



**LEGISLATIVE COUNCIL
OFFICIAL REPORT**

**RECORTYS OIKOIL
Y CHOONCEIL SLATTYSSAGH**

P R O C E E D I N G S

D A A L T Y N

(HANSARD)

Douglas, Tuesday, 4th April 2006

Present:

The President of Tynwald (The Hon. N Q Cringle)

The Lord Bishop of Sodor and Man (The Rt. Rev. Graeme Knowles), Mr D Butt, Mrs. C M Christian,
Mrs. P M Crowe, Hon. A F Downie, The Chief Minister (Hon. D J Gelling CBE),
Mr E G Lowey, Mr L I Singer and Mr G H Waft,
with Mrs M Cullen, Clerk of the Council.

Business transacted

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The Council adjourned at 12.27 p.m.

Legislative Council

The Council met at 10.30 a.m.

[MR PRESIDENT *in the Chair*]

PRAYERS

The Lord Bishop

LEAVE OF ABSENCE GRANTED

The President: Hon. Members, we have apologies from Mr Attorney this morning, he is off the Island.

Question for Oral Answer

CHIEF MINISTER

H M Attorney General's new Chambers Date for move; reason for delay; rent paid

1. The Hon. Member (Mr Lowey) to ask the Chief Minister:

With regard to H M Attorney General's new Chambers

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- (a) *when will the move take place;*
- (b) *what are the reasons for the delay in moving; and*
- (c) *how much has been paid in rent to date?*

The President: We turn to our Questions first and I call on the Hon. Member, Mr Lowey.

Mr Lowey: Thank you, Mr President. I beg leave to ask the Question standing in my name.

The President: The Answer is in the hands of the Chief Minister.

The Chief Minister (Mr Gelling): Thank you, Mr President.

In answer to the first part of the Hon. Member's Question, it is anticipated that fitting out work for the Attorney General's new accommodation on two floors at St Mary's Court in Hill Street, Douglas, will be completed by the end of June this year. The Attorney General's Chambers are then expected to move into their new accommodation some time in July, although a firm date has not, as yet, been fixed.

Turning to the second part of the Question, although this fit-out has been funded from revenue, because of the cost and scope of work, it has been necessary to follow capital procedures. There are several reasons why the various stages in these procedures have not been dealt with as smoothly and as quickly as they might have been.

For example, Mr President, firstly it was necessary to

seek Treasury concurrence for a waiver under financial regulations, so as to protect the private landlord's collateral warranties.

Secondly, problems with over-stretched resources were compounded, when the project manager in the Estates and Housing, who was dealing with the move, took up a post in Treasury at relatively short notice. It took several months to find a replacement, and already stretched existing resources had to be reshuffled.

Thirdly, there has been some delay in the contractor obtaining a bond and, therefore, not being in a position to sign a contract that would enable materials to be ordered. However, the Department has accepted that, in the early stages of this project, it did not devote the necessary time and resources, for the reasons that I have explained, to ensure that the project was progressed as initially programmed.

With regard to the third and final part of the Question, the Department was able to negotiate a nine-month rent-free period from 1st February 2005, so the actual rent paid up to 30th March 2006 is indeed £140,000. This sum would have had to have been paid, as the lease had been signed, and the Department is also still committed to paying the lease of the released accommodation at Victory House.

So, in summing it up, Mr President, it is a saga, I am afraid, of nine months rent-free, into the contract; we have lost the nine months rent-free; we are already two months now into a paying position, and the Attorney General is still not in the accommodation. Certainly, it did not go to programme, sir.

The President: Mr Lowey.

Mr Lowey: I am almost speechless, Mr President.

Would the Chief Minister not agree that that scenario that he has painted this morning is highly unsatisfactory? Is there somebody to pay a price for that? It is not the first time Government has got into this sort of situation, where they have rented property and left it lying empty for nine months before anybody moved into it? Is the taxpayer best served by this sort of scenario being repeated, time and time again?

The President: Chief Minister.

The Chief Minister: Yes, in fact, if the saga... If you started at the very start, of course, it took a great deal of time before the decision was made that the Attorney General could move into new Chambers, because the original idea, which I am sure Hon. Members will recall, was that, once the building down here was refurbished that the Attorney General had moved out of, he would move in.

That, also, then changed, so, of course, the situation was that the Attorney General was in very, very cramped conditions, he was under pressure, he could not bring in new staff because he had nowhere in the place in Prospect Hill to put them, so it was with great relief when on 1st February last year new accommodation was available to the Attorney General.

This saga then, the Hon. Member says, is unsatisfactory. The answer is it is not satisfactory and the taxpayer can, certainly, not be best served, if we are now paying rent on a building, or floors on a building, that we are not in yet, when we had a holiday to enable that all to be done, so that we would not be paying until it was established.

So, it is a sorry state of affairs, I have to admit, and there

Leave of absence granted

H M Attorney General's new Chambers – Date for move; reason for delay; rent paid

is nothing I can do, Mr President, but hold my hands up and say, well, it was a catalogue of problems that accumulated into the situation we have got today.

The President: Mr Singer.

Mr Singer: Can I ask the Chief Minister: with all the delay and the unfortunate... whatever, what was the original budget for the move, and what is the position going to be when they eventually move in?

The Chief Minister: Well, it works out at about £70,000 a month, but, already, two months we have paid and we are not in. So, that is the ongoing rental.

But the actual fitting out was coming up somewhere in the region of £450,000, because, of course, it is just two bare floors. Of course, with, I suppose, the security and the confidential way in which the Attorney General's Chambers work, they cannot work on an open plan; they have got to have a lot of partitions and areas where people can work in confidence, I suppose.

So, the actual cost of fitting out was something like £450,000.

Mr Singer: Is that going to be the same figure, even despite the delays?

The Chief Minister: I understand that is the case.

The President: Mr Waft.

Mr Waft: Thank you, Mr President.

Would these new Chambers be able to absorb any increases in the roll of the Attorney General's Office? I was thinking in the future, perhaps they are going to have the role of Public Prosecutor and having some new attorneys coming in?

The Chief Minister: Indeed, that was the whole idea of taking two floors. I think it works out just over double the actual floor area that the Attorney has now. That means that, probably, when they move in initially, there will be some spare capacity, but that spare capacity is there for the very reason that the Hon. Member has suggested, and that is that the role of the AG's office could in fact be increased.

The President: Mr Lowey.

Mr Lowey: Mr President, would the Chief Minister not agree that all these procedures must have been known about?

We did not decide to go in last February; work must have been done prior to last February. The cost procedures, waivers and all the rest of it must have been known to people. That would have to happen, and I find it almost incredible that nobody is held to account for the delays.

I do think there has to be some accountability somewhere along the line in this way, when we are in a position, where Government is being asked to find money, money is tight etc, and here we have a nine-month rent-free period being granted to us, which has been squandered. The building is just sat there and nobody seems to have been able to come to it.

Is there any accountability in the system for failures such as this?

The President: Chief Minister.

The Chief Minister: I think, Mr President, it was compounded by many things happening that were not related. In other words, I can tell the Hon. Member that in was in November 2004, taking the point made, surely there was some preparatory work, and it was then that the architect, who was in the position, was appointed as the Estates and Housing Project Manager and drawings were made up at that time, that was 2004.

In February 2005, when the actual contract was signed, a design team was approved by Treasury and, of course, so it goes on. I have got the full list of what happened and why, but it was interesting to see, in August 2005, because, as is suggested, it was a revenue scheme, there was a shortfall in funding identified, so of course that caused a delay.

As I say, I have got right up to virtually today's date, where certain things were happening which all created what we have, and that is a long delay in what was, at first, seen as a fairly simple, brand new building, fitted out to move the Attorney in. But I am afraid it has not worked out that way.

Mr Lowey: And my final question, sir: it is anticipated it will be moving in, in July – anticipated, no guarantee?

Mrs Crowe: If they have finished the work on the Chambers.

The Chief Minister: Again, I do not think I could say, Mr President, that I could guarantee it, having looked at this to date.

However, the information I have is that it will be fitted out for June, and then the Attorney, of course, will have to move in. It was July that it is anticipated that he will move in.

I can only hope that that, in fact, goes smoothly and swiftly, and that there are no hiccups that the Attorney cannot move at a certain time, but I know he is as eager as anyone to get in there, because he knows how limited the space is which he has got. It is causing problems in drafting and so on.

Orders of the Day

Sex Offenders Bill Third Reading approved

2. Mr Butt to move:

That the Sex Offenders Bill be now read a third time and do pass.

The President: Okay, Hon. Members, we move on then from Item 1 on the Order Paper to Item 2, which is the Sex Offenders Bill. The Member in charge is Mr Butt and it was down for Third Reading, Hon. Members.

Mr Butt.

Mr Butt: Thank you, sir.

I believe you have called the Third Reading. There is

a proposed amendment to be made by the Member, Mrs Christian.

The President: In that case, Hon. Member, your suggestion is right. Okay, Mrs Christian.

Mrs Christian: Yes, thank you, Mr President.

The President: Yes, interesting concept there, we had better have... Can you move formally, Mr Butt, the Third Reading of the Bill, then I will get the Third Reading formally seconded, for purposes of *Hansard*. Then we can carry on from there.

Mr Butt: Certainly, sir, yes, thank you.

Mr President, the primary purpose of this Bill is to bring into law an effective method of controlling or restricting the movements and associations principally of persons convicted of sexual offences or suspected of doing acts against children. The Bill includes provisions to address the behaviour of all sex offenders in due course.

The Bill is set out in four parts. Part 1 makes provision for courts to issue sexual offences prevention orders on conviction, caution or equivalent for a minimum of five years, for the purpose of protecting the public from serious sexual harm from the defendant.

