

REPORT OF PROCEEDINGS OF THE HOUSE OF KEYS (QUESTIONS)

**Douglas, Tuesday, 13th May 2003
at 10.05 a.m.**

Present:

The Speaker (the Hon. J A Brown) (Castletown); Mr D M Anderson (Glenfaba); Hon. A R Bell (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); Mr J R Houghton and Mr R W Henderson (Douglas North); Hon. D C Cretney and Mr A C Duggan (Douglas South); Hon. R P Braidwood and Mrs B J Cannell (Douglas East); Hon. A F Downie and Hon. J P Shimmin (Douglas West); Capt. A C Douglas (Malew and Santon); Hon. J Rimington and Mr Q B Gill (Rushen); with Mr M Cornwell-Kelly, Secretary of the House.

Questions Answered Orally

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| 1. Legislative Council – Review of Election Procedure (Mr Quayle) | KQ 256 |
| 2. Natural Gas Supply – MEA Decision to Purchase Share – Price (Mr Karran) | KQ 258 |
| 3. Natural Gas Supply – Economics of MEA Share Purchase (Mr Karran) | KQ 259 |
| 4. Natural Gas Supply – MEA Share Purchase – Consultants (Mr Karran) | KQ 260 |
| 5. Natural Gas Supply – Gas Price (Mr Karran) | KQ 261 |
| 6. Road Transport – ‘Vehicle-Activated Signs’ (Mr Quayle) | KQ 261 |
| 7. TT Festival – Concerts Arranged – Finances (Mr Gill) | KQ 262 |
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Legislative Council – Review of Election Procedure – Question by Mr Quayle

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

With reference to the unsatisfactory arrangements that have been in place to fulfil the vacancies in the Legislative Council, will you have the process reviewed and considered by the Council of Ministers, so that appropriate recommendations can be made and implemented, if agreed, to avoid future problems?

The Speaker: 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.

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

Mr Corkill: Thank you, Mr Speaker. The election of persons as members of the Legislative Council is governed by the Isle of Man Constitution (Elections to Council) Act 1971 as amended by the Statute Law Revision Act 1988, Schedule 1. It would certainly be possible for Council to promote amendments to that Act, but I believe it is important for members to make a decision in regard to this appointment sooner than the time it will take to actually amend the Act.

However, I have personally written to the Standing Orders Committee of the House of Keys on this matter in my capacity as a member of the Keys and I have had an initial response back from Mr Speaker, and I thank him for that. The appointment of a member to the Legislative Council is in this instance for a period of two years so, Mr Speaker, I am happy to undertake that Council of Ministers will look at changing the current system prior to the next Council elections, but in the meantime I would ask all members to seek to make an appointment, sooner rather than later, in order for us to move forward with the primary job of this House, which is to consider legislation.

The Speaker: Hon. member for Middle.

Mr Quayle: Thank you, Mr Speaker, and can I also thank the Chief Minister for that positive reply that the Council of Ministers will have a look at it. I acknowledge that the election for the last remaining vacancy will be for 20th May and I do hope that –

The Speaker: A question, hon. member, please.

Mr Quayle: - that vacancy can then be filled. Could I ask then, realising that this vacancy will be, hopefully, filled next week, that they will, as a matter

of urgency, have the matter looked into so that we can avoid the similar problems occurring when next the House of Keys will be electing Legislative Council vacancies, which I know will be a little way down the line now, but I do hope that that would be possible.

Mr Cannan: Speech!

The Speaker: I think it would be helpful, hon. member, and I have advised the hon. member for Middle before, please, when you are asking questions, to ask a question. It is not an opportunity to make a statement. Chief Minister to reply.

Mr Corkill: Yes, Mr Speaker, I can reiterate that I will certainly bring the issue to the attention of Council. I think I, along with the hon. questioner, and a number of other members in this House, share the frustration in the time it has taken to resolve matters this time around.

It would be a mistake to attempt to change rules during the process of an election, of course, but I think we learn from experience and it would be a sensible thing to review the legislation prior to the next round of Legislative Council elections. I would emphasise that the Council of Ministers would consider it, of course, ultimately to be a matter for this House to determine its way forward in this way.

