

# **REPORT OF PROCEEDINGS OF THE HOUSE OF KEYS (QUESTIONS)**

**Douglas, Tuesday, 5th November 2002  
at 10.05 a.m.**

---

Present:

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

---

## **Questions for Oral Answer**

- |   |       |
|---|-------|
| 1. DoLGE – Minister’s Comments in Business News Supplement (Mr Gill)                            | KQ 32 |
| 2. Refuse Disposal – Proposed Charges (Mr Quayle)   | KQ 33 |
| 3. Coastal Erosion Matters – Government Responsibility (Mr Cannan)                              | KQ 37 |
| 4. Data Protection – Appointment of New Registrar (Mr Houghton)                                 | KQ 38 |
| 5. Government Reserves – Responsibility for Investment of Funds (Mr Karran)                     | KQ 39 |
| 6. Government Reserves – Deterioration of Funds (Mr Karran)                                     | KQ 39 |
| 7. National Insurance Fund – Public Service Employees’ Pension Reserve Fund – Slump (Mr Karran) | KQ 42 |
| 8. Government Funds and Accounts – Media Failure to Report Slump in Value (Mr Karran)           | KQ 43 |
| 9. Government Funds and Accounts – Monthly Reports to Keys (Mr Karran)                          | KQ 44 |
| 10. Groudle Glen – Replacement of Flood-Damaged Bridges and Footpaths (Mr Houghton)             | KQ 45 |
| 11. Invalid Care Allowance – Circumstances for Payment and Withdrawal (Mr Henderson)            | KQ 46 |
| 12. Storm and Flood Damage – Clearance of Drains and Culverts (Mr Earnshaw)                     | KQ 47 |
| 13. Archallagan – Proposed Landfill Facility – Cost Comparison (Mr Quayle)                      | KQ 49 |

## **Questions for Written Answer**

- |   |       |
|---|-------|
| 1. Data Protection Registrar’s Office – Postholders (Mr Houghton)                       | KQ 50 |
| 2. Government Reserve Funds and Accounts – Details of (Mr Karran)                       | KQ 51 |
| 3. Mountain Road – Restoration of Verges after Landslip (Mr Singer – Withdrawn)         |       |
| 4. Molly Quirk’s Glen – Groudle Glen – Areas Publicly and Privately Owned (Mr Houghton) | KQ 52 |
| 5. Hospital Complaints Committee – Remit, Membership and Procedure (Mr Houghton)        | KQ 52 |
| 6. Archallagan – Proposed Landfill Facility – Cost (Mr Anderson)                        | KQ 53 |
| 7. DoLGE – Land Purchased for Housing (Mr Henderson)                                    | KQ 53 |
| 8. Isle of Man Post Office – Property Rate Payments (Mr Henderson)                      | KQ 53 |
-

**DoLGE – Minister’s Comments  
in Business News Supplement –  
Question by Mr Gill**

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

- (1) *Are the comments attributed to the Minister for the Department of Local Government and the Environment in the Business News Supplement in the Isle of Man Examiner dated 22nd October 2002 relating to public sector housing an accurate representation of the corporate views of the Council of Ministers;*
- (2) *were they agreed by the Council of Ministers before they were made; and, if not,*
- (3) *what are the Council of Ministers’ views on the issues the Minister for the Department of Local Government and the Environment was commenting on?*

**The Speaker:** I call upon the hon. member for Rushen, Mr Gill.

**Mr Gill:** Thank you, Vainstyr Loayreyder. I beg leave to ask the question standing in my name.

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

**Mr Corkill:** Thank you, Mr Speaker. The issue of public sector rents is considered in the Council of Ministers but normally only annually when the Department of Local Government and the Environment reports on its proposals for the coming rent year. The issue of whether public sector rents have been pitched at the right level has not been discussed by the Council of Ministers during the life of this administration. I have no doubt that if the issue were to be discussed on the basis of a proposal from the Department of Local Government and the Environment there would be a range of views within the Council of Ministers.

Any significant realignment of public sector rents would need to be approved by Tynwald and would definitely need to be accompanied by means of alleviating the effects of the increase on the vulnerable and those of limited means. The Council of Ministers has no current plans for putting proposals before Tynwald.

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

**Mr Gill:** Thank you, Vainstyr Loayreyder. I take comfort from the comments of the Chief Minister, and I am sure that many people who are vulnerable as he describes, and need social housing will share those

views. Could I ask him, however, what he will do to prevent any recurrence of this kind of practice that we have seen increasingly from the Department of Local Government and the Environment, which is seemingly shooting from the hip on a number of occasions and seemingly having scant regard for consultation?

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

**Mr Corkill:** Thank you, Mr Speaker. I, too, obviously saw the article in the newspaper that has perhaps sparked this question off and in fact the hon. member – or someone - has circulated. In reading the article carefully I think it is quite clear that this issue has not been to the Council of Ministers, but obviously for the Minister for Local Government and the Environment, housing is a very important topic and one that she is under a lot of pressure to deliver on, so she, in that article, I think, was deliberately putting forward certain policy options but, as I have said, these have not been discussed by the Council of Ministers.

With regard to this ‘trend’ as the hon. member puts it, I would disagree that in fact there should be some diktat from the centre to actually stop ministers expressing views in public. I think that would be wrong.

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

**Mrs Cannell:** Thank you, Mr Speaker. Following on from the hon. Chief Minister’s reply, would he not agree with me, though, that some of the comments made by his minister were very misleading in the public arena, bearing in mind that he has said she is under pressure to deliver housing, but we are talking about housing rents here for society who have been placed in them, and is it not misleading? Does it not cause trouble within the community? Does he agree with me that it does?

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

**Mr Corkill:** I think the article has caused a debate; I would say that it has not caused trouble. It has caused debate and I think that is a healthy thing. I think we would all like to see improvements in our local authority housing stock where a lot of it is substandard and is not properly maintained, and that inevitably leads to a discussion about rents. Now, I just want to make it clear that the Department of Local Government has not come forward to the Council of Ministers with any proposals, therefore I want to make it clear that there are no hares running here at all. I think the article was pretty factual depending on what point of view one may be coming from. I think the article is useful in terms of public debate but, as I have said, and I will say it again, there are no proposals to significantly realign local authority or council house rents.

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

**Mr Karran:** Vainstyr Loayreyder, so the Chief Minister is saying that for the average person that lives in a public sector house there is £1,000 income coming in? Is that what the hon. minister is saying, as stated by the hon. Chief Minister about his minister? Would he also not agree that what we want is a less biased account as far as these things are concerned? Will he circulate the amount of money that is spent on sheltered accommodation, which is lumped in with public sector accommodation, which are two separate issues and is used as an excuse to attack this section of the community?

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

**Mr Corkill:** I want to make it clear, Mr Speaker, there is no attack on any section of the community coming from the government. If one reads the article it makes it quite clear that there is a comment here - and he refers to this £1,000 a week. I think we would all accept - it is fairly obvious - and I am sure the Minister for Local Government accepts that the great majority of public sector tenants are on limited incomes, and therefore the issue of £1,000 a week coming into the household is very atypical, but no doubt there will be one or two examples where this may happen and that is what the article actually says in the newspaper and that, I think, is quite clear in the article.

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

**Mr Gill:** Vainstyr Loayreyder, could I just ask three final supplementaries for myself? Firstly, would the Chief Minister accept that this style of trailing bad news in the media owes more to the Jo Moore special adviser school of politics which has been so discredited rather than a joined-up Council of Ministers type of government that we should expect? Would he accept that this is acceptable to him and it is what we can expect from now on?

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

**Mr Corkill:** I understand what the hon. member is alluding to. Can I say that as far as I am concerned as Chief Minister chairing the Council of Ministers, I do not accept the practice of trailing items in the news to see what the public reaction will be. If the Council of Ministers has a policy decision that it wishes to announce, it will do so in Tynwald in the normal way for Tynwald members to debate at the appropriate time, and that is the way to do things. That is the way we have always done things and that is the way we will do them in future.

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

**Mrs Hannan:** Thank you, Vainstyr Loayreyder. Could I ask the Chief Minister which constituent the government is trying to get to when an article such as this on house rents is written in the Isle of Man business news and that the Chief Minister says that the article is the right way of approaching an issue such as this? Is it the business sector that the government is trying to influence or is it some other constituent? Thank you, Vainstyr Loayreyder.

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

**Mr Corkill:** Mr Speaker, there has been an article in the newspaper. The minister has done an interview. What section of the newspaper it appears in, I guess, is up to the editorial control. (*Interruption by Mrs Hannan*) Certainly, it is not within my remit to dictate to the newspapers where an article might or might not appear. It is quite clear that for the minister charged with the very difficult task of delivering housing in an environment where I would suggest we have done too little for too long there are pressures to deliver. Quite understandably, the minister has been looking at the policy within her department to see what it really means and what the content of it is, and that is the stage that is being discussed in this article.

I think it is a healthy thing to be open. We talk about open government. These are the thoughts that are going through the department. Whether there is any significant realignment of rents, which is what this question is all about would be, because, as I have said, it is not in the Council of Ministers' domain, for Tynwald to decide that, not a newspaper article or not any one minister, so I want to make it clear that as far as this government is concerned, the interests of people on low incomes, the people who have housing needs - and that is a high priority with this government - are what we are trying to deliver.

---

### Refuse Disposal – Proposed Charges – Question by Mr Quayle

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

- (1) *What is the proposed timescale and rationale for the introduction of refuse disposal charges; and*
- (2) *will you give an undertaking that members of Tynwald will have an opportunity to debate the matter in order to consider the full implications upon ratepayers and to seek Tynwald approval prior to any implementation?*

**The Speaker:** Question 2 and I call on the hon. member for Middle, Mr Quayle.

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

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

**Mr Corkill:** Thank you, Mr Speaker. The present deficiency on our waste disposal operations in the current year is estimated to be approximately £4.2 million. This deficiency is estimated to increase to £6.7 million in 2003-4 and to £7.3 million in 2005-6. That is a consequence of the various improvements in the waste disposal arrangements that are in train, principally the energy-from-waste facility but also improvements in recovery and recycling and in the disposal of animal waste and landfill. The additional deficiency will require to be funded. The introduction of a refuse disposal charge is an option which has to be seriously considered. The proposed waste management board needs to be able to balance its books and the chairman designate of the board has written to local authorities seeking views on this option.

The Council of Ministers has not yet made any decision on whether or not to recommend a refuse disposal charge for 2003-4 or indeed any later year. This will be considered as part of our preparations for the plans and the budget for next year.

I wish to confirm, Mr Speaker, that the Council of Ministers regard the issue of refuse disposal charges as important and that, if it were to be the Council's recommendation that refuse disposal charges be introduced, we would place the matter before Tynwald for debate.

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

**Mr Quayle:** Thank you, Mr Speaker. Is it not correct that the whole principle of a refuse rate has not yet been decided or debated by Tynwald and, in thanking the Chief Minister for the fact that we will presumably have the opportunity to debate this, would he not agree that legislation may well be in place but that this does not include the secondary legislation which would be required - for example, the relevant regulations that would need to be introduced?