It allows courts to make orders on conviction or an application by the Attorney General or the Chief Constable – which has now been amended – to make an order subsequent to conviction for offences committed previously, either in the Island or elsewhere.

It defines that equivalent offences committed outside the Isle of Man are relevant offences for obtaining such orders.

Part 2 makes provisions for courts to issue risk of sexual harm orders in relation to the doing of at least two particularly defined sexual acts against or towards children, the order being for originally a minimum of two years, but by amendment, now, a maximum of two years.

Those acts are not necessarily criminal offences on their own, but they constitute risk of a sexual harm to children.

Part 3 sets out provisions which are common to both orders and deal with administrative matters and for the making of temporary interim orders. Part 3, also, provides rights of appeal and creates the offences for any breach of the orders.

Finally, Mr President, part 4 sets out legal interpretations, Legal Aid entitlements, together with an amendment to schedule 1 of the Criminal Justice Act 2001.

Mr President, I would like to put on record the appreciation of Mr Houghton, the original mover of this Bill, for the work done by Mr Lalor-Smith of the Department of Home Affairs and the legal draftsman, Mr Michael Boyd, who I also thank for his advice in this matter.

This Bill will bring us parity with the United Kingdom, and plug any potential loopholes which enterprising sexual predators may have exploited. On the implementation of this Bill, there will be current life cases which can now be dealt with by the Police and Probation, by the use of these orders. It will reduce the risk to the public, in particular the risk to children.

I would like to thank all the Members of the Council for their support during these debates, and for their constructive comments and amendments to the Bill.

Mr President, I beg to move the Third Reading of the Sex Offenders Bill.

The President: Mrs Crowe.

Mrs Crowe: I beg to second, Mr President.

The President: Mrs Christian.

Mrs Christian: Yes, thank you,

Mr President, Members will recall that, at an earlier consideration, the duration of the risk of sexual harm orders was amended by this Council to a period of not more than two years, from the previous wording of not *less* than two years.

The consequential effect upon the wording of clause 7, in particular clause 7(7), which no longer made any constructive sense, the amendment I move today, sir, deals with that:

Page 6, line 20: for '(6) and (7)' substitute '(6) to (8)'.

*Page 7, lines 1 to 10: substitute –
'(7) The court must not discharge a sexual offences prevention order nor a risk of sexual harm order without consulting the defendant and the Attorney General.
(8) The court must not discharge a sexual offences prevention order before the end of 5 years beginning with the day on which the order was made.'*

First of all, it will substitute for subclause (7) new wording which, in turn, will require new wording in subclause (5).

If I may deal with subclause (5) first, page 6, line 20: for (6) and (7) substitute (6) to (8). Then, if we move to subclause (7), in order to retain the provisions which were included before, in relation to the discharge of the sexual offences prevention order, the new subclause (7) will read: 'The court must not discharge a sexual offences prevention order nor a risk of sexual harm order without consulting the defendant and the Attorney General', and that effectively repeats what was there before.

However, to get over the different timing issues, the new subclause (8), which may need to be amended to (9) consequentially, will read: 'The court must not discharge a sexual offences prevention order before the end of 5 years beginning with the day on which the order was made.' It is silent about the other one because they can discharge it at whatever time they see fit.

Then we have a renumbering of the existing subclause (8) to be subclause (9).

I beg to move the amendment standing in my name.

Mr Gelling: I beg to second, Mr President.

The President: Effectively, Hon. Members, it tidies up subclause (7) on clause 7, part 3, by dividing it into two bits, and that leads then to the renumbering, but it puts the wording in a sound manner.

Mr Lowey: For clarity, we are dealing now with a conviction that it will not be discharged after five years, he has got to serve at least five years. The other is on a prevention order which is 'not more than' – or is it the reverse?

Mrs Christian: Well, Mr President, they are both

prevention orders, but the first one is a sexual offences prevention order which applies to somebody who has been convicted. In that case, it cannot be discharged, first of all without consulting the defendant and the Attorney General, and it cannot be discharged before the end of five years. So, it will apply for five years to someone who has been convicted or has previously had a conviction.

With regard to the risk of sexual harm order which does *not* involve a conviction, there still has to be a consultation between the defendant and the Attorney General, but it can be discharged when it is seen fit to discharge it. That would be up to the two-year period, because it can only last a maximum of two years or be renewed for another, presumably up to two years.

The President: Mr Butt, do you wish to reply, sir.

Mr Butt: Just briefly, sir, to say that I have consulted with the original mover and he is content with this amendment, as am I. I think it is a good way forward.

The President: In that case, Hon. Members, what I will put to Council first is the amendment, bearing in mind that we did agree, when looking at it at committee stage, at clause stage, that it was possible that this further amendment would come forward.

I put to Council this morning first the amendment to section 7, part 3. Those in favour please say aye; against no. The ayes have it. The ayes have it.

Hon. Members, having accepted that we have made an alteration to part 3 and that we are dealing with the Third Reading, I put to Council that the Sex Offenders Bill 2005 be read for a third time. Those in favour, Hon. Members, please say aye; against no. The ayes have it. The ayes have it.

Mr Singer: Mr President, can I just say a few words to congratulate Mr Butt on taking his first Bill through which is not an easy Bill, with it being a Private Member's Bill, and just to compliment him on the way that he has handled it.

Mrs Crowe: He has got more experience than any of us. *(Laughter)*

Mr Butt: Thank you.

Insurance Companies (Amalgamations) Bill Second Reading approved

3. Mr Waft to move:

That the Insurance Companies (Amalgamations) Bill be now read a second time.

The President: Now, we turn to Item 3, so we have reached the Insurance Companies (Amalgamations) Bill, which is down for Second Reading, this morning, handled by the Hon. Member, Mr Waft.

Mr Waft: Thank you, Mr President.

The Bill introduces the legislative framework enabling the Treasury by order to make regulatory provisions for

the merger of two or more insurance companies without the need for their liquidation. Under the Bill, Treasury may empower the Insurance and Pensions Authority to make regulations and give directions in this regard, and the resulting regulatory provisions are anticipated to be used on the existing legislation in Guernsey.

The legislation is seen as having particular importance to the captive insurance sector and follows representations made by a number of parties related to that industry. The existing provisions for amalgamation under the Isle of Man Companies Act are seen to be more complex and expansive compared with those applying in other jurisdictions.

For example, where there has been a takeover or merger of two or more parent organisations and the newly emerging parent has more than one subsidiary captive insurer, it may wish to amalgamate his capital to a single entity.

The Bill also amends schedule 3A of the Insurance Act 1986 to extend the provisions governing the continuation of offshore insurers in the Island to include third party business, and to give the authority power to grant consent for such re-domiciliations without the requirement of Treasury approval.

The latter power is consistent with the changes made to the Insurance (Amendment) Act 2004.

The Bill has been the subject of a consultation exercise with interested parties, following which some minor amendments have been made to it. The Bill represents a relatively minor legislative development. However, it does enable the Island to demonstrate its flexibility in response to its industry's needs and concerns, together with broadening its capacity and streamlining the processes involved in the acceptance of insurance business re-domiciliation.

I beg to move the Second Reading, sir.

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

The President: Mrs Christian.

Mrs Christian: Mr President, just to say, if this makes us more competitive, to sustain and retain captive insurance element, then it is to be welcomed. Perhaps when we come to the clauses, the mover will expand a little bit more on the required changes on the re-domiciliation of third party insurance companies.

But I support the Bill.

The President: Mr Lowey.

Mr Lowey: Mr President, yes. Insurance is the Cinderella, really, of the finance industry and yet we never hear of her. Yet she is one of the great successes of it.

I remember when we first introduced insurance legislation into it: it was like a Dutch auction. Big fee and no money, and then it came down 5,000 and I always remember saying in Tynwald Court that it was such a Dutch auction that we would be paying the insurance companies to come in next.

But they took their time and got it right – a bit like the shipping register, it took a long time in coming.

Once it came, it has been a success, and I think insurance is a success for the Isle of Man. It does a lot to enhance the reputation. That is why this Bill, I think, is important.

Listening to the industry and with the way the industry is moving, it needs the Treasury... or the Insurance Commission

needs to be able to operate fast. I think we should be mindful of what our competitors are doing, and I think this legislation helps in all of those things. That is why I support it.

The President: Chief Minister.

Mr Gelling: Yes, Mr President.

Obviously, I am supportive of the Bill, because it was borne out of the IPA. But, really, I think, the point is the streamlining and making better. This is a vehicle through which regulation can be made, to make it more speedily efficient to re-domicile. It is double-edged, because it means that we would allow them to move off-Island, just as much as we want to encourage them in.

So, I think, taking Mrs Christian's point, we want to make sure that we always have that competitive edge, to make sure that they only go one way and that is into the Isle of Man.

Certainly, taking Mr Lowey's point, when it started, and when I was at the FSC, I used to say the insurance was more like a club, because it was being regulated and run by those who were actually participating. I think, now, it is the case that regulation has come in, with the experience over time, and it has allowed it to grow. Now, regulations can be put in force in a uniform way, so that it certainly makes it more speedily available to re-domicile, as well as other minor amendments that make less bureaucracy. I think anything that makes less bureaucracy is something to be welcomed.

Yes, I would be supportive of the Bill, Mr President.

The President: Hon. Members, I do not particularly have a problem; I just wonder in relation to this Bill, as an Amalgamation Bill, will this actually lead to a major company, or whatever company – it does not specifically say so in the Bill – not connected to insurance, taking over a small insurance company for the purposes of making itself available to the insurance market? In other words, a company not connected with a financial basis could take over an insurance company, as a result of this and go into the insurance business. I am a little bit wary on that one.

