'We know where it came from.'

I believe it is worth putting back. We are not running anyone out of business, and it is not going to bankrupt anybody if they go back for a month. And let us then have a debate - or maybe we will have some more information, because we have got none at the moment - on what the crisis is that demands such a drastic change to the work permits Act. Let us be honest enough and do that. And if we do that, at least we can say to the public, 'We knew what we were voting for', because in the future, I am darn sure, as I was when it came to the Job Seeker's Allowance and other things, that it is going to cause a ripple amongst the general public. Unfortunately, those people are not here to say to me now that I was wrong, but I was right on this one as well, because this is going to be an issue in 4¹/₂ years' time, when the public see what this has done or helped to do, or perceived it is going to do.

Mr President, if ever there was a need for sending this back so that members are told what they are facing out there when they have to give the answers, this is one resolution that needs to be sent back. It is not going to kill anybody or damage anyone's ego (**Mr Houghton:** Hear, hear.) or friends they may have in the business sector or the Chamber of Trade dinners that they go to; this is not going to be embarrassing them; this is not upsetting them. They will be able to say, 'Well, we just thought we would look at it for another month.' It will not damage anything in your relationship with private industries; any future directorships that may be coming your way will not be damaged by it. Just go for the amendment and go back and say, 'Right, show us the facts of what is damaging the Isle of Man in relation to work permits and we will look at it.' I am supporting the amendment.

The President: Now, hon. members, before I call the next speaker, I have to say that I have a concern about the amendment, in so far as our standing orders do not make provision for 'reference back'. We do have provision within standing orders for adjournment, and twice, in supporting the reference back, the hon. member of Council, Mr Delaney, has commented about going back for a month. Now, if you adjourn something, you can adjourn it *sine die* or you can adjourn it for a definitive time; the amendment put before the Court by the hon. member Mr Henderson is not time-encapsulated in any manner, so that, in fact, it is simply reference back. I am prepared to accept it, hon. members, but I am making it quite plain to you that I am unhappy with the wording of this as an amendment with just a simple form of reference back with no other bounds around it. Hon. member for Glenfaba, Mr Anderson.

Mr Anderson: Mr President, I rise, too, in support of the amendment, whether it be in order or not, in the name of the hon. member for North Douglas, Mr Henderson. I do not agree with everything the member for North Douglas has said; however, I realise that full and proper consultation has not taken place, either with the Work Permit Committee or with the unions

involved. On the face of it, these amendments seem quite innocuous; however, on closer examination, the implications are significant, and one has to ask: will they help in speeding up the process of vetting?

I do not think it would help the department where I have responsibility, as, apart from doctors, who already fall within an exempt category, they will still be subject to going through the work permit application process. This is definitely slowing down recruitment and using up valuable staff time in putting cases forward. In the light of a concerted recruitment campaign that will be needed when the DHSS has convinced the Personnel Sub-Committee that such extra personnel are essential above those granted in the last bidding process if we are going to make the most of the new hospital facilities, it would be more appropriate, in the light of the fact that there are those without the required qualifications on the Island, to give the department the flexibility for this important recruitment period by exempting nurses and health professionals for a limited period. There would be, therefore, no need to widen the legislation.

In the background information supplied to members, only 57 were refused out of over 12,000 during 2001, and I realise that within that there is a certain element of re-application. But a proportion of those 57 would be on account of various criteria that do not come up to the work permit regulations, and one of those would be criminal records - and I know some of those were refused on account of having criminal records. So you can see that the Work Permit Committee is already taking into account the current employment climate already in their deliberations.

Mr Downie: That is not going to change.

Mr Anderson: This number is very low and, I would suggest, low enough not to be causing a problem. I found the Chamber of Commerce support difficult to understand, when I understand that the Work Permit Committee has only turned down one single application for IT staff over the last 12 months, and that was an occasion where the applicant had a criminal record. There is evidence to show that there are now more bodies in the banking and finance sector than there were six months ago. The only area which I think needs looking at is reducing the admin burden on employers with a change to the duration for which permits are issued. There might be the occasional case that would justify a change as proposed, but, generally speaking, it is working well, and I am sure that, if temporary exemptions could be given to such areas as I have highlighted, there is no need, as the hon. member of Council said, to fix something that is not broken. Mr President, I will be supporting the amendment in the name of the member Mr Henderson.

Mr Houghton: Hear, hear.

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

Mr Karran: Eaghtrane, I am a little bit alarmed that I have been told separately that the Work Permit Committee has not been consulted. If we were playing football, sitting here today, I seriously could see that the Council of Ministers seem to be playing into their own goal as far as their team is concerned. We have enough problems outside with people worried about the government being unsympathetic to the Manx people and being a doormat for big business, and here we are, trying to score a hat trick into our own net to give the impression that yes, they are going even further now. So, I would hope that some of the members of the Council of Ministers would even consider breaking ranks as far as this is concerned, because it just highlights. . . And there is such discontent out there with us at the present time - the lack of residency, the lack of affordable houses - and now we are told, 'Oh well, it does not matter as far as the work permits are concerned; it is another thing.' It reflects especially badly on this House and on the executive when we see people saying that there is the impression given that it is some sort of

childish act to get revenge because they lost the employment for the Director of Education last year.

I hope that the mover can give some sort of concrete, clear indication - not the nodding dog routine that we are supposed to nod when we get something moved from the . . . - of the reasoning and the thought process behind this motion in front of us today. We have heard from the member for North Douglas, and we have our good days, like most of us, and we have our bad days, but I have to say that when you look at the figures, they do not stack up (**A Member:** Hear, hear.) with the order that the minister is wanting to bring through here at the present time. We have the problems at one of our national banks, the Isle of Man Bank: I am told by my friends in there that there is ethnic cleansing as far Manx people in that bank are concerned. I am told by people who represent the unions in the finance sector that they are horrified with this proposal here today: it will just be more justification for not giving the jobs to the local people. I understand some of the thought processes, as far as this order is concerned, about the fact that people will not be put on the short list, but that is not where it is wrong; the issue is that when the work permits are issued, people who are Isle of Man Workers know people are getting jobs that they can do. That is the issue that I believe the Chief Minister should have been addressing, and so I think it is wrong if he tries to make out that this is a move.

What we have seen here today is that we would be the only people in the World Cup who had a football team who would actually score so many own goals in our end that it would be amazing; we would be a laughing stock. I honestly feel that it should be referred back, and I hope it is referred back or adjourned or whatever you want. At least let us see the thought process and what the people who are at the coalface - the likes of the Work Permit Committee - think. Let us see what the likes of the other sectors of the community think, because I have to be honest with you, executive: if this goes through, it will only highlight - and they get very upset, Eaghtyrane, when we talk about a doormat mentality - the problem that the man on the street will say that once again we are in love with big business, we have got no principles, we have got no commitment to our own people and 'Do not worry about it; we will walk all over our own in order to get brownie points.' That is what is coming over, and I think, just for a change, that the hon. member for North Douglas has come up with a sensible, middle-of-the-road (*Laughter and interjections*) (**Several Members:** Hear, hear.) proposal here where we can maybe get some proper input and some real justification for why this order needs to be put at this present time, especially when this Court must be in our darkest hour with our local Manx people (**A Member:** Hear, hear.). As far as people outside are concerned, that is the truth, and I know it is not very nice to have to say, but it needs to be said, and if you support this without it being referred back and giving good reason why it should not be referred back, all you are going to see is, once again, that we do not have a government but that we have a delegated function for big business on the Island.

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

Mr Quayle: Thank you, Mr President. I rise to give support to the motion before us here today. I believe we are in a very competitive world and we need to compete in an international arena and encourage excellence at all levels. We need to allow our businesses and, indeed, the government to hire the best people for the job in order to compete, yet give adequate protection to the Manx people; quite rightly, we need to strike an acceptable balance. Our investment in the education system is turning out high-quality students, who do well by staying on the Isle of Man, taking up the many opportunities available, or by acquitting themselves to advantage in universities across the United Kingdom and then finding work at home or abroad. Our young people do not want to be in a situation where they are appointed to a job just because they happen to be Manx-born; they want to earn that job on merit. There are safeguards in the work permit system to encourage consideration with regard to levels of unemployment and availability of the Isle of Man Workers. I believe we should not be afraid to encourage

excellence or to lower our aspirations for our Island and its employees, whether in the public or private sector. I venture to suggest that there are few people in this hon. Court here today more Manx than myself, and I would just finish, Mr President, by saying that I want the best future for the Isle of Man and all its people, whether Manx-born or not. I support the motion.