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

**Mr Corkill:** Yes, the hon. member is quite correct, I think, about the secondary legislation which obviously would have to go before Tynwald, but the issue is far more important than that and, before any decisions were to be taken on this type of scenario, there would be a debate in Tynwald so that all hon. members would be able to have an input into such an important policy decision. I think we have to live in the real world, though, Mr Speaker, and appreciate that with the waste disposal strategy that was approved by Tynwald a long time ago now and reaffirmed on several occasions there is a cost and the cost will have

to be met from central taxation or from charges but from somewhere, potentially a combination of both, but this is an issue that, as I have said in my opening answer, has not yet been discussed by the Council of Ministers.

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

**Mrs Hannan:** Thank you, Vainstyr Loayreyder. Could I ask the Chief Minister: when he is considering this particular issue in the Council of Ministers and if it is decided that charges are to be brought upon house holders, how will that be done? Does it relate to the amount of waste and is the government's own policy on waste implemented? And will he ask the minister and the prospective chair of the authority to stop giving out the impression that Tynwald has approved this increase and that proper discussion will take place instead of telling local authorities what they have got to do? And will he also consider that if he is to propose that, as I have understood from his reply today, it starts from April of next year, it would be very difficult for local authorities to enter into this arrangement at such short notice?

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

**Mr Corkill:** In terms of the short notice, Mr Speaker, I find it difficult actually to refer to the hon. member as a chairman designate because obviously, if we have a statutory waste management board set up, the chairmanship of that will be a Tynwald appointee, but certainly we hope to get the waste management board operational soon. It had been intended to have it operational this year but the structures were not properly in place and it was deferred, but when the waste management board is in place, which is part of the policy that is quite out in the open, I would say that the chairman designate has made it quite clear to local authorities in his letter that he apologises for short notice, but I think it is quite clear that, as we head into our budget considerations in the early part of next year, that timing gets even tighter, so the hon. member is quite right in terms of pointing out the difficulties that that would leave local authorities in. Therefore, obviously, that would have to be part of any consideration when dealing with such policy issues.

I just want to reiterate, Mr Speaker, that we are proceeding with a waste management strategy. The energy-from-waste plant, as we can all see, at the bottom of Richmond Hill is well on its way to being constructed. Change is afoot, and the extra costs that are there in relation to that, coupled with the recycling and the whole strategy of waste, will have to come from somewhere and that comes from taxation one way or another. This letter that has gone from the chairman designate to local authorities is really entering into that debate, and I would like to thank a number of authorities - for responding promptly with

their points of view, and others no doubt will continue to put their points of view forward. I wish to say that any such major issue as this will have the benefit of a full debate in Tynwald.

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

**Mr Karran:** Vainstyr Loayreyder, would the Ard-shirveishagh give an undertaking and assurance to this hon. House that hidden capital costs will not be added to the revenue costs as far as any rates proposals are concerned, and would the Ard-shirveishagh also, because it is always takes four times longer to get any social legislation through this House than when it deals with the other sections of the community, start now by maybe making a statement in the near future on a working party to develop a proper rate rebate scheme in order to protect the ones that are not on a £1,000 a week and are living in council houses?

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

**Mr Corkill:** Yes, the hon. member keeps referring to the £1,000 figure as if I accept that that is some sort of figure that I agree with, and I do not. It is maybe relevant to several people, (**Mr Karran:** Good.) but obviously it is quite clear the vast majority of people it does not apply to who live in local authority houses, but this question is to do with how we pay for our refuse, and it is a thorny issue that has been, I would suggest, put off for a number of years now. We have talked around it but, as the strategy comes on stream, we will not have the luxury of being able to put it off. I will say again, though, that as hon. members we will all have an input into this process.

The hon. member asks about rate rebate. That obviously has to be part of the consideration if these sort of issues are to be progressed, then that would have to be a part of the process if indeed that was the route we went down. Certainly, in my time when I was at the Treasury the cost of running a rate rebate scheme actually outweighed the amount of money it would distribute. Therefore I would certainly not wish to introduce a bureaucratic system which actually costs more than what it was actually helping; the money and the resource can be more easily utilised. I cannot say any more on this subject, other than to give hon. members assurances that in fact the capital costs will be quite transparent. This is not some way of covering up costs on the capital side with regard to this construction of the energy-from-waste plant. We are talking about revenue funding here for the years ahead, for the new process, and let us be quite clear, hon. members: the way that the Island has dealt with waste management for many, many years to the eyes of many, many people has been quite inadequate. We have fallen from one refuse tip to the next, one planning inquiry to the next. We have never had a long-term strategy. Whenever has been put forward, it has fallen, not for the lack of trying, but we have a

strategy now which is unfolding, it will have to be paid for somehow or other.

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

**Mr Quine:** Can the Chief Minister confirm that it is only in the order of two years since the law was changed to allow for the charging of a rate for waste disposal, and so to that extent it is fairly recent that the principle has been established, both in this House and another place; secondly, that the law as it stands provides either that no charge or there may be only a charge in part however small or however large and that that charge may be phased in over a period of time; and thirdly, as the hon. member for Onchan has brought out, that there is provision for rebate in respect of those charges?

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

**Mr Corkill:** What the hon. member, as former minister of the department with responsibility for this area, says is absolutely true. That legislation is in place, but of course the issue of policy is another issue for debate in another place, and whether or not we utilise that legislation and that we would actually implement it in the way that the hon. member describes legislation has not yet been decided. But yes, the legislation is there to allow that to happen, and that was with the consent of both branches of Tynwald at that time, and I think that is quite clear.

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

**Mr Gill:** Vainstyr Loayreyder, I am conscious of the Chief Minister's acceptance that central government has, to quote his phrase, 'put off this matter for a number of years' so, in the light of that, could I ask him what length of time the Chief Minister would regard as a reasonable minimum to afford local authorities the chance to consider an issue such as this, which of course has such potentially wide-ranging implications for so many people?

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

**Mr Corkill:** I think that is a difficult one to answer in terms of how long. I am not sure that I am briefed properly to actually give that definite answer, but I think it is quite clear with our annual budgetary cycle that to introduce it in the coming year would be a difficult exercise and may be seen by many as unreasonable. That is an observation that I have obviously been able to make. I would certainly like to see full and frank consultation with the local authorities who at the end of the day are responsible for collecting the refuse in their own areas at a cost, but I think something that is probably not apparent to the general public always is that they see a cost for refuse collection on their rate bill but of course that only delivers it from one door to the next door. The

actual cost of disposal, the cost of recycling, all of the waste management strategy is on top of that, and so disposing of waste is an expensive process and that is what we are going to have to face up to and find a way of funding. Certainly from my point of view I want to see it funded efficiently to the benefit of the whole community so that those who pay are able to pay, those who are unable to pay are not expected to pay unreasonable charges. All this has to be reviewed, it all has to be looked at and the letter to local authorities has started that consultation and started that debate.

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

**Mr Singer:** Thank you, Mr Speaker. It was interesting to hear the Chief Minister in his first reply say that a charging was an option, and would he not agree that it certainly has not come over to the public as an option from what we have heard stated in the newspapers and on the radio but more as a definite decision? Is the Chief Minister first of all convinced the charges should be on the ratepayer rather than the taxpayer and, if it is on the ratepayer, would he expect that full discussion took place with local authorities to give them advice on the reduction of waste volume long before the charges were introduced? And finally, as much of the waste disposal costs do relate to the incinerator, can the Chief Minister confirm that that incinerator, as it is being built now, is large enough to cope with the Island's waste for the foreseeable future so that further charges are not put onto the ratepayer or the taxpayer because the incinerator has to be enlarged?

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

**Mr Corkill:** I certainly do not want to get into a waste management debate too much, Mr Speaker. I see a hare running on that last comment with regard to whether the incinerator is big enough for the waste streams? I am advised that we at the moment, as a community, produce somewhere in the region of 100,000 tonnes of refuse which is at the moment going to the Ayres tip. Fifty per cent of that figure is incinerable, so that is 50,000 tonnes, it is estimated, out of the total is waste that could be introduced into the incinerator, and the incinerator is designed to take 45,000 to 60,000 tonnes per annum - I think those are the figures. So I want to make it clear that as part of the incineration process recycling and the separation of waste stream is an important aspect of that. It is not a question of just putting everything that people throw away straight through the incinerator and it all disappears. It is not as simple as that at all.

I just would like to quote from the last paragraph of the hon. Member of Council, Mr Lowey's letter which went to local authorities which says, 'My purpose in writing is to seek the views of local authorities on this important subject in the knowledge that they have been made aware previously in general

terms that the introduction of charges through the rates was envisaged. That being the case, I should be grateful if you could let me have the views of your authority within two weeks of the date of this letter,' and I think it is the two weeks that really has wound the situation up and perhaps is seen as unreasonable. But it is a genuine attempt to have full consultation with local authorities.

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

**Mrs Cannell:** Thank you, Mr Speaker. Can the Chief Minister confirm whether or not the Council of Ministers has actually considered the principal policy of charging for disposal of waste on rates, and further, would he not agree with me that it was wholly inappropriate for his minister to announce such on national radio and in the press prior to a meaningful consultation with the local authorities? Does he regard that two weeks is sufficient time for any local authority to consider and properly put in place such a rate, bearing in mind that they have to start to set their rates next month for the following year?

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

**Mr Corkill:** Mr Speaker, having been a member of Onchan District Commissioners for three years myself I can fully appreciate the shock that the two weeks statement must have had. No, I do not think two weeks is long enough. I think it is unfortunate that that was put into the letter, but I would say that this is a genuine attempt to engage the local authorities who are responsible for collecting refuse in what is an important step forward.

With regard to public comment by the minister responsible for this area, I think it is important that the public are engaged in the issues so that, as members, we can hear and understand the views of members of the public and, indeed, members of local authorities. I do not believe there is anything wrong in airing this type of subject publicly. If we did not, we would be accused of doing things behind closed doors - you cannot win with these types of debates. My style is to have it open and let us all hear people's views and to make it a considered opinion at the end of the day. As I have said before, the Council of Ministers have not got to that stage and, if we do or when we do, that will then come to Tynwald. Nothing will be done without Tynwald approval, because that is very important to me.

**The Speaker:** A final supplementary. I turn to the original questioner, Mr Quayle, the hon. member for Middle.

**Mr Quayle:** Thank you, Mr Speaker. I wish to make it clear I am not criticising the chairman designate of the waste board, because he has been the individual who has had to pick up the pieces of what I

believe is a poorly thought out strategy, in that nothing really has been done for quite some time. Would he agree with me, then, that really too little too late has been done, that we are running out of time and that to have given the local authorities a fortnight – and I understand, obviously, as the Chief Minister has said, that more time will be allowed – is almost as though the minister is, in particular, wanting to railroad this through? It almost seems to have been presented as a *fait accompli*, and would he not agree that, if the government could and should have done more earlier and proactively, doing recycling, reducing and reusing, then we would not have had such a big problem to deal with as we obviously face now?