Mr Waft.

Mr Waft: Thank you, Mr President.

I thank the Members for their remarks and beg to move the Second Reading.

The President: Hon. Members, the motion that I put to Council is that the Insurance Companies (Amalgamations) Bill 2006 be read for a second time. Those in favour, please say aye; against no. The ayes have it. The ayes have it.

Insurance Companies (Amalgamations) Bill

Clauses considered

The President: We go on then to the committee stage or clauses stage, and I call on Mr Waft to move clause 1.

Mr Waft: Thank you, Mr President.

Clause 1, 'Orders in respect of the amalgamation, reconstruction etc. of insurance companies': clause 1(1)(a) empowers the Treasury to make orders concerning the amalgamations of two or more insurance companies and

in respect of any insurance company continuing from the amalgamation process.

Clause 1(1)(b) under the Island's Companies Act, companies within the same group which are amalgamated as part of a group reconstruction may apply for a reduction in their corporation tax by way of merger relief. This section empowers Treasury to make orders concerning merger relief relating to amalgamations under this Bill.

Clause 1(2) an order made under this section covers all aspects relating to the amalgamation of insurance companies, including the power to amend the provisions or any subprovisions thereof, insofar as they apply to insurance companies of Companies Act 1931 to 2004, Insurance Act 1986 and the Limited Liabilities Companies Act 1996.

Clause 1(3)(a) and (b): an order made under this section may empower the Insurance and Pensions Authority in specified circumstances and for specified purposes to make regulations and give directions as required to give effect to this provision. Similarly the Insurance Supervisor may also be empowered to give directions in this regard.

Clause 1(3)(c): an order under this section may prohibit any action or activities in connection with any matter regulated by such an order except as authorised by the Insurance Supervisor.

Clause 1(3)(d), an order under this section may make provision for enforcement and, in particular, may include the creation of offences punishable by custodial sentence and/or fine.

Clause 1(3)(e), an order under this section may make provision concerning the liability of officers and others in respect of offences committed by the company.

Clause 1(3)(f), an order under this section may make provision for the review of decisions of the Insurance and Pensions Authority and the Insurance Supervisor acting under powers conferred upon it by him or by the Treasury in accordance with this Bill regarding applications for amalgamations.

Clause 1(3)(g), (h) and (i) set out certain matters for which provision might be made by an order, but, also, provides that any other matters may be included as deemed necessary by the Treasury to give effect to its orders and that these may contain consequential, incidental, supplemental and transitional provisions.

Clause 1(4) specifies that any order made under this clause must be laid before Tynwald, as soon as is practicable after it is made, and if it is not approved within two sittings, it shall cease to have effect.

Mr President, I beg to move clause 1 stand part of the Bill.

Mr Lowey: I beg to second, sir, and I think, really, that clause 1 deals with the point that Mr President makes, in the fact that it would be made under the regulations that that would be dealt with. They have the power there to make regulations to specify how and when.

The President: Mrs Christian.

Mrs Christian: Mr President, the point that you raised is an interesting one. I do think that under clause 1(1)(a) it does not specify that it should be two insurance companies, so that –

The President: It does in (2).

Mrs Christian: Yes; however, whatever the amalgamation, if they want to carry out insurance business, they will have to be licensed for insurance business.

Perhaps, lack of knowledge or experience or something, but the thing that intrigues me about this is that, under this provision, the Treasury can make an order to amend three pieces of primary legislation (**The President:** Yes.) in one go, which seems to me to be a new mechanism. I could be wrong and the learned Attorney is not here to give advice on that, but that seems to me to be novel.

Not only that – not only can an order be made to amend three pieces of legislation at once – we then go on to talk about the Insurance and Pensions Authority making regulations and giving directions. I note that the mechanism here which is not unique, but which is again interesting is that they can get on and do all of this without Tynwald approval, in the first instance, and it is the approval ‘at the next following sitting’ mechanism which is being used. I can only imagine that this is done for purposes of speed, should they feel that they need to react in a rapid manner to be competitive.

So, whilst I support the whole principle, I think that it may take some sorting out, in terms of the orders and the regulations.

The President: Yes, Chief Minister.

Mr Gelling: Just briefly Mr President.

The Hon. Member, really, in putting forward her comments, answered the question she was posing, and that was speed and efficiency and being competitive. I think that is, really, what led thus to this situation. Of course, she is quite right in saying it does not specify it has got to be two insurance companies that are amalgamating, but of course, whoever is being amalgamated has to be a fit and proper person, or fit and proper company, to be able to actually carry out that business. If the IPA do not believe they are, obviously it will not happen.

I think there is here a case of trust to enable this to happen, before it is put before Tynwald. I think this, again, is borne out by experience in the way in which they do business, but without any doubt at all it is trying to swiftly put a fast-track situation in, to enable us to get business where, at the moment, we are lagging behind, because we have not got the ability to do it, and the Supervisor has not got the ability to do it either.

This vehicle gives him the situation where he has the power to actually do that on behalf of the Government.

The President: Mr Lowey.

Mr Lowey: And the principle... I am sorry the learned Attorney... because I have my senior moments, but I can remember this sort of principle being adopted in a previous Insurance Bill, for speed and trust, and it has worked. So, I do not think... It may be novel in the general term, in this particular industry and not this particular legislation, but this *type* of legislation, we have tried it before and it has worked to our advantage.

I think the track record of the Insurance Commission and the Supervisors, the people we have had in place, have all proven their worth. This legislation is for a specific purpose. I think I used the phrase, ‘half of nothing is nothing’, and unless we are prepared to be in the marketplace and be

effective and to beat our competitors speedily, I think we have got to be able to put this legislation in and see how it goes.

I think the track record of the Insurance Commission, in my view, is worthy of support, and I will be supporting it. I understand the principle that it is not one of a general principle, but I do think, in this instance, it is proper.

The President: Mr Waft to reply, sir.

Mr Waft: Thank you, Mr President.

I think the comments which have been made by Mrs Christian have been answered by the Chief Minister.

The thing is that we have to be fit and flexible with our legislation to compete with other jurisdictions and, at the moment, we are not equalling them. This is why we have to move and Tynwald, of course, has the knowledge to agree or not to agree.

I beg to move clause 1, Mr President.

The President: Hon. Members, the motion that I put to Council is that clause 1 do stand part of the Bill. All those in favour, please say aye: against no. The ayes have it. The ayes have it.

Clause 2, Mr Waft.

Mr Waft: Clause 2, Mr President, makes changes to schedule 3A of the Insurance Act 1986 concerning the transfer of insurance companies between domiciles, a process termed re-domiciliation.

This clause extends the type of insurance company that may utilise re-domiciliation provisions to those providing insurance to third parties. It also transfers the authority to approve the re-domiciliation of insurance companies to the Insurance and Pensions Authority. This is consistent with the amendments made in the Insurance (Amendment) Act 2004, in respect of other regulations making powers under the Insurance Act 1986.

I beg to move clause 2, Mr President.

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

The President: Mrs Christian.

Mrs Christian: Yes, Mr President, I remember us dealing with the re-domiciliation of captive insurance, and now we are moving to third party cover. Is there a specific project waiting for this legislation, or is it being done because other people have it? What is the fundamental reason behind this amendment at this time?

The President: Mr Gelling.

Mr Gelling: I think, Mr President, it is the latter, as far as I can understand. This is giving the industry tools to be able to go out and do the job.

I would not say there are huge, as the Hon. Member says, business opportunities, but then, if you have not got the tools in the bag to be able to go out and actually compete with others that do have... and I think that is the case here. It certainly will make our people more competitive, in going out to be able to bring that business to the Isle of Man, because it will be more of a level playing field and, if anything, will have an end.

The President: Mr Waft, would you like to reply, sir?

Mr Waft: Just to repeat what has been said: we are trying to create a level playing field for the Isle of Man, and if we do not have this type of legislation in place, we are going to fall behind and lose a lot of business.

The President: In that case, Hon. Members, the motion that I put to Council is that clause 2 do stand part of the Bill. Those in favour, please say aye; against no. The ayes have it. The ayes have it.

Perhaps we can take 3 and 4 together, Mr Waft.

Mr Waft: Thank you, Mr President.

Clause 3 is the interpretation and clarifies the meanings of certain terms used in the Bill.

Clause 4 is the short title which provides for the Bill, when passed, to be cited as the Insurance Companies (Amalgamations) Act.

I beg to move clauses 3 and 4, Mr President.

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

The President: In that case, Hon. Members, I put to Council that clauses 3 and 4 do stand part of the Bill. Those in favour, Hon. Members, please say aye; against no. The ayes have it. The ayes have it.

Insurance Companies (Amalgamations) Bill Standing Order 22(2) suspended to take Third Reading

Mr Waft: Could I indulge the Council, Mr President, to move the Third Reading to get it on the way, (**A Member:** Suspend.) and suspend Standing Orders.

Mr Singer: I second that.

Mr Lowey: I think, in this case, Mr President, as has been said, it is to try and give the industry the tools to do the job, and the quicker they get the tools the easier their job becomes. If there is something in the wind next month, then if we can assist, I think we should.

I think it is non-contentious. We have accepted the principle. I think this is a case for taking the Third Reading today.

The President: For the purposes of *Hansard*, I think Mr Singer seconded the move to suspend Standing Orders to allow the Third Reading to be taken.

Hon. Members, I put to Council that we suspend Standing Orders to take the Third Reading of the Insurance Companies (Amalgamation) Bill. Those in favour, please say aye; against no. The ayes have it. The ayes have it.

