



**HOUSE OF KEYS
OFFICIAL REPORT**

**RECORTYS OIKOIL
Y CHIARE AS FEED**

**PROCEEDINGS
DAALTYN
(HANSARD)**

Douglas, Tuesday, 6th November 2007

Present:

The Speaker (Hon. S C Rodan) (Garff);
 The Chief Minister (The Hon. J A Brown) (Castletown);
 Hon. D M Anderson (Glenfaba); Hon. A V Craine and Hon. A R Bell (Ramsey); Hon. W E Teare (Ayre);
 Mr J D Q Cannan (Michael); Mr T Crookall (Peel); Mr P Karran, Hon. A J Earnshaw and Mr D J Quirk (Onchan);
 Hon. G M Quayle (Middle); Mr R W Henderson and Mr J R Houghton (Douglas North);
 Hon. D C Cretney and Mr W M Malarkey (Douglas South); Mr R P Braidwood and Mrs B J Cannell (Douglas East);
 Mr C G Corkish MBE and Hon. J P Shimmin (Douglas West); Mr G D Cregeen (Malew and Santon);
 Mr J P Watterson and Hon. P A Gawne (Rushen);
 with Mr M Cornwell-Kelly, Secretary of the House

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The House adjourned at 12.55 p.m.

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House of Keys

The House met at 10.00 a.m.

[MR SPEAKER *in the Chair*]

PRAYERS

The Chaplain of the House of Keys

Tribute to the late Richard Leventhorpe, former MHK

The Speaker: Many Hon. Members will now be aware of the death of our former colleague, Richard Leventhorpe, who died while on holiday in France last week. I understand that there will be a memorial service for him at Onchan Parish Church on 16th November. The details will be circulated to Members.

Richard Leventhorpe was born in England in 1927 and came to the Isle of Man in 1982. From a military family, he was educated at Eton College. On leaving school in 1946, he was commissioned into the Coldstream Guards and served in what was then Palestine between 1947 and 1948, where he was wounded and also mentioned in despatches. On discharge from the Army, he went to Cambridge University to read a degree in agriculture and then farmed successfully for many years in Devon.

Richard was active in British politics in the Conservative cause, being a local Councillor in Okehampton and was involved in many political activities associated with that.

In 1982, as I have said, Richard Leventhorpe moved to the Isle of Man and was one of the many who have sought to establish party politics here, being a co-founder of the Manx Democratic Party in 1985. He stood, unsuccessfully, at a by-election in Middle in that year and lost narrowly, but was elected for one of the Onchan seats at the General Election of 1986.

Richard served in this House until the next General Election in 1991, though he was not then returned. He stood again, unsuccessfully, for Middle in 1996. During his time in the Keys, Richard held the chair of the Civil Service Commission and was a member of several Departments and Boards and a number of Committees of Tynwald.

Politically, I think that Richard Leventhorpe will be best remembered in and out of Tynwald for his campaigns in terms of the Steam Packet Agreements, pensioners' rights and the licence granted to British Telecom in 1986. In the course of the latter, he made comments on Manx Radio which led to him being summoned to the Bar of Tynwald to explain himself and very nearly – so the record shows – being imprisoned for contempt of the Court.

Richard and his wife, Penny, by whom he is survived, had four children, all with successful careers. The military tradition in which he grew up gave Richard Leventhorpe a disposition to address controversial questions robustly and he was, in some ways, a controversial figure, but one whose heart was for justice and fairness and the good of the Isle of Man.

Hon. Members, please join me while we stand for a short while in memory of a distinguished colleague, Richard Christopher Leventhorpe.

Members stood in silence.

The Speaker: Thank you, Hon. Members.

LEAVE OF ABSENCE GRANTED

The Speaker: Hon. Members, I have given leave of absence for today's sitting to the Hon. Member for Rushen, Mr Gill.

Welcome to Chief Minister of Norfolk Island

The Speaker: It is also my pleasure to welcome to this sitting of the House of Keys, Mr André Nobbs, who is the Chief Minister of Norfolk Island in the Pacific Ocean. You are sincerely welcome to the Isle of Man. We extend the warmest of welcomes and hope your stay will continue to be a pleasant one amongst us. (**Several Members:** Hear, hear.)

Would you please, sir, take fraternal greetings from the House of Keys, the elected chamber of this, the world's oldest continuous parliament, back to your legislative assembly in Norfolk Island.

Procedural

The Speaker: Hon. Members, we now turn to the Order Paper and Questions for Oral Answer. It might be helpful, Hon. Members, if I remind Members of a particular Standing Order, S.O. 3.7. I quote:

'Any Member may ask a supplementary Question for the purpose of further elucidating any matters of fact arising out of an answer given under Standing Order 3.6(2) but must not otherwise introduce matter not included in the original Question.'

Hon. Members, I take this also to imply that those answering questions must be careful not to introduce matter not relevant to the original Question (**Several Members:** Hear, hear.) so as not to provoke such supplementary questions.

I simply make that point for your guidance, Hon. Members.

Questions for Oral Answer

CHIEF MINISTER

Land ownership Non-residents and companies

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

(1) *What is the total amount of land owned by non-Isle of Man residents; and*

Tribute to the late Richard Leventhorpe, former MHK

Leave of absence granted : Welcome to Chief Minister of Norfolk Island : Procedural
Land ownership – Non-residents and companies

(2) *what is the total amount of land owned by companies?*

The Speaker: Question 1 and I turn to the Hon. Member for Onchan, Mr Karran.

Mr Karran: Vainstyr Loayreyder, I ask the Question standing in my name.

The Speaker: I call on the Chief Minister, the Hon. Member for Castletown, Mr Brown.

The Chief Minister (Mr Brown): Thank you, Mr Speaker.

It is only partially possible to answer this Question, due to the limitations on information recorded and search facilities within the Registry of Deeds. The information can be extracted from the Land Registry and has been based on registered titles, where the service address is recorded as being within the United Kingdom. It has been assumed, for the purposes of the Answer, that in such cases the registered owner is a non-resident.

There may, however, be cases where registered owners are non-resident but have service addresses in the Island. Presently there are some 4,000 titles registered in the Land Registry. Subject to the above limitations, the Land Registry shows: 74 titles registered with the registered owners shown as having a service address in the United Kingdom; and 358 titles registered in the name of a limited company or PLC.

Thank you, Mr Speaker.

The Speaker: Hon. Member for Onchan.

Mr Karran: Thank you, Vainstyr Loayreyder.

Planning appeals Number and costs 2004-07

1.2. The Hon. Member for Michael (Mr Cannan) to ask the Chief Minister:

During the following financial years 2004-05; 2005-06 and 2006-07 –

(1) How many planning applications went to appeal for oral hearing;

(2) what was the total cost – all fees, remuneration, travelling etc – of providing the planning appeals inspectors to attend oral hearings?

The Speaker: Question 2 and I turn to the Hon. Member for Michael, Mr Cannan.

Mr Cannan: Thank you, Mr Speaker. I ask the Question standing in my name.

The Speaker: Again, I call the Chief Minister.

The Chief Minister (Mr Brown): Thank you, Mr Speaker.

To be helpful, and to provide the Hon. House with the full information, I have included in my Answer not only the number of planning appeals dealt with at oral hearings but also those dealt with by written evidence and the total number of appeals requested.

I have also included the total number of planning applications received and the number approved in the years requested.

Therefore, Mr Speaker, in answer to part (1) of the Question, the information is as follows:

For the year 2004-05, 194 appeals were dealt with at oral hearings, with 50 appeals dealt with on written evidence, making a total of 244 planning appeals requested. A total of 2,676 planning applications were received, of which 2,040 were approved.

For the year 2005-06, 216 appeals were dealt with at oral hearings, with 38 appeals being dealt with on written evidence, making a total of 254 planning appeals requested. A total of 2,446 planning applications were received, of which 2,059 were approved.

For the year 2006-07, 276 appeals were dealt with at oral hearings, with 72 appeals dealt with on written evidence, making a total of 348 planning appeals requested. A total of 2,312 planning applications were received, of which 1,938 were approved.

All planning appeals and planning applications were received in the financial years.

In answer to part (2), the total cost of all fees, remuneration, travelling etc, providing the planning appeals inspectors to attend the Island to deal with planning appeals, is as follows:

For the year 2004-05, fees for oral hearings totalled £79,820.50. Fees in relation to written representations totalled £8,750. Travel and subsistence totalled £15,560.25, and miscellaneous costs, such as postage, copying, venues etc was £5,597.22, making a total for the year of 2004-05 of £109,727.97.

For the year 2005-06, fees for oral hearings totalled £81,633.17. Fees for written representations totalled £6,878. Travel and subsistence totalled £16,580.48, and miscellaneous costs, postage, copying, venues etc, was £2,199.69. That made a total for the year of 2005-06 of £107,291.34.

For the year 2006-07, fees for oral hearings totalled £95,531.20. Fees for written representations totalled £13,464. Travel and subsistence totalled £22,016.32. Miscellaneous costs, such as postage, copying, venues etc, totalled £1,542.48. Therefore, the total for the year of 2006-07, Mr Speaker, totalled £132,554.

Thank you, Mr Speaker.

The Speaker: Hon. Member for Michael.

Mr Cannan: I thank the Chief Minister for his comprehensive Answer, in the amounts of expenditure and planning appeals.

The question I have to ask him: does he consider that it is the proper expenditure of public money when many of the planning appeals are of what could be considered a trivial nature – such as a hole in the hedge and a gate, not opposed by the Department of Transport, the local authority or anybody else – going to appeal? I can give many more examples.

Does he not think that these appeals for such minor matters can be sorted out without engaging the services of very expensive planning inspectors from the United Kingdom?

The Speaker: Chief Minister to reply.

The Chief Minister: Thank you, Mr Speaker.

Well, of course, as the Hon. Member is aware, regardless of whether or not we might think something is trivial, a person who asks for an appeal might not think it is trivial, and we have law – which we passed – which provides a system to enable people to take any matter in relation to planning – if they are classed as an interested party – to appeal.

Some of those ‘trivial’ matters may well be dealt with by written evidence and, therefore, the process is a lot simpler, but again what is trivial and what is not is really in the hands of those who may object to an application, sir.

The Speaker: Hon. Member for Douglas South, Mr Malarkey.

Mr Malarkey: Could you ask the Chief Minister to circulate the Answer today because my shorthand was not quite that quick.

Also I would ask the Chief Minister: is he satisfied that the present system that we have for the appeals is working?

The Speaker: Chief Minister.

The Chief Minister: Yes, Mr Speaker, I am happy to circulate the Answer I have given today during this session.

Can I also advise, as far as whether or not the system is alright, Tynwald Court at the last sitting agreed to set up a select committee to look into the planning processes and, sir, I believe it is appropriate for them to consider that – although I have my own views in relation to where the planning appeal system... But, again, like anything, it depends which side of the fence you sit on. When you are opposing something, often you find people are happy with the system, if it gives them the answer they want: whereas, on the other side of it, if they don't get the result they want, the system does not work!

The Speaker: Hon. Member for Onchan, Mr Quirk.

Mr Quirk: Thank you, Mr Speaker.

I wonder if the Chief Minister could provide to this Hon. House the number of inspectors this relates to, just to see the correlation of how much each inspector received on those particular years.

The Speaker: Chief Minister.

The Chief Minister: As far as I know, Mr Speaker, there are only about six or eight inspectors, but I will get that information and circulate it to Hon. Members: but, again, different inspectors will have different workloads, so it is not just a matter of averaging out whatever the total is, divided by x number of inspectors, because they will all take different workloads, sir.

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

Mrs Cannell: Thank you, Mr Speaker.

Does the Chief Minister have any knowledge on whether or not these costs are escalating, as a consequence of changing the planning system – whereas, prior, we had a review stage which often ironed out a lot of the dissatisfaction prior to a case going to appeal? Has he actually looked at that

– or has the Department advised him – on whether or not a trend is now developing, in terms of escalating costs because everything is being dealt with at appeal stage, because there is no review stage?

The Speaker: Chief Minister.

The Chief Minister: Yes, Mr Speaker, I think we should first recognise that we have a very democratic – in a way – planning system which allows anybody who is classified as an interested party to take any planning application all the way to appeal and, of course, that is quite easy for someone to do.

I think the figures are better than the costs, because the costs relate to increased costs of accommodation and the payments and so on...

If we look, Mr Speaker, to the issue of 244 planning appeals in 2004-05, and as of 2006-07, there were 348 appeals. However, you have got to also look at the amount of applications given and, based on the applications received in those years – and the appeals. In fact, the increase has been seen in terms of the amount of appeals, but that really depends on what the applications are, sir, and how extensive.

The Speaker: Hon. Member for Douglas West, Mr Shimmin.

Mr Shimmin: Thank you, Mr Speaker.

Would the Chief Minister just confirm, when he talks about the Select Committee and looking at the issues on planning, that the Select Committee is looking at the issue of the Poacher's Pocket development and the review taking place on planning is still with my Department?

The Speaker: Chief Minister.

The Chief Minister: Yes, I am happy to confirm that, Mr Speaker. I was just trying to cover the point that the issue is being looked at, but I acknowledge the point the Minister said.

The Speaker: Hon. Member for Michael.

Mr Cannan: In relation to the last supplementary by the Minister for Local Government, would the Chief Minister acknowledge that the motion in Tynwald, as amended, was approved as an amended motion, and therefore the amendment would form part of the substantive motion and it is for the Select Committee itself to determine the appointment of the independent investigator?

The Speaker: Hon. Member, I do not consider that is relevant to the original Question.
Chief Minister, if you wish to reply, you may do so.

The Chief Minister: Yes, thank you, Mr Speaker.

The only thing I can say is, I have not got the motion, as amended, in front of me, and I would hate to comment on its totality of wording to make sure that I do not make a mistake, sir. I am sure Hon. Members, if they are concerned, will read that to make sure as to what the situation is.

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

Mrs Cannell: Thank you, Mr Speaker.

Will the Chief Minister acknowledge that I, as a former chair of the Planning Committee... Will he confirm that when the review stage was operational, it did in fact reduce the amount of people wanting to take a case to appeal? Therefore, will he, together with his Ministers, consider whether to reintroduce this method of review in a planning process?

The Speaker: Chief Minister.

The Chief Minister: Yes, Mr Speaker.

Certainly, I am one who was cautious about the change to take away the review period, because I think, in a good old Manx style, it allowed us to sit round the table and talk to the parties, (**Mr Cannan:** Hear, hear.) and we have now lost that out of the system.

However, I would remind Hon. Members that we were, as Government, trying to take forward a process of re-evaluating the planning procedures and, to some degree, that will now carry on running alongside the Select Committee, but I think the advice is that, whilst we can do that work, we would need to be very careful not to prejudge anything the Select Committee may come back to Tynwald Court with in relation to recommendations.

Yes, I think there are some who would welcome the review coming back, but again, having the review does not necessarily mean that it stops it going to appeal, but I do think it was a helpful step in the whole process.

The Speaker: Hon. Member for Michael.

Mr Cannan: In relation to the supplementary and the answer given by the Chief Minister in respect of the Tynwald motion, can I ask, through you, Mr Speaker, that the Secretary of the House give an opinion as to whether the amendment formed part of the main motion on the inquiry into the planning system?

The Speaker: Hon. Member, I am not prepared to do that. That is straying way beyond the original Question. If such is to be done, a proper motion must be put down, and I am sure the information will be given.

Mr Cannan: Point of order, Mr Speaker. Contrary to your direction this morning, you said that supplementaries could be in relation to Answers given.

The Speaker: My ruling is, Hon. Member, that your request strays too far from the original Question posed, and I am disallowing it.

TREASURY

DHSS front-line services Budgeting to avoid cuts

1.3. The Hon. Member for Douglas North (Mr Henderson) to ask the Minister for the Treasury:

Will you be instructing Government Departments to re-prioritise their budgets in appropriate ways in favour of the DHSS to ensure there are no cuts to front-line

services or otherwise and that services will continue to meet public demand now and for the future?

The Speaker: Question 3, Hon. Member for Douglas North, Mr Henderson.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder. Ta mee shirrey kied yn eysht y chur ta fo my ennym.