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

**Mr Corkill:** I want to make it clear, Mr Speaker, that I was very pleased when the hon. member of Council, Mr Lowey, joined the Department of Local Government and the Environment to take on the specific responsibility in this area and to drive things forward where we need to come to conclusions, and so he has set about his work with enthusiasm and I thank him for that, because we will have to come to conclusions in this particular area.

With regard to strong views of one minister, that is what the collective responsibility process in the Council of Ministers is all about. It is not the first time that a minister who has a particular view tries to force policy in a particular direction using the public domain if that is the style of the individual in order to force policy in a particular way. Collective responsibility is an important issue in controlling that type of enthusiasm and ultimately, of course, the sanction of Tynwald is paramount in all of these decisions.

---

### Coastal Erosion Matters – Government Responsibility – Question by Mr Cannan

Question 3. The hon. member for Michael (Mr Cannan) to ask the Chief Minister:

*Which government department has responsibility for dealing with coastal erosion matters?*

**The Speaker:** I call on the hon. member for Michael, Mr Cannan.

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

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

**Mr Corkill:** Thank you, Mr Speaker. At the moment no government department has statutory responsibility for dealing with coastal erosion matters. However, at its October 2000 sitting, Tynwald Court

approved the report of the Department of Transport into coastal erosion and the recommendations contained in it. One of the recommendations was that responsibility for coastal management and protection be vested in the Department of Local Government and the Environment. No statutory responsibility can actually be created and vested in that or any other department unless new primary legislation were to be drafted into force to that effect. Following on from approval by Tynwald of the recommendation in the report, it falls to the Department of Local Government and the Environment to promote any such legislation.

Can I also say that, notwithstanding the position of statutory responsibility, there is also the issue of resources and, Mr Speaker, looking at current estimates, there will be a real question about whether substantial funds could be made available to deal with coastal erosion issues in the face of our other commitments and priorities.

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

**Mr Cannan:** I thank the Chief Minister for advising the House that it was in the year 2000, two years ago, that Tynwald approved the transfer of responsibility to the Department of Local Government. Will the Chief Minister agree that, in Tynwald agreeing to that, part of the agreement was that primary legislation would be brought in within 12 months; secondly, is the Chief Minister aware that in a letter to me dated 23rd October 2002 the Minister for Local Government and the Environment stated: 'However, I have to remind you that no government department at present has responsibility for dealing with coastal erosion matters. This was pointed out when Tynwald agreed in October 2000 that responsibility for such matters should in future rest with my department. However, before that can happen, primary legislation has to be prepared and introduced into the branches. Not only that, I have discussed this matter within the Council of Ministers and made it clear that this department,' i.e. the Department of Local Government, 'cannot take on this responsibility which represents a complete new area of work without being first provided with additional resources. In the present economic climate, I am not prepared to seek those additional resources.' Chief Minister, is the government, in respect of coastal erosion, going to do absolutely nothing and sit back in masterly inactivity, neither fulfilling the wishes of Tynwald two years ago nor making any progress in this matter whatsoever?

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

**Mr Corkill:** I thank the hon. member for his supplementary. He focuses on two areas, one being legislation in order to allow the statutory responsibility to move effectively from one department to another as announced in that report, and I have to say to the hon. member, I am not sure what stage that legislation is at.

With regard to drafting that legislation I can assure the hon. questioner that I will ask the Attorney-General's Chambers as to whether any movement has occurred with regard to drafting that particular piece of legislation.

With regard to resources, though, Mr Speaker, I think we have to make hard choices in another place about where resources are applied to and where the priorities are, and I have made it quite clear in my opening answer that the extreme amount of resources that would be required in order to even achieve minimal impact on coastal erosion may not be money well spent and the money may well be required with higher priorities elsewhere for government, and I hope I am straightforward and honest about that. I think it would be wrong to give false hope on this particular issue but resources are finite and government's priorities are clearly laid out in our policy documents as to where that funding that is available from the taxpayer should go, and coastal erosion has to be low down on that priority list.

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

**Mr Cannan:** Will the Chief Minister agree, and is he aware, that the Department of Local Government is totally opposed to taking on the responsibility for coastal erosion and, as stated in the minister's letter, has no resources, so will the Chief Minister agree that responsibility for all matters relating to coastal erosion should revert to the Department of Transport, who have the experience, the plant and the manpower to deal with these matters and whose responsibility it was prior to October 2000?

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

**Mr Corkill:** In doing that, Mr Speaker, the hon. member would be asking me to go against what was a Tynwald decision, and the Council of Ministers should not and cannot do that. I will give a commitment to the hon. member that I will follow up on the issue of primary legislation, but I think also the Minister for Local Government is being quite honest that in terms of her priorities, some of which we have already talked about in this House this morning – housing, waste management, those sorts of issues – and are a much higher priority, and so I think her letter is quite frank, open and honest; the resources are not there. But nonetheless, I can give a commitment to the hon. member that I will follow through on the issue of legislation which is part of the recommendations in that Tynwald report in the year 2000.

---

**Data Protection –  
Appointment of New Registrar –  
Question by Mr Houghton**

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

*With regard to the replacement Data Protection Registrar:*

- (1) *who is replacing the current registrar;*
- (2) *when are they taking up post;*
- (3) *how many were short-listed;*
- (4) *what appropriate qualifications are held by the new registrar;*
- (5) *are any additional costs being incurred during the transfer period; and, if so*
- (6) *how much?*

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

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

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

**Mr Corkill:** Thank you, Mr Speaker. The Data Protection Registrar is to be replaced by Mr Ian McDonald, who is a civil servant presently working in the General Registry where he was the acting Chief Registrar – that is, acting chief executive of the General Registry – from October 2001 to September 2002. Mr McDonald was selected from a field of 22 applicants of whom five were short-listed. There was a strong field of candidates for the post. The qualities which the interview panel felt Mr McDonald would bring to the position were firstly, a proven track record in data handling based on his work in the Land Registry and as manager of the information systems unit of the General Registry; secondly, a knowledge of both the existing Data Protection Act and the new Data Protection Bill which will soon be an Act; a good general knowledge of law and the interpretation of law based on his experience in the General Registry; his senior management experience for deputising for almost a year in the absence of the Chief Registrar; an approach to interpreting and enforcing the law, which was based on education and persuasion rather than prosecution; and an ability to communicate effectively with businesses and the public to secure compliance and recognition of the importance of this legislation.

Mr McDonald will be taking up his post in early January, so there will be a 10-week period before he starts after the department of the present Data Protection Registrar. This 10-week period is being covered by seconded staff from the office of data protection and freedom of information in the United Kingdom. It is estimated that there will be no additional costs incurred during this period of secondment compared to the cost of the new Data Protection Registrar taking up the appointment

immediately upon the departure of the present Data Protection Registrar.

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

**Mr Houghton:** Thank you, Mr Speaker. I thank the hon. Chief Minister for his comprehensive answer and I would like to take this opportunity to put on record my praise and appreciation to Lynn Keig, the previous postholder who indeed completes her position today and retires from that particular post. However, taking into consideration the answer of the hon. Chief Minister, may I ask this: what, if any, arrangements are in place for the new postholder to be trained in both the current Data Protection Act and the new Bill? I note that this gentleman has more management experience than knowledge in the data protection laws. Also, why, if it is such an important time, especially with the legislation going through the branches of Tynwald, did the selection board not offer the post to someone more qualified in the field of data protection and who was able to take up the post sooner, sir?

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

**Mr Corkill:** I, too, Mr Speaker, would like to give my thanks to Lynn Keig, who is leaving her post, and in fact I met with her on a number of issues last week and wished her well for the future. I think she has done a sterling job in the time that she has been there under very difficult circumstances at times as data protection law has evolved, and her dealings with the public have not always been easy, so I would thank her, and did so personally, for her efforts.

With regard to the successful applicant, Mr McDonald, I was part of the interview panel along with colleagues and along with civil service input, and can I say that I have every confidence – and this was tested during the interview process – that Mr McDonald does under the data protection rules and highlighted a number of areas in the new Bill which members of this House have probably missed out on as it has gone through its branches. He has taken the effort and trouble to familiarise himself with the legislation, and that was something that impressed us at the interview stage so I have every confidence that he will do the job properly.

---

**Government Reserves –  
Responsibility for Investment of Funds –  
Question by Mr Karran**

Question 5. The hon. member for Onchan (Mr Karran) to ask the Minister for the Treasury:

- (1) *Who is responsible for the investment of taxpayers' funds held in government reserves; and*

- (2) *do you accept ultimate responsibility for the wise and prudent investment of these funds?*

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

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

**The Speaker:** I call on the hon. member for Ramsey, Mr Bell, Minister for the Treasury.

**Mr Bell:** Mr Speaker, section 3, sub-clause (1)(a) of the Treasury Act 1985 provides that it shall be the duty of the Treasury to administer the general revenue of the Island, the Isle of Man reserve fund and all other financial resources of government. Therefore, Mr Speaker, as Minister for the Treasury I am responsible for the Treasury carrying out this duty.

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

**Mr Karran:** Vainstyr Loayreyder, does he feel that this is something that should have been more highlighted by himself without having to have questions asked in this hon. House in order to seek this information in the first place?

**The Speaker:** Minister for the Treasury to reply.

**Mr Bell:** I do not really follow the point of his question, Mr Speaker. It is quite clear that the Minister for the Treasury is responsible for Treasury and government expenditure. It is not something that I need to set out a public statement on.

---

**Government Reserves –  
Deterioration of Funds –  
Question by Mr Karran**

Question 6. The hon. member for Onchan (Mr Karran) to ask the Minister for the Treasury:

- (1) *When first did you inform the Council of Ministers of the deteriorating situation in many of these funds;*
- (2) *what action was implemented;*
- (3) *why were members not advised by you of the unprecedented scale of the £138 million plus slump in the market value of these funds in the six-month period ending 30th September 2002;*
- (4) *did you not consider this an important matter to be raised in this hon. House;*

- (5) *why has no mention been made in connection with your tax strategy of the scale of this dramatic collapse in value and the obvious implications for Treasury; and*
- (6) *in particular, was the remarkable failure of your department to feature in the index or contribute to the government's annual report in any way connected to these appalling revelations?*

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

**Mr Karran:** I beg to ask the question standing in my name.

**The Speaker:** I call on the hon. member for Ramsey, Mr Bell, Minister for the Treasury.

**Mr Bell:** Mr Speaker, the Council of Ministers has not been specifically informed as the Council of Ministers are aware that, although markets rise and fall, the broad long-term trend has been upwards. Investment strategies are constantly being revised in the light of events and anticipated changes, and these have continued to take place as the various situations evolve.

Treasury issues a caution in the front of its annual published accounts as follows: 'Treasury's investment strategies for the larger funds which are externally invested include exposure to equities, and although their values can rise and will fluctuate downwards from time to time, the broad and long-term trend is upwards. Though the decline in the markets has been particularly severe over the last six months, there have been previous setbacks in values such as in 1974, 1981 and 1987, after which the markets not only recovered but also grew rapidly.' It is within this context that the fall in the market values of the funds was not reported to hon. members and to this hon. House.