Insurance Companies (Amalgamations) Bill Third Reading approved

The President: Well, now, Mr Waft we can move on.

Mr Waft: Yes, thank you, Mr President.

I thank Hon. Members for the support for the Third Reading. The Bill introduces a legislative framework enabling Treasury, by order, to make regulatory provisions for the merger of two or more insurance companies without the need for their liquidation.

Under the Bill the Treasury may empower the Insurance and Pensions Authority to make regulations and give directions in this regard. The resulting regulated provisions are anticipated to be based on existing legislation elsewhere. The legislation is seen as having particular importance to the captive insurance sector and follows representation made by a number of parties related to that industry and the existing provisions for amalgamation under the Isle of Man Companies Acts are seen as more complex and expensive compared to those in other jurisdictions.

Mr President, I beg to move the Third Reading of the Bill.

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

The President: Mrs Christian.

Mrs Christian: Mr President, whilst I do support the Bill, and, certainly, the first clause will make us more competitive, I think we do need to bear in mind with regard to the second clause and the re-domiciliation issues. It works both ways. There has to be reciprocity with the country to which it is re-domiciled and, while it facilitates people coming here, it also facilitates leaving. So, we need to bear that in mind.

Mr Gelling: May I just add, Mr President, that the Hon. Member is quite right that the country from which it is transferring has to give the green light for them to go. In other words, if there is anything that is derogatory within it, they would probably refuse it.

Certainly, it has to be a two-way situation, but it just makes it that we are... As the Hon. Member has said, the Third Reading, at least, gives us a level playing field, whereas, before, we were probably playing with one arm behind our back, which made it more that we were losing them, rather than gaining them.

So, I am, obviously, supportive, sir.

The President: Do you wish to add anything, Mr Waft?

Mr Waft: I would just like to say, Mr President, the reciprocity issue has been highlighted and it is, certainly, a part of the agreements to make this Bill work, Mr President.

The President: Yes Hon. Members, I put to Council that the Insurance Companies (Amalgamation) Bill be read for a third time. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Disability Discrimination Bill First Reading approved

4. Mr Waft to move:

That the Disability Discrimination Bill be now read a first time.

The President: We turn, then, to the Disability Discrimination Bill. Again, this Bill is for First Reading, and I call on the Hon. Member, Mr Waft.

Mr Waft: Thank you, Mr President.

This is a Bill I have long awaited, in my career within Tynwald! Certainly, for the last 15 years I have been pressing for this and to see it before us, is certainly a red letter day for myself.

The First Reading, Mr President: research carried out in the late 1990s found that there was significant evidence of discrimination against people with a disability in all walks of life. The Bill is based on the Disability Discrimination Act 1995 of England and Wales.

It differs in the following respects. It does not cover employment, which will be a part of a separate Bill, to be dealt with by the Department of Trade and Industry, which I am assured will be done in reasonable haste. It does not contain a specific requirement concerning transport and education in the primary Bill, which are contained in the 1995 Act, but gives an ability to make regulations with regard to these areas.

The legal redress, if someone feels aggrieved that they have been discriminated against, is through the High Court, which can be facilitated by the Attorney General.

Part I provides the definition of a disabled person, who is someone with a physical or mental impairment that has a substantial or long-term adverse affect on his or her ability to carry out day-to-day activities.

The main provisions of the Bill are contained in part II and apply to providers of goods, facilities and services and, also, the persons with power to dispose of premises. This part makes it unlawful for a service provider to discriminate against a disabled person by refusing or deliberately not providing any service it provides, or is prepared to provide, to the public, in the standard of service provided or the manner in which it is provided or in the terms in which it is provided. The service provider must make reasonable adjustments to enable the disabled person to make use of the service.

The Bill, also, makes it unlawful for landlords and other persons to discriminate against a disabled person in the disposal or management of premises.

Part III sets out circumstances in which a person is considered to be discriminating by way of victimisation. It also indicates how employers can be responsible for acts of discrimination of employees.

Part IV contains miscellaneous provisions including interpretation. It, also, permits the Department to prepare codes of practice and to provide guidance on any matters concerning the Bill which will be to inform the public providers and practitioners.

It is envisaged that different parts of the Bill will be phased in over a period of time, to enable service providers to have a chance to make adjustments.

Mr President, I beg to move the First Reading of the Disability Discrimination Bill.

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

Mrs Christian: Mr President, I am sure it has been

frustrating, in particular, for the mover to wait so long for this Bill to come before us. He is not the only one who has found it a frustrating process.

I think the DHSS were the lead Department for this, but, of course, it is not confined to their activities; it has involved a lot of discussion and consultation across Government Departments, and with the private sector, all of which has involved to-ing and fro-ing and changes of heart. In itself, it is excellent that it has got to this stage, but I think it has to be recognised that, taking forward, it is going to be a long time before much of the provision of the Bill is actually implemented.

There are some things which can happen straightaway; there are others which have to be dealt with in terms of reasonableness, which is appropriate. But I do think that there is a changing approach to disabled people. It probably has not happened fast enough, but I do think that society now is becoming much more aware, much more conscious, much more thinking about the difficulties which disabled people face, and I am pleased to see the Bill before us.

It is a pity in fact that we need to have a Bill at all, but the fact that we do and the fact that attitudes are changing are, I think, a hopeful sign.

The President: Mr Lowey.

Mr Lowey: Yes, I am sure Mr Waft, the mover of the Bill, if he is feeling any good vibes, I am sure they are from the late Matty Ward and Alec Moore who were the flag-bearers on discrimination for disabilities. They were at it for years and I think Matty was regular, like yourself, for putting Questions down.

Can I come to the point about the delivery? We know it has been coming for a long time, and one would have hoped that the industries have been doing it. I think, in fairness to Government, they have been attempting to do it, and if I may just give some positive indicators.

The buses: they are now able to get on; the buildings, the NSC is disability-friendly – in other words was designed to help; the Villa Marina is designed to help; these very buildings we are in now, and the new building, when we get to see it, will have been designed to be more friendly for disabled people. As I advance in age, I think it will be more and more useful for me, I would have thought, but the point being – (*Laughter*)

The President: Speak for yourself!

Mr Lowey: Quite! But on a serious note, though, it should be designed into it.

As Mrs Christian said, it is sad that we have to, in effect, legislate for it, but I think we agree, at the end of the day, there has to be a code, and this is codifying it. It has been a long time, it would be churlish to sort of carp back, and say it should have happened years ago.

It should have happened years ago, but we have been working at it, on a variety of fronts. I have only used those illustrations. I am sure there are other Departments of Government that have been doing exactly that, as they progress.

But I think it is to be welcomed. It is here now, and I think it should be pursued with vigour.

The President: Mr Singer.

Mr Singer: Can I just say briefly, I, like Mr Waft, have been waiting for this to come through, and it has been a long time coming. I am pleased it is here, and I look forward to my Department bringing forward the employment part of the discrimination, before too long.

A lot of the people who are going to be seeking advice against victimisation or discrimination are people who are not going to be able to afford to go to the High Court, and they are not going to have the ability to do this. I think we need to make sure that it is easy for people who feel they have been discriminated against for various reasons, to be able to seek advice and help, that they are not put off because it is just going to be too difficult for them. I think that is one thing that we need to do.

We, also, need to recognise that, particularly, say, on buildings, there are going to be many buildings and many other places which are just never going to be able to be accommodated within this Disability Discrimination Bill. I hope it is not a case in the future that these sorts of premises or places are not openly condemned by do-gooders saying, 'Well, they have not got it; we have got it.' I think this could easily happen.

You see lists of people who go to these premises, do not go these premises. You can see it now: 'these are suitable for people to get access to buildings', etc. I think it is important that these people are not discriminated against, because they cannot produce the particular circumstances to help people, because it is just not possible.

The President: Mrs Crowe.

Mrs Crowe: Thank you, Mr President.

Of course, we all welcome this Bill, and I think my hon. colleague, Mrs Christian, is quite right in saying it is very sad that we do need to have a Bill.

But I just want to comment on the enormous amount, I think, that we do do in the Isle of Man for our disabled community. We can always do better, I know, but I was heartened, today, to see a new young lady starting at the Post Office who needs to have a little bit of extra help.

We are very pleased that we have such schemes in place, as access to work, where we have people who are almost blind doing very good work. We have one as a consumer adviser, but all that equipment is offered. I think the majority of it – I am sure DTI Minister will confirm – the majority of all these aids and equipment are freely given by the Government, to help anyone who wishes to work and who is disabled to go back into the workplace.

We also have the disability officers who, I think, do help greatly all of those and are always commented upon – the amount of work that they do to help people. So, I would not like to feel that we do not have provision. I think that we do. Of course it can always be improved, but I think the vast majority of people who live on our Island who are disabled would not criticise us too much.

I do recognise that there are always going to be buildings that they cannot access because of the historical nature of some of these buildings, but we are doing our best I think. It is going to prove quite a task for us, as it has done in our own Chamber, to make this historic building freely available to all those who are disabled.

So, whilst I am pleased with the Bill, I do not want us to think that we are actually doing nothing on the Island, at the present time.

The President: The Lord Bishop.

The Lord Bishop: Thank you, Mr President.

Two previous Members have spoken about historic buildings. It is with my hat on as Chairman of the Council for the Care of Churches, across, that I want to relate something of the blind panic that set in, after the passing of similar legislation across, when it became apparent that certain buildings might very well be closed, because they were not accessible to the disabled.