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

Mrs Hannan: Could I ask the Chief Minister: does he not agree that it is for this House, and not for government, to interfere with the running of this House? The responsibility is clearly with the House of Keys. The House of Keys has not successfully, within the constitution, elected someone to the Legislative Council, but that has got nothing at all to do with the government (**Two Members:** Hear, hear.) and the Council of Ministers, and would the Chief Minister agree that it is not the Council of Ministers' responsibility for what has happened in the House during this election period?

The Speaker: Chief Minister to reply.

Mr Corkill: Mr Speaker, I think I have made it quite clear that we in the Council of Ministers do not feel that what has happened in the House is our responsibility. As I said in my answer to the previous supplementary, we fully understand that it is a matter for this House to conclude how it conducts these issues, but the original question relates to whether the Council might consider looking at the situation. We have no problem with that in terms of we may have an idea after deliberation to bring forward for consideration for the House to focus on, but any other member can do that as well equally and we fully accept that as a Council. So there is no attempt to

hijack the procedures that are rightly determined by ourselves in this chamber.

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

Mrs Cannell: Thank you, Mr Speaker. Would the hon. Chief Minister agree with me that in fact there is not a two-year term of office left at all and as of next week, if we are successful in electing a member for the Legislative Council, there will be a 21-month period left in which to serve? And further, will he acknowledge that this House has put together a select committee that is looking at legislation in green Bill form with the view of electing a Tynwald assembly which will embrace members of the Keys and members of the Legislative Council being elected as one body, and that select committee of this House has to report by next year with that and if members are supportive of that, would the Chief Minister agree with me that we could have legislation in place prior to the next round of the legislative elections?

The Speaker: Chief Minister to reply.

Mr Corkill: Mr Speaker, I will not try to turn this into a debate on constitutional issues. I have honestly tried to respond simply to a question on the order paper, but two points come to mind in response to the hon. member for East Douglas, Mrs Cannell. Firstly, the sands of time *are* running by and I would urge all those hon. members who have been spoiling their ballot papers on a regular basis to perhaps review that procedure and bring this particular election round to a conclusion. That is an observation made in the light of the hon. member's supplementary question.

With regard to an all-elected Tynwald, yes, I understand that there is a select committee looking at a number of issues. I thank the hon. member for publicising one of the aspects that seems to be being debated within that select committee, but I am happy to await the outcome of the report for consideration. But I would pose a question back to the hon. questioner: if the Isle of Man elected an all-Island Tynwald and she were to be a member of that Court, the question I have for her, which I would be happy to discuss this at a later time, Mr Speaker, is, which chamber she would expect to end up in, the Legislative Council or the Keys, bearing in mind there had been an all-Island Tynwald election? I think this is quite a complicated issue which should not really be resolved at Question Time, Mr Speaker.

The Speaker: I am certainly not going to allow it to broaden out into whether or not a Bill that is already before the House should do certain things, as that would be contrary to standing orders. Hon. member for Michael, Mr Cannan.

Mr Cannan: Will the Chief Minister agree that the real interest of the Council of Ministers in this

election to the Legislative Council is to ensure that their preferred candidate or crony, whichever you care to call it, is elected to the Council regardless of ability, and will he agree that is why he is encouraging us all to vote for the one candidate at next week's election rather than take the democratic process, if you do not agree with the one candidate, to withhold your vote?

The Speaker: I think hon. members are quite clear on what their responsibilities are in the election of the Legislative Council. Chief Minister to reply.

Mr Corkill: I would answer that supplementary quite simply, Mr Speaker: it is up to any single member of this hon. House to nominate any citizen from the Isle of Man, whether in this chamber or outside of this chamber, that they think would do a good job within the Legislative Council. That is open to us all and open to the process of election within this House. That is clear for us all to see. I am not responsible for this question down on the question paper today. I thank the hon. member for Middle for putting it down because I think it perhaps deserves a bit of public scrutiny that we resolve this issue in this election round, but at the end of the day I acknowledge it is up to individual members and the consciences how they vote.