The Speaker: I call on the Minister for the Treasury, Hon. Member for Ramsey, Mr Bell.

The Minister for the Treasury (Mr Bell): Thank you, Mr Speaker.

The Hon. Member will be aware that decisions over the allocation of resources are always very difficult, and that they are taken by the Council of Ministers on advice from the Treasury.

For the record, the Council have consistently awarded the DHSS larger percentage increases than average, amounting to gross-spending increases of 8 per cent per annum since the year 2000 which, once you remove the cost of benefits, results in annual double-digit increases for both Health and Social Services.

Unfortunately, despite this investment, nobody – least of all a Treasury Minister – can give a categorical assurance that all public demands on the service can be met now or into the future, but I will assure the Hon. Member that, if we continue to generate the wealth and the taxation receipts that stem from a successful economy, we will continue to ensure that the DHSS receives sufficient funding to maintain, and where possible develop, new services for the benefit of the whole population. We will also support the Department in its desire to make better use of the already substantial amounts of public funds used each year.

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

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

I thank the Shirveishagh Tashtee for his public relations response, but would he not agree with me that, notwithstanding the welcome funding that is put to DHSS, this Department is struggling to meet the needs of a growing, and future to grow, community?

Would he further agree that waiting lists are becoming ever elongated and that this Department is now struggling to meet frontline needs?

The Speaker: Treasury Minister.

The Minister: Mr Speaker, my reply to yourself as a result of the Question asked by the Hon. Member for North Douglas was the response to the Question asked – it was not a public-relations response – and I thought the Hon. Member wanted an accurate response.

Mr Speaker, I am aware that the DHSS have had budgetary problems over the last two or three years. Bearing in mind the developments in medical science, the progress made in that area, and the ever-increasing demands from the public for ever-wider services, the pressure will always be on this Department to meet its budgetary requirements. I am also aware that there are issues in some areas where waiting lists have been increased.

Nevertheless, Mr Speaker, Treasury has done its

best. I think my record speaks for itself since becoming Treasury Minister, that year on year the DHSS has had a disproportionately larger increase in budget – as has the health service within that overall budget – than any other Department of Government. Additionally, Mr Speaker, we have initiated waiting list initiatives – one which I think is about to start imminently, where a further £2 million is being put into specific targeted areas to help to bring down those waiting lists.

Mr Speaker, we have had this debate many times over the last few years. We are very conscious of the need to provide the best possible health services that we can for our people, and I think the budget provided by Treasury over the years has done its best to address that problem, but there will always be further demands and, as I said in my Answer, Mr Speaker, as long as we can keep the economy strong and as long as we can maintain the tax revenues from that economy, then I am confident we will be able to meet, as far as we possibly can, the expectations of the wider public.

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

Mr Houghton: Thank you, Mr Speaker.

Arising from an Answer to a Question I put to the Minister for Tourism and Leisure last week in respect of £320,000 sitting in a bank account in a United Kingdom firm, unpaid back to the Treasury in respect of commercial pitch rentals, would the Treasury Minister state that he would be interested in receiving these funds and transferring those funds, once they have been received from that company, to the Department of Health and Social Security for their use, sir?

The Speaker: I appreciate what you are saying, Hon. Member, but please try not to broaden the Question out too much. That is getting a bit near the borderline. Hon. Minister.

Mr Houghton: It is spare money, sir, to go to the Department.

The Minister: Mr Speaker, unfortunately, as you know, I was off Island last week and was not here to hear the Question, so I really... If the Hon. Member could perhaps pass that information on to us, we would be happy to look at it.

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

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

Would the Shirveishagh Tashtee agree with me that, under the current system, the culture of departmental empirism is flourishing (**Mr Cannan:** Hear, hear.) quite adequately, and that, in fact, the issue of my Question about prioritising Government funding is not being addressed adequately?

Would he further care to comment on the fact that some Departments, like the DoT, seem to be able to launch double Rolls Royce projects at the cost of millions and plan flyovers through the likes of Summerhill Glen without a bat of the Treasury eye –

The Speaker: Hon. Member, you –

Mr Henderson: – and yet we have the DHSS struggling, Vainstyr Loayreyder.

The Speaker: Hon. Member, you are expressing opinions and inviting opinions.

Mr Watterson: On behalf of the Bill Henderson Party.

The Speaker: Treasury Minister.

The Minister: There is also a huge difference, Mr Speaker, between a capital scheme and a revenue (**Several Members:** Hear, hear.) issue, which is what we are talking about here.

Mr Henderson: If the money is available, you can do waiting lists.

The Minister: Mr Speaker, there is very little I can add to what I have already said. We, obviously – through the Council of Ministers, and the Treasury on its own individual urging – have stressed the vital importance for all Departments to use the revenues which we allocate at budget time as efficiently and as effectively as possible. We would certainly be looking to individual Ministers, and indeed individual departmental Members, to make sure that those Departments work as efficiently and as effectively as they can, so that there is no unnecessary expenditure and that the revenues that we do generate from our currently very buoyant economy are directed to the key, frontline services which we all wish to support.

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

Mr Karran: Vainstyr Loayreyder, would the Shirveishagh Tashtee not agree it is not how much you spend; it is how you spend it? Would he not agree that his Department needs to seriously consider how it is going to cut back on the layers of management in order to actually get the money spent in the right areas, so that the likes of people in nursing homes, pocket money is not swiped off them, as far as the issue is at the present time, so that we end up with a Treasury that actually does financially manage and puts some controls on some of these other Departments, especially the Civil Service Commission, that seems to be out of control altogether. (*Laughter*)

The Speaker: Treasury Minister.

The Minister: Mr Speaker, the Hon. Member knows full well that, whilst Treasury ultimately, at budget time, recommends the expenditure levels for the forthcoming year for individual Departments, we do not interfere on a daily basis with the actual management of those Departments, and the issues which the Hon. Member is referring to – the unnecessary bureaucracy within Government – is very much down to the individual Departments, the individual Ministers and, in particular, the individual Members of those Departments, to make sure that the individual Departments are working as effectively and as efficiently as they possibly can.

The Speaker: Hon. Member for Michael.

Mr Cannan: Would the Treasury Minister just like to clarify his answer to the previous supplementary but two,

when he said that capital expenditure was entirely separate from revenue, when in fact capital expenditure immediately attracts loan charges, which is on the revenue account of every Department?

The Speaker: Treasury Minister.

The Minister: That is the case, Mr Speaker –

Mr Cannan: Thank you.

The Minister: – but the point I was making is the roadworks that the Hon. Member was referring to earlier, in the Governor's Bridge area, were essentially a capital scheme and I think the problem with the health service at the moment is down to revenue. There is no doubt there is a revenue link to capital schemes, but we are talking about two different schemes at the moment.

The Speaker: Hon. Member, Mr Henderson.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

Will the Shirveishagh Tashtee be instructing Government Departments to reprioritise their budgets in appropriate ways to favour the DHSS? Whatever savings may be made on the Rolls Royce projects we see, this Hon. Member knows that, even at the very least, would he agree, that saving could be put towards further waiting list initiatives.

The Speaker: I think we are covering very similar ground to what has been answered.

Treasury Minister.

The Minister: Mr Speaker, I have actually answered this question. I can only repeat that we will be doing our very best – as we have done, certainly for the whole period that I have been Treasury Minister – to ensure that the DHSS gets the maximum amount of increased revenues that we can afford, and that the economy itself will generate.

If we all work together, Mr Speaker, to ensure that we have a healthy, growing and expanding economy (**Mr Cretney:** Hear, hear.) from which we will generate the extra tax revenues that we need, then clearly there will be revenues available to continue to maintain the services that the DHSS provide and hopefully, in some areas, expand them still further.

We need a wholehearted commitment from this Hon. Chamber, Mr Speaker, to ensure that the economy continues to grow strongly to achieve that end.

The Speaker: Hon. Member, Mrs Cannell.

Mrs Cannell: Thank you, Mr Speaker.

Would the Treasury Minister agree with me – bearing in mind that we are, at the moment, being broadcast on Manx Radio, and Question Time is live – that such answers that he has given this morning, in terms of revenue, capital and loan charges, are extremely unhelpful to the public because all the public can see is that we have a certain amount of money and money should be afforded, first and foremost, to keep the Department – the DHSS – going (**A Member:** Hear, hear.) at full strength and that they do not differentiate

between revenue, capital and loan charges, but merely see that we have money and that we are not spending it, perhaps, as appropriately as we ought to.

The Speaker: Treasury Minister.

The Minister: Mr Speaker, I certainly would respect that view.

Equally, I would respectfully answer that it is really up to Members to ensure that the public do fully understand the difference between capital and revenue so that the confusing messages do not go out from this Hon. House which then mislead the public into thinking that there are surplus funds available, where in fact that is not the case.

The Speaker: Final supplementary, I think. Mr Karran.

Mr Karran: Vainstyr Loayreyder, would the Shirveishagh Tashtee not agree that his reply, as far as the issue that it is everyone else's responsibility, as far as good financial management is concerned in Departments, would he not agree that his Department is the catalyst for good financial management and that his Department should be in the forefront, making sure that the likes of issues and priority of financial spending goes to the most weakest in our society than what is happening at the moment where management seems to be able to get away with murder and there is a (*Interjection by the Minister*) complete inconsistency in the way financial provisions are given by this Government?

The Speaker: Treasury Minister.

The Minister: Mr Speaker, the Hon. Member full well knows what the answer to that question is and he is really making these claims simply for publicity. He knows full well, Mr Speaker, that the Treasury has overall responsibility for the financial management of Government, and that we do.

Mr Karran: Well, don't blame everyone else in the House!

The Minister: If the Hon. Member had actually taken an active part in Government, Mr Speaker, instead of sitting on the sidelines, he would actually be able to take a more effective way towards improving the management of some of these Departments, rather than criticising everybody else.

Mr Speaker, Treasury work with Departments to identify budgets which are achievable. We do our best to work with individual Departments to improve the management of those funds, but we do not set the priorities within the Departments themselves. That is for the Department to decide where its priorities are and to ensure that that money is spent as effectively and as efficiently as possible.

If that happens – and in most cases, Mr Speaker, that does happen – then the surplus revenues that we have at the end of that, in the main over the years – certainly, since I have been Treasury Minister – have been directed into the DHSS. As I said at the very outset of this Question, the DHSS has had a disproportionately generous settlement over the last six years and, certainly, while I remain as Treasury Minister, I hope that will continue into the future.

**Tax breaks for prisoners
Rectifying situation**

1.4. The Hon. Member for Douglas South (Mr Malarkey) to ask the Minister for the Treasury:

- (1) *Can you confirm that prisoners in the Isle of Man Prison are receiving tax break cheques annually despite being kept in food and board by the Manx taxpayers; and*
(2) *if so, what is your Department doing to rectify the situation?*

The Speaker: Question 4, and I call the Hon. Member for Douglas South, Mr Malarkey.

Mr Malarkey: Thank you, Mr Speaker.

As a point of clarification, can I point out part (1) of my Question should read 'tax credit', not 'tax break'. The Treasury Minister has been informed of this, and I beg to ask the Question standing in my name.

The Speaker: Thank you, Hon. Member. Treasury Minister, Mr Bell.

The Minister for the Treasury (Mr Bell): Thank you, Mr Speaker.

The personal allowance credit was introduced in 2003 to give benefit to those individuals who have insufficient income to utilise all of their personal tax allowances.

There are no barriers preventing those people on low incomes receiving the benefit. Any resident of this Island who is at least 18 years old and who receives little or no income will automatically receive the credit following the Assessor's review of their case. A prisoner is treated no differently from any other taxpayer. The Assessor will collect taxes from a prisoner if he or she has a liability to tax, or will arrange for the payment of the credit if their income is below the level of the personal allowance.

Whilst it may be considered that payment of a personal allowance credit to a prisoner is inappropriate, stopping the payment could deny a payment being made to those people who are in need. For example, should the credit be denied to a married prisoner, even though his wife and children would benefit from it?

Mr Speaker, I understand the concerns raised by the Hon. Member for Douglas South, but I do not feel that changing the personal allowance credit for prisoners is the right thing to do at this time.

The Speaker: Hon. Member for Douglas South, Mr Malarkey.

Mr Malarkey: Mr Speaker, so is the Treasury Minister telling me, then, that he finds it acceptable that long-term prisoners will receive cheques of between £200-£300 per year whilst being kept in prison, at the expense of the taxpayer, year after year? Is the Treasury Minister telling me that there is not a better system, where we could possibly find ways of piping this money to prisoners' families so that they directly do get this money, rather than being able to spend the money on stuff within the prison, certainly for long-term prisoners?

This Question was not aimed at short-term prisoners, but

certainly prisoners who are serving long terms are being paid for by the taxpayer.

The Speaker: Treasury Minister.

The Minister: Mr Speaker, the Question does not differentiate between long- and short-term prisoners, it simply mentions prisoners, and prisoners can be a matter of a few days to a matter of a few years and to try to have a tax structure which reflects that is exceptionally difficult.

I am told, Mr Speaker, that the number – the estimated number – of prisoners who might be affected by this are in single figures: no more than that and, if you take into account that the net number of beneficiaries through the whole range of benefits which are available through this scheme is somewhere in the region of 8,000, it puts it in perspective.

Mr Speaker, there is a very difficult job for Income Tax to do, if we are to follow the arguments put forward by the Hon. Member. To identify everybody who may have been in prison for whatever period of time during a 12-month period and then, if I understand the Hon. Member correctly, arrange for a pro-rata payment to be made on that basis...

Conceivably, you could also argue the case, if you follow the Hon. Member's argument in respect of people who are already being paid for by the taxpayer, for those who are in hospital and long-term hospital care. Where do we draw the line on this?

So I understand, Mr Speaker, where the Hon. Member is coming from, but the assurances I have had is that there is a very, very tiny number of members of our community only who are affected by this.

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

Mr Karran: Vainstyr Loayreyder, would the Shirveishagh Tashtee not agree that there is slight difference between someone being in long-term hospital care (**Several Members:** Hear, hear!) to someone being in prison?

Would the Shirveishagh not agree that it is a sad reflection that here we have a situation where there are 8,000 people that are on such low amounts that they have got to have it, but that we have a situation where we have three stories of the Government buildings and extras full of Treasury people, that we could maybe have a situation where we can make sure that we are not being unjust, as far as these payments are concerned?

Would the Shirveishagh not agree that we have changed the law many years ago so that people cannot get their residential qualification whilst in prison – when I moved that successfully several years ago – and why can he not put priority on hitting these people who are offending, instead of generally hitting the innocent and the people who cannot fight back because they do not know the system?

The Speaker: Treasury Minister.

The Minister: This is the first time, Mr Speaker, I have heard the personal allowance tax credit to be considered a penalty. This was brought in specifically to help those people on low incomes and I believe has been a great success of the Government over the last few years –

Mr Karran: Point of order!

The Minister: – where some 8,000 people have, in

various levels, received over £2.5 million each year in extra benefit through the taxation system.

It was brought in, as Hon. Members are well aware, as accepting a very broad-brush attack on poverty, if you like, or low income-generation, in 2003. It was understood at the time there would be certain anomalies probably thrown up under this system, but we want to make it as straightforward and simple as possible so that we can direct help to those people who are in most need.

We are talking about, as I understand it at the moment, a very, very tiny number of people, in single figures, against that 8,000 number list of beneficiaries. If we were to follow the argument that, for the period that people spend in prison, that they should be denied a proportion of their benefit, it will become quite complex, because some people are in for a matter of days, or they are in for a matter of weeks, and some, admittedly, are in for a longer period. It will be a very bureaucratic and cumbersome system to operate.

We also have to look at the possibility that if we were to follow this argument, Mr Speaker, that, like it or not, prisoners have human rights, and if we start to deny one section of the community – albeit a very, very tiny section of the community – these particular benefits, then we might have problems on that front, as well.

The Speaker: Hon. Member for Peel.

Mr Crookall: Thank you, Mr Speaker.