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

Mr Singer: Thank you, Mr President. I think the debate has got to be divided into two parts really: one is the judgement assessing the need to allow the Work Permit Committee flexibility, and the second is staff training and training them up to the higher positions for promotion. Training policy is very important within private and public sectors, and I can say that the training is a major policy plank for the present DTI members, and we look to the support of other departments in enabling us to continue with those particular policies. But here we need a middle - I excuse the previous member (*Laughter*) - between two ends: you can either have total lack of control, which clearly brings with it no protection for Manx workers - almost an open-door policy - or you can have inflexibility, which brings with it restrictions on employers throughout almost all of the employment sector, putting a stop to ensuring that the best person is appointed to any particular position. Now, if you have no leeway, then you are not going to have, in many cases, the best person in a position (**A Member:** Yes.) and this is detrimental to the Isle of Man qualified worker in terms of leadership and training to enable Isle of Man Workers to become the best candidates. Professional and experienced leadership by a leader who is Isle of Man qualified - or not - can make a difference to the future training of the young people of this Island - and not necessarily the young people - to become the best. These proposals, in my view, do have safeguards, which the minister has explained, and so we would, under the change in regulations before us today, have a suitable system in the present economic situation.

During the general election - and this was, and I referred to it, over the problem with the appointment of the Director of Education - there was considerable talk, certainly in my constituency, knocking on the doors, about the situation that occurred then, where people were rather upset that what was felt to be the best candidate, whether Manx-qualified or not, did not get that position, and there was considerable concern about that. I do not believe that we would wish to permit the Work Permit Committee, under circumstances particularly of higher unemployment, to ignore suitable Manx workers - I do not think they should be doing that at any time - and neither do we wish to offer less than the best services to the Isle of Man residents, whether in business or government appointments. Now, the proposals today do create the ability for the Work Permit Committee to try to balance that situation and to have a necessary flexibility. I think there has been a certain amount of unnecessary scaremongering (**Two Members:** Hear, hear.) around this hon. Court today, because I do not believe that these proposals open the floodgates to anyone and everyone, but it does give the opportunity for a fair assessment of ability compared to need. Employers will still have to justify their need to ensure that their businesses are successful. The present situation of little unemployment and considerable growth will be impeded by blanket regulations which have no flexibility. That flexibility is very important, and therefore I hope today that hon. members will support the department's proposals.

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

Mr Gill: Thank you, Eaghtyrane. From all I have seen outside of this Court and heard within it, I really cannot see how the current work permit system is failing (**Several Members:** Hear, hear.). At the risk of repeating the comments - and it might be coincidental - I cannot see that the work permit system is broken, nor can I see it needs fixing. (**A Member:** Hear, hear.) The proposed changes to these regulations would have a major detrimental effect for Manx Workers, and I will conclude by saying that I believe this too important an issue to be considered without a full and meaningful consultation process, so I will be supporting the amendment, Eaghtyrane.

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

Mr Quine: Thank you, Mr President. I come out from a slightly narrower base than perhaps some of the other contributions, but the first thing I would like to say is that I am surprised that this order should come before this hon. Court without prior consultation. (**Mr Delaney:** Hear, hear.) It is quite clear that the parties with a direct and immediate interest in this matter have not been consulted, and I find that that makes the consideration of this order which is before us today flawed in the extreme. But not only that: all even hon. members have had is a memorandum that literally regurgitates what is in the order. We have not had the chance to have a briefing and to be able to voice the concerns which many members have voiced here today, and for us to stand in judgement on this order against that backdrop, I think, is hazardous in the extreme.

I am never going to support a proposition that the Island should settle for second best - I really do not believe that is an issue today - but I certainly feel that we should not discriminate against Manx candidates, and I will explain that a little later, because I feel that if this goes through today, that is what we will be doing.

The amendment to schedule 1 is fairly innocuous: it is the inclusion of additional information in the application. However, when you read that in conjunction with the new schedule 2, then, I think, there is, in fact, a very substantial change to be brought about. If you just take the substitution of the old schedule 2 for the new schedule 2, that in itself is such a politically sensitive issue that I would have thought that political sensitivity would have dictated that members would have been brought in on a briefing, if not a consultation exercise. As I read it, items 1 and 2 to part 1 of schedule 2 are new. Now, item 1, of course, requires the committee to take account of the level of employment, and I do not find that unreasonable at all, and that can cut both ways. However, when we come to the proposition in item 2, in conjunction with the amendment to paragraph 6 to schedule 1, that is quite different and much more profound.

If I could illustrate my concern by reference to a particular case: a bank requires to fill a very senior position; a suitable local candidate is available, and the bank can see that they have a suitable local candidate available; however, the bank, for reasons of its own grand design - its own corporate design - on the basis of wanting to develop its own corporate command strategy, of which the Isle of Man is just one small piece, does not want to appoint a well-qualified local candidate because it does not fit into their broad, national corporate approach. So, we have a situation where a perfectly good local candidate is leapfrogged over and it is made known to the candidate why he has been leapfrogged over. He becomes not only discriminated against through that action, but I am sure he ends up at the end of that process considering himself to be very much a second-class employee. (**A Member:** Hear, hear.) Of course, sir, we could marshal an argument - and I have no doubt the banks or the large business houses could marshal an argument - that, to keep their business on the Island, their national policies and strategies are paramount, and we have got to fit in with their strategies. I am sure they could marshal that, but that is only one part of it. We cannot ignore the implications for the local candidate - for our own people - and there is a total equation to be drawn up, not just jumping in and amending something because that fits big business; it has got to be looked at in the totality of the equation, and that is what we have not done. That is what we have not had an opportunity to input into.

In these situations - and if members will look at an answer to a written question today - you will see that there is a different treatment of candidates who are leapfrogged over, and the employer and his preferred candidate, under the work permit system. I accept that the Work Permit Committee is an administrative organisation, so, although natural justice comes into this, I am sure, they are not tied into a human rights situation, but we saw this morning by a written question that there is a difference of approach in the treatment. What we have said in

answer to a written question here this morning is that where there is an issue of the case to be made by an employer, the committee would call in the employer and let him have his say at that initial stage. It does not say anything about the person that has been leapfrogged over being called in to have his say. Now, all right, put that aside and say that that is an administrative process - it may be flawed, it may be unfair, but it is an administrative process - but then we come to a tribunal situation and we have an almost identical situation. We have a situation there where there is provision - and I ask members to look at schedule 4 to the regulations - for the applicant - the prospective employer - to go in and make his case. Looking at annex 4, there is no provision there for the person, taking my example, who has been disadvantaged not for reasons that he is not qualified but for reasons that he does not fit into a corporate strategy that is, in most respects, extra-territorial - it has to do with the larger business concerns of whatever that business may be. That person does not have a right; that person is left out in the cold.

Now, if we are going to entertain a situation where, in effect, we are saying it is open to employers to make their case on the basis that the future success and development of the employer's undertaking are considered to be dependent on the employment of the relevant person, and if we are going to allow that to be part of the consideration - and, frankly, it is not excluded now - then I think we have two options: either we take that as an exceptional circumstance and provide for a procedure specific to that which allows for the persons who are disadvantaged to have a proper say in this matter, or, alternatively, we have to change our whole tribunal approach as it is presently applied and allow, in these situations if not in other situations, for persons who feel they have been disadvantaged in these circumstances - who feel they have been discriminated against in these circumstances - to have the right to go forward and put the opposite side of the case. Now, the learned attorney is better positioned than I am to advise on this, but it does seem to me that, in relation to the tribunal - we have a tribunal which is appointed by the department - it is a tribunal which is of a judicial nature, and it seems to me that if we are into these procedures, then we could well be in conflict with European human rights.

Mr President, I do not want to pass judgement today - I would rather not pass judgement today - on the specific proposition; I, for one, would like to have further and better information on that proposition, and I do not think it is unreasonable that we should expect to have further and better information on that proposition. And to that end, I am quite happy to support the deferment of this matter, but as surely, if it goes to a vote, on what I understand now to be the position, I will not be supporting it, and I would think it would be manifestly foolish for anybody else to support it.

A Member: Hear, hear.

The President: Hon. member Mr Lowey.