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

Mrs Hannan: Thank you, Vainstyr Loayreyder. Could I ask the Chief Minister if he considers that Question Time does extend into debates? This is not the first time that he has suggested that Question Time is a debating time. And could I also ask him: if he has looked at the legislation, does he consider that the Council of Ministers has a responsibility under either the 1971 Act or the 1988 Act, Schedule 1, for overseeing the election to the Legislative Council, which is ultimately the responsibility of this particular House?

The Speaker: Chief Minister to reply.

Mr Corkill: I think I would agree with the hon. member's comments there. Question Time is a matter of extracting information from government that is difficult to achieve any other way. The way members ask questions is a matter for this House to determine and yourself from the chair, Mr Speaker. I fully acknowledge that as the proper way forward. There seems to be an impression at this Question Time that I have a particular agenda with regard to the Legislative Council election and that is not the case. I have made it quite clear that it is a matter for this House to resolve and I respect that totally; the Council of Ministers respects that, but I am responding to a question and to the public comment that I feel it is time it was resolved and we have that in our own hands, Mr Speaker.

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

Mr Cretney: Could I ask the Chief Minister, could he confirm there is no collective line whatsoever in relation to Legislative Council elections? Indeed, can he confirm further that at previous elections to the Legislative Council which have taken place in the preceding several weeks, ministers have nominated alternative candidates – different ministers have put forward different candidates for the same election?

The Speaker: Chief Minister to reply.

Mr Corkill: I confirm that one hundred per cent, Mr Speaker.

Natural Gas Supply – MEA Decision to Purchase Share – Price – Question by Mr Karran

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

During the year 2002, the MEA purchased the National Grid (Isle of Man) Limited's share of the Manx Cable Company for a consideration of £18m -

- (1) *Can you confirm that the decision to purchase the National Grid (Isle of Man) Limited's share of the cable company was taken by the MEA Board alone, but with your knowledge, without seeking the approval of Tynwald; and*
- (2) *can you advise how the purchase price was calculated (adjusted for fair 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 Douglas West, Mr Downie, Minister for Trade and Industry.

Mr Downie: Thank you, Mr Speaker. In answering the first part of the hon. member's question, I am afraid that I cannot confirm that the decision to purchase the National Grid (Isle of Man) Limited's share of the Cable Company was taken by the MEA Board alone but, with my knowledge, without seeking the approval of Tynwald as it is simply not the case. As the hon. member will be aware, when the £185 million Treasury bond for the MEA was approved by Tynwald during the July 2001 sitting it was made clear

then by the Treasury minister that the bond was for a number of things: namely, a sum of £80 million for the new power station; £20 million for the gas pipeline infrastructure; £50 million for the cable buyout and refinancing; £10 million for a wind farm and associated renewable energy options; and £25 million for network reinforcement. The bond issue was approved by Tynwald at this July 2001 sitting.

Further to this, the MEA at the time held a number of briefing sessions and presentations to members of Tynwald to highlight their capital programme to which the hon. member for Onchan would have been invited. Therefore, Mr Speaker, the hon. members would all have been aware and quite clear about the MEA's future intentions.

In order to answer the second part of the hon. member's question, I should like to inform him that the purchase price of the National Grid PLC's portion of the Manx Cable Company was arrived at by negotiating a significant discount on the net present value of the MEA payments, the use of the interconnector agreement taking into account a discounted cashflow factor used by both the UK Government and the Isle of Man Government. In calculation, cash and other non-interconnector assets belonging to the Manx Cable Company Limited were not considered and as a consequence reduced the net cost to the MEA by some £2 million.

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

Mr Karran: Vainstyr Loayreyder, is the minister aware that a letter to me from the MEA and the Chief Executive advised that the purchase of the National Grid PLC's share of the cable was included in the £185 million at £20 million but it has actually cost much less? In fact, according to the MEA accounts, it has cost £34 million including debt. Could the minister explain the apparent discrepancy of £14 million? Is the minister also aware of a letter from the MEA to me stating that the cost of the cable would be £49 million? Analysing the costs of the cable over 20 years would make the depreciation value of the cable £46 million at the time of purchase; how did the increase to £68 million in two years between construction and purchase come about?