For instance, in Carlisle Cathedral, while I was Dean, we had one particular room which was the only room we had in which we could assemble people. Because it was accessed up a steep flight of steps, and it was a mediaeval building over a vaulted chamber underneath, so we could not put a lift in, that room is now not usable as a public space, because it is not accessible for everybody. That means, now, that Carlisle Cathedral has no room large enough to assemble people in. Now, over the years, there could be immensely expensive ways of getting people up to that room.

What I would hope is that, as we progress this Bill, we do two things. We ensure that that blind panic does not happen at the parochial level, for instance in our churches and our chapels, which it did across. Parish churches started to do the most remarkably stupid things to their churches, in order, as they thought, to comply with the law, because some local officers went in, all guns blazing.

Some parishes thought that they would have to close; some chapels decided they would all have to go in by the back door and things like this. I think we need to go with our advice, very carefully, to those buildings which are in that particular category, which is the heritage category.

As, I think, probably, the largest 'owner' of heritage buildings, the churches and the chapels on the Island are going to be hardest hit – and it has to do with pathways, and getting to our buildings, as well.

If we are to consider for instance the centre of the universe, the parish of Arbory: (**A Member:** Hear, hear!) actually getting to the parish church in Arbory is quite a difficult task. I think it would be very important that disabled people were able to get under their own motive power into the parish church at Arbory, but it is going to be an expensive and a difficult task to make that happen.

I think we have to be understanding, in the regulations and the rules that we put in place, to allow that to happen and be tolerant of the time that it could take, and not say, straightaway, if you do not comply then you shut, because I think we get there in the end.

To create an atmosphere of fear, at this stage, is such a sad thing, when this Bill is, in fact, such a liberating thing. What we need to hang on to, I think, is the liberating quality that all the clauses of this Bill show, and, at the same time, have to be quite considerably understanding to those people who find themselves stuck with quite difficult buildings, when it comes to disabled access.

I am sorry that has been a long speech, but I bear the scars (*Laughter*) between my shoulder-blades of the legislation across, as far as our church buildings are concerned.

The President: Mr Downie.

Mr Downie: Thank you, Mr President.

Obviously, I am going to speak in support of the Bill. I think what we are doing is setting out on the right track.

We have dealt with the employment legislation now, and consolidated that in a new Act, which is now ready to go for Royal Assent. Allied to that and part of Government's overall policy is to try and find a way of encouraging more people with a disability to take advantages of employment and job opportunities, and actually make available to them a more meaningful way in which they can become full and active members of the community.

We are not going to achieve that overnight, and I think what the Disability Discrimination Bill does is it actually starts us out at the beginning of what will probably be a very long road. But, there again, it deals with a lot of the issues and it does provide, by statute, quite clear ground rules in some areas.

I am very pleased with the response that the Lord Bishop has had to the Bill and I would support his views wholeheartedly. There will be areas on the Isle of Man where it will still be virtually impossible for disabled people to have access: I would use the analogy of the top of Laxey Wheel, for instance. I could not ever see that being converted in such a way to allow disabled access.

Whereas there are many beautiful walks in the countryside, some of the glens would adapt themselves more readily to being available for disabled access, and I think there is already a body in place who are looking at that, and developing areas to open up the countryside for greater use by the disabled.

One of the things that was addressed in the other place by amendments, was the Advisory Council. I think that will be a useful body. It will take over, I understand, from the old Chronically Sick and Disabled Persons Committee and they, too, will be in a position where they can possibly hear first hand from people who have difficulties. At the end of the day, we have got to apply a little bit of common sense here.

I think the Bill is very good. It will provide what we need as an initial start and then, as things go on, and we can get more and more people who have a disability integrated into society, who knows where we will finish up? My own view is that we do not want to be too radical, we do not want to put people's backs up; we want to try and introduce this in the most meaningful and efficient and effective way we can.

The President: Mr Singer.

Mr Singer: Just briefly, as far as the exemptions are concerned, I wonder if Mr Waft could possibly enlarge on that, because there are exemptions here for small dwellings. What about things like small shops? Sometimes, it is impossible, with steps leading up to shops, to make disabled access, because it is going to go out onto the public highway, narrow pavements etc. I think there will be a lot of worry in those sort of businesses that they are going to be leaned on to try and make them do something that they just cannot do.

So, I think we need to make sure those sorts of businesses, the smaller businesses, or where... and there is a particular bank, actually, in Ramsey which has got about four or five steps to go up to it. I do not see how they are possibly going to do anything of great significance to help disabled people get in. I think, at the moment, one of the clerks comes out to the people who are waiting for them at the bottom of the stairs to help them.

So, perhaps Mr –

Mrs Christian: They could have a moveable ramp.

Mr Singer: The problem is you come out onto a narrow pavement, you have got people walking past, etc. Perhaps Mr Waft, if not today, could enlarge on it, at the next Reading.

The President: Mr Lowey.

Mr Lowey: Just to illustrate what I would call... I use the NSC as an example of a planned environment for disabled people. But even planning changes, nothing stays the same.

I can recall when we invited the disabled to come round and have a look: they were in the design of it, we invited them round and even for practical things, they needed the cords one foot lower. That is all and we got that as a result.

For example, we had the swimming pool floor, because we had the lift to bring disabled people over into the pool, we had a floor specifically designed so that it came to the surface. That got rid of the lift – until the people who were using it did not think it was a very good idea that they were stopping everybody else swimming, when the floor was being raised, and they much preferred the lift. So, we have managed to put the lift back in.

The final one on that one, Mr President, is a 'beaut', because they now want to go down the slide. As much as I would like, we cannot get a lift to get them up to the top of the slide. I have volunteered my back – they can get on my back and I can go down the slide with them. It is all about enhancing the quality of life of the disabled.

I find the disabled, at the end of the day, are just asking to be normal, like you and me. If we can do 90 per cent of that, fine. I think the Island is doing quite a lot. This Bill, I am sure, will just set the parameters, and I do hope common sense will prevail. By and large, it does. So, I am very positive about this.

The President: Mr Gelling.

Mr Gelling: Yes, thank you, Mr President.

Obviously, supporting the Bill, but I did notice on the front in the explanatory memorandum, it did say that the cost was unquantifiable. Of course it is, it is exactly that. Certainly, I would hope, also, it goes on to say 'to introduce it over a number of years': now that is double-edged, as well. We have waited a long time for it, but I would hate to think that then is progressed into the future for a number of years. Of course, there are limitations, and I think all that has been asked for is that a fair and reasonable access is available for people, where an access is not, at the present time.

There are the practical difficulties, in referring to the Hon. Member, Mr Lowey, at the NSC. I well remember going round with one of our Manx Foundation, the vice chairman. He demonstrated a ramp up to the door: the door opens out and as you are opening it out, you roll down the slope. So, you have got to have a flat area at the top.

I found a great deal of good came out of the co-operation of the Manx Foundation with the Government, where an officer actually now is in place who looks at all the plans of all new buildings. He can advise them, because it is an awful shame for people to actually introduce what they think is a ramp, but which is of no use to the person when they try to use it.

There are difficulties, and we pass, every day of the week – I know when we are going south, we do – the Newtown Chapel, taking up what the Lord Bishop has said. It comes

straight out onto the road. The only way they can do anything is put a side ramp in alongside the building, but they have to leave the door on the outside, because you cannot get a coffin in, to get round the corner!

So, it will end up with a porch with two doors. There are ways of doing it, I think as somebody said, we will get round to it and they will all be introduced in time.

But then Laxey Wheel was mentioned. I well remember going to some of the monuments in Washington and they have really gone about the task of the disabled, with so much scaffolding to enable the people to get... the monument has gone!

I, honestly, think in many ways, all that disabled people seek is fair and equitable, that they can get access to... They do not expect to be hitched up on a sky hook to see it from the top. Reasonableness, I think, is what runs through the whole of the Bill.

I would, certainly, like to think that people will be positive in their thinking, but not overzealous officers who will try to push it beyond the barriers and people then start to become rather negative. We want them to think positively.

So, I, certainly, would hope to see, as the continuation... you see dropped kerbs, now, Mr President. Anything that Transport do in realigning, dropped kerbs are the order of the day. You look around and, of course, every time you see a development now, dropped kerbs are in. I think that is what you have got to get instilled is: when an opportunity arises, put it in.

Thank you, Mr President.

The President: Lord Bishop.

The Lord Bishop: Thank you.

I was really pleased to see the slight changing in the emphasis of the wording, when it came to 'reasonableness'. One of the great problems with the UK Bill was the 'reasonable' clause, which nobody – because legislative drafters love putting things like that in Bills (**Mrs Crowe:** Exactly.) – told us what reasonable was.

On an anecdotal stage, the deans of England agreed that, when the first test case was brought against a cathedral, we would all share in counsel's expenses, because we all wanted to know what reasonable meant. We would all share in that.

If I can just draw your attention to page 3, clause 4(1)(b), our legislation says:

'in which the effect of that failure is to make it impossible or unreasonably difficult'.

I think that is much better wording than the UK wording

Mrs Crowe: We are good at legislation.

The Lord Bishop: – which will actually allow us to have much more workable regulations and much more workable watchdogs. Thank you.

The President: Mr Butt.

Mr Butt: Thank you, sir.

I would also like to support this Bill, obviously long overdue. I do have the impression that over the recent years

most new buildings have, in effect, taken this into account, in private and public sector.

I just have a question for the mover, in terms of the expense to private businesses and private people. Is there any provision for any grants or assistance to cope with the extra expense?

I know from when I helped, with a few others, to build the community centre at Laxey Football Club, we were a charity struggling for money. We did it ourselves, when we came to doing a chairlift, which was a thing we decided to do – that was a major expense. It cost us £6,000, and to an organisation with no money, that was a major expense. We found it, with some help.