Mr Lowey: Thank you, Mr President. Can I say that I, too, really share many of the comments that have been expressed by the hon. member who has just resumed his seat. I have no doubt at all that the minister is well-meaning in what he is attempting to do: he is wanting to look after the welfare and the promotion of industry on the Isle of Man for future success. I would remind the Court that we have reached the position we have with the imposition of the work permits, so they have not been too much of a handicap to us so far. I think the record where, I think, we have had 14,000 or 12,000 renewals and new applications in a year and, I think, 57 rejections - and on appeal, I think 39 was the final figure, or however many - does not seem too many or too much of a handicap. But let us assume it *is* a handicap to some in business: is there another way of dealing with the matter? There is, and I would like the minister to give me a reply as to why this has not been applied before getting rid of what I would call the main 'defences' for Manx workers - and I use the word 'defences' because the work permit is a defence, was a defence, and I hope will continue to be a defence. And unlike my hon.

friend from Middle, who says, 'I am Manx. I am proud of it. I will get it on my record' - that is fine - as far as I am concerned, we are a small jurisdiction, we need to train people and get them ready for it and that will be a continuum, but we have not reached the promised land yet, and I believe there is a requirement for that.

The argument against 'may' or 'shall' being inconsequential, really, is manifestly untrue. You and I know in this Court that, in legislative terms, 'shall' and 'may' are decisive: 'one shall' is mandatory; the 'may' is permissive. And I will give an illustration of where that is seen to be in operation: it is in the way in which we treat disabled people. The law there is 'may'. We have not advanced an awful lot upon that route, whereas if it had been 'shall', I suggest we would have been much further along that route. So it is important. Do not underrate those two words as if somehow they are small. They are not; they are at the kernel; they are at the heart of this debate.

Could I also, Mr President, say why I believe there are other routes? As the Minister of Trade and Industry in 1993 - and I put the regulations through in 1994 - there are ways in which the department, even now, under primary legislation, can exempt (**Mr Delaney:** Yes.) (**Mr Henderson:** Hear, hear.) whole professions. If there is a problem in the IT industry, the department, at this moment, under existing law, can exempt that industry. It also has the power in the recommendations that were laid before and approved by this Court in 1994, and I will quote the whole paragraph - and it is the third paragraph - 'The Minister for Industry should, from time to time, issue and publish written guidelines to the Work Permit Committee to assist the committee in interpreting the requirements for the work permit system to be operated in a fair and equitable way.' So the minister, even today, could write a direction to the Work Permit Committee, and *if* there is a problem. . . And I think from, the figures, as the hon. member for Rushen said - has implied - that the case for change has really not been made at all, other than certain individuals who have always - let me be quite brutal (*Laughter*) - wanted that irritation of applying for a work permit removed. They have always done that. It is not new. It was when we introduced it.

As a matter of fact, I was reading the debate when these regulations were approved, and I note what Mrs Christian said at the time. Mrs Christian, I think, had just returned to the Council then, and she, of course, had been chair of the Work Permit Committee - I believe I appointed Mrs Christian as chairman - and in her contribution she said that the key to having the work permits - the message that must go out from this debate - is that Manx people should be trained first and foremost for the top jobs. That was the message: it must go out loud and clear. (*Interjections*) And I agree.

So there are, within the existing law and regulations, ways in which we can apply the 'tweaking' that I know the minister would like to get the foundation for our future prosperity even more secure. Really, in essence, the regulations revolve around the words 'may' and 'shall' and transferring them. I have to say here that if you do that, you might as well get rid of the work permit altogether. Let us be honest. And I do not want to be dramatic or to heighten tensions but, in reality, you are really giving the Work Permit Committee the most impossible job. They will be totally naked and bereft of any authority or meaning at all.

I go back to what my hon. friend from Council said at last year's general election and, in going round and testing the waters, I have no doubt at all about the questions that would be imposed about residency as a substitute - and remember the residency Bill is in substitution for the work permits. It was not being portrayed as an easing of the situation; it was one of tightening the situation. And here we are today, loosening that little bit of protection - and it *is* a little bit of protection, because I agree with my hon. friend, the minister, when he says he draws attention to what the situation was in 1993 compared to what it is today. That is what we had aimed for. Now, I suggest we have reached this position - and you really cannot get better than less than half of one per cent employment seeking the jobs - and we do have the instruments in

our hands now to ease the pinch for the employers if we choose to operate them, and I would urge the minister to withdraw this resolution and come back in July and say, 'I have consulted', because I do tend to think, along with many other members, that the consultation process has not been perfect on this occasion. And I choose my words with care: they have not been as extensive as one would have liked. Go back, talk, come back and say that we propose to do it this way or that way or, 'They are not possible; this is what we now propose.' I believe he would be doing the department, the Council of Ministers and the people of the Isle of Man a service, but at the moment I will not be supporting the resolution if it is put as printed, and I will be supporting the adjournment that has been proposed by the hon. member.

The President: Mr Speaker.

The Speaker: Thank you, Mr President. I stand really to let the minister know why I feel unable to support the motion before us, and I think it is important, if you do not feel you can support something, to at least say why you do not support it. (**Messrs Houghton and Delaney:** Hear, hear.)

I think part of the problem is timing, and I also think that when we have got low unemployment, it actually is contrary to the case being made as to why this law needs to be changed, because, when you have low unemployment like we have, it is actually very easy to get a work permit, because there is no suitable Isle of Man worker available. (**Mr Delaney:** Hear, hear.) And that is how the law works. And to the hon. member for Rushen, Minister for DLGE, I would just say that the law is quite specific: it says that, when considering a work permit, 'the Work Permit Committee shall have consideration as to whether or not an Isle of Man Worker is available or is likely to be available.' If there is no Isle of Man Worker available, or very few of them, and certainly none in specific areas, or there are unlikely to be, then the Work Permit Committee can quite simply issue a permit, and I have to say, if you look at the figures, that they have been issuing permits very easily over the last four or five years - without any difficulty. So that case, to some degree, is a little bit flawed, because the Work Permit Committee actually has a situation where there is not high unemployment, therefore there is no alternative but to issue a work permits.

Now, the other issue is the changing in the emphasis on the order, and I am quite happy that we have the introduction of the level of unemployment on the Island. I think that is a logical one, and if they did not take that into account anyway, it would be a bit illogical. I would say that the contribution from the hon. member of Council, Mr Delaney, certainly came over to me as inferring that by making this change it was easier for criminals to get into the Isle of Man - and that is how I picked it up from him. In fact, it says quite clearly, 'Matters to which regard shall be had: any convictions of the relevant person of a criminal offence in the Island or elsewhere', so that emphasis is clearly there, and I think it is important that the public do not think that if a change is made, what we are actually saying is that somebody with a criminal conviction is, in fact, going to find it very easy to get into the Island. That is not the case, so that is covered, and I think we have to recognise that the minister and the Council of Ministers have, in fact, clearly covered that point to make sure the Work Permit Committee, if this goes through, has to look at that.

The other bits where it 'may' be had is, of course, the suitability of an Isle of Man Worker. Now, again, I am just a little bit confused as to why that whole change has been suggested in this way, and I have not picked it up clearly from the minister in his presentation. In fact, I kept my counsel as to whether I was going to support this issue or not because I was not really 100 per cent sure, although I was leaning towards not supporting it because I was not really sure of the basis of the need for the change in the way that I understood it to be. Now, my view is - and this is one of the problems with this proposed change - that we need to continue to have strict controls on itinerant workers - those coming in short-term into the building trade or into any area

and who are clearly only coming in for a period of time. And my reading of this order is that, in fact, it reduces that. So, instead of just picking what we need to reduce, we are reducing everything, and I do not think, with respect, that the people of the Isle of Man want that. I think they want, to some degree, Manx residents protected, but we have to be careful on that because we then can end up in a position where the wrong people are in the wrong jobs, and I do think we need to be conscious of that, and I am not sure if this order is the way to deal with that. But the one thing that I hear time and time again - and that all members hear, I am sure - is their concern about the number of people brought in to work in the building industry, to work in certain areas, and they say that *now* there is no control. This will actually make that even, I think, potentially worse, so that is another concern I have.