Can I ask the Treasury Minister, if we had the scenario where somebody is in prison for non-payment of fines who then receives a tax credit, do we have a method by which to hold that back and use that to pay the fines that are due, sir?

The Speaker: Treasury Minister.

The Minister: Mr Speaker, we do not identify who is in prison and for what reason, or for what period, within the income tax system. That would have to come from a different direction altogether.

The Speaker: Hon. Member, Mr Malarkey.

Mr Malarkey: Thank you, Mr Speaker.

Can the Treasury Minister confirm that all prisoners receive payments weekly, to help them with their cigarettes, etc, and that, in most cases, they have to earn these privileges, but they all get anything between £10-£20 per week of taxpayers' money to help them with daily life within the prison. Does the Treasury Minister not consider that these prisoners on longer terms, maybe if this money is going to be paid out to them, maybe it should be kept until the end of the term and paid out to them to help them with their life once they leave prison, rather than be giving it to them on a yearly basis for them to squander taxpayers' money?

The Speaker: Treasury Minister.

The Minister: I accept the point that the Hon. Member is making, Mr Speaker, but, again, I would just point the complexity of this situation. The vast majority of people who go to prison will be in prison for less than a 12-month period, so some of them may only be in for a matter of weeks. In effect, the annual settlement in relation to tax liability, which falls only once a year, would not be affected by the period of

time in prison. I think the point that the Hon. Member makes in terms of the very few long-term prisoners who are affected by this, and as I say they are in the single figures, maybe there is some relationship that could be developed between the tax authorities and the prison governor, but bear in mind that these benefits may, in some cases, as I have said in my Answer, Mr Speaker, be going to help the families of the prisoners at the same time. It is not just for the individuals themselves who may, for whatever reason, have fallen on hard times. I take the Hon. Member's point, though, and it is something that perhaps we can look at in the future.

The Speaker: Hon. Member for Rushen, Mr Watterson.

Mr Watterson: Thank you.

I just wanted to ask a quick question about a point that has just been touched on, in that would not income tax, purely by applying this as a stop to the tax payment, be considered as an additional, non-judicial punishment under the Human Rights Act – an Act which, incidentally, the leader of the Liberal Vannin party has so often championed – which many sometimes see as a criminal charter: indeed, like his deputy?

The Speaker: Treasury Minister.

The Minister: Yes, I did – perhaps I am pussy-footing around the answer in a way, Mr Speaker, but this is a very complicated arrangement where we are trying to deny prisoners extra rights after they are in prison. Whether we like it or not, we are concerned with the Human Rights legislation, we have a commitment to the Human Rights legislation and prisoners are covered by the Human Rights legislation. We cannot just arbitrarily deny that.

As the Hon. Member for Rushen quite rightly points out, it could well be considered a further punishment over and above what the court has already sentenced.

The Speaker: Final supplementary now, Mr Karran.

Mr Karran: Vainstyr Loayreyder, would the Shirveishagh explain to this House what the tax credit system is? It is for incomes under a less amount to try to give them some sort of amount of money in order to fund a reasonable level of living within this Island. Would he not agree that, if that is the case, that it is Human Rights non-compliant, what does he say to the people who are in nursing homes, who are elderly, who are young chronic-sick, who are having their pocket-money taken away from them, as far as they are concerned? They have created no crime. Where are their human rights? (**A Member:** Hear, hear.)

Would the Shirveishagh not agree with this Hon. House that, when we talk about the issue of penalising, we are penalised as far as the 8,000, and we should be penalised further to have 8,000 people on an income so low that they have to have a tax credit in this society, when this Hon. House is too often saying that we do not have a divided society, when we do?

Mr Cannan: Hear, hear.

The Speaker: Treasury Minister.

The Minister: Mr Speaker, the Hon. Member knows

perfectly well what the answer to that question is and, in fact, has been very supportive of the tax allowance which I brought in in 2003 on every occasion. So, I am quite astonished at this sudden turnaround now, that he is opposing the policy of Treasury to implement this personal allowance credit –

Mr Karran: Point of order, Mr Speaker. I am not opposing the policy. What I want to say is that it is a shame we have got 8,000 people who have to live at such low levels.

The Speaker: That is not a point of order. Treasury Minister to continue.

The Minister: Mr Speaker, this (**Mr Karran:** Shameful!) credit which Treasury introduced in 2003 is directly linked to income tax. It is not a benefit. It is paid right across the board to all those who have income below a certain level.

I believe it has been warmly welcomed by a large part of our community who have found substantial benefit – particularly pensioners – who have found great benefit getting their payment of up to £350 each each year over and above the benefit system. I will give my full commitment to this scheme continuing and Treasury will do its best to enhance it at every opportunity when our Government revenues allow.

Everybody benefits from this, Mr Speaker, who falls within that particular tax bracket, whether they be elderly, young or all stops in between. I do, as I say, Mr Speaker, believe this has been a widely welcomed benefit and one which Government should be proud of and not doing its best to undermine.

TRADE AND INDUSTRY

Work permits for building industry Considering level of wages

1.5. The Hon. Member for Onchan (Mr Karran) to ask the Minister for Trade and Industry:

Does the Work Permit Committee take the level of wages into account when considering whether to issue work permits for jobs in the building industry?

The Speaker: Question 5 and I call on the Hon. Member for Onchan, Mr Karran.

Mr Karran: Vainstyr Loayreyder, I ask the Question standing in my name.

The Speaker: The Minister for Trade and Industry, the Hon. Member for Douglas South, Mr Cretney.

The Minister for Trade and Industry (Mr Cretney): Thank you, Mr Speaker.

I can confirm that, as a matter of course, the Work Permit Committee ensures that appropriate checks are made on all sectors. The Control of Employment Regulations 1993, section 5(2), details matters in respect of which ‘regard shall or may be had in determining an application’. From this point 12 states that ‘regard may be had to whether the

wages and conditions offered are less favourable than those normally applying in the particular industry in the Isle of Man.’ If these conditions are not satisfied, the work permit will not be granted.

The Work Permit Office routinely checks wages declared as part of the administration process of all submitted applications. As a result of such checks, the Committee recently requested further information regarding the work permit application for a quantity surveyor, as it was not satisfied with the information initially supplied.

Also, I would like to make it clear that neither I nor my officers have been made aware by the Isle of Man Employers’ Federation or any other party that there is any evidence to suggest that permits have been issued to individuals earning less than the average industry wage. If, however, the Hon. Member or any other party do have such concerns, that can be substantiated, I would certainly welcome these being communicated to me.

The Speaker: Hon. Member, supplementary, Mr Karran.

Mr Karran: Vainstyr Loayreyder, I thank the Shirveishagh for his reply.

Could the Shirveishagh just clarify the point, as far as the wage levels: what are the wage levels allow for, in the likes of the building industry... the wage standards, as far as the Royal Institute of Chartered Surveyors (RICS)... what are the wage levels that you are looking at? Are we looking at the wage levels of some Bulgarian building trade?

The Speaker: Minister for Trade and Industry.

The Minister: Thank you for that, Mr Speaker.

I can confirm that we are not looking at some Bulgarian building trade. (**Several Members:** Hear, hear.) There are properly published standards in the building construction sector which are those which are applied.

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

Mrs Cannell: Thank you, Mr Speaker.

With regard to the Work Permit Committee, when they are considering a work permit application, and they also consider, and are informed, of what the level of wages are for this particular post, how can they be sure, after approving a work permit, that that individual does, in fact, receive the wage that was stated in the information pack, without actually going out and doing spot checks after they have approved a work permit?

The Speaker: Minister for Trade and Industry.

The Minister: Well, I can confirm that spot checks are regularly taking place. Indeed, because of the importance I attach to this part of the work permit situation, Hon. Members will be aware that I have paid some attention to that since my appointment. Indeed, we have recently applied for, and been granted, an additional inspector post. I do consider that, if we have legislation, it is proper that that should be properly enforced.

In terms of a person being on a... the employer suggesting

a rate when the work permit is being applied for and then subsequently that changing, I would hope that the worker would draw that to somebody's attention. Certainly, that is something I would hope is not going on. I have got no evidence at this stage to believe that that is the case.

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

Mr Karran: Vainstyr Loayreyder, could the Shirveishagh inform this Hon. House: do the same criteria work for price work? Would the Shirveishagh also inform this Hon. House, if people come to you on a confidential basis their anonymity will be respected? Are your Committee able to see people's wages? It is one thing for it to be promised, it is another for it to actually happen, especially with such a vulnerable section of the community coming from the former Soviet Union, to make sure that they are not being brought here to be exploited as cheap labour and to drag wages down, which I am sure my hon. ex-Labour, colleague is as committed as I am not to end up with an underclass.

The Speaker: Minister, Mr Cretney, to reply.

The Minister: Well, thank you for that, Mr Speaker.

In relation to anybody contacting me in respect to their anonymity, if that is something they require to be respected, then I would certainly respect such.

I think it is more important that if there were issues, they are drawn to my attention, rather than breaking any confidentiality which they request. If there was abuse of the system... if there was abuse of individual workers, then that is something I would want to be aware of.

The Speaker: Hon. Member for Malew and Santon.

Mr Cregeen: Thank you, Mr Speaker.

Can the Minister confirm whether his Department reviews applicants who have been given work permits, whether they receive any other benefits from the DHSS in regard to Child Benefit. It has come to my attention that there are a number of them who have applied for Child Benefit: is this taken into account whether they issue a work permit?

The Speaker: Minister to reply.

The Minister: Mr Speaker, with respect, this is a little stretching the boundaries of the Question which is before me today. I do not have the information, but my top-of-the-head response – I can obviously check into this – if they are entitled to Child Benefit, then they are entitled to Child Benefit... as well as getting a work permit.

I understood that that was one of the benefits to which persons on work permits were entitled to, but I can seek further information.

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

Mrs Cannell: Thank you, Mr Speaker.

Following on from the Minister's reply to my previous supplementary, bearing in mind that the normal process is that the employer applies for the work permit on behalf of the person he or she wishes to employ, how then would the

worker necessarily get to know that an obligation had been given in an undertaking included in the paperwork that had gone to the Work Permit Committee, in applying for the work permit, of paying that individual a certain amount of money? In fact, in reality, the individual may have been told a whole different amount.

In the absence of the individual having a copy of the paperwork, which is not always possible, how can the Minister expect the employee to go and tell him that, in fact, there is a dishonourable payment going on, in terms of the job?

The Speaker: Minister for Trade and Industry.

The Minister: If the Hon. Member, or any other Hon. Member, as I said earlier, does have any evidence of abuse, then please draw it to my attention and I will make sure that it is properly investigated. I have no such evidence at the moment.

In relation to an employer and an employee, that is a contract and a contract is legally enforceable.

The Speaker: Hon. Member, Mr Karran.

Mr Karran: Vainstyr Loayreyder, would the Shirveishagh consider, as part of the work permit application – I know it would be difficult with language and that – there is some sort of contract given to the applicant for the work permit, so he knows what the minimum rates of pay are?

Will he look into that, and will he look into the issue of self employment work permits, where people are price-work, in order to make sure that they are not being used as cheap labour to undermine the wage structure of the building industry in the Island?

Would he also not agree that when the building industry is so tied up with so few developers that we have a situation where people are frightened when they have got their own small self-employed business to take on these big developers, just like we seem to be when we want to attack them, as far as the housing situation?

The Speaker: Reply to the supplementary, Minister.

The Minister: Thank you, Mr Speaker.

In relation to the last part of the supplementary questions, in relation to the self-employed workers, as I said earlier, if anyone wishes to bring anything to my attention I am happy to receive such representation.

In relation to the – well, I would not be happy because I would make sure something was done about it! – the first part of the question, in relation to language difficulties, I accept that that is more of a problem and I do believe that it is something which, given the nature of our now society, we need to, throughout Government, make sure that we overcome such language barriers and information is available in alternative languages. It is something... it is a fact we have to now face.

The Speaker: Final supplementary on this Question, Mr Quirk.

Mr Quirk: Thank you, Mr Speaker.

Could I just ask the Minister for Trade and Industry when work permit applications are received by his Department,

is there, as part of that package, a form of contract of employment that is issued with the application?

Can I also, as a second part, ask: for a self-employed permit, how does the Department assess the person's ability to sustain himself in this country?

The Speaker: Minister to reply.

The Minister: Could I just make the point that it is not the Department that does any of this assessing, it is the Work Permit Committee, which is separate from the Department and independent from the Department. I obviously issue the Work Permit Committee with guidelines, which are published on the web and everything.

So the minutiae which I am getting asked in questions today are not things which I handle firsthand on a daily basis. I will, happily again, look into the matters which the Hon. Member has raised and endeavour to come back to all Hon. Members on the various issues raised which I have not been able to answer today.

Standing Order 3.5.1(2) suspended to allow continuation of Question Time

The Speaker: I call on the Hon. Member for Onchan, Mr Karran.

Mr Karran: I beg to move the suspension of Standing Order 3.5.1 to permit the remaining Questions for Oral Answer to be taken at this sitting.

Mr Houghton: I beg to second, sir.

The Speaker: Thank you, Mr Houghton.
Is that agreed, Hon. Members?

Several Members: Agreed.

Building apprenticeships Improvements

1.6. The Hon. Member for Onchan (Mr Karran) to ask the Minister for Trade and Industry:

Can we have an update regarding any movement to improve the apprenticeship scheme in the building industry that will ensure qualifications for future generations?

The Speaker: Question 6, then, Hon. Member for Onchan, Mr Karran.

Mr Karran: I ask the Question standing in my name.

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

The Minister for Trade and Industry (Mr Cretney): Thank you, Mr Speaker.

My Department administers all formal apprenticeships on the Island and supervises those individuals training under a

formal agreement, from recruitment through to completion of their training. The majority of apprenticeships involve both training on the job, learning from skilled workers and periods of off-the-job training, where the technical knowledge can be more easily taught and assessed.

Working closely with industry representatives, including the sector skills groups, my Department regularly assesses the type and level of skills that are required. We have also, in recognition of the importance of ensuring our people have the most appropriate skills to take our economy forward, made our top priority bid for any additional support available from the Treasury the provision of training opportunities.

We have a highly effective working relationship with the Isle of Man College, which allows us to deliver nationally recognised qualifications for the majority of trades and professions. The results of the current scheme are extremely encouraging, with over 95 per cent of those embarking on training programmes successfully completing the required qualification.

However, we are aware of the need to keep up to speed with developments in training programmes, qualifications and skills requirements and regularly review the current levels of training provision. Indeed, within the last 12 to 18 months we have introduced, in conjunction with the College, a structured programme of on-site assessment and training for roofing and plastering trainees, meaning, for the first time, apprentices in these trades will gain a formal qualification at the end of their training.

We continue to work with the College to identify areas where new or additional qualifications can be offered and the continued expansion of on-site assessment training will offer both employer and trainees greater flexibility in future years.

As stated previously in relation to our top priority, the Department also recognises that skills are required at all levels throughout the economy, and are not just limited to specific trade or technical qualifications.

In the construction sector, for example, the Department is supporting training both above and below apprentice level. A first diploma has been introduced this year, which will give participants a recognised qualification to take forward into any area of the industry, whether they wish to pursue a formal apprenticeship or take up one of the many multi-skilled positions which are so vital to local employers. This will cost my Department £44,200 each year.

A construction degree can now be studied for on the Island, with the College partnering with Liverpool John Moores University. I believe this to be a significant step. This will help to address the need for skills at a senior level within the industry and would allow local companies to plan for succession amongst their employees. This will cost my Department £10,010 in 2007-08, £14,630 in 2008-09, £19,250 in 2009-10, and £13,860 per annum in subsequent years.

Apprenticeships are not just available in the traditional sectors, such as construction, manufacturing or engineering, but expand into hospitality, catering, retail and significant growth sectors, such as IT and telecoms. We also recognise the importance of the Island's natural heritage, and are able to offer apprenticeships in areas such as farming and sea fishing.

Mr Speaker, I must emphasise again that my Department is committed to the development of skills at all levels to support a growing and diversified economy. In conjunction with the Department of Education, we will continue to expand the range of training available on the Island and provide the

opportunities for future generations to gain valuable skills which will be needed in the modern economy.