But it could affect small businesses or even charities who have no funds, if they need to implement these devices, and they are very expensive. So, if there is any provision anywhere in any grants or assistance, I would like to know if that is possible, Mr President. Thank you.

Mr Lowey: There is an illustration in the hotels, and grants that they get from the Tourist Board. There is a grant for disabled improvements. We, also, give grants to local commissioners for disabled toilets and that sort of thing. So, they are in.

The President: Right. Mr Waft to reply.

Mr Waft: Thank you, Mr President.

A lot of these comments have been countermanded by other comments that have gone along a bit later on, but I will go briefly through that.

I would like to thank all the Members for their support. I do take on board the situation as it is at the moment, with regard to the buses and the National Sports Centre, and the disability access for new buildings is very much appreciated.

Mr Singer mentioned the Bill is a long time coming, and it certainly was. He made mention, also, of the employment part of discrimination, from the Department of Trade and Industry's point of view. I will be keeping an eye on the Department of Trade and Industry to make sure that they do bring this along, shortly on the heels of this Bill, Mr President.

He did, also, mention shops and narrow pavements etc, and how much it would cost the banks to provide disabled access. I do not really think that needs comment from me. (*Interjection*)

With the situation with banks and providing a ramp and the problems that are involved, I know Laxey had a problem with disabled access at one time. There are shops and pavements which have problems for changing.

Nevertheless, it is the amount of reasonableness applied to these laws relating to... This legislation does have the thread of reasonableness running through it. So, I think there would not be too much of a problem for anyone to comply.

Mrs Crowe thought that perhaps it could be thought we were doing nothing. Well, I think everyone does know exactly what we are doing on the Isle of Man. We have gone through, in great strides, to provide for the disabled.

I have been Chairman of the Chronically Sick and Disabled Committee for a number of years. Now, Mr Speaker is the Chairman, and he is making sure that everything that can be done is being done. There are certain areas that do

need attention, but nevertheless, we have come along in leaps and bounds.

The Lord Bishop gave anecdotal evidence with regard to the churches and, perhaps, viewed with concern Bills coming in and setting off panic. Well, this panic has been coming for the last 15 years, to my knowledge. We have got plenty of time to introduce disabled access. I know St Peter's Church, in Onchan, has a disabled toilet. It has disabled access, and when any alterations are done, then this legislation at least will bring it into mind that they have to do something.

It is to be introduced over a number of years, so, obviously, there is no panic there.

I thank Mr Butt with regard to his comments on new buildings. That has been in place for quite a while, and all new buildings are supposed to comply. He mentioned the expense of Laxey Football Club and the money that is needed.

Mr Lowey did make mention of the grants through the Department of Tourism, which have been in place for a number of years.

The local authorities, for access to their own buildings and access to local authority houses: they have quite a good response from the Department of Local Government for providing expenses to provide for ramps etc for those houses. Indeed, it not only goes for ramps, but also for the switches, the plugs and the doors, the width of the doors etc, and these can be provided.

The problem sometimes comes with the private sector, when a lot of accommodation needs to be changed, to provide for a disabled person there. However, that is a different story.

I think we should welcome this Bill wholeheartedly, and I thank the Members for their support.

Thank you, Mr President.

The President: Hon. Members the motion that I put to Council is that the Disability Discrimination Bill 2006 be read for a first time. Those in favour, please say aye; against no. The ayes have it. The ayes have it.

Merchant Shipping (Amendment) Bill First Reading approved

5. Mr Downie to move:

That the Merchant Shipping (Amendment) Bill be now read a first time.

The President: We turn, then, Hon. Members, to the Merchant Shipping (Amendment) Bill. Again, it is the First Reading this morning, Hon. Members, and it is in the hands of the Hon. Member, Mr Downie.

Mr Downie: Thank you, Mr President.

I am pleased to be able to bring the Merchant Shipping (Amendment) Bill, which is promoted by the Department of Trade and Industry, before Council today. The purpose of the Bill is to update and modernise current merchant shipping legislation.

It will enable the Department to make new regulations that will: firstly, modernise provisions for accommodation,

food, welfare and other related issues affecting seafarers on Isle of Man registered ships; secondly, create opportunities for new and valuable shipping business in the Island; and finally, to modernise the law governing those who would officially represent Isle of Man ships.

The reasons for the Bill are that the Isle of Man has an extremely high reputation throughout the world for the quality and efficiency of its shipping operations. That reputation reflects upon other businesses associated with the Isle of Man, to the benefit of the Island and its economy as a whole. Maintaining that reputation is critical.

In February of this year, the International Labour Organisation (ILO) at its headquarters in Geneva, finalised a major new convention. The ILO is the United Nations' specialised agency which promotes internationally recognised labour rights. It formulates international labour standards, in the form of conventions, and the recommendations setting minimum standards across the entire spectrum of work-related issues.

The new ILO Maritime Convention for Seafarers consolidates and replaces nearly all of the existing 65 ILO Conventions on seafarers' living and working conditions. It deals with work related issues to seafarers from detailed standards of accommodation to employment contracts and hours of work and rest. It is one of the most significant pieces of international maritime law making to be seen in recent years.

Mr President, the Department's Marine Administration has been involved in the new consolidated Convention, since its inception, five years ago. It recognised, early on, the importance of preparing for this new Convention, and this is one of the key reasons this Bill is before us today.

Current merchant shipping legislation does not effectively enable new regulations to be made giving effect to the new Convention. Existing provisions are dated and are not designed to give effect to this new type of consolidated Convention. The creation of adequate enabling powers to give effect to new ILO maritime labour conventions, therefore, is a key reason for bringing forward this Bill.

Mr President, the second reason is the opportunity to further develop shipping-related business on the Island, through the creation of a new part of the register for ships under construction.

The shipping industry continues to be a huge success for the Isle of Man. Part of the reason for that success is the fact that our laws have been innovative and practical. They have encouraged shipping companies to register their ships on the Island and to set up business here. The Island's shipping customers value the strength, reputation and security of the Isle of Man jurisdiction to protect their investments.

This is where the ability to register ships under construction is important. Current practice for financing ships, and especially large yachts, has brought requests for vessels to be registered in the Isle of Man whilst they are still under construction. However, there is no provision in existing law to enable the registration of ships under construction in the Isle of Man.

The registration of ships under construction has the potential to attract more shipping business to the Island and to retain its position as a modern, responsive, world-class register. The ability to register ships under construction will satisfy a customer need. It, also, facilitates and encourages the transition of vessels to the main part of the Register once they are completed.

The creation of a new part of the Ship Register for ships under construction and the ability to regulate for this operation is the second reason for bringing forward this Bill.

The third and final reason for the Bill is a weakness in the current legislation, as far as it concerns what are called 'representative persons'. These are officially appointed individuals and companies in the Island who represent Isle of Man registered ships and their owners.

Every ship has to have a nominated representative person. This person plays an important role in the relationship between the Island and the operation of the ship. The relationship also fulfils part of a key requirement of international law, for there to be a genuine link between the ship and her place of registering.

At present, any person can set themselves up as a representative person. Current legislation does not effectively regulate and prescribe the duties and standards which need to be met. This is crucial, as representative persons increasingly play a visible and important role representing the Island in one of its major economic activities.

The Bill will permit the Department to address that weakness by providing that representative persons must be authorised by the Department. It will also enable regulations to be made setting out duties and minimum standards. This will protect the existing representative persons from irresponsible operators and maintain the strong and vibrant shipping industry that exists today.

Mr President, I should also like to take the opportunity to explain the amendments made to clause 3 in the Keys. This was to correct a drafting error.

Section 60C(5)(a) of clause 3 provides that if the Department has revoked or suspended a person's authorisation to be a representative person, it shall take effect once the time period prescribed under section 60E has expired. The error was that section 60E did not prescribe the time period, and the Keys amendment corrects this.

The amendment provides the time period that will be prescribed under section 8 of the Tribunals Act.

Mr President, each of these three reasons has been the subject of extensive discussion and consultation with the shipping industry for some time. At the end of last year, when the Bill was taking shape, a further round of formal consultation was undertaken to canvas the views of shipping interests and other Departments of Government.

These responses received to the consultation exercise were all very positive. Trade unions and industry alike supported the measures to enable effect to be given to the ILO Maritime Conventions. They noted the importance of implementing the latest international standards and asked to be fully involved in the process of making regulations.

Local shipping businesses and service providers, also, warmly welcomed the new measures on representative persons and the creation of a new register for ships under construction. Their only comment was that these measures should be introduced as quickly as possible.

To conclude, the Bill will modernise merchant shipping law by enabling the Department to address three key areas. It will enable effect to be given to a key new ILO Maritime Labour Convention; provide for the creation of a new part of the Register for ships under construction; and, finally, enable the Department to authorise and effectively regulate representative persons.

Mr President, I beg to move that the Merchant Shipping

(Amendment) Bill be read a first time.

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

The President: Mrs Christian.

Mrs Christian: Thank you, Mr President.

Whilst, certainly, supportive of the move to update the regulations in relation to the ILO and so on, I wonder, when we come to the clauses, perhaps I could just ask the mover, if he could, when we come to that stage, give a bit more detail on the register for ships under construction.

I can quite understand, if you can get them on an early register, they are likely to stay on our full Register, but what I cannot quite understand is what benefits it confers to have a register of ships under construction.

Clearly, when we have ships on the full Register, we have officers who go and inspect them, and make sure that they comply with our requirements and so on. What will be the process in relation to ships under construction? What influence do our inspectors have, in relation to monitoring ships under construction? What are the liabilities we might fall into, by looking at ships under construction?