The Speaker: Minister for Trade and Industry to reply.

Mr Downie: Mr Speaker, I do not have access to any of the correspondence that has taken place between Mr Proffitt and Mr Karran; I have not seen any of this correspondence, and in fact we are now getting into a situation where the questions are becoming highly technical and I am just sad that the hon. member did not take an opportunity of the invitation that was given to him to sit down with the MEA Board and their senior management along with

the rest of the Tynwald members when all of these issues could have been quite clearly explained.

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

Mr Karran: Vainstyr Loayreyder, does the minister feel that he is slightly misleading this House when the fact is that I have been in correspondence with his department and with the MEA for, it must be, over a year at the present time? It seems that it is vexatious that his department still refuses, with its responsibility, to answer the questions in this place without having to do so behind closed doors. And would he also not agree that I have met with the Chief Executive and I cannot help it if I have meetings with the likes of the Department of Agriculture, Fisheries and Forestry that come up when the last two around the MEA came about.

The Speaker: Minister for Trade and Industry to reply.

Mr Downie: Yes, the hon. member writes at least four letters a week to my department, I do not know what his batting average is to other departments in government and he has never actually copied to me any of his correspondence to the MEA or in fact, apart from when he asked a question in Tynwald last month, flagged up that he had a particular problem with the MEA. So if the hon. member is seeking this additional information, I am more than willing to set up a meeting with him - it is a very complicated and complex issue - and get this matter satisfactorily resolved and all the figures out on the table so he can be fully aware of what has taken place regarding all these issues connected to the power station, the interconnector and the gas pipeline. But I think it is extremely time-consuming, really, to try and answer questions on the floor of the House of Keys without having any advance warning or any copies of the correspondence that the hon. member has received from the MEA. They are a semi-independent organisation, they are a commercial organisation, and I am pleased that they have entered into dialogue with the hon. member for Onchan on a one-to-one basis, but they do not copy me in on their correspondence.

Natural Gas Supply – Economics of MEA Share Purchase – Question by Mr Karran

Question 3. The hon. member for Onchan (Mr Karran) to ask the Minister for Trade and Industry:

During the year 2002, the MEA purchased the National Grid (Isle of Man) Limited's share of the Manx Cable Company for a consideration of £18m -

- (1) *The purchase of their 50 per cent share of the cable company enabled National Grid (Isle of Man) Limited to convert a £4.5m investment in 1998 into £18m in 2001 (i.e. a profit of £13.5m or 300 per cent) can you explain how this was allowed to happen and provide a detailed economic justification for the purchase by the MEA of National Grid (Isle of Man) Limited's share of the cable; and*
- (2) *The MEA Annual Report for 2002 valued the cable at £68m in 2002 and shows its economic benefit to the Island to have been £4.18m in the year to 31st March 2002 (its first full year of operation). In layman's terms it would therefore take at least 16 years to pay off the investment even at the high energy prices pertaining during 2002 (see MEA Annual Report). Could you please either confirm this or give another explanation as to how the economics of the cable should be calculated?*

The Speaker: Question 3. The hon. member for Onchan, Mr Karran.

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

The Speaker: Minister for Trade and Industry, Mr Downie.

Mr Downie: Mr Speaker, may I first point out that the hon. member's question includes a number of errors of fact and therefore it is difficult to answer. In the interest of transparency, I will try and explain.

The £4.5 million was not National Grid's total investment in the project but was the portion of their investment required to be in cash by the lending institution involved in the project financing. National Grid PLC had been working with the MEA as a joint partner on this project since early 1996, investing heavily and providing engineering resources throughout the five years of development, culminating in the world's longest AC sub-sea cable. Unfortunately I am currently not in a position to inform the hon. member or this House as to the exact investment sum that National Grid PLC put into this project as I have no access to their detailed confidential financial records.

In the second part of the question the hon. member states that the economic benefit to the Island of the cable to year ending 31st March 2000 is £4.18 million. I cannot confirm this, as it is actually incorrect. I am advised by the MEA that the economic benefit during that period exceeded twice that amount, at £9.1 million, before taking into account the seasonality of fuel prices. Therefore, Mr Speaker, if we take this figure rather than the hon. member's incorrect figure, a more accurate pay-off period, as the hon. member put

it in layman's terms, would be six to seven years, but that ignores, as did the hon. member for Onchan, the intrinsic value of the fibre optic assets which, properly valued, would bring the pay-off period to less than two years.