I am not sure what the hon. member is referring to in relation to the tax strategy. If he is referring to the tax strategy requirement fund as shown on page 142 of the light blue book, this is not an external investment. If the hon. member is seeking to suggest that the decline in market values of reserves will affect the implementation of the tax strategy, then again he is incorrect. The tax strategy implementation will not be affected because it relates to taxation income, not the market value of reserves. Market values of taxpayers' investments will not directly affect tax revenues as it is the dividend received rather than the market value of underlying holdings which is taxable. If the hon. member is suggesting that the recent fall in values results in a fall in our investment income, then I can reassure him that this is not the case. The market values of the various companies may well have been marked down but they are still going concerns and are still paying their dividends.

We are living in times of reduced yields generally because of the general decline in interest rates following the firm control of inflation, but that is a situation which has been with us since inflation was brought under control. In relation to part (6) of the question, the Treasury has not appeared as a separate chapter in the previous policy reports, and this is why it was not included as a separate chapter in the new annual report. However, I would point out to the hon. member that the majority of the first section of the annual report is actually contributed by the Treasury. Nonetheless, I do think it should appear as a separate chapter in future annual reports and I will ensure that it makes its debut next year.

As a separate but pertinent point in refuting the suggestion made in the sixth part of the hon. member's question, I would point out that the annual report to which he refers and which was debated at the October sitting of Tynwald Court relates only to the period ending 31st March 2002. This is all by way of information to clarify the position. The simple answer to part (6) of this question is no.

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

**Mr Karran:** Vainstyr Loayreyder, can the hon. shirveishagh tell us why the likes of the hospital estate development fund, the general development reserve – well, at least it did not lose any money – and the Manx currency account prospered in that period when the rest did not? Is it poor strategy as far as our investment is concerned which we are paying a large amount of money for, or what was it? And would he also not agree that the issue of what we have got in reserves will have an effect on any tax strategy in the future because we have to have the money behind otherwise we will have to cut services? We have seen it in this House today with the issue of rates.

**The Speaker:** Minister for the Treasury to reply.

**Mr Bell:** Mr Speaker, there were different fund managers for the various funds and different strategies to place obviously because of the differing priorities in those situations, and some certainly have performed better than others.

As far as the reserves and the tax strategy are concerned, clearly it has been Treasury policy and indeed Tynwald policy for a great many years to build up a robust reserve for any particular downturn in the economy generally. That remains Tynwald policy, it remains Treasury policy and it is one which I intend to pursue. It is our hope, though, that if this hon. chamber and Tynwald itself, now that they have supported the tax strategy, as they did almost unanimously at the October sitting, would throw themselves now behind the tax strategy to try and boost the economy, to strengthen the economy and to ensure that we are generating enough revenue over the medium term from the new growth which we would hope to generate with

the implementation of the tax strategy to replace any shortfall in taxation which clearly is going to take place and which I have warned hon. members about during my presentation. So, Mr Speaker, if we can put to one side the irrelevant distractions which we have had to endure over the last few weeks and concentrate on the real problems facing the Island, which is to make sure that the economy remains buoyant, then I am very confident that the situation such as outlined by the hon. member will not arise.

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

**Mr Cannan:** Thank you. Will the Treasury minister, as soon as possible, arrange for members of Tynwald to be invited to a seminar where the government investment managers and investment advisers will give a detailed explanation of their investment policies, guidelines and management of the £800 million book value of the public reserves? And will the minister agree that it is important that all members of Tynwald are informed and are freely able to ask questions of the investment managers regarding handling these large amounts of public funds?

**The Speaker:** Minister for the Treasury to reply.

**Mr Bell:** Mr Speaker, the transparency of the investment policies of the Treasury and the Treasury fund advisers is exactly the same now as it was in the mid-1980s when the hon. member himself was Treasury minister. I did not notice any willingness on his part in those days to issue regular reports on our investment policies, but it is certainly something that I will consider and, if it is felt appropriate, then we shall consider that.

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

**Mr Karran:** Vainstyr Loayreyder, would the shirveishagh not agree, when he looks over the six funds, that the policy as far as the issue of where the investments were made was the issue because we have some with 74.1 per cent to nil per cent in equities, and does he not feel in hindsight that he should have informed the Council of Ministers and hon. members of the situation and maybe we could have got into some sort of damage limitation?

**The Speaker:** Minister for the Treasury to reply.

**Mr Bell:** Mr Speaker, I have already answered that question. The Treasury policy today is exactly the same as the Treasury policy has been for a great many years, and that is to look at the investments in reserves in all the various funds on a very long-term basis, long-term being up to 20 and 30 years; it is not a monthly basis. It would be hopelessly impracticable and indeed would be damaging, I believe, in the long

term to the Island's financial interest if we were to do it.

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

**Mr Cannan:** I thank the Treasury minister for his reply that he is willing to have a seminar. Would the Treasury minister make arrangements at an early date so that this matter of concern over the values can be put to rest?

**The Speaker:** Minister for the Treasury to reply.

**Mr Bell:** Mr Speaker, once again I have answered that question. I said that I will give it some consideration and, if I believe that there is any merit in it and that hon. members will get any benefit from it, then it is something I will consider.

**The Speaker:** Hon. member for Rushen, Mr Rimington.

**Mr Rimington:** Thank you, Mr Speaker. I just wondered if the Treasury minister would agree with me that the issue of how we place our investments is very complex and it is a perennial question of whether it should be in lower and more secure but higher interest-earning fixed bonds or into good capital growth in equities, and that in fact the balance over the years of the Treasury's investment, especially when we see the national insurance account, has been very successful and that possibly, if the Treasury had taken a much more conservative view in earlier years in terms of the investment policy, certainly on the insurance account, even with the dip that has taken place from the market recently, that quite considerable sum of money would not be there?

**The Speaker:** Minister for the Treasury.

**Mr Bell:** Mr Speaker, the hon. member is absolutely right. It is a proven fact that the very long-term growth gain from equity investment is considerably in excess of other forms of investment, and had Treasury over the years taken, as the hon. member says, a more short-term view of it, we would not have enjoyed the fund levels as they are at the moment. As a simple example of the volatility of the markets, Mr Speaker, the questions this morning are being based on the value of the fund at 30th September; after revaluation at the end of October that fund had actually increased by a further £25 million. That is the volatility that we are dealing with at the moment, so we are committed to a long-term growth policy in our investment and we believe and are advised that that will bring the best benefit to the Isle of Man in the longer term.

**The Speaker:** Hon. member for Onchan, Mr Corkill.

**Mr Corkill:** Thank you, Mr Speaker. Will the hon. Treasury minister confirm to members of the House that fund managers are expected to perform to set benchmarks, and those that have failed to do that in the past have been removed and replaced by those willing to do it?

**The Speaker:** Minister for the Treasury to reply.

**Mr Bell:** That is correct, Mr Speaker. Treasury meets with the fund managers on a periodic basis and, if we believe they are underperforming as to what we have a right to expect from the market, then they are given severe warnings or indeed in certain circumstances their contracts are revoked and a new fund manager is put in place.

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

**Mr Karran:** Vainstyr Loayreyder, would the shirveishagh then inform us whether he had severe warnings to the Treasury from our investors as far as these inconsistencies where we see the large changes as far as the percentages of equities in these different funds and the effects that that had between mass losses and slight improvements as far as capital growth is concerned?

**The Speaker:** Minister for the Treasury to reply.

**Mr Bell:** Mr Speaker, once again the hon. member used scaremongering language. We have not experienced mass losses yet; these are simply paper movements in the value of a substantial investment on the part of the Isle of Man Government and its people. The only time that the Isle of Man will endure substantial losses is if it panics in the way that the hon. member is alluding to and we sell short at a time when the market is at its rock bottom. These are difficult trading conditions for the stock markets worldwide, Mr Speaker, and it is vitally important that Tynwald and this hon. chamber adopt a more mature approach to this and recognises what the international problems are and hold our nerve, and I am sure that again, over a longer-term period, the markets will recover and the value of the various funds will be restored once again.

**The Speaker:** Hon. members, that concludes Question Time as permitted under our standing orders. Therefore the options before hon. members are covered by standing order 47: the members can either have their questions circulated in a written answer form within 48 hours unless they decide to withdraw the question or table the question for answer at the next sitting. So I will invite the member for Douglas East, Mrs Cannell –

**Mrs Cannell:** Mr Speaker, I beg to move:

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

**Mr Corkill:** I beg to second, Mr Speaker.

**The Speaker:** Right, hon. members, the motion before you is that standing orders be suspended to enable the rest of the oral questions to be taken. All those in favour say aye; against, no. The ayes have it. The ayes have it.

---

**National Insurance Fund –  
Public Service Employees' Pension  
Reserve Fund Slump –  
Question by Mr Karran**

Question 7. The hon. member for Onchan (Mr Karran) to ask the Minister for the Treasury:

*What message do you have for the Island residents regarding the almost 25 per cent slump in the national insurance fund from £371.4 million (book value) at 31st March 2002 to £279.5 million (market value) at 30th September 2002, and a similar slump in the public service employees' pension reserve fund?*

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

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

**The Speaker:** I call on the hon. member for Ramsey, Minister for Treasury, Mr Bell.

**Mr Bell:** Mr Speaker, hon. members, I am sure that the Island's residents would have read newspaper articles and seen TV reports of what has happened in the world stock markets since the terrible tragedy on September 11th last year and indeed since 31st December 1999, and I would say that up to then that the government's prime strategy for investments is to safeguard future income. The day-to-day fluctuations of stock values is therefore considered of less importance than the long-term return on the investments held.

The recent falls on the world's stock markets have adversely affected the market value of investments held. Their performance continues to exceed the returns that would have been obtained from investing, say, solely in cash over long terms. The current market losses will only be translated into real losses if there is a need to realise the assets. The government seeks to ensure the best investment return on the investments by placing the funds with professional fund managers who are appointed by competitive tender.

Finally, a study has demonstrated that an original investment of £100 on 31st December 1962 with gross

income reinvested and adjusting for the cost of living would be worth £860 on 30th September 2002 had it been invested in equities, compared to a return of £276 had it been invested in gilts, or £224 if invested in cash. I believe, Mr Speaker, that study puts the whole issue in some proportion.

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

**Mr Karran:** Vainstyr Loayreyder, would the shirveishagh not agree that the last month's improvements are good, but could the hon. shirveishagh tell this hon. House that as we are paying good money for this advice? What sort of safeguards have we got from our fund managers to make sure that we do not have further repeats, as we see from his detailed response to his written question as far as the percentages of equities are concerned?

**The Speaker:** Minister for the Treasury to reply.

**Mr Bell:** Mr Speaker, if I could foreguess the movements in the world stock markets, I would not be a member of this House; I would be a very wealthy man today! (*Laughter and interjections*) I cannot give the hon. member any guarantees at all.

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

**Mr Karran:** Vainstyr Loayreyder, would the shirveishagh not agree that when he looks at his written reply, the ones that we have been absolutely slaughtered on are the ones where we have kept almost three-quarters of our stocks in equities. Would he also not agree that, because of the closed shop nature over this information, if members knew about it that maybe there would have been a change in policy? And would he also not agree that people with massive investments do not want to be told every 20 years about what is happening in the market but would like to be told on a monthly basis? That is a common approach.