The other thing I would say is that my preference, quite clearly, is for exemptions. I think the Isle of Man - and I have always thought this - should use the work permit system - and that is why the regulations are there - to actually swing and meet the needs of the Island, which changes all the time in its employment area. At the moment, we know, in banking and in, for example, IT and so on, that there is a demand there and that anyone who applies is going to get a permit, so the question is: do you say they need a permit just for the sake of it, because they are going to get it anyway, because there just is not enough? Now, that is where the work permit system should be more responsive, and that would be, for me, a preferable way forward.

But I think the key issue is the actual administration of the work permit system. My understanding is that, in fact, any concerns that come are not necessarily that they have to go for a permit because it is a bit of a bind and it is a bit of a nuisance, but it is the time it takes for the bureaucratic system to work, to get from A to Z, from somebody applying to somebody getting their permit. Now, I would suggest to the minister that, in fact, if there is a problem with people getting people quickly enough, this is not going to help that, because they still need a permit. What will help it is actually having a more effective and responsive system to give permits out where they are needed, and my understanding is that anybody waiting for a permit that is, I think, more than a year or whatever it is, has to wait for the next work permit meeting, and therefore there is a time delay on occasions for people that they need. So, again, I think that those are areas we need to know about.

I do think that one of the problems all members are having - and I think it is being made clear here today by members - is this view of not really having enough information to be absolutely clear why this change is being made. The information is deficient. What we have is a briefing from the minister, which has been put out by his department, but it does not clearly define the changes. It does not tell you which bit has been changed as against that one, so it has not helped members to understand it and it certainly does not help the public understand it. I would not have a problem in supporting the change if, in fact, I was absolutely satisfied that the change was absolutely necessary and that it would improve the situation. I do not believe it will, because we have low unemployment, and therefore the Work Permit Committee is able to issue permits as long as the required criteria are met.

Finally, Mr President - because I do want to make it clear - I made it absolutely clear, when I stood at the last election in the House of Keys, that my view was that the Work Permit Committee system should be reduced in its effect when, and if, we introduce a residency control. They should work hand in glove, and I think that this change is premature, because we have not got the safeguard of the residency control in place. If it was there, we could exempt everybody except itinerant workers with strict controls on them, because everybody else would be covered by the residency control. So, I do think that it is partly a matter of timing and partly a matter of being absolutely clear, minister, as to the justification, because, in fact, when you have got low unemployment, there are not the obstacles that would be there if you had high unemployment, which then might cause problems in trying to get people into employment.

The President: I call upon the hon. member for Douglas West. I have three still on my list, but I call on the hon. member for Douglas West.

Mr Downie: Thank you, Mr Speaker. I have listened to the debate thus far and I fully concur with some of the observations that members have made, and with your leave, and through Mr President, under standing order 3.13, I wish to seek leave to withdraw this item.

Several Members: Hear, hear.

A Member: Well done.

Mr Downie: I wish to arrange for a full and proper presentation (**A Member:** Hear, hear.) for all members of Tynwald, involving officers of the department and those who effectively administer the Work Permit Committee, and I will give this Court an undertaking that I will follow a full consultation with all interested parties -

Several Members: Hear, hear.

A Member: Well done.

Mr Downie: - and hopefully come back to you with this issue when the House resumes in either October or November.

Several Members: Hear, hear. (*Interjections*)

The President: Well, hon. members, in that case we consider that item 12 has been withdrawn and so, hon. members, at this particular juncture, I will revert back on our order paper to item 10.

Dual-Use Items (Export Control) (Application) Order 2002 — Approved

Item 10. The Minister for the Treasury to move:

That the Dual-Use Items (Export Control) (Application) Order 2002 [SD No. 182/02] be approved.

The President: I call upon the late Minister for Treasury to move.

Mr Delaney: The late minister? (*Interjections and laughter*) Congratulations!

A Member: By-election in Ramsey! (*Laughter*)

Mr Bell: First of all, Mr President, could I apologise for being absent when the item was first called, but it is the first time, I think, we have ever had a housing item on the agenda and we have not had a debate, so I was wrong-footed on that one. But rather than waste members' time on this, Mr President - this is actually a minor technical amendment - could I formally move that the Dual-Use Items (Export Control) (Application) Order 2002 be approved?

The President: Mr Radcliffe.

Mr Radcliffe: I beg to second, Mr President.

The President: Mr Radcliffe seconds. I put the motion, hon. members, as printed at item 10 on the order paper. Those in favour please say aye; against, no. The ayes have it. The ayes have it.

Diving Licences (Foreign Licences) Regulations 2002 — Approved

Item 13. The Minister for Transport to move:

That the Driving Licences (Foreign Licences) Regulations 2002 [SD No. 184/02] be approved.

The President: Minister for Transport, Mr Shimmin.

Mr Shimmin: Thank you, Mr President. Difficulties are continuing to be experienced regarding the integrity of Kenyan driving licences submitted to the United Kingdom Driver and Vehicle Licensing Agency for exchange. This has resulted in the outcome that the DVLA can no longer be confident of the arrangements for issuing driving licences from that country. As a consequence, the Department of Transport has redrafted our Manx regulations to keep in step with the United Kingdom and to maintain the integrity of the Island's arrangements for issuing driving licences. If these proposed regulations are approved today, then, with effect from 1st June 2002, a holder of a Kenyan driving licence would first have to successfully pass an Isle of Man driving test before that person could be issued with an Isle of Man driving licence. Mr President, I beg to move.

The President: Hon. member for Ayre.

Mr Quine: I beg to second and reserve my remarks.

The President: The motion, hon. members, is printed at 13. Those in favour please say aye; against, no. The ayes have it. The ayes have it.

Housing — Early Development of Zoned Land — Urgent Introduction of Measures to Influence — Amended Motion Carried

Item 14. Mr Quine to move:

That Tynwald is of the opinion that fiscal and/or other measures should be introduced as a matter of urgency to influence the early development of land zoned for housing.

The President: I call on the hon. member for Ayre to move.

Mr Quine: Thank you, Mr President. Housing demand for the last four to five years has dramatically increased, and this is principally the result of net immigration, but not exclusively so: changing social norms, greater affluence and, importantly, low interest rates have also contributed to this situation, and, of course, the backdrop is one of strong economic growth. There was a similar escalation in demand in the late 1980s to early 1990s: the principal factor stoking demand then was also inordinate immigration against a backdrop of strong economic growth. The housing problem of the late 1980s and early 1990s was responded to, as the present resurgent demand is being responded to, by increasing supply. There are, however, two significant differences: in the late 1980s and early 1990s period, there was a much larger reservoir of land available for housing development, and interest rates were not as low as they are at present.

The reason for the shortfall in land availability today is, in large part, attributable to the fact that, for five to six years following what is often referred to as the 'Camlork case', no local plans were brought to Tynwald and consequently the housing land bank has dwindled. Post 1997, sir, the local plan process has been reactivated and, I think, a total of eight local plans have been sanctioned by Tynwald following that date, but there has been political resistance, locally and at national level, and that has restrained the amount of land sanctioned for housing in those plans. Only in the last two or three local plans has a formula of seeking to provide for 10 years' local housing demand been set as a target. Again, it has been resisted at local level and, indeed, by certain members of this hon. Court, and in some instances it is in any event, not practical to attain, because some of the local plan areas do not have the capacity.

In terms of housing land supply, sir, we are essentially treading water. This political resistance is understandable, for there is a strong feeling abroad that immigration should be restrained, and it is, of course, the present administration's policy, at least to this point in time, not to restrain immigration but to seek to solve the housing problem through supply. Short of a dramatic falling-off in immigration - and this is not the forecast - the supply route at best, sir, offers a long-term solution and at a cost to the Island that many would find unacceptable. Such a

long-term solution will mean that a lot of people will suffer for a considerable period of time, as the government of the day has, to this point in time, rejected rent control and rent subsidy.

The effort to provide additional housing in the late 1980s and early 1990s peaked in 1991, when 937 houses were completed. As demand fell away and the backlog was increasingly met, housing production fell away: in 1995, 340 houses were completed. Net immigration picked up a head of steam again in 1997, and efforts have been made to re-jig the housing construction programme, with some success. During the year 2000, over 400 new houses were constructed, including 130 public housing units. As hon. members are aware, there is a five-year programme, intended to meet a Tynwald target of not less than 400 new-build houses per annum, and that includes replacement houses. That target figure of 400 new-build a year, including the 80 first-time buyers' and the 80 public housing units which we can broadly refer to as 'affordable housing', was reviewed last year by the department, and a new figure of not less than 450 a year was identified by the department. Given the projected rate of net immigration, these target figures almost certainly will have to be adjusted upwards, not least the affordable housing content. As housing prices rise, more people are being dislodged from the bottom, and the demand for affordable housing will increase and the targets will be increasingly difficult to meet.