The briefing note does say that there are other registers of this kind: 'few registers offering this service which is increasingly in demand'. What I am asking for the mover to do is explain why. It is not clear to me, why there is a demand to have your ship registered whilst under construction.

I do not think he has explained in any great detail what the advantages are to the ship owners.

But I do take the point that, once you have got them tied to the Isle of Man, they are likely to stay there, and that, in itself, may be a benefit.

The President: Mr Waft.

Mrs Christian: Mr President, I am sorry, I have got just one other point.

In relation to the representative persons, will there be any grandfather rights for those people who are currently functioning in that way? Or will everyone start from scratch and have to register to continue with that role?

I think he did say that there would have to, presumably, be some sort of appeal, if you have been doing it, and are then not permitted to do so in the future.

The President: Now, Mr Waft.

Mr Waft: I did feel we have to comply with the ILO Maritime Convention, and we should be not behind the game, when it comes to complying with international conventions, especially with regard to our situation on the Island, and I hope for the future of shipping registers, etc.

With regard to the comment of ships under construction, I just wonder what the role we would undertake, with regard to ships under construction. I know ships under construction sometimes fall foul of many things.

I remember one liner being built, and when the crew went to go aboard, there were no crew quarters, so they had to go back for the builders again. But things like that do happen.

I just wondered where our responsibility lies, when we do register ships under construction.

The President: Mr Lowey.

Mr Lowey: Thank you, Mr President.

I am almost tempted... was it Masefield, the poet, that wanted to go down to the sea again?

The President: *Sea Fever*.

Mr Lowey: *Sea Fever*, you are right. I was not too many miles away.

However, merchant shipping: I obviously support the Bill. I remember when we started the legislation – Mr President will know – we took 15 legislative Bills through in 15 months: an amazing feat of parliamentary stuff, with Roy MacDonald and Edgar Mann and myself doing the bulk of the work at that particular time. I only speak because this really shows the difference in when we came into this parliament and the work that we are doing now. It was very much insular business; this is worldwide business.

I can remember the ILO being used as an ogre. If you mentioned it, you had to have a mask on, almost, because they had been carrying bird flu, AIDS and everything else about it. But this is what I would call an illustration of where the Isle of Man has gone out into the worldwide organisations, taking, as the Minister has said, a proactive part in this Convention, and has now got what we require, our input at the important stages. It has been going for five years now.

Having said all of that, the Island operates in this particular industry worldwide, and if we wish to compete in that world, we have got to be in at the start, making the rules, or attempting to influence the rules that we would operate in. Here is a classic of what the Department has done right, and I think it is worthy of support.

It has been a money earner for us, and it just goes to show that we have nothing to fear from the international organisations, if we are doing things right.

I have to say, the standards that we are setting are high standards. It is, again, indicative of what the Isle of Man has said we are about, which is quality. It does not matter whether it is shipping, or insurance, or banking. If we have got the highest standards, we have got nothing to fear from the international world. It just goes to show how the Isle of Man has transformed itself, in a relatively short period of time, from doing business insularly to one, outward looking – doing it in a worldwide forum. I think this Bill illustrates that to perfection.

I will be supporting it.

The President: Lord Bishop.

The Lord Bishop: Simply to say that, I think, anything that we can do to ensure the welfare of those who actually crew these vessels, we should be doing. I think one of the most difficult parts of employment to police is that which sails out from our shores, and then we do not see it, until it comes back again. I think anything whereby we sign up to international convention on this is to be welcomed, because, I think quite a lot of abuse, as far as employment law is concerned, can happen at sea.

I think this is to be welcomed.

The President: Mr Gelling.

Mr Gelling: Just very quickly, Mr President.

I am quite sure that the mover put us absolutely in the

picture, but, certainly, my understanding was to catch the ship when it is being built had great advantage for both sides. They understood completely what we were requiring of them, for safety and standards and so on, which was actually of great help to them, because then they pretty well knew that, when the ship came for inspection, it was up to the standard that was required.

I think that, again, comes down to: if you are in the modern world, in the modern shipping and registering, you have got to have the situation in a modern way, which can be done with as little bureaucracy as possible, to facilitate the Register growing. I think this is all part of the service provided by the Isle of Man.

It did not just set up as a Register and wait for things to happen. They actually became very professional, very quickly, and, obviously, the people out there realised that – that we were a *bona fide* international Register, and not a tuppenny-ha'penny little register on an island in the Irish Sea. I think that is how they gauge you.

The shipping industry is the same as anything else, it moves very quickly, but also, the news moves very quickly around that the Island has got a reputation and one that we must keep always just ahead of the field. We are back where we were talking earlier on another Bill, Mr President. You just cannot stand still and you must be always looking to see if someone else is creeping up behind you, trying to get another edge.

The President: Mrs Crowe.

Mrs Crowe: Thank you. Yes, of course, I am supportive of the Bill.

Just one little query and it is my ignorance, I am afraid, that draws my attention to this: the duties of the representative person. I presume the representative person could be a company?

I do not know if that is the case, but I am minded to think of the cruise industry now, where, of course, each of the new cruise ships has a grandmother. I think that grandmother is more a kind of figure that is just there as a sponsor of the ship, but the representative persons, I would have thought... it is all the way through the Bill: it does not mention any companies, but it does just say, 'representative person'. That was my only query.

The President: Mr Singer.

Mr Singer: Can I just say, as a general point, the Isle of Man is known now for quality throughout the world. I think we are top of one list... or second in the Paris List and top of another list. If we are going to keep up these standards, then we have to keep ahead of the rest of the world.

There are several ships and several super yachts already, we know, from major companies, major international companies, wanting to put their ships onto our Register. They want these quality standards. These are the people who will look after their crews, but we have to make sure that everyone knows the standards that we expect of them not only know what they expect of us.

For example, I think we have now got rid of all – the Minister will confirm – the older, single hull tankers. We will not have any of those on our Register any more. We are quality. We are tightening up the standards for the crew. We are tightening up the standards for the people who are

actually going to represent those ships. Therefore, that can only help when we go out into the world, and I know the Minister and the people from the Marine Administration attend these various exhibitions throughout the world.

People come to us; people look to us for advice now, because we are there and we are recognised as being at the top. That is where we have to stay, and by introducing this sort of legislation, that is exactly what we do.

The President: Mrs Crowe.

Mrs Crowe: Just one little reminder, Mr President.

It is in no way, really, connected with this Bill. Just a reminder to the DTI Minister and his excellent Marine Administration Group that the pub at the entrance to the Elbe plays the national anthem of every ship as it passes by. Just to ensure that they have a copy of our Manx National Anthem.

Mr Singer: Where is that?

Mrs Crowe: In Hamburg. The entrance into Hamburg. There must be so many Manx registered ships now going.

The President: Hon. Members, in a previous Bill, we dealt with unquantifiable expenses. In relation to the point which has just been made and in relation to advice given – when you give advice you accept liability. For the purposes of *Hansard* and for the purposes of our record, it says on the front of this Bill:

‘The Bill is expected to be financed out of the existing budget of the Department.’

Are we satisfied, in fact, and can the mover tell us that there is no additional liability, particularly, for example, in relation to (7)(e) ‘repatriation of seafarers and compensation in the case of loss of ship or foundering’?

Mr Downie, to reply, sir.

Mr Downie: If we can deal with yours first, Mr President, it would perhaps be the easiest way to sort it out.

When these Conventions actually come in, there will be a framework of regulations, but normally any liability falls on the owner of the vessel or the company who manage the vessel. In fact, even if you want to broaden it out and look at some of the existing Conventions that are in place, which cover things like marine pollution, the same set of rules apply.

A lot of the ship owners have actually got together and established funds. There are millions and millions of dollars available, through the working together of the shipping companies and the various what they call ‘PNI clubs’ to deal with issues. They will be well and truly covered when the Convention actually comes into force, so there is no liability falls onto the Registry or the Department, as far as I understand.

Dealing with the questions that have been raised, starting with Mrs Christian. Why do we need to have vessels registered either before or when they first start to go under the construction process? Well, there have been a lot of changes in the industry recently and one of the areas that we are trying to expand, within Isle of Man shipping, is the construction, management and development of the super yacht and mega yacht industry. This is slightly different from

conventional shipping.

One of the areas that the Isle of Man has become very good at recently is putting together the corporate package: that is, providing the mortgage; the assets; the insurance, because we now have special insurers on the Isle of Man – companies like Miller’s on Mount Havelock, who are specialist marine insurers.

I am hoping, with the progression of the new companies legislation, we will have the corporate vehicle as well, so we will be able to form a Manx company, raise the money for the entity in the Isle of Man – a bit like buying a house – insuring it and if you can register it, at the same time – you then have to understand that part of the shipping industry – the Registry holds the mortgages as well. By doing things in this way, we will be able to provide a one-stop shop type of operation and really tailor-make that for different people in the industry, who are very keen to develop on those lines.

There are some vessels which are also leased and someone else puts up the finance for those, but, again, there would not be a problem having those registered and the whole entity tied up legally, before the vessel actually gets on and starts to be constructed.

Most ships operating around the world internationally, and a lot of the larger yachts are built to what is called ‘class’. There are rules regarding their construction laid down and from time to time, when they are under construction, various surveyors from Lloyds, Bureau Veritas and so on, attend the yards and make sure that those vessels comply with all of the legislation.

We also have regular visits by our surveyors to make sure that all of the Isle of Man compliance is adhered to. In fact, they work in conjunction a lot of times, with the various classification societies to make sure that these stringent rules are complied with. I hope I have dealt with that particular area.

As far as representative persons go, the closest analogy I could provide would be the relationship of the finance sector with the corporate service providers. We are actually in the same, or a similar type of position where, for several years, we have had people who manage ships, people who provide for the facilities on the shore.