**The Speaker:** Minister for the Treasury to reply.

**Mr Bell:** Mr Speaker, there is no closed shop arrangement over this. The fund managers are invited periodically to an open tender for this contract. I believe the process which is in operation today is exactly the same as it has been for a great many years; there is nothing new and nothing secret about it, and hon. members, if they feel so strongly about these various issues, are more than welcome to come to talk to Treasury officials at any time to get an update on how things are going. I still think, Mr Speaker, that would be a far more appropriate way of doing things to keep members fully *au fait* with the situation rather than a string of questions and resolutions in parliament.

### **Government Funds and Accounts – Media Failure to Report Slump in Value – Question by Mr Karran**

Question 8. The hon. member for Onchan (Mr Karran) to ask the Minister for the Treasury:

- (1) *Do you not agree that it is bizarre that the Manx media, collectively or individually, refrained from making the Isle of Man public aware of the £138.4 million decline in total value of all these various funds/accounts, given that such substantial sums of public money are involved;*
- (2) *do you agree that this slump in value would be deemed a newsworthy and an important item of public information in any comparable jurisdiction; and*
- (3) *can you assure this House that Treasury has in no way sought to influence the Manx media to refrain from reporting the facts relating to the extent of the slump in value of these reserve funds/accounts; and*
- (4) *can you explain why you failed to issue a public statement relating to this collapse in value?*

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

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

**The Speaker:** I call on the hon. member for Ramsey, Mr Bell, Minister for the Treasury.

**Mr Bell:** Mr Speaker, the Manx media will be well aware of the movements in the world stock markets. It is not for me to comment on whether editors consider the fall in the value of government funds newsworthy. Indeed, I suspect it would have been more newsworthy had the funds increased in value over that period. Also, Mr Speaker, I cannot comment on what may or may not happen in other jurisdictions.

Hon. members, on behalf of the members and staff of Treasury I must take exception to part (3) of this question. Although it is slightly flattering that some consider the Treasury to have such influence, I can assure hon. members that Treasury has not and would not seek to influence the Manx media to refrain from reporting the facts. Indeed, Manx Radio carried this particular story on three news bulletins on 15th October.

Finally, Mr Speaker, Treasury reports on these funds annually in the government accounts, as the

prime strategy is to maximise the total returns over a long period of time.

**Government Funds and Accounts –  
Monthly Reports to Keys –  
Question by Mr Karran**

Question 9. The hon. member for Onchan (Mr Karran) to ask the Minister for the Treasury:

*Will you undertake in future to report to this hon. House, on a monthly basis, the performance of these funds in such detail as to enable members to monitor the situation appropriately?*

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

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

**The Speaker:** I call on the hon. member for Ramsey, Mr Bell, Minister for Treasury.

**Mr Bell:** Mr Speaker, it is not my intention to make such a report to this hon. House. A month represents a very short time in the investment history of these funds and there is already in place a process through which both the funds' performance and the performance of the fund managers are monitored by Treasury and reported annually in the government accounts.

I would like to take this opportunity to comment on Treasury's rôle in managing government's investments as I feel it would not only be helpful to answer this question from the hon. member for Onchan but would add a useful background to the other related questions he has posed today.

Firstly, there have been dramatic falls in the value of the world's equity markets following the terrorist attack on the World Trade Centres and the Pentagon on 11th September 2001. The headline falls that are currently being reported are indeed serious but they tend to overlook the bigger picture, which is that markets were already falling and that the current bear market has already lasted some 34 months. The FTSE 100 index peaked on 31st December 1999 and by 30th September 2002 it had fallen 46.2 per cent.

Secondly, since Treasury started investing in equities in April 1961 there have been periodic setbacks as markets have fallen. There are perhaps two main questions that arise: namely, should Treasury's investment strategies have included exposure to equities; and secondly, should Treasury's investment strategies continue to include exposure to equities or should a more defensive policy be adopted?

At the time of writing the answer to the first question is clear: since our April 1961 start, equities have generated returns far superior to those available from the alternative investment vehicles.

So far as the second question is concerned, the lessons from history are that markets have always recovered. There have been some setbacks in values over the years since 1961, but it is important to set them in context. The most important consideration for Treasury is prudently and consistently maximising the total return – that is, capital performance plus income – over long periods of time and over that sort of timescale sentiment and expectation have less impact and capital performance and future income streams are interrelated. It is important for Treasury, for the bulk of our funds, that we hold shares in companies that have the realistic prospect of being able to pay dividends in real terms in a time horizon of up to 30 years. Markets can and will re-rate their assessment of the value of those future income streams in the light of the news events, expectations for the economy and the rates of returns available on alternative investments, and hence market values will fluctuate.

Clearly no-one can be comfortable with the present market valuations of our investments. I can assure hon. members that we have discussed strategies with our investment managers, and as a result we remain firmly committed to including exposures to equities in our investment plans.

I hope, Mr Speaker, that hon. members will appreciate then why a monthly report will not be of great value to the general public.

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

**Mr Karran:** Vainstyr Loayreyder, would the shirveishagh not agree that on one of the massive losses we had 74.1 per cent of that investment in equities? If the Treasury had been reporting even to the Council of Ministers on a monthly basis, surely there would have been a change in policy to try and minimise those sorts of losses. Would the shirveishagh also not agree that it is wrong that the only way this hon. House has been informed of this information is as a result of a written question by the hon. member for Michael? Is that wrong that we should not know what the state of our reserves is without having to have questions put down in this hon. House?

**The Speaker:** Minister for the Treasury to reply.

**Mr Bell:** Mr Speaker, I have tried throughout all these questions this morning to highlight what has been a very long-established policy on the part of Treasury, not only since I have been minister but all previous ministers have adopted the same approach, and that is that the policy is to seek long-term capital growth and income generated from that investment, long-term being up to 30 years. The hon. member keeps referring to some concept he has that had a snapshot press statement been issued at some point during the last six months, we could have stepped in to minimise losses. I can only repeat what I have said before: so far government has not sustained actual

losses; these are simply paper fluctuations which, as I have said, in the last month have already shown a £25 million gain from the point that he is referring to, therefore it is quite wrong to send out a message to the general public that there is some crisis here or that there is something being withheld from the public. That is absolutely not the case. Treasury is absolutely and totally transparent in its dealings with its investment funds. It is published certainly on an annual basis at budget time and these figures are freely available to members whenever they wish to approach to Treasury and come in to talk to us about it.

This whole situation has not suddenly been prised out of Treasury because of a single question that has been put down. The policy towards developing an investment policy for these funds is an ongoing evolving situation and there is not and never has been a need to make regular public announcements on its performance one way or the other, and I would simply say that prior to six months ago there were no questions when the markets were rising and the revenues were coming in and the value of the investment was growing; there was no criticism then of exposure to equities.

I would just urge members: please be mature and sensible about this, we are in this as a very long-term investment, as I said, up to 30 years, and please do not send out completely misleading signals to the outside world that there is some reason to panic. This is not the case; it is simply a market fluctuation.

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

**Mr Quine:** Thank you, Mr Speaker. There are comparative tables produced which enable a comparison between investment managers. How do our current investment managers match up against those investment tables taken over, for example, the last three years?

**The Speaker:** Minister for the Treasury to reply.

**Mr Bell:** I have not got those figures over the last three years, Mr Speaker.

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

**Mr Quine:** Could the minister obtain those tables and circulate them, please?

**The Speaker:** Minister for the Treasury to reply.

**Mr Bell:** I am sure that information is available somewhere, Mr Speaker. I will do my best.

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

**Mr Karran:** Vainstyr Loayreyder, would the shirveishagh not agree that he states often about Isle of Man Limited; if we are talking about Isle of Man

Limited, if we were the directors of a limited company we would want to know what the investment policies are as regards the investments of that company. The hon. member is wanting to portray that this is Isle of Man Limited when it suits but he does not want to portray it when it does not suit, and does he not agree that if members were aware, pressure would have been put on him on the issue so that maybe the policies to keep three-quarters of those reserves in equities would have been moved before the substantial losses?

**The Speaker:** Minister for the Treasury to reply.

**Mr Bell:** Mr Speaker, I have no reason at all to believe that hon. members would be putting pressure on Treasury to change policies; I have a higher regard for hon. members in their level of maturity and understanding of what long-term investment strategies are all about. Once again I would refute this impression that the hon. member is trying to import that there are serious losses incurred. It is simply a reflection that the member, no matter how many times he is told certain issues, refuses to accept the information that he is given. These are not losses; we have not sold these investments. They are simply paper losses at this stage and, as I have said, even in the last month we have gained a further £25 million because of market fluctuations.

**The Speaker:** The hon. member for Douglas East, Mr Braidwood, a final supplementary.

**Mr Braidwood:** Thank you, Mr Speaker. Would the Treasury minister agree with me that there was criticism when the markets were rising that the hospital estate development fund and the Manx currency account were invested in gilts?

**The Speaker:** Minister for Treasury to reply.

**Mr Bell:** Yes, Mr Speaker, that is absolutely right.

---

**Groudle Glen –  
Replacement of Flood  
Damaged Bridges and Footpaths –  
Question by Mr Houghton**

Question 10. The hon. member for Douglas North (Mr Houghton) to ask the Minister for Agriculture, Fisheries and Forestry:

*How long will it take your department to replace the bridges and footpaths in Groudle Glen which were devastated by the flooding on 21st October 2002?*

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

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

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

**Mr Rimington:** Thank you, Mr Speaker. The severe weather of 21st October resulted in extensive damage in Groudle Glen. All the river crossings were lost, together with considerable lengths of boardwalks, and long sections of the footpaths have been washed away. Several trees were windblown and other damaged to the extent that the department took steps to close the glen to the public on 22nd October. An initial evaluation of the full extent of the damage has shown that the glen will remain closed to the public until April 2003 at the earliest. It is possible that further erosion damage may occur through the winter following periods of prolonged rainfall. The officers of the forestry division are meanwhile carrying out a detailed survey to ascertain the full extent of the damage and evaluate the suitability of alternative techniques to repair the damage.

The period of closure is occasioned by the inaccessibility of the site, the need to clear large volumes of debris by hand and to carry out risk assessments to ensure safe working techniques are employed. This is also the time of year when much staff time is committed to other work, including tree plantings.

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

**Mr Houghton:** Thank you, Mr Speaker, and I thank the hon. minister for his comprehensive reply. Bearing in mind the inaccessibility, as he mentions, to affected areas in Groudle Glen, hence the need to transport replacement materials by wheelbarrow on many occasions, would the minister consider the utilisation of prisoners in order to provide working gangs in order to accelerate the rebuilding works in the glen, sir?

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

**Mr Rimington:** I thank the hon. member for that suggestion. I can see some very good logic in that suggestion. I do not know whether there are practical difficulties with that (**A Member:** Yes.) which I do not fully comprehend myself but I will certainly pass that suggestion onwards.