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

Mr Karran: Vainstyr Loayreyder, is the minister aware that National Grid PLC has made a profit of £13.5 million from the cable over a period of two to three years? As the joint owners of the cable, the MEA should also have made £13.5 million on the same period. Where is this shown in the MEA's accounts? Is the minister aware in the answer is the cost of the fuel oil saved by the MEA by importing power through the cable less the actual cost of the power purchased? This would be a 16-year pay-out. Is this acceptable as far as this line of business is concerned? And finally, would the shirveishagh take my appreciation on at least one of the black propaganda that comes out from the Council of Ministers that it just shows with your previous answer that at least you only say four letters come to you every week; it just proves the fact that everything that I raise, far from coming to this House first, comes here because of the frustration of not getting decent answers when you write to people?

The Speaker: Minister for Trade and Industry to reply.

Mr Downie: Right, Mr Speaker, I will try and unravel the hon. member's question. Personally, I want to put on record that I think that the purchase of the cable by the Isle of Man Government has been an excellent asset and has proved and will continue to prove to be excellent value for money.

The cable was valued at approximately £68 million, so the 50 per cent share of National Grid PLC was approximately £34 million, plus a holding of £4 million in the bank of which £2 million was National Grid's. The MEA then purchased a 50 per cent holding for £18 million. Therefore, they paid £18 million to obtain a £34 million asset, plus they retained National Grid's £2 million holdback as they now own everything, and I would ask hon. members, is this not economic justification?

**Natural Gas Supply – MEA Share
Purchase – Consultants –
Question by Mr Karran**

Question 4. The hon. member for Onchan (Mr Karran) to ask the Minister for Trade and Industry:

During the year 2002, the MEA purchased the National Grid (Isle of Man) Limited's share of the Manx Cable Company for a consideration of £18m -

National Grid PLC were consultants to the Isle of Man Government during the feasibility study of the cable. Could you please comment on the propriety of a consultant benefiting to the extent of £13.5m from its own recommendations?

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 West Douglas, Mr Downie, Minister for Trade and Industry.

Mr Downie: Thank you, Mr Speaker. The hon. member, if you will excuse the pun, has his wires a little crossed in asking this question. As he is, I am sure, aware, the National Grid PLC has never - and I repeat *never* - provided consultancy to the Isle of Man Government, the MEA or any other arm of the Isle of Man Government. Obviously, during the period that National Grid was a joint venture partner with the MEA for the interconnector project, they did provide assistance. However, this was as a joint venture partner and not a paid consultant. To the best of my knowledge, National Grid PLC currently does not and has never provided consultancy services in the field of electricity interconnectors; they do, I believe, provide consultancy services in some other areas. I therefore hope the hon. member for Onchan will accept that I need not comment on the propriety of a consultant making a profit from their advice, as they actually did not.

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

Mr Karran: Vainstyr Loayreyder, so the National Grid has never done any consultancy work for the MEA. If that is the case, fair enough, we will concede that fact for the moment. Would the shirveishagh then recognise that even the likes of the World Bank would prevent the likes of such an arrangement where consultants should be benefiting from the recommendations as far as this is concerned, and will he double check his facts, because quite consistently his facts are more often not correct than my facts?

The Speaker: Minister for Trade and Industry to reply.

Mr Downie: Yes, Mr Speaker, the hon. member for Onchan, Mr Karran, has laid a number of allegations on the floor of this House on numerous occasions before. If he will provide me with the

evidence that there has been some skulduggery or insider trading, I will be only too willing to thoroughly investigate it, and if I feel that his allegations are justified (*Interjection by Mr Karran*) I will take it to the highest possible level. As far as I am concerned, the National Grid organisation has never been employed as consultants in the Isle of Man, nor are they privy to what goes on within the MEA. That is a commercial organisation, and our operating modes are private and confidential, even to people like the National Grid.