The principal problem has been, and remains, the amount of land zoned for housing development and the availability of that land - and I stress: the *availability* of that land. With continuing immigration at the present level, even a target figure of 450 new-build per annum is unrealistic: for the last three years, the net immigration figure has been in the order of 800 a year, and it is envisaged that it will continue at this level for some time. Various indicators are used to forecast net immigration increase, but members will have noted from the Council of Ministers' quarterly report for January to March 2002 that one of the indicators - one of the more reliable ones - child benefit statistics, indicates a resurgence in net immigration; that is stated in that report. Net immigration of 800 equates to, in broad figures, 350 additional housing units a year; that is just to match the net immigration. With the add-on for indigenous demand and replacement houses, it will be readily apparent that the revised target figure of 450 will be insufficient. Even that figure will be difficult, if not impossible, to achieve, unless, of course, we are to resort to arbitrary measures, against which there will be strong political resistance.

Taking the supply route to address the housing problem necessitates the provision of land zoned for housing and its availability - and I stress: *and its availability*. At January 2001, it was estimated that about 650 acres, sufficient to provide some 2,500 houses, were available, which is, at best, sufficient to meet the house-building programme for the next five years. And that would cancel out the total reservoir. But that is not the issue; the issue is that, if it is the impact on price, there has to be a considerable amount of land zoned for housing over and above that needed to meet the target programme. Unfortunately, not all this land is available for the want of road access and drainage, to mention but two factors. Again, steps have been taken to remove those constraints, but to do so in a timely fashion is another matter. Local plans are being progressed to provide further housing land, but the accumulated benefit of that process will take years to be felt. Tynwald has given the Department of Local Government and the Environment permission to activate a small number of planning development orders, but in total we are talking about a relatively small acreage. We are also talking about an indiscriminate process which casts aside the need for sustainable development.

There is a further complication, and this, I would suggest, is a pretty fundamental one: the present low interest rates make many conventional investment opportunities relatively unattractive. High building land values, which are continuing to increase, make investment in housing land and housing a much more attractive prospect. A great deal of the land zoned for housing is in the hands of developers and investors, who are controlling the release of such land to sustain high land and housing prices. Not only is the existing land zoned for housing

controlled by these concerns, they are also taking out options to purchase land in anticipation of the outcome of *future* local plan exercises. How can our community get off the treadmill if existing zoned land is largely in developers' and investors' hands and additional land being zoned for housing is also falling into their hands? The Manx people are being held to ransom and will remain in this position for years to come unless decisive action is taken to deflate this investment bubble.

This motion calls for the administration to consider the imposition of fiscal or other measures to curtail this exploitation. In illustrative terms, a tax on land which has been zoned for housing for a period of two years or more and land held under an option to purchase is one approach that I have suggested, but is it not my suggestion; as I think a number of members are aware, this is a solution which has been commended by a banker. The underlying objective will be readily apparent: that is to apply a fiscal penalty which will remove the inordinate attractiveness of investment in building land and prospective building land and that will equalise the potential investment return between conventional investments and this particular opportunity that presently exists in relation to land and buildings. There would, I would suggest, if that penalty were imposed, be much greater reason to release building land to the benefit of the supply of building land if, as would be the case, it no longer represented an irresistible investment opportunity. Mr President, I beg to move, sir.

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

Mr Singer: Mr President, I beg to second and reserve my remarks.

The President: Hon. member Mr Corkill, Chief Minister.

Mr Corkill: Thank you, Mr President. I have circulated an amendment, which I hope hon. members have before them.

Mr Quine: No.

Mr Corkill: Oh, mine was delivered whilst you were speaking.

Mr Quine: Oh, sorry.

Mr Corkill: Thank you, Mr President, it is circulated. And with respect, as tempting as it might be, I do not actually propose to embark on a lengthy description of government's housing policy or the considerable efforts being made by the government to address the present situation. Having said that, I am sure my hon. colleague for the Department of Local Government, the minister, Mrs Crowe, will not be able to resist that temptation -

Mrs Crowe: Oh, I will. (*Laughter*)

Mr Corkill: - on the basis that the mover of this motion has given a fairly short \geq of the current situation and the pressures that there are in the housing market, many of which, I think, all hon. members are pretty much aware of. We have set the details on housing policy before this Court a number of times recently and we have also given our opinions that, in fact, things such as rent subsidy, when, in fact, there is a shortage of supply of properties in the marketplace, serves only to have an inflationary trend in the marketplace.

So, I do wish to focus very much on the item that is in Mr Quine's name on the order paper, because we are urged by the hon. member for Ayre to cast our opinion in this way without written supporting evidence or analysis. He has given some anecdotal evidence of the pressures that he thinks exists, and, to some extent, perhaps we can all say do exist, but he has not quantified them in his presentation. He has not demonstrated, in my opinion, adequately that there actually is a shortage of available land that is zoned for development. He has not explained to me what those tax measures would be - he has mentioned a land tax in the final part of his presentation - so I do think we need some proper analysis of the measures that he is alluding to.

I think the hon. member is keen to intervene in the marketplace, and that is perhaps where he and I differ in terms of our culture: the hon. member for Ayre does like to intervene in situations, even in the marketplace with regard to housing. But I would point hon. members to an experience which our neighbours to the west have gone through, in the Republic of Ireland, where intervention of fiscal measures, perhaps in the way that the hon. member has described, have, in fact, failed quite dramatically because of the intervention in what is traditionally pretty much a free market. So, it does concern me that if this motion were to proceed unamended, it would be firmly put in government's lap just to do something - perhaps do anything - and I do feel that that would be somewhat irresponsible, because if we are to contemplate taking action in this area, we do need to be sure what the real problem is. In the hon. member's opening comments, he said that immigration was a factor in the demand for housing on this Island, but by no means the only factor, although the hon. member then did make quite a lot of the immigration issue, and his views on that are well known. But I was pleased that the hon. member did accept the fact that there are many other pressures: disposable income, social changes and the lack of available or new development land coming on-stream through the local plans. In fact, all these issues, perhaps, are conspiring together. So, I think we are almost at one in terms of understanding the issue; it is on the solutions that we probably differ.

Can I say - and I think this needs to be said - that the hon. member for Ayre was the minister, and then the member, within the Department of Local Government and the Environment for five years and he had the responsibility for housing through that time. And I am sure the hon. member is aware that when he was in office he did not put forward such propositions as he has put on the order paper today, and I think that is a question that remains for the hon. member to answer, because for five years surely the issue of fiscal measures must have been considered by the Department of Local Government, but none surfaced.

I am, of course, very happy for Tynwald to debate the issue of government involvement in bringing forward land for development. I am sure that we are all thinking this way, and certainly I want to contribute to that debate, but I do think it should be an informed debate and we ought to look at the situation and evaluate the options, because there are a number of options which do include fiscal measures, but let us see what the merits and the balance are in the whole situation before we commit ourselves. Hon. members, this issue is about housing, one of the key components for social wellbeing. It is also about individual rights and it is also about property rights, but it is not an issue for too many political games when people's lives are being affected. (**A Member:** Hear, hear.) I wish to see Tynwald debate the issues, as I have said, on a fully informed, researched and evaluated basis. That is why my proposition, which is before hon. members, is simply that the Council of Ministers give this issue, which the hon. member has put down, to the Housing Task Force. I am aware that there has been criticism in this hon. Court of lack of action by the task force - that is not the case. As chairman of that committee, can I say that the issues to do with fiscal measures are subjects which we are looking into, as well as the other aspects about zoning and the issues I raised earlier. A lot of that work is already done. The Housing Task Force has been putting this evidence together. The one thing I would like to put across to hon. members is that this is a cross-departmental committee: it has DoLGE, it has DoT and, in this case, relevant to this motion, it has the Treasury on it as well.

I would ask that hon. members support the motion in my name:

That the word 'introduced' be replaced, by 'further evaluated' and the following words be added at the end

'and the Housing Task Force, through the Council of Ministers, report by July 2002.'