---

**Invalid Care Allowance –  
Circumstances for Payment and  
Withdrawal –  
Question by Mr Henderson**

Question 11. The hon. member for Douglas North (Mr Henderson) to ask the Member for Health and Social Security:

(1) *Under what circumstances is the invalid care allowance paid to a voluntary carer/family member looking after an incapacitated relative; and*

(2) *under what circumstances can that entitlement be withdrawn, or is there a point at which this benefit ceases to be paid, including if the carer becomes a pensioner?*

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

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

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

**Mr Earnshaw:** Thank you, Mr Speaker. In reply to part (1) of the question, invalid care allowance which, with effect from April 2003, will more appropriately be known as 'carer's allowance', is a benefit which may be paid to a claimant who for at least 35 hours a week is caring for another person who is in receipt of either attendance allowance or constant attendance allowance or the middle or higher care component of disability living allowance. The benefit is subject and the beneficiary is subject to certain conditions however and these are as follows: The carer must be over 16 years of age; the carer must not be earning more than the lower earnings limit if he or she is working, is not in full-time education for 21 hours or more per week, is ordinarily resident in the Isle of Man, is present in the Isle of Man and has been present in the Island for at least 26 weeks in the previous 12 months.

Further information about the benefit is contained in the benefits and contributions information guide, a copy of which I believe has already been supplied to the hon. member.

In reply to part (2) of the question, entitlement may cease on any of the above conditions ceasing to apply although there are some exceptions to this general rule. In addition, because invalid care allowances is an earnings replacement benefit, it cannot be paid in addition to another income replacement benefit such as retirement pension. In these circumstances total benefit will comprise the higher of the two benefits.

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

**Mr Henderson:** Thank you, Mr Speaker. Would the hon. member not agree with me that it is a disgraceful situation that this entitlement should cease for somebody reaching pensionable age and that would need even more help on becoming a pensioner and the very fact that they are still in the very stressful

situation of looking after a relative up to 24 hours a day, 7 days a week?

**The Speaker:** Hon. member for Onchan, Mr Earnshaw, to reply.

**Mr Earnshaw:** Thank you, Mr Speaker. Yes, I would agree and happily I am able to report that this has now been overcome with effect from 28th October this year. Now ageism is no longer an issue with regard to this as far as the upper age limit is concerned. It will make no difference now whether you are aged 18 or 80.

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

**Mr Gill:** Thank you, Vainstyr Loayreyder. I am reassured to hear that ageism is no longer an issue, so perhaps the hon. member for Onchan could advise me on two issues. Firstly, there are a number of young carers on the Isle of Man; I know his department recognises that, and these young people bear a great burden for the care of relatives for a great many of those people across the Island. Can the hon. member advise why their needs are viewed differently from a carer aged 16 or over?

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

**Mr Earnshaw:** Well, I think, Mr Speaker, the answer to that is it is a question of resourcing. This has been addressed in a helpful way at the upper age limit and it is something that I will be happy to take back to the department and have considered as far as the lower age is concerned.

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

**Mr Henderson:** Thank you, Mr Speaker. Could the hon. member clarify in his answer to my initial supplementary question: he seemed to give the impression that the carer allowance would be payable to somebody after pensionable age – could he clarify this is so?

**The Speaker:** Hon. member for Onchan, Mr Earnshaw, to reply.

**Mr Earnshaw:** As far as my briefing is concerned, that is the case, Mr Speaker.

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

**Mr Henderson:** Thank you, Mr Speaker. I would just say that I fully welcome this new move by the DHSS in recognising this very important element of our community.

**Mr Houghton and Another Member:** Hear, hear.

---

**Storm and Floor Damage –  
Clearance of Drains and Culverts –  
Question by Mr Earnshaw**

Question 12. The hon. member for Onchan (Mr Earnshaw) to ask the Minister for Transport:

*Following the storm and flood damage to highways and properties during October, will your department now ensure road gullies intended to accept rainwater to underground drains and culverts are cleared and properly maintained to alleviate future problems?*

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

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

**The Speaker:** I call on the hon. member for Douglas West, Mr Shimmin, Minister for Transport.

**Mr Shimmin:** Thank you, Mr Speaker. My department has three jetting machines and five road sweepers which are in constant action throughout the autumn months clearing and maintaining the nearly 14,000 gullies Island-wide, 1,240 of which are in the hon. member's constituency. (*Laughter*) Douglas Corporation is responsible for the cleaning and maintenance of the 4,891 gullies within the borough boundary.

The extreme weather conditions experienced during the recent storms completely overwhelmed the drainage system, and no amount of cleaning and maintenance could have prevented much of the flooding which occurred as a result of an estimated one-in-seventy-year event. The amount of debris washed into the system in the short period of time added significantly to the number of blockages experienced and caused the flooding to be exacerbated in many areas.

My department is always looking for ways to improve its service to the community, and during the past 10 years considerable drainage improvements have been incorporated in highway works and improvements. The cleaning of gullies is done in accordance with the service level agreement. The department is currently collecting and collating data on the number and location of road gullies and, once this has been completed, the service level agreement will be revisited with a view to possible improvements in service. The information learnt during the recent flooding will obviously play a large part in this review.

The staff and workforce of my department have worked tirelessly for long hours in arduous conditions

during the recent flooding and oil pollution incidents. (**Members:** Hear, hear.) I would like to place on record my sincere appreciation and grateful thanks for all their efforts.

**A Member:** Hear, hear.

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

**Mr Earnshaw:** Thank you, Mr Speaker, and I do understand the difficult conditions which the minister and his department have been working under; I know they are under the cosh at the present time. But is the minister aware that in my own constituency and no doubt in other areas around the Island there are a significant number of blocked road gullies in key locations, many of which have been blocked for years, and will the minister indicate if he will now commit more resources to overcome this problem?

**The Speaker:** Minister for Transport to reply.

**Mr Shimmin:** Yes, Mr Speaker, certainly since my time in office I have become more aware of many of the issues related to flood storm damage and such like. The number of blocked gullies throughout the Island is a major problem for the resources available in the department, and these blocked gullies occur for a number of reasons. Certainly the amount of development and road works which take place throughout the Island does involve damage to these gullies, and it is inexcusable if these gullies are not being evaluated and I will investigate that. However, quite often the damage that has been caused by a third party is one for which my department and the taxpayer has to pick up the bill. We are evaluating our work with the utilities to try and reduce the level of this; also, the developers need to be far more aware and scrutinised as to their actual method of operation.

If any hon. members have identification of areas in their particular constituencies which they allege or fear do not get cleaned on a regular basis, then my department will be very glad to hear about that. We are collating a diary of every gully that we do attend in order to identify, and there is much local knowledge still within the teams out there. However I would acknowledge that there is a resource implication and we do what we can, but we can always do better given the resources.

**The Speaker:** Hon. member for Garff, Mr Rodan.

**Mr Rodan:** Thank you, Mr Speaker. Will my hon. colleague agree that rural areas such as my constituency do have particular problems with this? Can he confirm that people in Laxey, Baldrine and parts of Maughold recently suffered very severe losses and damage to property from flooding, but is he aware that they are still at risk because the historic failure to adequately maintain drainage gullies and culverts is

made much worse by flood water on roads coming from such things as collapsed river banks, collapsed railway embankments, landslides, mudslides and especially muck and debris running off farmers' fields? Can he assure me that his department will seek adequate funding to deal with what is a major management problem for his department that has to be managed on an ongoing basis?

**The Speaker:** Minister for Transport to reply.

**Mr Shimmin:** Thank you, Mr Speaker. Certainly the area that the member for Garff refers to is an area which was particularly severely affected in the recent storms. It is an area which does have a high run-off from the hillside, and certainly some of the issues that he has raised are ones of which I myself and the department are clearly aware. The actions of people within the countryside are a major contributory factor, as indeed is the development, whether it be on roads or houses to channel water into areas and we have to try and resolve that. Certainly, in the evidence that I witnessed yesterday morning in the Laxey area, the landslips that have occurred cause major risk to the public, that has to be our priority.

The flooding which is occasioned in many households and businesses is a major loss to those people of their quality of life for many months to come, but we do not underestimate it. Indeed, there were areas in Laxey yesterday which appeared more like skip city with the amount of damage visible for everybody.

We have an inordinate amount of debris and damage to try and recover at this stage and that will inevitably offset much of the capital works and revenue schemes we have got in the pipeline.

I take on board the comments that the hon. member has made. However, all hon. members must realise that within their own constituencies the damage which was caused to individuals is often occasioned by problems created elsewhere, and the opportunity for my department to actually seek reparation by those responsible is an ongoing problem and does not always engender a great deal of support from the individuals involved.

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

**Mr Singer:** Thank you, Mr Speaker. Is the minister aware that in about 1997-98 his department was intending to identify all gullies so that they could instigate a cycle of regular cleaning? Is he saying that that has not been done and that gullies are only emptied on demand, and is this not part of the problem?

**The Speaker:** Minister for Transport to reply.

**Mr Shimmin:** Not at all, Mr Speaker. As the hon. member who had responsibility in this area some years

ago in the time he refers to, it is ongoing. We are aware of those areas that regularly block and we are aware of the causes of those blockages. Sometimes it is debris from areas that are particularly vulnerable to wash down from the hillside, it is also areas that have been damaged by construction and heavy vehicles on our roads which damage the pipes. We are aware of it. We are trying to improve that service and, given time, resources, patience and support of this House and the public, we will continue to improve. However, I would not like to underestimate the amount of good work that is going on by my staff. It will never be adequate for everybody and we will not be able to cope on all occasions with the level of rainfall we experienced recently. However, indications are that these occasions are more likely to happen in the future, therefore we have to try and build that into our thinking.

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

**Mr Earnshaw:** I just wanted to conclude, Mr Speaker, by thanking the minister for his reply and for his assurances.

---

**Archallagan – Proposed Landfill Facility –  
Cost Comparison –  
Question by Mr Quayle**

Question 13. The hon. member for Middle (Mr Quayle) to ask the Minister for Transport:

- (1) *What road works have been identified by your department as being necessary, in relation to the proposed landfill facility at Archallagan, and what is the estimated overall cost; and*
- (2) *as a comparison, what would be the estimated cost, if any, of road works required if Knock y Loughan, Santon, was to be used as a landfill facility?*

**The Speaker:** Question 13. I ask the hon. member for Middle, Mr Quayle.

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

**The Speaker:** I call on the hon. member for Douglas West, Mr Shimmin, Minister for Transport.

**Mr Shimmin:** Thank you, Mr Speaker. As hon. members may be aware, my officers have been for some time in discussion with the consultants employed by the Department of Local Government and the Environment and have agreed that the following road improvements should be carried out if the proposed landfill facility were to proceed at Archallagan. On the C33 Archallagan Road, from its junction with the A24 up to the point where the haul route leaves the adopted

highway, the carriageway should be widened to at least seven metres and reconstructed. The junction with the A24 will need to be modified for easier and safer access. We envisage the creation of a forward visibility curve at the right-angled bend at the south-easterly corner of the plantation. Finally, a grass verge should be provided for pedestrian safety over the improved length of the road.