**Natural Gas Supply – Gas Price –
Question by Mr Karran**

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

During the year 2002, the MEA purchased the National Grid (Isle of Man) Limited's share of the Manx Cable Company for a consideration of £18m -

Could you advise what the purchase price will be for the natural gas supply to the new Pulrose power station and comment on how this will impact on the economics of the cable?

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

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

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

Mr Downie: Thank you, Mr Speaker. As the hon. member may be aware, a pipeline connection has been entered into between the MEA and Bord Gáis Eireann for the life of the pipeline. Part of this agreement applies a regulator tariff, which spreads the cost of the investment among all shippers. Taking this into account, and based on today's market prices for gas, an indicative average price across the year would be somewhere in the range of 34 to 36 pence per therm. As the hon. member is aware, this is considerably below the cost of the current equivalent energy from diesel oil. Therefore the generation cost of Island electricity will be less. This reduction in generation cost will open the opportunities for the MEA to use the cable in an export mode. The cable enables the new CCGT power station to run at full load by acting as electrical resilience, thus improving the thermal efficiency and overall economics of the station.

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

Mr Karran: Vainstyr Loayreyder, I have actually got a sensible reply to one of my questions. I appreciate that.

Road Transport – ‘Vehicle-Activated Signs’ – Question by Mr Quayle

Question 6. The hon. member for Middle (Mr Quayle) to ask the Minister for Transport:

To reduce the problem of speeding motorists within existing speed limits around the Island, and to assist in the prevention of accidents, will you arrange for more ‘vehicle-activated signs’ to be deployed as a matter of urgency?

The Speaker: 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.

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

Mr Shimmin: Thank you, Mr Speaker. My department regards road safety as its highest priority. Closely tied in with road safety is the issue of speed, and my department is very conscious of the relationship between speed and serious accidents.

The hon. member for Middle may be aware that my department currently has three portable radar-activated devices, which display a message to motorists exceeding the speed limit and requesting that they slow down. My department deploys these devices for short periods in locations within speed limits where speed has been identified as a problem. Research in the United Kingdom has shown that these flashing signs are effective in accident reduction.

Our existing portable vehicle-activated signs will continue and in the future be used more extensively in areas with proven accident records until more permanent accident reduction measures can be introduced. In addition, we are currently considering the introduction of fixed vehicle-activated signs advising speeding motorists not only to slow down but the nature of the hazard ahead; this may include junctions or sharp bends. As the member for Middle will know, flashing signs have been installed at Braddan and Kewagigue Schools as well as at Jurby. Another flashing sign is shortly to be erected on the approach to the new puffin crossing in Bride.

My department, Mr Speaker, considers seriously all suggestions that will lead to the prevention of road traffic accidents, and the more effective deployment of vehicle-activated signs to deter speeding motorists will continue to be followed up.

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

Mr Quayle: Thank you, Mr Speaker. Could I ask if the minister is aware that the evaluation of vehicle-activated signs carried out by the Transport Research Body, TRL, concluded that they do deliver a substantial accident reduction without the need for enforcement such as speed cameras, and could I ask him then if he could comment on those results? And further, could I ask him, as he has explained there are three vehicle-activated signs that are portable on the Isle of Man at present, what is the cost of providing each one and could some more temporary ones be provided?

The Speaker: Minister for Transport to reply.

Mr Shimmin: Yes, Mr Speaker, the hon. member will not be surprised that my department does have access to this sort of information and, yes, the evidence as evidenced in my previous answer does show that there is an accident reduction with the placement of flashing signs warning motorists about speed or dangers ahead. I do not have the costs in front of me. However, we are looking at trying to see some fixed sites because at the moment they are battery operated and, depending on the number of activations, the batteries wear out within approximately a week. There are then the added ongoing costs of relocating to other locations on the Island, so we are linking it towards the accident profiles of the Isle of Man. We are looking to extend the cover and we are also looking to try and see if in certain areas fixed signs would be useful; even if they are not permanently there, we would need to get the electricity to that area so that it is more effectively used, sir.

A Member: Well done.