If I can once again refer to the construction sector, which this Question refers to, my Department has demonstrated its commitment to smaller-to-medium-sized employers in the construction and other sectors who provide apprentice opportunities.

Upon my appointment as Minister for Trade and Industry, I expressed concern for such employers, following a decision of the previous Department to cease the wages subsidy element of apprentice support. (**A Member:** Hear, hear.) This had been accepted by the Employers' Federation, providing the level of financial support for construction did not reduce, but it was clear that this did not represent the views of all their members.

I initiated an extensive consultation across all sectors of the economy on this matter, which had its timeframe subsequently extended to enable all who wished to avail themselves of the opportunity to respond. It was clear, following representation I received, that there was concern among smaller to medium employers at the withdrawal of this support.

Following this, we have therefore introduced a revised scheme of support for employers of up to 19 staff. This will continue to make payments to such employers for whom the cost of employing apprentices can be seen as disproportionate to their total labour cost. This decision has now been described as being too generous—in terms of the size of firm to whom it applies—in a meeting with the Employers' Federation. I have, however, assured them that this matter will be subject to ongoing review.

Finally, Mr Speaker—and I do apologise for going on a little longer than, perhaps, Hon. Members would wish, but I do believe this is an important subject, and I thank the Hon. Member for the opportunity to allow me to brief this House on where we are up to—can I make it clear that Government continues to meet 100 per cent of the required training and assessment costs for apprentices. Indeed, with further support being provided for initiatives such as pre-apprentice training, degree-level qualifications, and the local skills card programme, there is, under my direction, greater investment within the important construction sector than in previous years.

The Speaker: Hon. Member for Onchan, Mr Quirk.

Mr Quirk: Thank you, Mr Speaker.

Could I ask the Minister—and yes, it was a comprehensive Answer to the Question—regarding the construction industry itself and the apprenticeship scheme that had some difficulties: have all those difficulties now been smoothed over regarding the Isle of Man Employers' Federation and their Registered Institute of Plumbers and Electricians? That is one part of that.

I welcome the initiative for the roofing and plastering—which has been short-lived—by his successor. Can I ask whether the international qualification will comply, so a person who is trained in the roofing skills—and it is a skill—and plastering skills, are then accredited in the United Kingdom and the greater world?

The Speaker: Minister for Trade and Industry.

The Minister: I thank the Hon. Member for his supportive remarks.

In relation to the Employers' Federation, in particular,

and the issue about the 'wages subsidy', which the decision had been made by the previous Department prior to my appointment, to cease that over a period of time, I can confirm that the Employers' Federation still have concerns. Their concern now is, though, that the scheme we have come up with, which sees that firms that employ up to 19 people will continue to receive an element of support towards the wages subsidy when apprentices are not available for the employers—when they are out at College, for example—they believe that 19 employees, if I was looking to small-to-medium employers, I have been too generous, that I should have looked at a reduced number than 19.

As I have said to them, obviously nothing is cast in tablets of stone and we will continue to monitor that in the time ahead, but I do believe it is a significant improvement on that which I inherited. (**Mr Karran:** Oh, absolutely.)

In relation to the second part of the question, in relation to plasterers and roofers, I acknowledge that these are important trades. I think, across the board, we sometimes take for granted the importance of the construction sector and this is even more important, now we have the new financial arrangement with the United Kingdom, that we 'shop local' and make full advantage of the local construction sector. An integral part of that is to make sure we have properly skilled people working within that industry.

The Speaker: Mr Karran, a supplementary.

Mr Karran: Vainstyr Loayreyder, would the Shirveishagh not agree that we all, in this Hon. House, understand that the previous policy was Armageddon, as far as the future of apprenticeships was concerned in this Island, so there has been a vast improvement. But would he not agree that the situation is that, even under the policies he has decided on, there is still foreseen a drop in the number of apprenticeships being offered by employers?

Will he meet up with the employers who are still not satisfied with the scheme in order to try and avoid a situation where we have to bring in people from the adjacent isles in order to fill vacancies for trades in the future?

Would the Shirveishagh not also agree that the situation is that the bottom line is the grant situation for employers to take on apprentices that are a liability, and that what we have seen up to now is a great initiative, but more for the more academic people? Would he not agree that we spend an awful lot of money on the likes of people going to university, and this should be seen as equally an opportunity, through the grants system, to open up more apprenticeships, so that we can end up with a situation where more people who are not academic can have the opportunity of a trade in the future?

The Speaker: Minister to reply.

The Minister: A number of supplementaries there, and I will try and address them. If I do not, please come back further.

In relation to the final point, though, the suggestion that it was non-academic people: I do not accept that. I believe that apprenticeships are equally important for academic or non-academic people. There are highly-skilled people (**Mrs Craine:** Hear, hear.) working in the construction sector, and to suggest that they are not academic I think is not correct.

Mr Karran: Point of order. I did not say they were not academic. What I said was try and cater—

The Minister: You said ‘non academic’.

Mr Karran: Try to cater for people who are not academic, so they can have a chance at apprenticeships.

The Speaker: Minister to reply. That is not a point of order. Minister, continue.

The Minister: I am sorry if the Hon. Member is getting grumpy with me, but he did say ‘non academic’.

Mr Karran: To help that sector of society.

The Speaker: Minister to continue.

The Minister: I do not know about a section of society that is non academic.

I know the Hon. Member worked in the construction sector, so he knows about it better than I. All I am saying is that there are a number of valuable opportunities in the construction sector. I do not believe the construction sector has properly been considered previously: I believe, in terms of its contribution to the Isle of Man economy, it is one which we should continue to work with.

In relation to the point he made about... I thank him for complimenting the now scheme, compared with the Armageddon that I inherited, but what I would say is that there are a number of firms, in our opinion, who can afford this, who do not need the wages subsidy. There are a number of firms. When we are talking about priorities, my priority was to assist smaller-to-medium-sized employers to take on apprenticeships, because very often they can give, in my opinion, a more personal support for apprentices on site.

In terms of a reduction in the number of apprentices, nothing can be further from the truth. At 1st November 2007, there are 448 apprentices registered with the Department. Every opportunity, every apprenticeship... In fact, there are many more people who would like to go on and be apprentices than actually can be accommodated.

One of the first things I raised was that the decision, in terms of the number of apprentices, lies with the Employers’ Federation. They make the recommendations, through the Sector Skills Group, to my Department, and my concern was that this could be seen as perhaps preventing competition in the future.

I think we need to make sure that we have ample apprentices available for the Isle of Man. Obviously, the Employers’ Federation and others have a valuable role to play, in terms of helping inform that decision, but ultimately the decision needs to be one for the Department. I am actually sorry that we cannot accommodate more apprentices, because I have been contacted by a number of people who would like their sons or daughters to be involved, but the issue is when they complete their apprenticeships, whether there are actually going to be sufficient jobs for them, or not, and there is a balance there somewhere. Obviously, the dialogue will continue with the Employers’ Federation and others in relation to whether we have the scheme right, and I am pleased to assure the Hon. Member of that.

The Speaker: Hon. Member, Mr Quirk.

Mr Quirk: Thank you, Mr Speaker.

Just regarding the qualification, I know the Minister... Maybe it has slipped past him regarding the qualification

which is based in the Island, which will be a qualification seen in the civilised world. Would he come back to that?

Could I just ask him, too, regarding mature students, or mature apprentices: is that causing a particular difficulty? There are a number of mature apprentices going forward now. Is that to the detriment of the younger children who are trying to get on an apprenticeship scheme? If that is the case, I am wondering whether the Minister could look at fast-tracking some of the mature students, who may be progressed a lot more quickly and would not need financial support. I do agree with him on that particular issue.

The final one, if I could ask the Minister, would be regarding some years ago, we did have a scheme which was very useful in the Isle of Man, that when you were a company that was accredited in the Isle of Man to do Government work, you had to be on a particular register. On that particular register, the company then had to have a number of tradesmen, and I am wondering if the Minister could look at that to these particular companies which Government do use and patronise several times, that they also should carry a number of apprentices (**Mr Karran:** Hear, hear.) with those contracts which are awarded. They are sometimes substantial contracts which keep these companies going. I wonder whether he could possibly look into that for us, as well.

The Speaker: Minister to reply.

The Minister: In relation to the latter point, I think ultimately that will be a decision for Treasury, but I am certainly pleased to be able to make representation to Treasury to consider the point the Hon. Member has made, in terms of the number of apprentices employed by companies which are benefiting from taxpayers’ support in terms of schemes etc.

In relation to the first supplementary, the Hon. Member made again, about plasters and roofers – and I am sorry if I did not answer that sufficiently in the first instance – I do not want to upset this Hon. Member, as I have already upset his colleague, but I believe we are in the civilised world – the Isle of Man is the civilised world, as far as I am concerned (**Two Members:** Hear, hear.) – and yes, the qualifications attained here will be equally recognised in that other island across the water.

A Member: The smaller one?

The Minister: The adjacent one!

In relation to mature students, again, I take on board the comments the Hon. Member has made and I will obviously look into that.

The Speaker: Final supplementary, Mr Karran.

Mr Karran: Vainstyr Loayreyder, would the Shirveishagh not agree that those employers who do their social responsibility and take on apprentices are at a disadvantage when they are contracting for work because they have got that liability? Will he make sure that he will meet up with a section of the industry that are deeply concerned that his figures are going to be wrong, as far as the apprenticeship opportunities actually increasing in the future, in order to discuss this further?

Would he not agree that the bottom line, as far as apprenticeships are concerned, is people who can actually do the job when they leave the trade? It is how you hang a door, not how you write a paper on how to hang a door as a

joiner and would he not agree that the issue is the financial support should be given to these children and young people, who are leaving school, who are not academic, who want to get a trade in order that they can get a trade in this industry? More money needs to be spent on getting more openings up for apprenticeships.

The Speaker: This is becoming very repetitive.

The Minister: What you heard the Hon. Member saying that I am not meeting, that I should be meeting... If he would like to tell me who it is I am not meeting that I should be meeting, that is fine. I met only yesterday with the Employers' Federation, who are supposed to be the representative body of the construction industry. I met them yesterday. I meet them regularly every two months. After the intervention from the Hon. Member for East Douglas some time ago, notes are taken of that and they are freely available if any Hon. Member would like a copy of them.

In relation to people not being able to get on to apprenticeships, can I just say again – and the lack of support, because I do not accept the charge that there is a lack of support from the Department of Trade and Industry, or from Government, I do not accept that – we will 100 per cent fund young people who are taking their apprenticeships through the College.

The element which was removed was under the previous administration, that the 'wages subsidy' when young people are away from the job and they are in the College and some employers – small to medium employers – who have a disproportionate cost element of their money laid out on apprenticeships, I understood that argument. That is why we have moved to a system... but there is no question of there... proper funding for apprenticeships: there is very good funding for apprenticeships and if I can improve that in the future I am certainly bound to do so, because I have said, previously, my most important priority at the Department of Trade and Industry is up-skilling. I do not like that word, but up-skilling the workforce on the Isle of Man across the board so that opportunities are available for our people on the Isle of Man for the future, for the good job opportunities that will exist...

I do not want our people doing the lower grade jobs (**A Member:** Hear, hear.) if they can be skilled enough to take the better paid jobs, which is what we should all be about.

Mr Karran: I'll arrange a meeting for you, sir, with the other group.

The Minister: Well, who is the other group?

HEALTH AND SOCIAL SECURITY

Home care hourly work Breakdown of costs

1.7. The Hon. Member for Onchan (Mr Karran) to ask the Minister for Health and Social Security:

(1) *What is the breakdown of wages and administration costs for home care hourly work; and*

(2) *what are the proposed increases in costs for the following year?*

The Speaker: We move to Question 7. Hon. Member for Onchan, Mr Karran. Question 7.

Mr Karran: I ask the Question standing in my name.

The Speaker: Minister for Health and Social Security, Mr Teare.

The Minister for Health and Social Security (Mr Teare): Thank you, Mr Speaker.

The breakdown of home care wages per hour is as follows: Monday to Friday, basic pay £8.83, plus employer's costs £1.06, making £9.89; Saturday, basic pay £13.25, plus employer's costs £1.55, making £14.84; Sunday, basic pay £17.66, plus employer's costs £2.11, making £19.77.

For purposes of clarification, the employer costs are superannuation and also national health insurance contributions. In addition to the direct costs of employing home care workers, there are other costs incurred in assuring a high quality professional and also reliable service. These administration costs include training and professional development, travel cost, protective clothing and also uniforms, support services, national health insurance and pensions, holidays and sickness cover and also managers and administration staff. This would amount to approximately £7.49 per hour, making a total cost of £17.38 for a standard weekday hourly cost. The rates charged out are based on the numbers of home care hours which are delivered and includes direct cost. It excludes expenses that are not costed against the home care budget, for example, buildings, information technology, senior management, etc.

Turning to part (2) of the Question, sir, the Department has not commenced its review of its cost structure for the next financial year.

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

Mr Karran: Vainstyr Loayreyder, would the Shirveishagh like to give us the increase in cost for this financial year, if he has got it in front of us here.

Does he think that it is reasonable that we end up with a situation of a £7 administration cost for this section of the community? Is the Shirveishagh trying to find a way of privatising this service, so that he does not have to provide this service, just like the cleaning services have been privatised from his Department? How does he justify these increases when we have a Government policy that believes in the freedom to flourish – so long as you are not old and disabled and you want to stay in your house!

The Speaker: Minister to reply.

The Minister: Could I just go through those supplementary questions, please, Mr Speaker.

The £7 administration costs, as I said, includes holiday cover and also the relief cover, as well. I am sure that he would not want people to be left un-served when their carers were away on holiday. We have got to have that cover in place, so without it we could not function.

The other part of the coin, too, is, whilst he has an issue with administration costs – and I have to say that I share it in certain respects – the staff have to have appointments made for them, they need their routes and itinerary organised or they need to be organised where to go and also when to go. Somebody – the back office support – has to make contact with the clients to find out what time will be convenient

and how that time would fit in with the employees' weekly work pattern. Now, this is not a proposal here to justify privatisation, far from it.

If we were talking about the private sector here, the costs, I am informed, would be £19.38 for personal care and there is a minimum charge of one hour. The Department will charge down to a quarter hour and for intensive care the charge is £23.50. So in terms overall, we feel it still gives very good value for money, sir.

The Speaker: Hon. Member for Onchan.

Mr Karran: Vainstyr Loayreyder, does the Shirveishagh not agree that sometimes it is not the issue of value for money, but the principle.

Was it not this Government's policy that it has a commitment to try and keep people in the community? Is it not this Government's policy that it should not encourage penalising people who are socially responsible who save for their old age? Or is this just, once again, double talk from the Department and the rest of the Members that are part of Government, as far as going along with this policy.

The Speaker: Minister.

The Minister: Thank you.

I was somewhat perplexed by the first part of that supplementary, sir. Here we have an Hon. Member who has been talking about administration charges and trying to get maximum value for money, and then in the first part of the supplementary question he is saying that we should not be getting value for money. There is a dichotomy here, Mr Speaker.

I do not feel that the Department is penalising those who have made some provision for what others might call their old age. The Department here is trying to reflect the true cost and as, from the figures which I have given out today, the charges still fall some considerable way short of the cost accruing to the Department, actually, on the basis of the figures I have in front of me, only 15 per cent of our clients pay. As a result of this charge increase, only one person who had our services for one hour per week have decided to release that service. Otherwise it has been received, sir.

The Speaker: Hon. Member, Mr Karran.

Mr Karran: Vainstyr Loayreyder, would the Shirveishagh not agree, when he is trying to twist the words of 'value for money', would he not think about the broader picture?

When people are forced into going into nursing homes that initially can pay for themselves and then, long-term, their money has gone and ends up a bigger liability to the taxpayer – as far as that policy is concerned – would he not agree that trying to encourage people to stay in their homes is actually saving the state, not actually costing the state? Why is he prioritising on this section of the community, allowing for it only being 15 per cent: it is still 15 per cent of people who have worked and saved and now find themselves penalised for doing something that, 20 years ago, this Government would have been absolutely totally against.