It is not currently envisaged that any further works will be required on the wider road network surrounding the site. An estimate of the above works has been projected by consultants on behalf of the Department of Local Government and the Environment, and this figure is still subject to ongoing dialogue.

In answer to the second part of the question, if Knock y Loughan in Santon were being used as a landfill, then my department do not believe that any additional road works would be required as a direct result of such a decision.

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

**Mr Quayle:** Thank you, Mr Speaker and may I thank the minister for that reply. Could I ask him, though, that if the proposed facility does go ahead at Archallagan and taking into account that no road improvements are envisaged from the Braaid crossroads to the junction with the C33 road, does he consider it desirable to have such a huge increase in heavy traffic on this, at places, very narrow country road?

**The Speaker:** Minister for Transport to reply.

**Mr Shimmin:** Mr Speaker, none of us enjoy having large vehicles on roads unsuitable for such activities. The large number of vehicles he refers to is not backed up by the information I have received. However, there would inevitably be an increase in those large vehicles. It is my advice that currently the road network away from the areas identified would be able to sustain the level of work and activity taking place. Therefore I refer to the initial point that we have ongoing discussions with DoLGE. We believe that the outline of the answer I have given should be acceptable to make the movement a safe environmental and road highway mechanism. However, I agree that most of us would like to see fewer large vehicles going on country roads. We will work with the department to try and achieve a satisfactory outcome.

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

**Mr Anderson:** Thank you, Mr Speaker. Can the hon. minister give some indication of the costing that this increasing in the width of the carriageway to seven metres on the C33 will actually cost either to his

department or passed on to the Department of Local Government and the Environment?

**The Speaker:** Minister for Transport to reply.

**Mr Shimmin:** Hon. members may be aware that my department has no budget available for this work. If the work continues after planning applications are sought and achieved, then it will be up to the Department of Local Government and the Environment to fully fund the works taking place. The figure therefore is one between the consultants and the department, sir.

**The Speaker:** Hon. member for Middle, Mr Quayle, for the final supplementary.

**Mr Quayle:** Thank you, Mr Speaker. Could I ask the minister: in having provided the information about the costing, I would have thought that in the widening of the road, reconstructing of the junction and, I think, there were envisaged to be passing places on the Archallagan Road itself, could he not provide us with an estimate? I am not pinning him down to any particular costs, but could he be drawn, perhaps, on giving a costing on this? I would have thought, if this proposed facility at Archallagan has been put in place for so long now, that between the Department of Transport and the Department of Local Government and the Environment some sort of estimated cost would have been given or should have been provided to them, because they seem to suggest that it is included within their budget or their estimate for the overall scheme and, notwithstanding that fact, I would have thought that somehow they would be applying from the minister's department in order to progress that.

**The Speaker:** Minister for Transport to reply.

**Mr Shimmin:** Yes, Mr Speaker. In order to get to this stage certainly estimated costs have been projected. I think that is one that I have already covered, but it is really for the Minister of DoLGE to actually put a figure into the public domain. We have identified certain ways of actually dealing with this issue from a highway strategy point of view, but there are a number of options still available and certainly it is all subject to planning approval. By the time it goes through those processes I am sure the minister will make available a full, detailed costing rather than me picking a figure at the moment, which may subsequently be found to be too high or indeed too low.

**The Speaker:** Hon. member for Middle, one final supplementary.

**Mr Quayle:** Thank you, Mr Speaker, and I do appreciate this opportunity just to have this final supplementary. As I am asking the question to the hon.

Minister for Transport and he is suggesting that the minister for local government should give a costing to do with what is a transport issue here, would he not agree with me that in the public interest it should be a figure that we ought to be considering as to the cost implications of providing a facility at Archallagan and, if it is likely to be in the region of £1 million or whatever the cost may be, then I think that the Treasury minister and maybe his ministerial colleagues should be aware of this particular cost so that they could compare when coming to a determination on Archallagan, having already discounted the option of using Knock y Loughan.

**The Speaker:** Minister for Transport to reply.

**Mr Shimmin:** I think the hon. questioner has done exactly what I was trying to avoid doing, Mr Speaker, which is putting into the public domain a figure which is plucked out of the air. Certainly, before this scheme goes ahead it will be finally costed based on the actual work that is envisaged. I would refer the hon. member to a written answer on today's order paper which does refer to the fact that, in question number 6 for written answer, the minister has responded that so far as road improvements are concerned the department is working closely with the DoT to agree the precise nature of the work requiring to be undertaken and this liaison will enable the Island's quantity surveyors to update the budget estimate for this element of the construction. I think plucking figures at the moment before that has been engineered and costed would be unhelpful at this stage. However, there is no intention of trying to deny or keep away from the public, it is just purely common sense that when we give you a figure, it is one which is adequately costed rather than that which is a guesstimate.

**The Speaker:** Hon. members, that concludes the Question Paper in relation to questions for oral answer. We have eight questions for written answer, one question, which is question number 3, has been withdrawn therefore leaving seven written answers that members either should have received or will be receiving during the sitting.

---

**Data Protection Registrar's Office –  
Postholders – Question by Mr Houghton  
for Written Answer**

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

*With regard to the office of the Data Protection Registrar:*

*(1) please describe the purpose of each post in the office;*

- (2) how much service has each postholder given to their post;
- (3) *are you satisfied that this office has the continuity and experience in order to satisfy demand until the transfer of the senior postholder; and, if not*
- (4) *what do you propose to do in order to remedy the problem?*

**Answer**

(1) & (2)

**(a) Compliance Officer (37 hrs) x 2 posts**

Main job purpose: To maintain the data protection register ensuring that it is accurate and up-to-date and available for public inspection in line with data protection legislation.

Compliance officer 001 - occupied by current postholder who has been in post since September 1998.

Compliance Officer 002 - currently vacant.

**(b) Investigation Officer (18.5 hrs)**

Main job purpose: Investigate complaints including interview all associated and perceived offenders, witnesses and complainant(s) as requested by the Deputy Data Protection Registrar.

Post currently vacant.

**(c) Office Manager (18.5 hrs)**

Main job purpose: To manage the office of the Data Protection Registrar ensuring compliance of the office's financial systems with financial regulations, directives and guidelines and maintenance of efficient office procedures, e.g. archiving and filing.

Post currently vacant.

**(d) Deputy Data Protection Registrar (37 hrs)**

Main job purpose:- To ensure that all data controllers comply with data protection legislation as well as enforcing subsequent non-compliance procedures in relation to those data controllers who have not notified under the Act. In addition, the registrar has total responsibility for the day-to-day running of the Data Protection Office and its staff, dealing with the media, government (including financial regulators) and other agencies.

Occupied by current postholder since October 2002. Prior to this post the Deputy Data Protection Registrar was a Compliance Officer in the Office of the

Data Protection Registrar from September 1987 to August 1998.

**(e) Data Protection Registrar (37 hrs) - Non-Civil Service Post**

Main job purpose:- To enforce Isle of Man data protection legislation. It is also the duty of the registrar to maintain the register of data users, to supervise their operations and to promote observance of the data protection principles set out in the Act.

Occupied by last postholder from July 1998 to 5th November 2002.

(3) & (4)

A number of the officers concerned are new in post, and with the departure of the Data Protection Registrar there is some lack of continuity and experience in the office. It is for that reason that arrangements have been made to second staff into the office from the UK to cover the period between the departure of the present registrar and the arrival of her successor.

I am confident that this arrangement will ensure that the office will continue to function effectively.

---

**Government Reserve Funds and Accounts  
– Details of – Question by Mr Karran  
for Written Answer**

Question 2. The hon. member for Onchan (Mr Karran) to ask the Minister for the Treasury:

*With regard to the following reserve fund/accounts [See Table 1 on page KQ 54]:*

*Please provide:*

- (1) the names of the brokers and investment managers responsible for the investment of these individual funds/accounts and state the fees and commissions paid in the six month period ending 30th September 2002;*
- (2) details of the percentage of equities held in each fund as at 30th September 2002 and advise who authorised such a weighting; and*
- (3) details of the ten investments in each fund showing the largest decline in value and the original cost of such individual holdings, as well as their market value at 30th September 2002.*

(For answer see page KQ 54)

---

**Mountain Road –  
Restoration of Verges after Landslip –  
Question by Mr Singer – Withdrawn**

---

**Molly Quirk's Glen – Groudle Glen –  
Areas Publicly and Privately Owned –  
Question by Mr Houghton  
for Written Answer**

Question 4. The hon. member for Douglas North (Mr Houghton) to ask the Minister for Agriculture, Fisheries and Forestry:

*With regard to Molly Quirk's and Groudle Glen please describe the areas of land together in respective public/private ownership (where applicable).*

**Answer**

The department is the sole owner of Molly Quirk's Glen.

Groudle Glen is owned jointly by Onchan District Commissioners and a private landowner.

The section of Groudle Glen which runs between the Whitebridge and the Groudle Glen Inn is owned by Onchan District Commissioners and managed on their behalf by the Department of Agriculture, Fisheries and Forestry on a long-term lease. The central section lying between the Groudle Glen Inn and the Groudle Glen Railway Station is similarly managed by the Department of Agriculture, Fisheries and Forestry and owned by Onchan District Commissioners. The lowest section running from the railway station to the coast is privately owned.

---

**Hospital Complaints Committee –  
Remit, Membership and Procedure –  
Question by Mr Houghton  
for Written Answer**

Question 5. The hon. member for Douglas North (Mr Houghton) to ask the Member for Health and Social Security:

*With regard to the recently established hospital complaints committee:*

- (1) when was it formed and what is its constitution and remit;*
- (2) who are the appointed members of the panel;*
- (3) does the committee have independent status;*
- (4) what is the complaints procedure;*
- (5) how many complaints have been received to date; and*

*(6) how many of these have been decided in favour of the complainant?*

**Answer**

For the purpose of clarification, the information provided in this answer relates to the Independent Hospital and Community Complaints Panel.

(1) Following a period of training, the panel became active on 1st August 2001. Its constitution consists of a chairman, together with two other independent members, taking whatever expert advice they think is necessary. The remit of the panel is to act as the ultimate appeals body in connection with complaints about treatment provided by the Island's hospitals or community health service which have failed to be satisfied through local resolution.

(2) the panel is drawn from the following individuals who represent the current membership:

Mr M Coleman	chairman/member
Mr H Galbraith	chairman/member
Miss B Clucas	member
Mrs P Corlett	member
Mrs M Kennaugh	member
Mrs B McKinney	member

(3) as its name implies, the committee has independent status, its membership and administrative support not being members of or employees of the department.

(4) the complaints procedure relates to NHS complaints, both clinical and non-clinical or a combination of the two. It does not relate to complaints concerning family practitioner services which are dealt with under separate procedures or to private practice. Full details of the procedure are set out in a department document copies of which have previously been circulated to Tynwald members. In addition a patient guide on complaint procedures is widely available at department offices, hospital, other DHSS outlets and on the DHSS website.

(5) since coming into existence, the panel has received a total of eight complaints from members of the public.