TT Festival – Concerts Arranged – Finances – Question by Mr Gill

Question 7. The hon. member for Rushen (Mr Gill) to ask the Minister for Tourism and Leisure:

Will you confirm that the concerts organised by your department to be held during the 2003 TT Festival will not incur a financial loss if they attract capacity audiences?

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

Mr Gill: Thank you, Vainstyr Loayreyder. Ta mee shirrey kied yn eysht y chur ta fo my ennym.

The Speaker: I call on the hon. member for Douglas South, Mr Cretney, Minister for Tourism and Leisure.

Mr Cretney: Thank you, Mr Speaker. The TT races have been run on the Isle of Man, thanks to the foresight of our predecessors, since the early 1900s, and at the start of this, the 21st century, my department continues to find new ways to enhance the TT Festival experience.

It would be all too easy to rest on our laurels and take for granted that year on year over 40,000 people now make the journey to the road race capital of the world for the racing alone, but we cannot afford to be complacent and we must ensure that other attractions are provided. Indeed, the recovery we have seen in the popularity of the event since the mid-1980s has been in no small part due to my department's efforts to enhance the festival element of the TT.

My department has over the years provided considerable support to the experience our visitors and locals enjoy with firework displays, the Red Arrows, street entertainment, the Ramsey Sprint, sand racing, stunt shows, trial riding displays, mini-motos and so on and has shown initiative in the introduction of the Port Erin day, the Tramcar TT, which this year is raising funds for the Mighty Oak Appeal, big screens opposite Bushy's and, this year for the first time, super-moto at Jurby and electronic timing for the races themselves. The majority of the events I speak of are free to the public and form part of the department's contribution to an event that brings many millions of pounds to our Island.

In addition to these events my department has in recent years also staged a number of concerts featuring top level acts from the United Kingdom and further afield. The concerts differ from some of our other entertainment in as much as there is an entry charge, which is very reasonable when compared with the cost of similar events held elsewhere. Furthermore, they provide an opportunity for our young people of today to enjoy what I and many others did in the past - live entertainments by top acts. On a nice summer evening the Villa Marina Gardens provide a super backdrop for open-air concerts, and for TT 2003 my department is staging two concerts in the Villa Marina Gardens, which I am sure will be well supported. On Saturday 31st May the top United States band Wheatus will start their tour of the United Kingdom with a date in the Isle of Man - something of a coup for the Island. And on Sunday, 1st June, Paul Carrack, well-known as the voice of Mike and the Mechanics and Ace who has worked with many star names, will be performing in the Isle of Man for the first time. Both will be supported by local acts and Quill, who have appeared previously.

Staging the concerts within the grounds of the Villa Marina is a more cost-effective option than hiring an external facility. In addition, due to the likelihood of Summerland being unavailable for use in the presentations and awards ceremonies, we have decided to retain the staging that we have in place for the concerts at very little extra cost. The staging will then be used for the prize presentations when, again, live

entertainment will be provided to support these special occasions for our TT heroes. These events always sell out and so, with the increased capacity of the Villa grounds, we trust that these will prove very popular and indeed provide additional income to offset our expenditure.

What a shame we did not meet the original timescale envisaged by the late Ian Brown in having the Villa Marina open again for the Millennium! The present difficulties we are encountering at Summerland, which is well past its best, would have been avoided, and, when the Villa Marina opens, the prize presentations will return to a magnificently refurbished Royal Hall.

On the whole, these large concerts have operated successfully and have attracted healthy audiences. My department has learnt lessons to improve year on year, although it is acknowledged that, similar to other measures we employ to enhance the festival atmosphere, these concerts are staged at a cost to the department. There are a number of factors which influence the attendance of the concerts organised by my department during TT week and hence the revenue generated by a particular show from the profits, from the bars and the ticket sales and a number of other factors. Based on all our current estimated costs, my department will break even on this year's TT concerts assuming capacity audiences.

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

Mr Gill: Thank you, Vainstyr Loayreyder. Could I ask a supplementary in three parts: first of all, could I ask the minister if he could advise what the capacity audience is for these concerts; what age group is his department aiming at when considering these concerts; and thirdly, how confident is the minister that there is sufficient interest to attract a capacity audience from this target group and how has his department assessed this?