The Speaker: We are getting into a debate at this point, Minister.

I would ask Members please keep supplementaries short

and those answering questions equally keep answers short. Minister to reply.

The Minister: Thank you for your guidance, Mr Speaker.

In terms of the broader picture, yes, I am aware of the broader picture. In respect of that, there are 30 clients who receive a free service from the Home Care Rehabilitation Scheme. In addition, there are a further two clients who receive a free service from the Hospital to Home Scheme and that really is trying to focus our resources and fits in with the broader picture and it does lead to savings in other areas of the Department's budget.

So, I feel that the Department is making good steps towards prioritising its services, sir.

DHSS spending cuts Safeguarding the vulnerable

1.8. The Hon. Member for Onchan (Mr Karran) to ask the Minister for Health and Social Security:

What safeguards are in place to ensure that the most vulnerable of our community will not be hardest hit by the Council of Ministers' policy of cutting 10 per cent of your Department's spending?

The Speaker: Question 8. I call the Hon. Member for Onchan again, Mr Karran.

Mr Karran: I ask the Question standing in my name.

The Speaker: Minister for Health and Social Security, Mr Teare.

The Minister for Health and Social Security (Mr Teare): Thank you, Mr Speaker.

There is no policy in place and this Question is therefore without foundation. Providing services in support of the most vulnerable members of our community is an integral part of the purpose of this Department, sir.

The Speaker: Mr Karran.

Mr Karran: Vainstyr Loayreyder, just like the previous Question, would the Shirveishagh not agree that whilst services like the twilight nursing service that used to be provided on a basis of need, and not on the basis of financial need, which has been cut out, and we find that they are now having to pay for those services in the previous Question... How can my good friend the Hon. Member for Ayre, the Minister of this Department, tell this Hon. House that it is not being the most vulnerable who are getting hit?

When the likes of twilight nursing has being done away with, when you have the situation of the agreement that you had when we closed down the –

The Speaker: Hon. Member, you can list as many examples as you like, the Question was answered. Minister to reply to this latest supplementary.

The Minister: Thank you, Mr Speaker.

We are targeting the Department's limited resources accurately, to enable those who would benefit most and also those who are in need of the service to obtain the services of the Department. I feel that, certainly, the Home Care Rehabilitation Scheme, as I mentioned in response to the previous Question, and the piloting of the Hospital to Home Scheme, is an excellent illustration of that, sir.

**DHSS cost-cutting
Home care price hikes and heating cuts**

1.9. The Hon. Member for Douglas North (Mr Henderson) to ask the Minister for Health and Social Security:

Can you confirm or otherwise that the recent price hike to 'home care' and the frugal usage of heating in your residential homes are all part of a cost-cutting and saving exercise designed to meet your request to all areas of the DHSS to study ways of making 10 per cent reductions, and confirm that in fact this 'impact assessment' has now turned into a reality?

The Speaker: Question 9. I call on Hon. Member for Douglas North, Mr Henderson.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

Ta mee shirrey kied yn eysht y chur ta fo my ennym. I beg to ask the Question in my name.

The Speaker: Again, I call Minister for Health and Social Security, Mr Teare.

The Minister for Health and Social Security (Mr Teare): Thank you, Mr Speaker.

No, they are not, as there was no directive from me that budgets were to be cut by 10 per cent, and therefore, the Question is incorrectly based, sir.

The Speaker: Supplementary, Mr Henderson.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

Can the Health Minister confirm that what is down on the Question Paper is the fact that he issued an instruction, to all sections of his Department, to ascertain what impact 10 per cent reductions may or may not make? Can he confirm or otherwise whether this has been carried through, or can he confirm that, in fact, if it has not been carried through, that what he has actually done is put it through by other means, such as illustrated on my Question?

The Speaker: Minister to reply.

The Minister: Thank you, Mr Speaker.

I have had, in effect, a response to my request for an impact and that was an information gathering exercise, it has been very helpful and as I said in another place, sir, where a very very similar question was asked, the feedback I have had has been very helpful to the Department.

The Department has made no decisions yet so therefore it has not been carried through. It has definitely not been carried through by stealth, either. If we are going to move forward, then this Hon. House and also another place will be fully consulted.

Now the issue which he raised about heating in the Department-run residential homes, there have been no instructions given that the heating is to be turned down. The heating and the temperatures are regulated in accordance with guidance set out by the UK Social Services.

The Speaker: Hon. Member, Mrs Cannell.

Mrs Cannell: Thank you, Mr Speaker.

Does the Health Minister not agree with me, or does he not appreciate, that when you are Minister of Health you have to be very careful with what you say and do within a Department? Can he not now see that just the very suggestion made to officers to study and provide a study to determine what the impact would be on services by a 10 per cent reduction is the power of suggestion and, as a consequence with him asking for a study, that power of suggestion has now filtered down into services and in front-line services and that, in fact, in reality there are being 10 per cent cut-backs?

Does he now not wish that he had not said what he had said and that it had not come out into public because the impact his study, or his request for a study, has now caused the community?

The Speaker: Minister to reply.

The Minister: I am pleased to confirm that I have no regrets whatsoever. It was very helpful and it has given the Department a very useful information base and, as I said I, was pleased with the response and also the proactive attitude which has been exhibited by my colleagues in the Department.

As I said in another place, the front-line staff have been very supportive. They have come back and have explained to me where savings are possible and without that, to pick up on a point made by the Hon. Member from Onchan, Mr Karran, it does enable the Department to be sure, or have more confidence, sir, that we are giving value for money.

The Speaker: Final supplementary, Mr Henderson.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

Now that the Shirveishagh has admitted to admitting to his 10 per cent cut enquiries to his Department, would he agree with me that, in fact, what is going here and, in reference to the Question again and we may see it further, that it is stealth charges but by the very fact of putting up home care, by the very fact of frugal use of heating, that that is, in fact, turning his request into reality? Would he further confirm or deny that we are going to see further such practices in other areas?

The Speaker: Minister to confirm or deny.

The Minister: I never... I felt that the exercise was very well based, sir, and it gave us the information base to move forward. It is not a stealth move on my part and, as far as the heating is concerned, as I said before, in answer to a previous supplementary, the heating is set in accordance with guidelines which have been issued by the UK authorities.

The hon. questioner may be interested to know that last Thursday at 4.45 I went up to Glenside. I walked around the building and I counted nearly 90 windows open and these were residents' windows. Now, if it had been cold they would not have had the windows open, would they, Mr Speaker!

HOME AFFAIRS**Prison Governor
Appointment arrangements**

1.10. The Hon. Member for Michael (Mr Cannan) to ask the Minister for Home Affairs:

What arrangements are being made for the substantive appointment of Prison Governor?

The Speaker: Question 10. Hon. Member for Michael.

Mr Cannan: I ask the Question standing in my name, sir.

The Speaker: I call on the Minister for Home Affairs, the Hon. Member for Middle, Mr Quayle.

The Minister for Home Affairs (Mr Quayle): Thank you, Mr Speaker.

I am grateful to the Hon. Member for Michael for providing me with the opportunity to update Hon. Members with the progress that the Department is making in the recruitment of a new Prison Governor.

Currently, due to the request to have the salary scale for the post reviewed in light of the outcome of the recent job evaluation senior posts process, as the post forms part of the corporate leadership group, the Department has been working with the Personnel Office to have the salary independently assessed.

The result of that assessment has recently been agreed by the Civil Service Commission. However, it is currently with the trade union for consultation, which I understand is due to be discussed this week. Upon receipt of confirmation that the revised salary scale has received endorsement, the Department of Home Affairs will then be in a position to advertise the position of Prison Governor within the Island and the United Kingdom and an appointment can then be made as soon as practicable.

The delay in the recruiting process is unfortunate as we move towards the introduction of the new prison at Jurby. However, I would like to record my thanks to the acting Prison Governor and the senior management team, who have been working very hard in developing the new regimes required for Jurby, as set out in the blueprint for the new Prison.

Thank you, Mr Speaker.

The Speaker: Hon. Member for Michael.

Mr Cannan: I thank the Minister for his reply.

Could the Minister tell me what was the final salary of the previous Governor and what date did she finally cease to be Governor and be paid? What is the intended salary for the new post and what salary has the Acting Governor been receiving during the interim – a new salary scale, or a salary scale on the previous Governor's scale?

The Speaker: Minister to reply.

The Minister: Yes, thank you, Mr Speaker.

I have to say that the information that I have to hand mainly concentrates with arrangements being made for

the substantive appointment of Prison Governor – a new Prison Governor, as indicated in the Question from the Hon. Member for Michael – so I do not have the information about all the minutiae of salaries for previous incumbents of that post and even Acting Governors.

Mr Speaker, I am more than happy to provide that to Hon. Members but I dealt, and have other information, relating to the arrangements being made for the substantive appointment of a new Prison Governor and not going back over the history of previous Governors.

The Speaker: Hon. Member, Mr Karran.

Mr Karran: Vainstyr Loayreyder, would the Shirveishagh not agree that that is very handy not to go back over the information, as far as the previous –

Mr Shimmin: Read the Question!

Mr Karran: – Prison Governor is here but would the Shirveishagh also inform this Hon. House what is the... will the new Prison Governor be on a fixed-term contract?

Will the Council of Ministers be looking at the issues that one tried to amend the law of the Civil Service some time ago in order to put some audit back into the fat cats at the top of Government operations? Will we end up with a situation where we will have some audit over the management and accountability of these people that we will pay so much for?

The Speaker: I am not going to allow rhetoric to prevail in these supplementaries. (**Several Members:** Hear, hear.) I have been very tolerant this morning. I did advise Members how I wanted the conduct of Questions to be made.

If you are able to reply, Minister.

The Minister: Thank you, Mr Speaker.

In having dealt with the answer to the previous question from the Hon. Member for Michael, I am more than happy to supply the additional information required by the Member for Onchan, in terms of the fixed-term contract but, in terms of audit and accountability, then I feel sure that the Department hopes to give value for money and making sure that all its Divisions are operating as effectively and efficiently as possible within the staff that it has.

The Speaker: Hon. Member for Michael.

Mr Cannan: Just to recap, will the Minister provide just three figures, not the salary of previous Governors: the final salary of the previous Governor; the current salary of the Acting Governor; and the proposed salary of the new Governor? Will he provide those figures within the next ten days to Hon. Members?

The Speaker: Minister, I believe you did reply, but Minister.

The Minister: Yes, thank you, Mr Speaker.

I did indicate that I would supply the information previously and will endeavour to do so within the time mentioned.

The Speaker: Final supplementary, Mrs Cannell.

Mrs Cannell: Thank you, Mr Speaker.

I just want to seek some clarification from the Minister. Why is it that when the Minister gave his initial Answer he introduced himself information on the fact that the new appointee will be receiving an increased salary: he made reference to it?

Why, then, has he not got further information, in terms of what that increased salary is likely to be, for example, bearing in mind he introduced it to the House today? We did not!

Mr Cannan: Hear, hear. (*Interjections*)

The Speaker: Minister.

The Minister: Yes, thank you, Mr Speaker.

Well, of course, one can always be criticised for being helpful and I thought I was being helpful to this Hon. House (*Laughter*) by indicating the fact that, as is already known, the appointment of a Prison Governor is taking a little longer than we would otherwise have wished!

I was merely pointing out one of the reasons why that situation has come about. I was giving Members an update where we are now with that process. The JESP process (*Interjection*) is going to be considered by the trade union this week and I felt that that was entirely appropriate to allay Members' fears, in case they were feeling that there was an undue delay. Unfortunately, there is a delay and it is one that cannot be helped.

LOCAL GOVERNMENT AND THE ENVIRONMENT

Residential development, Braddan and Marown 'Absence of demonstrated need'

1.11. The Hon. Member for Onchan (Mr Karran) to ask the Minister for Local Government and the Environment:

Can you specify what evidence the Director of Planning and Building Control had for stating to the Planning Committee on 26th October 2007, in connection with the planning application in Braddan and Marown parishes for the residential development of fields 324234, 521518, 521519, 521522 and 524239, that there was an 'absence of a demonstrated need for the proposed housing in the next three years'?

The Speaker: Question 11. Hon. Member for Onchan, Mr Karran.

Mr Karran: I ask the Question standing in my name.

The Speaker: Minister for Local Government and Environment, Hon. Member, Mr Shimmin.

The Minister for Local Government and the Environment (Mr Shimmin): Mr Speaker, I must first advise that since the planning application in question is current (*Interjection*) and may yet be the subject of an appeal, it is important that neither the appeal process nor the determination of any appeal is prejudiced either by my response or by any ensuing debate.

I shall, in fact, be delegating the determination of any

appeal to a deputy Minister and can therefore answer the Question but it is, nevertheless, important that Members do not jeopardise the as yet incomplete planning process. The Question refers to statements provided by the Director of Planning and Building Control. In fact, the report on this planning application was prepared and presented by the Senior Planning Officer, not the Director. At the public sitting of the Planning Committee the Director explained this, left the meeting before the committee considered the application and took no part in any discussion on, or determination of, the application.

The evidence to which the Question refers is based on the residential land availability study which was published by the Department in April of this year and which is summarised in appendix 8 of the Isle of Man Strategic Plan, which was approved by Tynwald in July.

The assessment by the Senior Planning Officer is set out in detail in the report on the application, which is in the public domain and can be accessed by the Department's website. No doubt, discussion of, and debate on, that assessment will form part of any appeal – if there is one – against the Planning Committee's decision.

The Speaker: I would advise extreme caution in any supplementaries given. I advise that this is a live planning application.

Mr Karran.

Mr Karran: Vainstyr Loayreyder, I will not mention the correspondence that I have here that gives the impression that it is not the Senior Planning Officer, but I will get away from –

The Minister: He has just mentioned it.

Mr Karran: – but I will get away from the planning application. (*Laughter*) The situation is how do you justify these sort of statements coming out of your Department, that there is sufficient land available to meet the requirements for the next three years in the eastern area when we have such a problem as far as housing is concerned, Shirveishagh?

The Speaker: Minister, you may or you may not wish to answer that supplementary.

The Minister: Mr Speaker, the information I have provided is already in the public domain. That is the only reason I have made any reference to it. I could engage the Hon. Member for many hours on this matter and all the people he represents. However, that would be inappropriate at this stage.

The Speaker: I think it would be wise to move on.

Mr Karran: Vainstyr Loayreyder, can I just ask a further supplementary?

The Speaker: Hon. Member. You have a final supplementary. Is it to do with the planning application?

Mr Karran: No, no, it is to do with the Question that is down on the Paper, just the reply the Hon. Member –

The Speaker: Put the supplementary and I will advise whether it is permissible.

Mr Karran: Vainstyr Loayreyder, would the Shirveishagh not agree that I represent all the people who are trying to find affordable homes (*Interjections by several Members*) in this Island. It is not about the issue of trying to slur the reasons why one is asking this Question for different groups. One is asking this question in light of the housing crisis: how can such statements be made and justified as he is the person politically responsible?

The Speaker: Final supplementary. It is a rhetorical debating point.

TRANSPORT

Windy Corner highway improvement Value for money

1.12. The Hon. Member for Douglas East (Mr Braidwood) to ask the Minister for Transport:

Do you believe that the capital cost of £246,500 for the highway improvement at Windy Corner, particularly in light of the recent figures from the Highway Economic Notes 1 and the reduction in the number of accidents since the completion of the works in March 2006, was value for money and shows the benefit of road schemes at accident blackspots?

The Speaker: Question 12. Hon. Member for Douglas East, Mr Braidwood.

Mr Braidwood: Thank you, Mr Speaker. I beg to ask the Question standing in my name.

The Speaker: I call on the Minister for Transport, Hon. Member for Glenfaba, Mr Anderson.

The Minister for Transport (Mr Anderson): Thank you, Mr Speaker.

In answer to the Hon. Member's Question, it is a proven fact that Windy Corner Improvement Scheme has been value for money.

In the Highways Economic Note, Number 1 2005: the Benefits of Road Accidents and Casualties, the mortality cost, an average cost of £1,644,790 was stated; a serious accident cost an average of £188,000; and a slight accident cost, on average, £19,250. These costs include medical costs, human cost, damage to vehicles and property and cost of police recovery services and accident insurance.