(6) of the complaints received, four could not be considered, either because they predated the new procedure or had not yet exhausted the local resolution stage. Of the four remaining, one has been rejected by the independent chairmen, including on appeal, as not

appropriate for panel consideration, the other three being currently under investigation.

---

**Archallagan –  
Proposed Landfill Facility – Cost –  
Question by Mr Anderson  
for Written Answer**

Question 6. The hon. member for Glenfaba (Mr Anderson) to ask the Minister for Local Government and the Environment:

- (1) *What is the breakdown in budgeted cost for the proposed engineered facility at Archallagan; and*
- (2) *road improvements to the site entrance from the Braaid roundabout?*

**Answer**

- (1) The Pink Book estimate for the proposed landfill site within the Archallagan plantation is £3.113 million. This figure was based on projected costings that are currently being reviewed. Consequently, the full, up-to-date breakdown has not yet been finalised.
- (2) So far as the road improvements are concerned, the department is working closely with the Department of Transport to agree the precise nature of the work requiring to be undertaken and this liaison will enable the department's quantity surveyors to update the budget estimate for this element of the construction.

The department has been advised by the highway authority that no additional measures are required to be carried out in relation to the proposed development to the road leading from the Braaid roundabout.

---

**DoLGE – Land Purchased for Housing –  
Question by Mr Cannan  
for Written Answer**

Question 7. The hon. member for Michael (Mr Cannan) to ask the Minister for Local Government and the Environment:

*During the period 1st April 2001 to date what areas of land and at what price and where situated, have your department purchased or are in contract to purchase, for purposes of residential development?*

**Answer**

Whilst I respect the right of any member of this hon. House to ask questions, the discretion as to the answer to be given lies with the minister. Whilst I am always most willing to provide information in the interests of being helpful, I do not believe it would be in the public interest in this case to give full details in relation to the various land purchases the department has made as to do so could prejudice the department's negotiating position when seeking, on behalf of Isle of Man Government, to buy other parcels of land.

The information the hon. member is seeking is already in the public domain in that it will be a matter of public record and anyone who is sufficiently interested can research that information in the General Registry.

---

**Isle of Man Post Office –  
Property Rate Payments –  
Question by Mr Henderson  
for Written Answer**

Question 8. The hon. member for Douglas North (Mr Henderson) to ask the Chairman of the Isle of Man Post Office:

*Would your organisation, by way of promoting additional business for the Isle of Man Post Office, be willing to undertake to examine if property rate payments can be made to post offices, and be able to charge an attractive rate for local authorities to 'buy into' this scheme?*

**Answer**

I thank the hon. member for North Douglas for his interest and helpful suggestion. As a general statement, Isle of Man Post welcomes any opportunity to develop new products and services which add to the viability of the Post Office network.

At present Isle of Man Post collects rates which are the subject of demands issued through central government. For the year 2001-02, 7635 rate payments were made at Post Office counters, some £1.72 million being collected.

Isle of Man Post would be pleased to extend the collection of rates to local authorities who issue their own rate demands. A sales task force which was set up several weeks ago will make contact with these local authorities.

**Table 1**

<b>Fund/Account</b>	<b>Book Value (cost) at 31<sup>st</sup> March 2002</b>	<b>Market Value at 30<sup>th</sup> September 2002</b>	<b>Increase/ (decline) in value</b>
Manx National Insurance A/C	£371.4M	£279.5M	- £91.9M
Reserve Fund	£238.8M	£193.4M	- £45.4M
Hospital Estate Development Fund	£81.3M	£86.2M	+ £4.9M
Manx Currency A/C	£44.2M	£46.4M	+ £2.2M
Public Service Employees Pension Reserve Fund	£53.3M	£44.2M	- £9.1M
General Development Reserve	£11.6M	£12.5M	+ £0.9M

TOTAL DECLINE IN VALUE (31ST MARCH – 30TH SEPTEMBER 2002) –  
£138.4 MILLION

**Answer**

(1) The investment managers responsible for the funds are:

<b>Fund</b>	<b>Manager</b>
<b>National Insurance Account</b>	CMI Fund Managers (IOM) Limited and Merrill Lynch Investment Managers (Isle of Man) Limited
<b>Reserve Fund</b>	Singer & Friedlander Investment Management (IOM) Limited and Merrill Lynch Investment Managers (Isle of Man) Limited
<b>Hospital Estate Development Fund</b>	Singer & Friedlander Investment Management (IOM) Limited
<b>Public Service Employees Pension Reserve Fund</b>	Merrill Lynch Investment Managers (Isle of Man) Limited
<b>General Development Reserve</b>	Capital International Limited
<b>Manx Currency Account</b>	Part of the account is managed by Singer & Friedlander Investment Management (IOM) Limited. The balance is directly managed by Treasury and is deposited with local banking institutions.

The investment management fees paid to the above companies in the six-month period ended 30th September 2002 totalled £398,744.34 excluding VAT. The amounts of the commissions referred to are not readily available and are too difficult to obtain within the available time.

- (2) The asset classes in which managers are authorised to invest are set out in the investment mandates issued by Treasury. The mandates vary according to the overall objectives of each fund. The exact percentage invested in equities will be at the manager's discretion, but must be within the overall asset allocation limits laid out in the relevant investment mandate.

As at 30th September 2002 the percentage of equities held in each fund was:

National Insurance Account	74.1 per cent
Reserve Fund	72.3 per cent
Hospital Estate Development Fund	4.7 per cent
Public Service Employees Pension Reserve Fund	72 per cent
General Development Reserve	NIL
Manx Currency Account 1.6 per cent	1.6 per cent

- (3) Extracting details of the ten investments showing the largest decline in value in each fund has been a complex undertaking because transactions have taken place during the period. The following tables have been prepared taking those transactions into account. Markets have moved since 30th September 2002 and the value of the investments as at 28th October 2002 is also shown for information. No investments in the General Development Reserve suffered a loss in the six months ended 30th September 2002.

**National Insurance Investment Account**

Asset	Original Book Cost	Market Value 30.9.02	6 month change in value	Revalued using 28.10.02 prices
	£	£	£	£
Merrill Lynch Investment Trust Continental Europe Fund	14,666,253	16,319,140	-10,338,730	18,088,079
BP plc	9,870,603	11,390,094	-5,388,279	11,336,493
Insight Investment Funds Management Ltd – European	13,979,838	8,613,511	-4,339,520	9,459,974
Vodafone Group	20,944,793	6,905,494	-4,146,073	9,066,108
Glaxosmithkline plc	13,786,581	11,215,054	-3,705,514	11,306,233
Insight Investment Funds Management Ltd – US Equity	10,936,250	6,435,239	-3,616,308	6,998,305
Merrill Lynch Investment Trust Pacific Fund	11,538,564	7,890,849	-3,030,079	8,629,536
Astrazeneca plc	5,005,148	4,123,992	-3,401,461	5,084,403
Royal Bank of Scotland Group	3,972,391	4,388,616	-2,142,177	5,588,171
HSBC Holdings	9,100,599	7,424,322	-1,976,305	8,248,606
<b>TOTAL</b>	<b>113,801,020</b>	<b>84,706,311</b>	<b>-42,084,446</b>	<b>93,805,908</b>

**Reserve Fund**

Asset	Original Book Cost	Market Value 30.9.02	6 month change in value	Revalued using 28.10.02 prices
	£	£	£	£
Merrill Lynch Investment Trust Continental Europe Fund	7,682,843	7,410,487	-4,512,772	8,213,759
Merrill Lynch Investment Trust North America	9,355,974	6,262,535	-3,113,136	7,083,269
BP plc	9,682,018	9,610,780	-3,508,225	9,558,503
Vodafone Group	14,288,440	5,077,758	-3,006,158	6,613,735
Glaxosmithkline plc	9,133,093	7,540,475	-2,495,717	7,601,806
Astrazeneca plc	3,048,886	2,345,437	-1,901,332	2,877,148
Barclays	3,258,231	2,959,770	-1,394,850	3,541,367
Royal Bank of Scotland Group	2,501,257	2,668,436	-1,354,479	4,315,882
Merrill Lynch Investment Trust Pacific Fund	5,005,915	3,409,494	-1,300,863	3,728,668
Shell Transport & Trading	3,784,072	3,849,553	-1,286,859	3,694,483
<b>TOTAL</b>	<b>67,740,729</b>	<b>51,134,725</b>	<b>-23,874,391</b>	<b>57,228,620</b>

**Hospital Estate Development Fund**

Asset	Original Book Cost	Market Value 30.9.02	6 month change in value	Revalued using 28.10.02 prices
	£	£	£	£
Compass Group	716,756	412,379	-318,709	446,193
Singer & Friedlander Continental Trust	450,345	583,275	-284,550	613,725
Singer & Friedlander American Growth	450,380	482,370	-239,365	528,640
Centrica plc	644,990	576,625	-217,000	626,500
Land Securities	705,310	553,350	-203,575	583,472
AWG	715,736	523,900	-154,700	548,803
Friends Provident	315,000	146,300	-126,700	190,050
UK Treasury Stock 8% 2003	10,200,783	9,711,014	-69,782	9,676,123
<b>TOTAL</b>	<b>14,199,300</b>	<b>12,989,213</b>	<b>-1,614,381</b>	<b>13,213,506</b>

NOTE: Only eight investments held showed losses over the period.

**Public Service Employees' Pension Reserve Fund**

Asset	Original Book Cost	Market Value 30.9.02	6 month change in value	Revalued using 28.10.02 prices
	£	£	£	£
Merrill Lynch UK Equity Fund	31,542,333	22,325,807	-8,252,365	24,058,719
Merrill Lynch Investment Trust Continental Europe Fund	5,467,306	3,608,977	-1,973,820	4,000,178
Merrill Lynch Investment Trust North America	4,766,845	2,940,330	-1,375,576	3,325,673
Merrill Lynch Investment Trust Pacific Fund	2,378,537	1,681,045	-635,560	1,838,413
Merrill Lynch Investment Trust Japan Fund	1,727,393	1,191,988	-213,593	1,152,704
Mercury Unquoted 4th Fund	72,627	55,662	-3,102	55,662
<b>TOTAL</b>	<b>45,955,041</b>	<b>31,803,809</b>	<b>-12,454,016</b>	<b>34,431,349</b>

NOTE: Only six investments held showed losses over the period.

**Manx Currency Account**

Asset	Original Book Cost	Market Value 30.9.02	6 month change in value	Revalued using 28.10.02
	£	£	£	£
Singer & Friedlander Continental Trust	154,404	199,980	-97,560	210,420
Shell Transport & Trading	85,526	105,103	-39,752	112,110
Glaxosmithkline	42,819	69,930	-24,012	70,499
Six Continents	90,253	73,845	-19,655	64,371
BAA	97,385	89,590	-18,190	96,900
Friends Provident	40,500	18,810	-16,290	24,435
UK Treasury Stock 8% 2003	1,842,522	1,750,660	-12,580	1,744,370
Scottish Power	144,494	92,880	-4,185	94,703
<b>TOTAL</b>	<b>2,497,903</b>	<b>2,400,798</b>	<b>-232,224</b>	<b>2,417,808</b>

NOTE: Only eight investments held showed losses over the period.