This is not very far away. We actually think it is a bit of a tight deadline in the Housing Task Force, but on the basis that a lot of the work is already done, we do feel that we can put before hon. members a report about fiscal measures, but also about other measures for hon.

members to properly consider in terms of whether we should proceed with fiscal measures. This motion says we should; what I am saying is: let us make that decision in July, when we have considered the options. And the important thing is that that report will contain data about zoned land. It will contain data about the experiences of other jurisdictions when intervention has occurred. So, I hope hon. members will support the amendment. It is meant to be constructive, but we do not want to bury the debate on fiscal measures, otherwise we would be coming up with a different amendment or voting against. We do feel that it merits further examination, and I ask hon. members to support the motion in my name.

The President: Hon. member Mrs Crowe.

Mrs Crowe: Thank you, Mr President. Certainly, I can easily resist the need to talk to this motion, although, in seconding the amendment, the reason I do so, and can resist speaking at length, is that we do not have the facts, and this amendment will give me, and others, the opportunity to gather the facts that we require to see if this is a necessary measure - and that may well be the case.

I bow to the hon. member for Ayre, who, as the Chief Minister has said, has had five years' experience in dealing with the housing problem. If the reason that more houses were not built to supply the demand was the fact that there was not sufficient land zoned for the purpose or the land that was zoned had been optioned by other people and was not available for building, then that is something that we need to evaluate very carefully, but we have not quite got those facts together, which is why I am supporting the Chief Minister in asking the Court to support this amendment, which will give us a very valuable insight into how zoned land and other land that has got options on it is being distributed between developers and, indeed, with our department. As the mover mentioned, there will indeed need to be at least 600 houses per annum built to satisfy the backlog that has built up. Now, to do that, we do need to have land, it is imperative that the land is available for development and we cannot have people sitting on land that they are not prepared to develop. And if that is the case, then we need to look to other land.

So, I do have sympathy with the mover of this motion, but what I would ask is that perhaps the mover of the motion and the rest of the Court would give us the opportunity. And half of the information is already gathered, so we only need a short time: we are prepared to come back to the July Tynwald and give you the report that will clearly give you the facts that we need. It is no use just determining, as in the motion, 'that Tynwald is of the opinion that fiscal and or other measures should be introduced as a matter of urgency' if indeed, as we know from the hon. mover, this has been going on for the five years in which he was in charge of housing, and perhaps even longer. We must have the facts that were available at that time and the facts that I can glean from more recent time, and we will report back to this Court with the information that you will need to evaluate whether fiscal or any other measures need to be introduced in order to make land more available for the provision of housing on the Isle of Man.

A Member: Hear, hear.

The President: Now, hon. members, I am conscious of the clock - and, in fact, under standing orders, I have to put it to you: I was of the opinion that we could probably sit until half-past-seven, eight o'clock this evening and complete the order paper. (**Members:** Agreed.) If it is of any help, we have had an amendment moved, and I have had the indication from the hon. member for Ayre that he is prepared to accept the amendment (**Several Members:** Hear, hear.), which may have some indication to you as you continue with the debate. (*Interjections*) Hon. member of the Legislative Council, Mr Crowe.

Mr Crowe: If the mover is happy to accept the amendment . . . (*Interjections and laughter*)

Mr Delaney: Two of us.

Several Members: Vote.

The President: I call on the hon. member for Ayre to reply to the debate.

Mr Quine: Mr President, I do not think I really have anything to reply to. I am quite happy with the proposition that the Council, through its task force, should delve deeper into this problem and come back and report to us. I am perfectly happy with that proposition. I am sure their resource to dig deeper is far greater than I have currently available to me, so I am perfectly happy to accept the amendment, sir.

The President: Hon. members, in that case I put forward to you the motion as printed on the order paper, to which we have the amendment circulated on the white paper in the name of the Chief Minister. Those in favour of the amendment, please say aye; against, no. The ayes have it. The ayes have it. And I therefore put item 14 as amended as the substantive motion. Those in favour please say aye; against, no. The ayes have it. The ayes have it.

Standing Committees of Tynwald — Feasibility of Reduction in Number — Select Committee to Investigate — Members Appointed

Item 15. Mr Speaker to move:

That a select committee of five members be appointed to investigate and report by no later than July 2003 on the feasibility of reducing the number of Standing Committees of Tynwald along with any recommendations as to the responsibilities and membership of any proposals for change.

The President: We turn, then, to item 15, and I call on the Speaker to move.

The Speaker: Thank you, Mr President. I move this motion in my name to set up a select committee as I believe that it is time that we considered streamlining and modernising some of the structures of Tynwald to ensure that we continue to be effective and efficient and, importantly, make the best use of our limited resources. At present, there are 11 standing committees of Tynwald, involving a total of 24 members of Tynwald, plus also, in relation to some committees, Mr President, the Attorney-General and the First Deemster. And in the case of the members of this hon. Court, many are involved in a multiple of different standing committees. There are then, of course, a number of standing committees of the House of Keys and the Legislative Council, and, in addition to the standing committees, there are a number of select committees of both Tynwald and the House of Keys which are appointed from time to time, upon which members have to serve, and which have to be provided with a secretariat from the Clerk of Tynwald's office.

My reason for putting forward this motion is because I believe that we should only have the number of standing committees that are absolutely necessary to carry out the work of Tynwald. As hon. members will realise, the number of standing committees has evolved over time, and certainly in my time in the House of Keys - that is some 20 years now - there has not been any revision by Tynwald of the need for so many committees. I believe that a number of the present standing committees may well be appropriately amalgamated, with some standing committees possibly repealed, without detriment whatsoever to the work of Tynwald Court. If I am correct, then the changes would certainly result in implementing a better and more effective use of our limited personnel resources. However, detailed consideration would be a matter for the select committee if my motion here today is successful.

Presently we have in existence the following standing committees of Tynwald: Declaration of Members' Interests Committee; Ecclesiastical Committee; Joint Committee on Emoluments of Certain Public Servants; Tynwald Honours Committee; Members' Pension Scheme Management Committee; Standing Committee on Constitutional Matters; Standing Committee on Economical Initiatives; Standing Committee on Expenditure and Public Accounts; Standing Orders Committee of Tynwald; Tynwald Ceremony Arrangements Committee; and the Tynwald Management Committee.

In putting forward my motion, I have proposed that the select committee set up to consider this matter should consist of five hon. members - this is to give a broad view from Tynwald - and also that the committee should report back by no later than July 2003. In proposing this timescale - that is some 14 months - I believe it will enable the committee to undertake a detailed and considered evaluation of the matter without undue pressure. Mr President, I believe that the proposal, as laid out in my motion, is a worthwhile proposition, and it may result in identifying a new regime of standing committees of Tynwald that I believe may well be of benefit to Tynwald and how the Court carries out its functions. The examination of our standing committees could result in a more efficient and effective committee structure for Tynwald Court, and I believe this to be a worthwhile and important exercise and one, I certainly believe, that is long overdue. I beg to move the motion standing in my name.

The President: Hon. member for Ayre.

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

The President: The motion, hon. members, which I put to you is printed at 15 on the order paper. Those in favour please say aye; against, no. The ayes have it. The ayes have it. We will turn, then, finally to item 16, and I call on the hon. member for Peel, Mrs Hannan.

Several Members: The committee.

The President: Oh, yes, we need to elect a committee. (*Laughter and interjections*) Even I was getting -

A Member: Excited,

The President: - carried away there. (*Laughter and interjections*) Right. Call for nominations, hon. members; we require five for the committee.

Mr Corkill: I nominate Mr Speaker, sir.

Mrs Crowe: Seconded.

Mr Crowe: I nominate Mr Lowey.

Mrs Cannell: Mr President, I would like to propose the hon. member for Ayre, Mr Quine.

Mr Cretney: I would like to second that, Mr President.

Mr Crowe: Mr Lowey, I would nominate.

The President: Mr Lowey is nominated.

Mr Karran: I will second that.

Mr Gill: I propose Mr Quayle for Middle.

Mr Corkill: I second that, Mr President.

Mr Lowey: I propose Mr Karran from Onchan.

Mr Quine: I beg to second Mr Karran's nomination.

Mrs Hannan: I propose Mr Lowey.

The President: He has been proposed and seconded. At the present time I have five, hon. members. (*Interjections*) Mr Singer.

Mr Singer: I move that nominations close.

Mrs Crowe: Close nominations.

Mr Downie: I move that nominations close.

The President: Are we agreed, hon. members, that nominations be closed?