When these costs are used together with the accident statistics in the five years prior to the improvements being carried out, it shows the following results. In 2001-02, two serious and six slight would amount to a cost of £493,340; 2002-03, two serious and one slight, £397,090; 2003-04 one serious, £188,920; 2004-05 one fatality and one serious amounted to £1,833,710; and in 2005-06 one serious and one slight amounting to an average cost of £208,170.

Since the works have been completed, there has only been one accident, with a slight injury, due to high wind at this location on one particular day. However, taking into account the average cost of this slight accident of £19,250, the Scheme pays for itself in accident savings very quickly.

The Improvement Scheme at Windy Corner was completed

within budget at £246,500 and was finished early, despite the winter conditions on this section of the Mountain Road.

Mr Speaker, I can confirm that I am satisfied that the Scheme was value for money and support the Department's policy in addressing problems at accident cluster sites.

The Speaker: Hon. Member, Mr Braidwood.

Mr Braidwood: Thank you, Mr Speaker.

I thank the Minister for his reply and, given his comments that the reduction in accidents has already paid for the Scheme, would he agree with me that the detractors of the Scheme, who claimed it was a waste of public money, have been proven wrong and the reduction of accidents will have the opposite effect and will reduce the cost to the taxpayers?

Mr Cannan: You did a grand job, Phil! (*Laughter*).

The Minister: Mr Speaker, I would agree the Scheme has been very good value for money.

A Member: Hear, hear.

The Speaker: Hon. Member for Malew and Santon, Mr Cregeen.

Mr Cregeen: Thank you, Mr Speaker.

Point of clarification: can the Minister say these figures of £1 million per accident, is that United Kingdom figures or Isle of Man figures? The cost of these accidents: what has been the cost to the Department and the Isle of Man, never mind United Kingdom insurance companies?

The Speaker: Minister to reply.

The Minister: As I stated in my original Answer, Mr Speaker, these are averages taken from a United Kingdom manual. So they are based on United Kingdom costs. (**Several Members:** Ah!) However, I am sure Hon. Members will be aware that some of the costs in the Isle of Man will be actually higher.

The Speaker: Hon. Member, Mr Henderson.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

Would the Shirveishagh not agree with me – and following his revelation that he is basing his Answer on United Kingdom figures – that the improvement to Windy Straight could have been done at a lot less cost to the Isle of Man taxpayer?

Importantly, when he is giving us these figures of the massive savings that he seems to think we are all going to believe, would he confirm that, in fact, when the emergency services and other Government services have to attend incidents, that all these services are on the full time Government payroll, anyway? Could he agree to circulate a more appropriate answer for future sittings of this House, to take out all the wages and so on that would normally have been paid, whether those services were idle or attending to an accident or otherwise?

Mr Cannan: Hear, hear.

The Speaker: Minister.

The Minister: Mr Speaker, no I would not agree with the Hon. Member. (**A Member:** Hear, hear.)

I think this Scheme has been value for money and was not over the top at all. I think the facts demonstrate for themselves that it has actually saved accidents happening.

The Speaker: Final supplementary, Mr Braidwood.

Mr Braidwood: Thank you, Mr Speaker.

Would the Minister agree with me that the heaviest cost of fatal and serious accidents is the personal cost to the loved ones of those involved: that there are times when short term cost must be set against long term value for the benefit of the people of this Island?

Would the Minister also agree with me that it is essential, as far as it is possible, to prioritise highway improvements of accident black spots to further enhance this situation?

The Speaker: Minister for Transport.

The Minister: Yes, Mr Speaker.

Hon. Members will not be surprised that I concur with the Hon. Member's opinion. However, I do look forward in the future to bringing forward further schemes that target the accident black spots that have risen up the league, as Windy Corner has dropped off. I look forward to seeing such improvements in those locations, as well, Mr Speaker.

HON. MARTYN QUAYLE MHK

Constitution Bill 2007 Date for Third Reading

1.13. The Hon. Member for Michael (Mr Cannan) to ask Hon. Martyn Quayle MHK:

When are you bringing the Constitution Bill 2007 to the House of Keys for Third Reading?

The Speaker: Final Question on our Order Paper: Question 13. I call the Hon. Member for Michael.

Mr Cannan: Mr Speaker, I ask the final Question on the Order Paper.

The Speaker: I call on the Hon. Member for Middle, Mr Quayle.

Mr Quayle: Thank you, Mr Speaker.

I was delighted to see this Question on the Order Paper from the Hon. Member for Michael and I do hope that it indicates an eagerness by the questioner to support the Third Reading (**Members:** Hear, hear.) when it comes to the House of Keys.

However, Mr Speaker, in relation to the Constitution Bill 2007 and it being brought forward for Third Reading, the matter is under consideration and I am unable to give a specific date at this time. However, I trust that the Hon. Members will be able to give it enthusiastic support when it comes forward for Third Reading, sooner rather than later.

The Speaker: Mr Cannan.

Mr Cannan: Mr Speaker, I do believe that the House does not accept the facetious Answer the Hon. Member has given. (*Interjections*)

Will the Hon. Member agree that the clauses stages was completed on 29th May. He has had ample opportunity to arrange to bring it forward since and will he agree that he could be abusing the parliamentary system (**Several Members:** Oh!) by failing to bring forward a Bill which the House has properly considered for the Third Reading?

The Speaker: Mr Quayle to reply.

Mr Quayle: Thank you, Mr Speaker.

I would be interested in some guidance as to whether or not that is an abuse of parliamentary privilege because it is my understanding, on having checked it with the Secretary to the House of Keys, that it is in the hands of the Member who has the Bill before the House as to when that Bill can be progressed to its Third Reading.

The Speaker: I confirm it is entirely a matter for the Member: the speed at which a Bill progresses. It is in the hands of the Member to determine. You are quite right, sir.

Mr Houghton, Hon. Member for Douglas North.

Mr Houghton: Thank you, Mr Speaker.

Mr Speaker, can the Hon. Member advise that the real reason why he will not bring it back for Third Reading is because the Bill will be voted down, heavily voted down. He does not want to see the death knell of that and, perhaps, he is still trying to negotiate with his colleagues in the Council of Ministers to gain further support... (*Interjections and laughter*)

The Speaker: Mr Quayle to reply.

Mr Quayle: Thank you, Mr Speaker.

If only it was as easy at the Hon. Member for North Douglas indicates there: to get a consensus within the Council of Ministers on this particular subject. I can confirm that it is not within the Council of Ministers to discuss and determine this. It is a parliamentary matter. I am bringing it forward in my own right, albeit having had the support of quite a number of Members within this Hon. House (**A Member:** Hear, hear.) who are doing our best to secure a popularly elected Legislative Council, which features in so many of our manifestos only a few months ago.

Mr Speaker, I would like to say that, as a courtesy to some Hon. Members who wish to discuss the Bill further and its implications, an opportunity has been taken to defer the Third Reading. I did indicate this during a recent debate, in fact, so there is nothing new to what I am saying today.

In terms of the unfortunate remarks about the 'facetious' Answer, as indicated by the Hon. Member for Michael, Mr Cannan, I do regret his injudicious remarks (*Interjections*) but I would hope, Mr Speaker, that he would reflect upon the fact that he did support this particular Bill during its clauses stage but only if it could be brought into being in 2009, instead of within the Bill, when it was 2013. If I can remind him, he did say,

'if we are going to go down this road and we are going to support this Bill and have eight elected Members of Legislative Council, let us get on and do it.'

That is what was said at clauses.

Mr Cannan: Exactly, that is the point of the Question.

The Speaker: Hon. Member, please resume your seat.

Mr Cannan: Get on and do it. Get on and do it!

The Speaker: As interesting as your discourse about the Bill is, nonetheless you are broadening out into a debate on the merits of the Bill and I will not permitted it.

I will give a final supplementary to the Member who caught my eye, the Hon. Member, Mr Malarkey.

Mr Malarkey: Thank you, Mr Speaker.

Would the Minister like to agree with me that the success and failure of this particular Constitution Bill lies in the hands of the Liberal Vannin party's votes? (*Laughter and interjections*)

Mr Shimmin: It is about time something did!

Mr Quayle: As was said earlier on, as the deputy leader of the Liberal Vannin Party makes a very interesting point, but I do believe that each and every one of us in this Hon. House has a vital vote and I do not place any reliance on anybody's vote over one another. I think each and every one is vitally important.

If I may say, Mr Speaker, it is in the hands of any Hon. Member to bring forward any legislation as he so wishes and, in fact, the Bill, as it is, although not going forward for Third Reading at this stage, is one that can safely be parked for the moment because the fact is (*Laughter and interjections*) that there is no problem. It can come forward at any time and I would remind the Hon. House that this Bill before the House at the moment is one that commanded the best support.

The Cannan proposals, if I could say, lost by 9 votes to 15 and the Karran proposals 6 votes to 18. So, the Bill before the House is the one that commands maximum support.

Mr Cannan: Well, bring it forward.

The Speaker: On that happy note, Hon. Members, we come to the end of this session for Oral Answer. I realise we had a late start, but we have probably taken a record time on Oral Questions and I would ask Members to reflect on my earlier advice to them.

Item 2 is Questions for Written Answer. Those Answers will be circulated momentarily.

Questions for Written Answer

TREASURY

Government transport hire costs Breakdown 2005-07

2.1. The Hon. Member for Douglas North (Mr Houghton) to ask the Minister for the Treasury:

(1) *In respect of each year for the last two years to 30th September 2007, what has been the total cost to*

Government for the hire of –
(a) *taxis (except those vehicles used by the Department of Education for the carriage of school children);*
(b) *private hire vehicles;*
(c) *minibuses; and*
(2) *will you provide a set of accounts for perusal by Members at the Clerk of Tynwald's Office?*

Answer: Unfortunately, it has not been possible for all Departments to extract and collate all of the information requested in the time available. A completed Answer will be issued to Hon. Members at the earliest opportunity.

HEALTH AND SOCIAL SECURITY

DHSS 10 per cent budget reduction Review of impact

2.2. The Hon. Member for Douglas North (Mr Henderson) to ask the Minister for Health and Social Security:

(1) *Have you completed your review of information from all of your departmental sections, areas, divisions, works and anywhere else that a request was made to study the impact that a 10 per cent budget reduction/saving would have, or where it could be made, and if so what was the outcome in all cases and will any cuts/savings be implemented in any DHSS areas; and*
(2) *if the answer is 'yes', what will be the effect in all cases?*

Answer: I am still reviewing the issues and options facing the Department.

Orders of the Day

BILL FOR SECOND READING

Agriculture (Miscellaneous Provisions) Bill Second Reading approved

3.1. Mrs Cannell to move:

That the Agriculture (Miscellaneous Provisions) Bill be read the second time.

The Speaker: Item 3: Bill for Second Reading: the Agriculture (Miscellaneous Provisions) Bill. I call the Hon. Member for Douglas East, Mrs Cannell.

Mrs Cannell: Thank you, Mr Speaker.

This Bill before Members today – part of this Bill – is the result of an audit of the Department's primary legislation, where a number of Acts relating to the herring and kipper industry were identified for repeal, as they are considered no longer relevant. The Department is content that the provisions contained in the Sea Fisheries Act 1971

contains enough powers for the Department to regulate for the fishing of herring in Manx Waters, should such a need be identified.

The labelling of kippers is now provided for under legislation made by the Department of Local Government and the Environment under the Food Act 1996. Hence the repeal of current Acts dating back as far as 1916 and considered no longer relevant in relation to current marketing and trading practices.

A number of amendments and repeals to enactments relating to agricultural and rural industries have also been made. Some of the Acts being repealed are, like those relating to the herring and kipper industry, considered unnecessary for modern day practices, for example, the Public Markets (Weighing of Cattle) Act 1933 requires the Department to provide facilities for weighing cattle, sheep or pigs in or near to the market. The provisions of that Act are somewhat old-fashioned in comparison with modern-day practice, where proper calibration of weighing machines is dealt with by the Office of Fair Trading, thus obviating the need for the 1933 Act today. A number of provisions contained in these older Acts are now dealt with under food and labelling requirements set out in more modern legislation provided by and promoted by the Department of Local Government and the Environment and the Office of Fair Trading.

Details of the repeals being made are contained in the explanatory memorandum which I believe accompanies the Bill: this is before Hon. Members. The Bill also makes an amendment to the Wildlife Act 1990 by introducing an offence of recklessly disturbing wildlife. This move increases the enforcement powers of the Act, where it is already an offence to intentionally disturb birds which are listed in schedule 1. The amendments will make it an offence to recklessly disturb these birds.

In addition, the offence of intentionally damaging any structure or place of a wild animal listed in schedule 5 of the Act, who is using a place for shelter or protection is extended to cover reckless damage or disturbance.

Now, Mr Speaker, certain marine species listed in schedule 5 of the Wildlife Act do not, however, have such places of shelter or protection for all species of whales, basking sharks, seals and turtles. These species are also considered vulnerable to reckless disturbance, for example by the use of motorised personal water craft in their vicinity. The Act is therefore amended – or I hope to get the amendment through in the Bill – to include an offence against such species that can occur in any place.

An amendment is also proposed under the Bill which increases the level of fines in the Destructive Imported Animals Act 1963. These fines have not been reviewed since the introduction of the Act some 43 years ago.

Mr Speaker, that outlines the principle of the measures contained within this small piece of legislation and I beg to move that we take it for Second Reading, sir.

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

Mr Henderson: Gura mie eu, Vainstyr Loayreyder. This is a very important amendment and I am very happy to second it, sir.

The Speaker: Hon. Member for Rushen. Do you wish to speak, Mr Gawne?

Mr Gawne: I did try to catch your eye about seconding.

The Speaker: Thank you.
Hon. Member for Onchan, Mr Karran.

Mr Karran: Vainstyr Loayreyder, I would just like to ask the mover of this Miscellaneous Provisions Bill, when it talks about relating to the herring industry and... Are the anomalies that I believe are in place, where the size of fish and the size of shellfish are allowed for Manx waters, if the boats are Manx boats they can actually be prosecuted at those levels but if they are UK boats or Irish Republic boats that they can actually fish for bigger levels than the levels of... bigger sizes than the Manx boats? Does that actually include everybody, as far as that issue is concerned, that the size is for anyone who fishes in those waters?

Second point is: could the mover just explain what the clause 2 is about, the Rural Industries Act 1914. Is this something to do with Knockaloe and the status of Knockaloe being got rid of?

The Speaker: Hon. Member for Rushen, Mr Gawne.

Mr Gawne: Gura mie eu, Loayreyder.

I am quite sure the mover will be able to answer the points that the Hon. Member for Onchan has raised but, specifically in relation to the shellfish industry, I think if the Hon. Member for Onchan read carefully the Bill that is before us it is actually not in relation to shellfish. What we are doing here is primarily repealing redundant legislation in relation to the herring fisheries, but it is a very important point that the Hon. Member for Onchan raises. It is something that I, together with the Hon. Member for Malew and Santon, Mr Cregeen, have been working on.

I have certainly already met the Fisheries Minister in Northern Ireland, I hope to meet the Scottish Fisheries Minister and we certainly are looking to improve our working relations with neighbours. We would hope that we will be able to reach better agreement in conservation measures in our territorial sea. However, as I pointed out, this particular Bill is about, in terms of fisheries anyway, is purely about repealing herring and kipper legislation which, as I understand it, was first initiated when the Hon. Member for Onchan was still the Member for Fisheries. So it is great news that we have finally managed to get this Bill before the House.

The Speaker: Hon. Member, Mrs Cannell, to reply.

Mrs Cannell: Thank you, Mr Speaker.

First of all, my grateful thanks to the Member for Douglas North, Mr Henderson, for seconding the in-principle reading of the legislation.

One can understand why he welcomes the legislation because when he was Minister of that particular Department the issue over the Destructive Imported Animals Act 1963 came up as an issue, following a court case in 2004, when someone irresponsibly imported a grey squirrel into the Isle of Man without any permission. The issue was taken to court and comments were made that the fine in terms of the penalty was far too low. The Member for North Douglas, as Minister, initiated a whole review of that particular situation so he will be particularly pleased to see that it is now coming to fruition by way of a small amendment enclosed within

this Bill, so I thank him.