The Speaker: Minister for Tourism and Leisure to reply.

Mr Cretney: Thank you, Mr Speaker. The first part: a capacity audience this year will comprise 4,000 persons. When we are still restricted in terms of the amount of the gardens we can use when the Villa is reopened then that capacity will increase. In terms of the age group, the two concerts are aimed at different target markets principally: the Wheatus night is aimed at the younger audience and Paul Carrack at the more mature audience. That is based on our experience with other concerts where we have tried to get the balance right. We started off wrong by having three concerts, Cast, Reef and Republica, all aimed at the young market and where also the weather was not very nice. We then learnt from that experience and we have tried to balance out the two concerts: one which, as I say,

will appeal, we believe, in the main to a young audience, the second to a more mature audience.

In relation to sufficient interest, all I would say is that what we are trying to do is, we have an international event on the Isle of Man here and I think it is appropriate that we do whatever we can to enhance that. I believe that live music can contribute significantly, not only at TT time but hopefully in the future for other occasions during the year as well.

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

Mr Quine: Is the organisation of the so-called TT concerts compliant with financial regulations relating to tendering and the buying-in of services?

The Speaker: Minister for Tourism and Leisure to reply.

Mr Cretney: Mr Speaker, they are not 'so-called' TT concerts, they are TT concerts, so we have two concerts which I described previously. After the intervention of Mr Quine last year in relation to the less than successful events in terms of financial contribution, I have made sure that everything is in compliance with every financial regulation.

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

Mrs Hannan: Thank you, Vainstyr Loayreyder. Could I ask the minister if the tourism department are holding back tickets for visitors as they have been advertised 'Get your tickets early', and I would have thought - would the minister not agree? - that if we are putting on events such as this tickets should be available for visitors to actually support the TT experience.

The Speaker: Minister for Tourism and Leisure.

Mr Cretney: I am more than happy to confirm, Mr Speaker, that we believe there will be sufficient tickets for our TT audience. Indeed, we have work to do when people, for example, come during practice week to the Island; we need to ensure that those people are aware that these concerts are on because the philosophy here is that we have a local audience who are interested in live music, we also have the TT visitors, and the idea is that both parties together should make it sufficiently economic to run these concerts, which do cost a lot of money.

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

Mr Quayle: Thank you, Mr Speaker. I hesitate to ask a question to the tourism minister as I am on the department, but for the benefit of our actual listeners and the House of Keys themselves, could I ask if he

would put into context the fact that the TT does bring so many millions of pounds to the Isle of Man and the amount of money that is spent on the concerts is part of ensuring that we do have a successful festival and that the provision of these concerts is not exactly an exact science in ensuring that they are assured a sell-out success?

The Speaker: Minister for Tourism and Leisure to reply.

Mr Cretney: I would confirm that it is not an exact science. You have to try and pitch the concerts at what you consider the audience to be, but I could say that with painful consideration over the last several years, I think we are getting there - I hope we are getting there, and I hope that people will take the time to join with us at the Villa Marina grounds. Tickets are available now if they want them.

In terms of the cost of the concerts in relation to the income to the Isle of Man from the TT Festival, I think we only have to look at the unfortunate experience when we did lose a TT because of the foot-and-mouth outbreak in the United Kingdom, which did not, fortunately, get here but did cause quite a deal of hardship to many local businesses, and we obviously do not wish to see a repeat of that; we wish to see continuing income coming to the Isle of Man and a continuing successful TT into the future.

The Speaker: A final supplementary in relation to this question. I return to the hon. member for Rushen, Mr Gill.

Mr Gill: Thank you, sir. A shorter question than the previous one and a shorter answer, I hope: yes or no, will the minister confirm that if it is a 4,000 capacity audience paying a full-face price for the tickets, that will attract sufficient moneys to break even or make a profit? Yes or no, please, sir.

The Speaker: Minister for Tourism and Leisure to reply.

Mr Cretney: I am sorry if I have offended the hon. member for Rushen by trying to be helpful; the answer is yes. I think I made that quite clear in my question.

The Speaker: Right, hon. members, that concludes questions for oral answer.