Members: Agreed.

The President: I have five on my list, and as long as our Clerk has the same five, I am content. It would appear, hon. members, that, with your consent, the committee will consist of Mr Speaker, Mr Quine, Mr Quayle, Mr Karran, and Mr Lowey from the Council. Agreed, hon. members?

Members: Agreed.

**Play Areas for Children — Provision within Residential Areas —
Select Committee to Investigate — Members Appointed**

Item 16. Mrs Hannan to move:

That a select committee of three members should be established to examine the provision of play areas and playing-fields for children within residential areas and investigate:

- (i) ways of supporting local authorities in providing such facilities;*
- (ii) the use of section 18 of the Town and Country Planning Act 1991 to provide such facilities.*

The President: Now, at that stage then, I am correct in referring the hon. member for Peel to move item 16.

Mrs Hannan: Thank you, Eaghtyrane. In moving this motion today, I take into account the two areas that I have approached within the motion. I firstly deal with the first part of that motion, where local authorities have a facility to provide such facilities - this is play areas and playing-fields - within the Local Government Consolidation Act 1916, clause 326, where it states 'the Commissioners may support or contribute to the support of public walks or pleasure grounds provided by whomsoever.' In the Local Government Act 1946, clause 8 states 'powers of local authority as to games and recreation land purchased.' Within this clause, land could be purchased to provide areas for games and recreation. The Local Government (Miscellaneous Provisions) Act of 1976 regulated certain pleasure fairs and roller-skating rinks. I mention these particular pieces of legislation simply to demonstrate that, over the years, there has been support for play areas, and, of course, that continues today.

In the setting up of a select committee, I would suggest that they investigate ways of improving the facilities in all residential areas. The committee could look at ways of improving financial support through government departments to assist local authorities; I would suggest that the Department of Local Government and the Environment or the Department of Tourism and Leisure could be those departments. The select committee could also investigate health and safety issues in the provision of land and equipment updating the existing equipment, and keeping areas secure. I would suggest, Eaghtyrane, that residents expect something for their rates but get very little when it comes to providing for children and families. (**A Member:** Hear, hear.) My motion today is to support parents and their children instead of blaming them for all the ills of society (**A Member:** Hear, hear.) today.

The second part of the motion relates to another area that can provide play areas and playing-fields in new residential developments: that is section 18 of the Town and Country Planning Act 1991. This relates to agreements regulating development of land. The select committee could investigate if it has been used, how useful it is and whether it could be improved upon to give people a better quality of life. I know it is used in the United Kingdom, and many developers would expect to enter into such an agreement when they are developing land for residential purposes. Members may say that local authorities must be expected to provide such facilities without any help or support from us; I would suggest that some local authorities do not have the finance to supply the everyday services that are expected of them, let alone provide good quality, safe play areas and playing-fields.

In my own area, we have five play areas with play equipment provided by the local authority and also some local fundraising. These areas are of varying size and of varying states of repair. Today, however, some could not be called play areas at all: they are so neglected and the equipment is just awful and cannot be used. We have recently had developed in Peel a skate park, five-a-side football pitch, BMX track and, of course, the Western Bus: all facilities for local youth. The land where these are provided is owned by the local authority - the skate park equipment provided by that local authority - but most of everything else is provided by either lottery funds or Lions Club funds, or cadged from various places, including government. Most of these facilities were developed with the help of the police: some police officers have been to the forefront, along with youth workers and others, to improve what is on offer for our children locally in Peel. So, I am suggesting that instead of complaining about our children, **(A Member: Hear, hear.)** they have done something about it.

But younger children and their parents are also desperate, crying out for this sort of support that I am talking about today for toddler play areas, other children's play areas for kicking a ball about and play equipment, and even our older kids want football and rugby pitches. I suggest that these facilities would complement residential areas, as they are important for any family development. Eaghtyrane, as members of this hon. Court are so concerned about children and their future, I am sure they will support me in setting up **(A Member: Hear, hear.)** a select committee of three members to investigate if there is anything government should be doing to provide these facilities. I beg to move the motion standing in my name.

The President: Mr Speaker.

The Speaker: I beg to second and reserve my remarks, Mr President.

The President: Hon. member Mr Cretney.

Mr Cretney: Yes, just to vocalise my support and, I am sure, that which is shared by most other hon. members. I think it is important that we provide facilities for young people, in co-operation with local authorities or separately. My department is the Department of Tourism and Leisure, and I am conscious that very often there has been a great deal of support towards strictly sporting facilities over the last 10 years. I believe there should be a move towards more leisure opportunities as well as the sporting facilities, because I do not think it is just about sport. Sport in the Island over the last 10 years has developed tremendously, and it is great that those opportunities exist for those people who want to take advantage of them, but there are other things which are not deemed to be 'sport' in the strict parameters which are exercised by the Sports Council, for example. I do believe that if we can co-operate with local authorities and others in providing opportunities - and I have certainly got cases in my areas as well, as I am sure other hon. members have, where I have tried to pursue these things without a great deal of success - and if we can put a bit of initiative in there, I think it is something which would be a job well done today, and I congratulate the hon. member for having it on the agenda.

The President: Hon. member of Council, Mrs Christian.

Mrs Christian: Mr President, I, too, will support the motion on the order paper. There is a variety of provision made in various areas, some of it good, some of it inadequate and some of it rather focused on one particular age group, and what we do need to see is a spread of facilities relevant to different age groups of young people and children. My remarks are going to be brief, but I would say that I do hope that, when this select committee comes forward with its recommendations, it does recognise and encourage voluntary involvement as well, because I think the day when government provides everything is a day when our society is rather undermined. I think that we do need to make sure that, in developing these areas, whilst government and local authorities certainly have a major part to play, we involve whole communities and bring into play their voluntary efforts also.

The President: Hon. member for Rushen, Mrs Crowe.

Mrs Crowe: Thank you, Mr President. I am delighted to follow my hon. colleagues, the Minister for Tourism and, of course, the Minister for Health, who indeed are very keen to encourage children into play and outdoor activities, and I would suggest that I will also be helpful: I will provide a 25 per cent grant for any local authorities who wish to promote such areas. In supporting the motion, there are planning provisions which I am sure the select committee will look at; they may well need to be strengthened, and I am quite happy to take on board any proposals the select committee will come up with and alongside that provide some money as well.

The President: Hon. member Mr Karran.

Mr Karran: Eaghtyrane, I do hope, then, that we will have somebody who has a direct line from the Council of Ministers on this select committee. If we are to have that, it is important that somebody either from the previous speaker's department, who is responsible for local government, or somebody from. . . Well, the mover is the member for social services. I think it is important that we make sure that somebody who has a direct line to the thinking of the cabinet is on this committee if this is not going to be tokenism. I think it would be a sad situation if it was left without somebody who is reasonably high-powered from the executive.

The President: Mr Speaker.

The Speaker: Thank you, Mr President. I just want to make a few points on this one, and I congratulate the hon. member for Peel for actually coming forward with this motion, because I do think the problem we have is that this issue has just been left to drift.

Whilst it has been raised by myself and a number of other members over the years and certain areas have improved, I think the difficulty we have - and I have experienced this, and I know the hon. member for Peel has, so presumably other members have - is that whilst local authority members and the public seem happy to criticise - as, in fact, sometimes members in here may do, myself included - young people because of x, y, or z, our commitment to them outside the sporting arena - and we have some very good youth clubs that provide for those who wish to go into youth clubs - is not there adequately to meet the needs of those children. One of the things that has changed from when I was a child is that our playground was the street, because there were no cars; that has all changed now, and therefore the children have difficulty, within the estates in which they live or the residential areas, in finding somewhere safe to play. One of the other big things that has changed is that again, when I was young - and regardless of age, I suppose, within reason - we used to go up the river, we used to go out to Scarlett, or we used to go out to Langness; now parents say to their children, 'Don't go outside the estate.' And, of course, estates often do not have facilities to meet the needs of the children, so they become a nuisance and they kick the ball against the house because there is nowhere else to kick a ball. That is the problem that we seem to have, so I think it is fine, I do welcome that, and I am happy that we should look at this.