I thank the Minister for rising to his feet to clarify the issue in terms of shellfish. I have to admit that when the Hon. Member for Onchan, Mr Karran, raised the issue I thought now, hang on, I thought we were talking about kippers here and herrings. Shellfish, of course, is a totally different issue but I appreciate that he has possibly a concern in respect of that, but it is not actually within the remit of this particular piece of legislation I am asking Members to look at.

He also asked for clarification on clause 2. Well, clause 2 in the explanatory memorandum does explain that the clause, the amendment to it, clause 2 amends the Agricultural and Rural Industries Act 1914 and repeals in whole or in part various Acts of Tynwald that relate to agricultural and rural industries which are considered defunct, superseded or unnecessary. In particular, section 4 of the 1940 Act details the duties and powers of the Department. Subsection 5 in that Act provides that the Department

'shall provide and maintain an experimental farm or farms.'

It is proposed, with the amendment in clause 2 to amend section 4(5) by replacing the word 'shall' with 'may' and sections 6, 7 and 9 of the 1940 Act are to be repealed, so it is not the end, as far as we are aware, with the provision out at Knockaloe but it is, in fact, taking out the compulsion, if you like, that they have to provide at that particular experimental farm, whether or not it takes place there or somewhere else. It is actually introducing a bit of flexibility, where the Department may, or may not, for a multitude of reasons in the future.

So, Mr Speaker, I am grateful to the comments raised thus far on the Bill and I therefore move that we take Second Reading.

The Speaker: Hon. Members, the motion before the House is that the Agriculture (Miscellaneous Provisions) Bill be read for a second time. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

BILL FOR CONSIDERATION OF CLAUSES

Corruption Bill Clauses considered

4.1. Mr Quayle to move.

The Speaker: We now turn to Bills for Consideration of Clauses. We turn to the Corruption Bill and I call on the Hon. Member for Middle, Mr Quayle.

Mr Quayle: Thank you, Mr Speaker.

In relation to the Corruption Bill 2007 before us, clause 1 of this Bill establishes the general principle that an action that amounts to corruption is an offence. The clause applies to both the public and to private sectors.

Subclause (1) deals with the situation where one person gives or offers an advantage to another person with a view to influencing them to carry out a function improperly, or as a reward for them having done so.

Subclause (2) applies where the person carrying out the function seeks or accepts an advantage from another person

with a view to them carrying out their function improperly or as reward for them having done so.

Advantage is defined broadly in the Bill as being a benefit whether direct or indirect including any action or remission which is beneficial to the other person.

Acting improperly means acting in breach of any duty of a public or private nature, including any duty to act in good faith or to act impartially.

Mr Speaker, it is worth emphasising that this clause does not mean that a Member who accepts a box of chocolates from a constituent, for example, for asking a Question in Tynwald on their behalf, is going to be charged with corruption. I am certain that all of us in this House are willing to pursue issues for constituents in any case. However in the very unlikely event that a Member would only agree to pursue a matter in return for some benefit that could well be considered as corruption. In addition to protecting the Island's international reputation, a major purpose of this clause and indeed the Bill as a whole is to promote the highest standards of propriety in public and commercial life. People should think about their actions in terms of whether a reasonable member of the public would consider the actions to be above board or to be corrupt.

Both at the presentation about this Bill and at Second Reading I have been asked about what happens where an accusation of corruption turns out to be unfounded. The position, under those circumstances, is the same as if the person was accused of any other crimes. If the person reporting their suspicion has done so in good faith with a genuine and reasonable basis to make the report, then the accused person has no grounds to take action against their accuser, as would be the case if they had been accused of fraud or theft. However, if the person making a report of corruption did so maliciously or if they had no reasonable basis for doing so it is a different matter. The person would leave themselves open to being charged with wasting police time and amongst other things proceedings for slander might also be taken against them.

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

The Speaker: Hon. Member for Ayre, Mr Teare.

Mr Teare: Thank you, Mr Speaker.

I beg to second that clause 1 stand part of the Bill.

The Speaker: The motion before the House is that clause 1 stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

Clause 2, sir.

Mr Quayle: Clause 2 of the Bill provides that when a person who is operating as an agent for another person or body, rather than on their own behalf, acts in a corrupt manner then they are committing an offence in the same way as their principal.

Subclauses (1) and (2) of this clause mirror subclauses (1) and (2) of the previous clause, in terms of it being an offence for agents to give, offer, accept or seek an advantage for acting improperly.

Subclause (3) provides that it is still an offence under subclauses (1) and (2) where either the functions or business of the agents or their principal have no connection to the Island, or they are conducted outside the Island.

Mr Speaker, I beg to move that clause 2 do stand part of the Bill.

The Speaker: Mr Teare.

Mr Teare: Thank you, Mr Speaker. I beg to second that clause 2 do stand part of the Bill, sir.

The Speaker: The motion before the House is that clause 2 stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

Clause 3.

Mr Quayle: Thank you, Mr Speaker.

Clause 3 of the Bill establishes the offence of bribery of a foreign public official. This is a requirement of not just the United Nations Convention against corruption but also the OECD Convention on combating the bribery of foreign public officials which already applies to the Isle of Man. At the moment the requirements under the OECD Convention is partly covered by section 323 of the Criminal Code 1872, which deals with the bribery of certain officials, taken with section 2B of the Corruption Act 1986. However, its implementation is neither particularly clear nor complete and that is addressed by this clause. A foreign public official is defined in the Bill as meaning a person 'holding a legislative, executive, administrative or judicial office, whether they are appointed or elected in a country or territory outside the Isle of Man.' The definition also covers a person exercising a function on behalf of various other public bodies outside the Island, including officials from international organisations such as the United Nations.

Mr Speaker, I beg to move that clause 3 do stand part of the Bill.

The Speaker: Mr Teare.

Mr Teare: Thank you, Mr Speaker.

I beg to second that clause 3 do stand part of the Bill, sir.

The Speaker: The motion before the House, clause 3 to stand part of the Bill. Those in favour say aye; against, no. The ayes have it. The ayes have it.

Clause 4, sir.

Mr Quayle: Thank you, Mr Speaker.

Clause 4 establishes that where a person is preceded against for an offence under clauses 1 or 2 there can be a presumption that corruption has taken place where it is proved that advantage has been given or obtained during the exercise of a function. It is considered that the presumption is required because of the generally secretive, behind-closed-doors nature of corruption, perhaps between just two people, neither of whom will admit to any offence and where there may be nothing in writing.

However, the presumption can be rebutted if the balance of evidence is against it. This presumption is present in the Corruption Act 1986 but it will actually be somewhat easier for a person to refute the presumption under the new legislation due to human rights considerations.

Mr Speaker, I beg to move that clause 4 do stand part of the Bill.

The Speaker: Mr Teare.

Mr Teare: Thank you, Mr Speaker.

I beg to second that clause 4 stand part of the Bill.

The Speaker: The motion is clause 4 to stand part of the Bill. Those in favour say aye; against no. The ayes have it. The ayes have it.

Clause 5, sir.

Mr Quayle: Thank you, Mr Speaker.

Clause 5 imposes a duty on the Island's public servants to report their knowledge or reasonable suspicion of public sector corruption.

Subclause (1) applies where a person exercising a function on behalf of a public body is offered, or receives, a benefit in the course of their duties. If the person believes that the offer constituted an offence under clauses 1 or 2 of this Bill, or under section 323 of the Criminal Code 1872, they must disclose the information in a prescribed manner.

Subclause (2) provides that where a person exercising a function on behalf of a public body knows, or reasonably suspects, that a person has committed, is committing or is about to commit an offence under clauses 1 or 2 of this Bill or under section 323 of the Criminal Code 1872, they must disclose the information again in a prescribed manner.

Under subclause (3) the definition of a person exercising a function on behalf of a public body for the purposes of this clause does not include a foreign public official. This is because the Bill cannot impose a reporting obligation on such officials.

The types of public body covered by this clause are, the Crown, Tynwald and its branches, Government Departments and Statutory Boards, bodies that are wholly or partly appointed by Tynwald or whose appointment requires Tynwald approval, local authorities and, indeed, any other type of public body.

Subclause (3) also defines the prescribed manner for reporting the knowledge or reasonable suspicion of corruption. The disclosure is generally to be made to a constable, however, where the public body has a procedure in place for the reporting of corruption the report should be made in accordance with that procedure, in addition to making a report to the police.

Subclauses (4), (5) and (6) are all concerned with establishing that a person who reports their knowledge or reasonable suspicion of corruption is covered by the protected disclosure provisions of the Employment Act 2006, sometimes known as the whistle-blowing provisions. This prevents the employer from mistreating the worker for making any report.

In addition, under subclause (5) any part of an agreement or contract that purports to exclude an employee from the protected disclosure provisions is void. However, a disclosure only qualifies as a protected disclosure under the 2006 Act if the person making it does so in good faith and does not commit an offence in doing so. In other words, a report of corruption made maliciously or vexatiously with no reasonable basis will not qualify as a protected disclosure.

Mr Speaker, I beg to move that clause 5 do stand part of the Bill.

The Speaker: Mr Teare.

Mr Teare: Thank you, Mr Speaker.

I beg to second that clause 5 do stand part of the Bill.

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

Mr Houghton: Yes, thank you, Mr Speaker.

Just as a point of clarification on that. Mr Speaker, it is an obvious issue for a public servant to make report of an allegation of corruption, as they would see it in, a Board or Department and so on, that stands as per now, sir. I just wonder why there is a clause making it a *duty* of a public servant to do it, that they absolutely have to when it is quite obvious that it would be discretionate anyway for that person to so do, especially when they would not be involved in the corrupt practice.

So I just wonder why that has been made as a clause that it is being made as a legal duty and, therefore, if it is found that that public servant was aware of a corrupt practice taking place will there, therefore, be penalties in the case of that public servant who is in breach of this particular clause here, sir. So that is one point I would invite the Hon. Member to make comment upon.

The other one is that, in this clause as he has set out, the report would have to be made to a constable. Yes, that sounds quite logical to report it to the Isle of Man Constabulary but I do note, Mr Speaker, that any wrongdoing in any practices internally in Government, Hon. Members will be aware currently, have to be reported directly to the Attorney General's Department, rather than going via the Constabulary. Is this going to cause now a change in practice, whereby internal issues are brought to the Constabulary – internal Government issues – rather than directly to the Attorney General and it is just a point of clarification on that. If that is so, why the change in procedure when the previous procedure I would have thought would have been quite legitimate because, if the Attorney General's Department decided that an unlawful act had taken place, of course, they would direct the Constabulary to investigate and, of course, the Constabulary would be involved in the investigation at that stage down the line.

So it is just putting clarification on those points, sir, I would be very grateful.

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

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

I would just like to put in some queries with regard to this clause and they may be inter-related with other matters under consideration here.

What I would pose to the Minister is this, Vainstyr Loayreyder: recently with the closure of the International Hotel Catering School I, with the Hon. Member for Onchan, Mr Karran, met many, many students, or ex-students of that school, who seem to me, on the face of it, to have plenty of evidence to show fraud or corruption, as pointed out by them and they also were illustrating quite clearly that they were having an extreme problem in reporting this onwards and upwards to certainly the Isle of Man Constabulary.

They were certainly conscious of the fact that there had been guidance issued possibly from the Attorney General's that these matters were solely civil, yet they had ample evidence to show, according to themselves – some of which I took as oral evidence and made notes with other interested parties, including a lawyer – whereby it was quite clear that the management within that establishment had taken fees from those students in the clear knowledge that, in a very short space of time, the school was going to close its doors. Therefore, the argument was that they knew what was going

to happen, yet they were still taking money.

Now I am just wondering, many of those students are out of pocket... Yes, we know they were helped, but most of them, if they wanted to continue, have had to re-pay for other courses in the UK so, in fact, doubling their money; some could not go back home because their culture would not allow it, the shame that would be brought on the family would be extreme and they were frightened. So I am just wondering how this clause and related matters actually is going to help here, so that in fact if we come across anything like this ever again that we will be able to deal with it more adequately.

The Speaker: The mover of the clause to reply to the debate, Mr Quayle.

Mr Quayle: Thank you, Mr Speaker, and I thank Hon. Members for their input into this particular clause.

Perhaps it may be helpful, Mr Speaker, if I outlined to Hon. Members about the situation concerning consultation to do with this Bill. There was consultation within the relevant parts of Government and the Attorney General's Chambers and, in fact, also a copy was sent to the Ministry of Justice in the United Kingdom for comment, so I know the Hon. Member for Douglas North, Mr Houghton, in wearing his hat as Chairman of the Civil Service Commission no doubt his Commission would have seen sight of this at a reasonably early stage and in fact the Bill has been within the public domain since its first reading in June. The Bill and explanatory notes have been available from the Tynwald Library and on the website free of charge so I just really wanted to make the point, Mr Speaker, that, as far as I am aware, no comments in fact have been received from either the public or Hon. Members until today.

However, I welcome Mr Houghton's comments and would just clarify that one of the reasons why this Bill is being brought forward in the way that it is, is to promote the public sector to be running entirely properly and if, for example, there was no duty included then it would not guarantee a report would be made so it is imposing a legal duty to report and that is entirely to be welcomed because we are trying to co-operate with other nations around the world in making a stand against any type of corruption.

Now to answer, I think, Mr Houghton's other points: the Civil Service report under the existing procedure to the Attorney General and the police, so I know he mentioned there was a differentiation there between, perhaps, reporting to the police where now it could be the Attorney General's but, in fact, at the moment it is my understanding that the Civil Service would report under the existing procedures to both the Attorney General and the police. I know there was mention made about potential penalties to any civil servant or officer not complying with a duty to report and penalties are dealt with as we go forward into the remaining clauses.

So I hope that deals satisfactorily with the concerns of the Hon. Member, Mr Houghton.

In terms of the comments from his colleague, the other Member for Douglas North, Mr Henderson, then the situation would be that, and I know he mentioned about the International Hotel School and if this would help in that particular eventuality. Well, this clause only applies to public servants and it would not cover students at a hotel school.

Mr Henderson: A point of clarification there please,

Vainstyr Loayreyder.

The Speaker: Mr Henderson.

Mr Henderson: To be helpful to the Minister, what I was alluding to was the fact there seemed to be an extreme difficulty by public servants vis-à-vis the police in accepting the students to actually submit statements and go forward on that basis.

The Speaker: Mr Quayle.

Mr Quayle: Yes, thank you, Mr Speaker.

If it may prove helpful then certainly, in terms of clauses 1 and 2, people can still report to the police a corruption if they believe an offence under those clauses have taken place, so maybe not under this particular clause – but there are other clauses within the Bill that may be a catchall for other eventualities.

I should just like to clarify, Mr Speaker, in case I have made an error in terms of the previous information given. The existing procedure is for the Civil Service, for example, to report to the Attorney General. Under this new procedure envisaged in this Bill then it would be reporting to the Attorney General and the Isle of Man Constabulary.

With those comments, Mr Speaker, I have pleasure in moving the clause.

The Speaker: Hon. Members, the motion is that clause 5 stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

Clause 7.

Mr Quayle: Thank you, Mr Speaker.

Clause 7 provides that any person who harms another person, on the grounds that they have reported corruption or because they may report corruption, commits an offence. Under this clause, 'harmful action' includes interfering with a person's lawful employment.

Mr Speaker, I beg to move that clause 7 do stand part of the Bill.

The Speaker: Mr Teare.

Mr Teare: Thank you, Mr Speaker.

I beg to second that clause 7 do stand part of the Bill.

The Speaker: Hon. Members, the motion is that clause 7 stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

Clause 8.

Mr Quayle: Thank you, Mr Speaker.

Clause 8 deals with corruption offences committed outside the Island by Isle of Man residents.

Subclause (1) provides that the clause applies where the Isle of Man resident acted in a manner that would be considered to be a corruption offence, if committed in the Island.