There has been a relationship and trust built up between the Department and these various people, but because of the expansion that has taken place in the industry itself, we want to put these people on a much more formal basis, for their protection, for our protection. We are doing no different than what has happened with the corporate service providers, where they must be registered. There will be criteria.

I feel sure that, having the knowledge of the local industry that I do, I do not foresee any problems for existing providers, representative persons. We have actually got a very good team of people on the Isle of Man, but, again, in this modern age, we have to be in a position where we are the final arbiter, but it is subject to an appeal. That is the provision we want to put in by law. We have nothing, at the present time, so we are in new, uncharted waters, but with all the provisions of having a proper appeal system, should a person feel that they do want to provide that opportunity.

The Hon. Member of Council, Mr Waft, did say that there was a requirement to comply with the ILO Maritime Convention. This is something brand new. I have no fears about this from the Isle of Man’s point of view. I think a lot of our competitors and some of those who would be more akin to being described as ‘flags of convenience’ will have

a difficulty with this, but we are actually looking at the adoption of the ILO Convention as showing the Isle of Man in a very good light. For the past few years, our surveyors have actually been carrying out survey work in the crew accommodation: making sure that people have good living accommodation, that they are being fed properly and, as far as we are concerned, their rights and entitlement have been adhered to. This is why we have been able to attract the quality ships and owners to the Isle of Man Register.

He also asked about ships under construction and where the responsibility lies. It is a partnering arrangement, but largely, the responsibility still lies with the owner. Although they have the ship registered in the Isle of Man, we only provide the legislation and provide the opportunity for that vessel to be flagged here, if you can understand that.

Mr Lowey said that the Register had come a long way. I must agree with him, we have a top-class Register in the Isle of Man – although the Register does not make any money. It probably costs us about £200,000 per year to operate the Register, but it now provides income for over 750 people working in the Isle of Man. There is a significant benefit to the economy, and that is the very reason the Register was set up in the first place.

The Lord Bishop wanted to ensure that there was a good welfare system available for the crews. I would support him and, in fact, the adoption of the Convention will bring that in. It will bring it in universally, because every country operating ships will have to sign up to this. As I said, some people will have a difficulty, but that is to the Isle of Man's advantage, because I think we are 95 per cent there now.

As far as policing it is concerned, it is no different from dealing with other types of problems on ships. If a ship came into the Isle of Man, registered in Panama or Liberia, tomorrow, and we carried out what we call a Port State Inspection and we found a number of deficiencies in that vessel which dealt with Health and Safety issues, provision of fire equipment and so on, we could effectively detain that vessel and make sure it did not leave our waters, until all these things were put right.

I understand this is going to be the same criteria for dealing with the welfare issues where Port State Control will board vessels, will inspect them and if people have not been looked after properly and the ILO Convention has not been honoured, they will detain them. Only recently, we were talking about issues relating to the grades of carpet, mattresses and so on, so there is a lot of work to be done yet with the detail and the regulation.

My hon. colleague, Mr Gelling, is supportive of the Bill. We need to provide this one-stop shop if we can. It will give us an advantage.

Mrs Crowe queried the duties of the representative person. I take it that she accepts now that it is a very similar situation as the corporate service providers.

As far as providing the Manx National Anthem in Hamburg, I do not know when she was recently in Hamburg, but it might happen when there are some very prestigious passenger vessels arriving, but as we probably have, I would think, nearly 100 German-owned ships registered in the Isle of Man –

Mr Singer: It would never stop!

Mr Downie: – you do not tell me that they hear the Manx National Anthem being played, particularly at half past three,

four o'clock on a wet morning in Hamburg! *(Laughter)*

Mrs Crowe: Well, they should. There is a particular pub.

Mr Downie: It is something I will take up when I speak to somebody from Mr Döhle's or from the Schuller Group. **(Mrs Crowe: Yes!)**

Mr Singer said that the Isle of Man has been recognised worldwide now as a quality flag. That is quite right. We are number two on the Paris Memorandum White List which is a marvellous achievement, and one which is down to the ethics of the Marine Administration. They are a very good group of people that we employ down there. I think they are quite keen to see us progress and to be able to provide this additional service.

He did mention single-hull vessels. That is a standard that has come in right across the industry, as far as the shipment of heavy oils and high-risk cargos and tankers are concerned. We do not have any of these single-hull vessels any more. They will be a thing of the past.

By and large, I would like to thank Members for their support thus far, and beg to move the First Reading of the Merchant Shipping (Amendment) Bill.

The President: Hon. Members, the motion is that the Merchant Shipping (Amendment) Bill 2006 be read for a first time. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Merchant Shipping (Amendment) Bill Standing Order 22(2) suspended to take Second Reading

The President: Mr Downie.

Mr Downie: Mr President, I am entirely in the hands of Hon. Members, if they want to take the Second Reading, bearing in mind there are only three clauses in the Bill. I would seek your guidance in the movement of –

The President: You are moving the suspension of Standing Orders, that we take the Second Reading, sir? Not the clause stage?

Mr Downie: No. We will do that next time.

The President: Straight on to clauses next time.

Members: Agreed.

Merchant Shipping (Amendment) Bill Second Reading approved

The President: In that case, Hon. Member, you have the permission of Council. We will take the Second Reading, but we will not go on to the clause stage.

Mr Downie: Thank you, Mr President.

In moving the Second Reading of the Merchant Shipping (Amendment) Bill and, obviously, giving Members plenty of opportunity between now and the next sitting, if they do want to come forward with an amendment, I think it would be helpful just to explain, in a little more detail, some of the provisions that we are looking to introduce.

Clause 1 creates an enabling power to permit the Department to make regulations to give effect to the ILO Maritime Labour Conventions, with a particular view of giving effect to the new consolidated Maritime Convention which I mentioned in the First Reading of the Bill.

Currently, the law providing for seafaring standards is divided between various sets of regulations and isolated clauses, read over several Acts. This reflects the piecemeal way in which the ILO Maritime Conventions have been created over a period of more than 80 years.

The new Maritime Labour Convention modernises all existing conventions and consolidates them into a single super convention. It is one of the most significant pieces of international maritime law-making to be seen in recent years. The new Convention still contains the detailed technical specifications for crew living quarters, food and other issues, but it also now contains two critical new elements. The first is a requirement for survey and inspection, plus the issue of a certificate that can be inspected and questioned in any port. The second includes an amendment procedure.

Previously, International Labour Organisation Conventions virtually lived forever, as they generally had no simple repeal mechanism and no amendment procedure. This has been fixed in the new convention and it is clear to the Department, from its involvement in Geneva, that the amendment procedure will be used regularly in the future.

The Convention is likely to come into force in about two years. To allow the Department to give proper effect to the Convention in such a way that regular amendments can be accommodated, it is necessary to implement the various provisions by regulation.

Clause 1, therefore, is a straightforward enabling power that provides for any regulations made under it to be subject to both consultation and, ultimately, Tynwald approval.

Clause 2 provides for the creation of a new part of the Ship Register for ships under construction. It enables the Department, by regulation, to establish a new part of the Register and set out its rules of operation. It reflects exactly the format of existing enabling powers that permitted the Department to make regulations for the creation of the other parts of the Ship Register: for example, the demised charter register and the fishing vessel register.

In this case, the power would enable the Department to create a new part of the Register for the purposes of registering ships while they are still under construction. It will permit the Department, as it has for other parts of the Register, to make regulations prescribing conditions of registry and conditions governing the continued registration of the ships.

Previous changes of this type, Mr President, which created new parts of the Register have been immensely successful. They established the Isle of Man as a forward-thinking jurisdiction and acted as a catalyst for much

shipping business in the Island. As with clause 1, this clause also requires any regulations made under it to be subject to Tynwald approval.

Clause 3 is the final one of substance. The current law, which permits the Department to make regulations for representative persons, is insufficient to allow modern and practical control over those persons who seek to represent Isle of Man ships. Representative persons are officially appointed individuals and companies in the Island who represent Isle of Man registered ships and their owners.

Every ship has to have a nominated representative person and this person plays an important role in the relationship between the Island and the ship. The relationship also fulfils part of a key requirement of international law for there to be a genuine link between the ship and her place of registry. Representative persons increasingly play a visible and important role, representing the Island in one of its major economic activities.

The Bill provides for the authorisation of representative persons and for the Department to make regulations, subject to consultation and to Tynwald approval, to subscribe the functions and duties of the representative persons. These regulations, made under this power, could affect people and their rights. There is a provision for review of decisions made by the Department to be referred to an independent tribunal.

As I advised at First Reading, consultation on the content of this Bill produced no adverse comment. Trade Unions and industry alike supported the measures to enable effect to be given to the ILO Maritime Conventions. They noted the importance of implementing the latest international standards and asked to be fully involved in the process of making regulations.

Other Departments of Government were consulted and made no request for any change.

To recap, Mr President, the purpose of the Bill is to allow the Department to create regulations intended to meet our international obligations and at the same time, to create a business opportunity in the registration of ships under construction, while properly regulating a critical part of the Island's shipping sector. I hope that Hon. Members will support it.

Mr President, I beg to move that the Merchant Shipping (Amendment) Bill be read a second time.

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

The President: Hon. Members, the motion that I put to Council is that the Merchant Shipping (Amendment) Bill 2006 be read for a second time. Those in favour, Hon. Members, please say aye; against, no. The ayes have it. The ayes have it.

Hon. Members, that draws to a conclusion the business before Council for this morning. Our adjournment is until Tuesday next, the 11th, at 10.30 am. Thank you, Hon. Members.

The Council adjourned at 12.27 p.m.