I was interested to hear the point made by the hon. member of Council, Mrs Christian, where she said, 'And I do hope we look for voluntary help on this.' It is amazing how, every time we talk about the young children, it is often said - and certainly by the local authority - 'The volunteers need to help us because we only have limited resources.' But we do not ask for volunteers for the other services we provide. I do not have anything against having voluntary support, but that should not be a proviso of saying that we provide these facilities; it should, in fact, be adding to what may well be provided. And yes, in our community - I am one of them, like everybody else - we are all involved in raising money to help our community, but it should not be a proviso that there has to be a voluntary support or really it will not happen.

Just to put another bit into context, I was pleased that the Minister for Local Government and the Environment said, 'We are happy to give a 25 per cent grant for a local authority in the provision of facilities for children.' I would just say to the minister: and you are happy to give a 50 per cent grant for the provision of public toilets - I wonder if we have got it the right way round?

A Member: Hear, hear.

The President: I call upon the hon. member for Peel to wind up the debate. (*Interjections and laughter*)

Mrs Hannan: Thank you, Eaghtyrane. Could I thank the Speaker for seconding the motion. Nobody has spoken against the motion, so I just hope that people are going to vote in favour of it when the vote comes.

Could I thank the Minister for Tourism for his comments, because I have included his department in my comments, and I thank the Minister for Health, also, for her comments, but again I repeat what the Speaker said: I would hope that this committee will look at what is available in other areas, and with a 25 per cent grant to a local authority that has not got anything to even provide the services it has got, we are not going to get any improvement whatsoever. And on the voluntary support: that is fine. Why I commented on what is being developed in our area is because we have got the land; the voluntary fundraising can also put in funds to provide that, but you have got to have the land. So this is where the second part comes, but, in existing estates, you would also be looking at providing facilities within that particular area.

I could go through all the estates around Peel: children play in the road. For years and years I used to be requested all the time to get notices put up saying 'Children at play', and the Department of Transport kept saying, 'This is not a play area.' I think we have got to look at this in a serious way and say, 'Yes, we have got to provide somewhere for the children to play' because of the very point, I think, made by the Speaker, when he said that there are so many cars on the streets these days and it is not safe because of the speed of traffic either.

I think those were all the points that were raised. I do hope that members will support this motion before the Court today and that a select committee will look seriously at the issues that are before the Court. Thank you, Eaghtyrane. (**A Member:** Hear, hear.) I beg to move.

The President: Hon. members, the motion, then, is that printed at 16, reference 'Playground Facilities for Children'. Those in favour please say aye; against, no. The ayes have it. The ayes have it. And this time I will call for nominations for the committee, hon. members.

Mr Corkill: I propose Mrs Hannan, member for Peel.

The Speaker: I will second that.

Mr Braidwood: Mr President, I would like to propose the Chairman of the Planning Committee, the hon. member for North Douglas, Mr Henderson.

A Member: I second that.

Mr Shimmin: I propose Mr Cretney, sir.

Mrs Christian: I beg to second.

Mr Lowey: I would like to propose Mr Gill.

Mr Crowe: I propose Mr Waft.

The President: Mr Gill is proposed.

Mr Crowe: Mr Waft.

A Member: I will second Mr Gill.

Mr Gelling: I propose Mr Anderson.

Mr Henderson: I second Mr Anderson.

Mr Quine: I propose Mr Earnshaw, sir.

Mr Henderson: I second Mr Earnshaw.

Mr Braidwood: I propose the nominations close.

The President: No, Mrs Crowe has been trying to get my attention.

Mrs Crowe: I was wishing to propose Mr Speaker as he had a knowledge of my department.

Mr Corkill: I beg to second. (*Laughter*)

The President: Mr Speaker is proposed by Mrs Crowe.

Mr Gill: I second that.

The President: Seconded by Mr . . . Now, Mr Crowe of the Council was trying to get a word in at one stage.

Mr Crowe: I nominate Mr Waft.

Mr Lowey: I second Mr Waft.

Mr Gelling: I would like to propose Mr Shimmin, Mr President.

Mr Bell: I will second that, Mr President.

Mr Houghton: Nominations closed.

Mr Henderson: I propose Mr Braidwood.

Mr Singer: I second that.

The President: Mr Braidwood is proposed by Mr Henderson and seconded by Mr Singer. (*Interjections*) Now, hon. members, when the ballot papers are distributed, I will ask the Clerk to read the names in the order in which they will be printed on your paper. You will be voting for three, hon. members. Right, if every member has their ballot paper, the Clerk will read the names in the order that they are on your paper.

The Clerk: Mr President, the members nominated are: Mr Waft, Mr Anderson, Mr Braidwood, Mr Cretney, Mr Earnshaw, Mr Gill, Mrs Hannan, Mr Henderson, Mr Shimmin and Mr Speaker.

Mr Cannan: Could we possibly go through that again, sir, (*Laughter*) because it was a bit of a gallop?

The Clerk: Mr Waft, Mr Anderson, Mr Braidwood, Mr Cretney, Mr Earnshaw, Mr Gill, Mrs Hannan, Mr Henderson, Mr Shimmin and Mr Speaker.

The President: Voting for three, hon. members. I ask Mr Lowey to count on behalf of the Council.

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

A first ballot took place.

The President: Hon. members, the result of the ballot: Mr Waft, 4 votes; Mr Anderson, 4 votes; Mr Braidwood, 2 votes; Mr Cretney, 19 votes; Mr Earnshaw, 4 votes; Mr Gill, 5 votes; Mrs Hannan, 25 votes; Mr Henderson, 14 votes; Mr Shimmin, 3 votes; Mr Speaker, 4 votes. There is a requirement, hon. members, to have 16, the majority of the members present and voting. I therefore declare that Mr Cretney and Mrs Hannan have been elected. Ballot papers will now be

distributed and you will vote for the remaining one from those who are remaining on the ballot paper. Hon. members, when you have all got your ballot papers, the Clerk will again go down through the names, and you will be voting for one.

The Clerk: The members remaining are: Mr Waft, Mr Anderson, Mr Braidwood, Mr Earnshaw, Mr Gill, Mr Henderson, Mr Shimmin and Mr Speaker.

The President: One member, hon. members. The same tellers continue with the count, please.

A second ballot took place.

The President: Now, hon. members, the result of that ballot: Mr Waft, 1 vote; Mr Anderson, 2 votes; Mr Braidwood, 0 votes; Mr Earnshaw, 2 votes; Mr Gill, 1 vote; Mr Henderson, 15 votes; Mr Shimmin, 2 votes; and Mr Speaker, 7 votes. There is a requirement, hon. members, to have 16 votes. We need to ballot again. In this case, Mr Braidwood will be excluded from the ballot.

Mr Singer: Why?

A Member: Exclude them all!

The President: Now, hon. members, considering that particular position, it should not make any difference, as Mr Braidwood did not receive any votes. With your consent, I would be prepared to drop Mr Braidwood and those two who received one each of the . . .

Members: Agreed.

The President: I think in fairness, hon. members, when there was . . . Hon. members, when you have got your ballot papers, I will tell you who you are voting for. We will drop off Mr Waft, Mr Braidwood and Mr Gill, (**Mr Corkill:** Hear, hear.) Mr Braidwood receiving none, which would not make any alteration, and Mr Waft and Mr Gill both being the next lowest, on one each. Mr Waft, Mr Braidwood and Mr Gill will be excluded. Hon. members, you are again voting for one. The Clerk will read the names.

The Clerk: The members remaining, Mr President, are: Mr Anderson, Mr Earnshaw, Mr Henderson, Mr Shimmin and Mr Speaker.

The Speaker: Mrs Cannell again, please.

The President: The same tellers.

A third ballot took place.

The President: The result of the ballot, hon. members: Mr Anderson, 0 votes; Mr Earnshaw, 1 vote; Mr Henderson, 18 votes; Mr Shimmin, 1 vote; and Mr Speaker, 10 votes. I therefore declare that Mr Henderson is elected, hon. members.

Members: Hear, hear.

Procedural

The President: Now, hon. members, once again can I say thank you for your co-operation during the day in bringing our order paper to a conclusion at this month's sitting. May I also say, hon. members, that there were occasions today when the movement about the Court was somewhat distracting, and I would make a plea that members become more affixed to their seats if they possibly can. Thank you, hon. members. The Council will now withdraw and leave the House of Keys to transact such business as Mr Speaker may put before you.

House of Keys

The Speaker: Hon. members, the House will now stand adjourned until 10.00 a.m. on Tuesday 28th May in our own chamber. Thank you, hon. members.

The House adjourned at 7.05 p.m.