Subclause (2) provides that a corruption offence committed outside the Island may be treated as if it had happened in the Isle of Man and proceedings may be taken against the resident in the Island.

Subclause (3) defines corruption offences for the purpose

of this clause. Offences under this legislation or under section 323 of the Criminal Code 1872 are considered to be corruption offences. In addition, an attempt, conspiracy or incitement to commit such an offence is defined as being a corruption offence. Aiding, abetting, counselling or procuring the commission of an offence under this Bill or under section 323 of the Criminal Code are also corruption offences.

Subclause (4) defines an Isle of Man resident as meaning a person who is ordinarily resident in the Island or a body that is incorporated under the laws of the Isle of Man.

Mr Speaker, I beg to move that clause 8 do stand part of the Bill.

The Speaker: Mr Teare.

Mr Teare: Thank you, Mr Speaker.

I beg to second that clause 8 do stand part of the Bill, sir.

The Speaker: The motion is clause 8 stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

Clause 9.

Mr Quayle: Clause 9, Mr Speaker, sets out the penalties for offences under the Bill. On summary conviction for any offence, the maximum penalty is six months' custody, a fine of up to £5,000 or both. On conviction on information for committing a corruption offence, the maximum penalty is seven years' custody, an unlimited fine or both. Failing to report knowledge of corruption and interfering with the duty to report corruption under clauses 6 and 7 respectively carry a maximum penalty on conviction on information of two years' custody, a fine or both.

Mr Speaker, I beg to move that clause 9 do stand part of the Bill.

The Speaker: Mr Teare.

Mr Teare: Thank you, Mr Speaker.

I beg to second that clause 9 do stand part of the Bill, sir.

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

Mr Karran: Vainstyr Loayreyder, like the Members for Douglas North that had concerns before, my only concern about this part is, will this be a criminal offence that has been done in our own jurisdiction or will it be a criminal offence that has been done in another jurisdiction? How is the individual, if they are not absolutely destitute, able to resource such a defence if the alleged criminal activity is, say, half way round the world? How do we make sure that the person can actually get the support in order to defend any criminal charges, if it is an offence that has been done in another jurisdiction?

Will that mean that we are actually imprisoning people who should be imprisoned in the jurisdiction where they have done the corruption and the criminal offence in the first place?

The Speaker: Hon. Member for Middle to reply.

Mr Quayle: Yes, thank you, Mr Speaker.

I think, in responding to the Hon. Member for Onchan, Mr Karran, that, if any prosecution came about, then the situation as to whether any person was guilty, it would be sorted out whether the person should be put to the prison in the Isle of Man or, more appropriately, if it was to be transferred elsewhere, which is the case now in terms of moving prisoners to the adjacent isle, for example.

With that, Mr Speaker, I beg to move that clause 9 do stand part of the Bill.

The Speaker: The motion is clause 9 to stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

Clause 10.

Mr Quayle: Thank you, Mr Speaker.

If I may, sir, I think we may have skipped clause 6 and I just wonder would you wish me to move clause 6?

The Speaker: Clause 6.

Mr Cretney: Mr Shimmin noticed.

Mr Quayle: If I move on to clause 6. I do apologise if, somehow, we moved on before that. In clause 6, subclause (1): this establishes the offence of failing to comply with the reporting requirement as set out in clause 5.

Subclause (2) provides that it is a defence against failing to make a report under clause 5 if the person can show that they reasonably believed reporting their knowledge of corruption would result in serious physical harm to them, another person or to the property of either.

Mr Speaker, I beg to move that clause 6 do stand part of the Bill.

The Speaker: Mr Teare.

Mr Teare: Thank you, Mr Speaker.

I beg to second that clause 6 do stand part of the Bill, sir.

The Speaker: One moment, Hon. Member. The motion is that clause 6 stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

That was duly moved and certainly, for the avoidance of doubt, my own recollection is that we did properly move and second clause 6 and it was passed.

Mr Houghton: It would look well if it had failed!

The Speaker: Proceed, sir.

Clause 10.

Mr Quayle: Thank you for your reminder on that, Mr Speaker.

Clause 10 then deals with corruption offences committed by a body corporate and the joint liability of officers or members of that body.

Subclause (1) provides that where a corruption offence by a body corporate was committed, with the consent or connivance of a director, manager, secretary or other similar officer, or due to the neglect of such a person, then that person is also guilty of the offence and liable in the same manner as the body corporate.

Subclause (2) provides that where a body corporate, which is managed by its members, commits a corruption offence and the offence is attributable to the acts or omissions of a member in connection with their functions or management of the body, then the member is also liable for the offence.

Mr Speaker, I beg to move that clause 10 do stand part of the Bill.

The Speaker: Mr Teare.

Mr Teare: Thank you, Mr Speaker.

I beg to second that clause 10 do stand part of the Bill, sir.

The Speaker: The motion before the House is that clause 10 do stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

Clause 11, sir.

Mr Quayle: Thank you, Mr Speaker.

Clause 11 sets out definitions used within the Bill. As I have already described the main definitions in moving previous clauses, I think at this stage, Mr Speaker, I can please beg to move that clause 11 do stand part of the Bill.

The Speaker: Thank you very much. Mr Teare.

Mr Teare: Thank you, Mr Speaker.

I beg to second that clause 11 do stand part of the Bill, sir.

The Speaker: The motion is clause 11 stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

Clause 12.

Mr Quayle: Thank you, Mr Speaker.

Clause 12 sets out explicitly, and for the avoidance of any doubt, that the provisions of the Bill apply to servants of the Crown, such as civil servants, in the same way as for anyone else.

I beg to move that clause 12 do stand part of the Bill.

The Speaker: Mr Teare.

Mr Teare: I beg to second that clause 12 do stand part of the Bill, sir.

The Speaker: The motion is clause 12 to stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

Clause 13.

Mr Quayle: Thank you, Mr Speaker. Clause 13 and schedule 1 set out minor and consequential amendments to existing legislation.

With that, Mr Speaker, I beg to move that clause 13 and schedule 1 do stand part of the Bill.

The Speaker: Mr Teare.

Mr Teare: Thank you, Mr Speaker.

I beg to second that clause 13 and schedule 1 do stand part of the Bill, sir.

The Speaker: The motion is clause 13 and schedule 1 stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

Clause 14, sir.

Mr Quayle: Thank you, Mr Speaker.

In relation to clause 14 and schedule 2, these specify the enactments repealed in whole or in part by the Bill.

I beg to move that clause 14 and schedule 2 do stand part of the Bill.

The Speaker: Mr Teare.

Mr Teare: Thank you, Mr Speaker.

I beg to second that clause 14 and schedule 2 do stand part of the Bill, sir.

The Speaker: The motion is that clause 14 and schedule 2 stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

Finally, clause 15. Hon. Member for Middle.

Mr Quayle: Thank you, Mr Speaker.

Clause 15 gives the Bill its short title and provides that the Department of Home Affairs may bring the legislation into force by Appointed Day Order. Before moving this clause, Mr Speaker, I would like to thank the seconder today, my hon. colleague from Ayre, Mr Teare, for seconding the clauses and also the assistance received from Ms Anne Shimmin from the Chief Secretary's Office, who worked closely with the officers in my Department.

With that, Mr Speaker, I beg to move that clause 15 do stand part of the Bill.

The Speaker: Mr Teare.

Mr Teare: Thank you, Mr Speaker.

I beg to second that clause 15 do stand part of the Bill, sir.

The Speaker: The motion is clause 15 to stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

Thank you, Hon. Members, that brings us to the end of the Item, Bills for Consideration of Clauses.

BILL FOR THIRD READING

Enterprise Bill Third Reading approved

5.1. Mr Cretney to move:

That the Enterprise Bill be read the third time and be sent to the Council.

The Speaker: The final Item on our Order Paper is the Bill for Third Reading: the Enterprise Bill.

I call on the Hon. Member for Douglas South, Mr Cretney.

Mr Cretney: Thank you, Mr Speaker.

May I say how pleased I am with the progress of the Enterprise Bill so far and I thank Hon. Members for their support at previous Readings.

As I said on a number of previous occasions, this is a very important and necessary piece of legislation, which will help the Department in its efforts to grow and diversify the economy and, in turn, support Government's economic strategy.

I would like to deal with two points that were raised during the clauses stage and would, perhaps, benefit from further clarification. Firstly, a number of queries were raised in relation to clause 4 – that is the one about financial assistance – which sets out what the financial assistance is to comprise. Certain Members were interested in how this clause would work in practice.

Mr Speaker, the broad approach being applied here is similar to that currently used under the existing legislation, the Industry Board Act, so it is not a new approach. Applicants for financial assistance may apply for a number of forms of assistance and any assistance awarded by the Department is tailored towards the needs of that particular business.

Clause 4 enables the Department to deal with applications for a grant only up to a maximum amount without recourse to Treasury. Any application above the maximum amount or for any type of assistance other than the grant will lead to Treasury approval. For this greater commitment of public expenditure, it is felt appropriate that this extra level of scrutiny should be applied.

I would also point out that, in general terms, the Department encourages businesses to apply for assistance on an annual basis. However, the Department may consider more than one application in a twelve-month period, particularly if, in doing so, it is supporting a business to grow rapidly. Treasury approval would be required if the combined assistance during the twelve-month period were to exceed the maximum amount. In the Industry Board Act, the maximum amount above which Treasury approval is required is contained in the primary legislation, whereas under the Enterprise Bill it will be moved to secondary legislation by way of an Order made by Treasury which will require Tynwald approval. In this way, the primary legislation avoids giving the erroneous impression that the Department is limited as to the size of project it can consider.

Under the Industry Board Act the current limit is set at £100,000 and it has been at this level now for some time. It may be appropriate to consider increasing this level to allow greater flexibility, or at least to allow for inflation. This is a matter the Department will shortly be discussing with Treasury.

I turn now to the second point. A number of questions were raised regarding clause 6, which required the Department to lay an annual report before Tynwald in respect of any assistance provided under the new Act. I appreciate greatly the sentiments expressed by Members that this clause is a step in the right direction towards being more open and transparent as to how the financial assistance schemes operated by the Department are administered and thus taxpayers' funds are spent.

Members may be interested to learn the Department has now completed a consultation exercise in respect of both regulations and guidelines that it will be necessary to put in place once the Bill has been enacted. The issue of disclosure of information and public scrutiny attracted a diverse range of views. Some felt strongly that full disclosure of grant

information should be provided, whereas others felt that no more than summary information should be provided, if that.

The Department is currently considering the views submitted in order to determine an appropriate way forward which will facilitate the transition from the existing position, wherein no disclosure of information is required, to that of the new requirement for partial or full disclosure.

I am very aware of the fact that there is a strong view amongst a number of Members which mirrors my own personal position on the matter, that as much information as possible should be disclosed, (**A Member:** Hear, hear.) but I will require to look in more detail at the points regarding commercial sensitivities raised by certain businesses.

I am also grateful for the recognition expressed by Members during the clauses stage that the measures currently proposed should be implemented and evaluated before further amendments are put forward.

Mr Speaker, there was mention made at the clauses stage that information disclosed should include matters such as the purpose for which the assistance was given and a value created by it. These are certainly issues the Department will be looking at in determining an appropriate way forward.

Mr Speaker, I hope I have helped to clarify the main points that were raised by Hon. Members at the clauses stage. If I have not, then I would apologise for any oversight and ask Hon. Members to let the Department have a note of any additional questions that we may not have dealt with satisfactorily.

Before closing, I would like to extend the Department's thanks to Andrew Webb, of the Attorney General's Chambers, who drafted the Bill and who has expedited this work for the Department.

Mr Speaker, I have nothing further to add at this stage but beg to move that the Enterprise Bill be read for a third time.

The Speaker: Hon. Member for Douglas West, Mr Shimmin.

Mr Shimmin: I am pleased to second, Mr Speaker, and reserve my remarks.

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

Mr Karran: Vainstyr Loayreyder, I think that this Bill is a good step in the right direction.

The only thing that I am a bit disappointed about is that we have not got the financial amounts, but that is something that the Minister can look at. Whilst it is not as good as if it is in primary law, at least what we must do today is give credit where credit is due, (**Two Members:** Hear, hear.) as far as this piece of legislation.

There have been major problems in the past, as far as how Government grants have been handed out. I believe that this Bill will serve as a safety net to try and stop that happening and I am pleased to support this Bill, even allowing for the fact that I managed not to get the issue of financial amounts put into this Bill.

I think it is important that it is a step on the road to transparency. It is an absurdity, when we have seen in the past with previous Departments, where they do not even know why they were giving such amounts and what reasons were given in the past. I am sure this piece of legislation will

make sure that it is all minuted and it is put in the correct way in the future.

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

Mrs Cannell: Thank you, Mr Speaker.

I am extremely grateful to the Minister for coming back with clarity on certain issues which were raised at clauses stage. Could I just ask for further clarification on one of the comments that he made? He did say that the Department may consider more than one application made within the same period of 12 months, but can he confirm that, in fact, if two applications are made within 12 months, that they would not necessarily be honoured and paid out within that same 12 months, or can they, subject to Treasury agreeing with it?

Secondly, can he confirm that, with regard to clause 6(1), the terminology, 'provision of assistance under the Act' is used in that particular clause. I did suggest at clauses stage that might be sufficient within primary law to be able to provide for the Department to be able to publish the figures? Has the Minister been able to clarify that with the Attorney General's Chambers in terms of the provision of assistance; how it can be viewed in law? Is that sufficient flexibility for the Department to be able to publish any figures?

Finally, as the consultation process is now over and there has been a variance of views and also one company, I take it, has expressed concern with regard to commercial confidentiality, can the Minister advise us when he is likely to reach a decision and whether or not Members will get to know early once he has reached that decision of what he intends to do in terms of publication of the figures?

The Speaker: I call on the Hon. Member for Douglas South, Mr Cretney, the mover to reply.

Mr Cretney: Thank you, Mr Speaker.

In relation to the points made by the Hon. Member for Onchan, Mr Karran, I would like to thank him for his compliments. They are welcome.

I certainly believe this is a step in the right direction in terms of taking things forward. One of the most important parts of that is that it broadens the ability of the Department of Trade and Industry and Government to support business on the Isle of Man in a potentially wider way than it has previously. I think we all hear about difficulties in terms of bringing in fresh money. I think we need to take every initiative we can to make sure that the economy on the Isle of Man is doing as well as it can; it is best equipped so that we can provide the best services for those who we represent. I believe this Bill will substantially help towards that.

I note what the Hon. Member says, that he did not have the chance to bring before the Hon. House the amounts to be included in the Bill. I am about to address the Hon. Member for East Douglas as well on that point. I do believe, as I have said during my presentation, that the consultation period is now completed. We will have the ability to go as wide or as narrow as is ultimately determined.

I hope to make such a decision in a relatively short period of time. The consultative period actually has been concluded some weeks now. The officers have been looking at it and they will obviously be briefing myself and Department members. We, obviously, have our own views. I then, as a matter of courtesy, will wish to consult the Council of

Ministers as to the proposed way forward, but the ability is within the legislation to be as transparent as is appropriate.

Can I just close by making one comment which has been put to me by officers. That is that the Department of Trade and Industry has achieved an enviable investment record. In summary, over the last 15 years, they have awarded 618 grants; they have paid out around £48 million in grant assistance. This, in turn, has generated an estimated £137 million of investment by businesses on the Island. Only five projects have failed. The total losses on these failures total around £133,000 and that equates to an annual average loss of less than £9,000 and an overall financial success rate of 99.7 per cent.

Mr Speaker, if this Bill can assist further in taking forward, as I said earlier, the economy which is so important and which is the reason the Hon. Member, the Treasury Minister, was not here to listen to some of the comments in

this House last week, because he was away working for the good of the economy of this Isle of Man, I think we all have an obligation to do so, then I think it will be work well done by this Hon. House.

I beg to move.

The Speaker: Hon. Members, the motion is that the Enterprise Bill be read for the third time. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

Hon. Members, I thank you for your co-operation in progressing the Order Paper. It brings us to the end of today's agenda.

The House will now stand adjourned until next Tuesday 13th, here in our own House.

The House adjourned at 12.55 p.m.