



**HOUSE OF KEYS
OFFICIAL REPORT**

**RECORTYS OIKOIL
Y CHIARE AS FEED**

PROCEEDINGS

DAALTYN

(HANSARD)

Douglas, Tuesday, 12th May 2009

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 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);
 Hon. P A Gawne and Mr Q B Gill (Rushen);
 with Mr R Phillips, Secretary of the House.

Business transacted

	<i>Page</i>
Leave of absence granted.....□	553
Questions for Oral Answer	
1.1. Health services strategy – Public consultation.....	553
1.2. Mountain bike trails – Provision by DAFF.....	554
Orders of the Day	
2. Delegation on Animal Health (Amendment) Bill – Report received and recommendations approved.....	555
3.1. Gambling Supervision Bill 2009 – Second Reading approved	556
3.2. Payment of Members’ Expenses (Amendment) Bill 2009 – Second Reading approved	561

The House adjourned at 11.36 p.m.

*All published Official Reports can be found on the Tynwald website
www.tynwald.org.im
 Official Papers/Hansards/Please select a year*

*Reports, maps and other documents referred to in the course of debates may be consulted
 upon application to the Tynwald Library or the Clerk of Tynwald’s Office,
 Legislative Buildings, Douglas, Isle of Man IM1 3PW.*

House of Keys

The House met at 10.00 a.m.

[MR SPEAKER *in the Chair*]

PRAYERS

The Chaplain of the House of Keys

The Speaker: Moghrey mie. Good morning, Hon. Members.

Members: Good morning, Mr Speaker.

The Speaker: The Chaplain will lead us in prayer.

PRAYERS

The Chaplain of the House of Keys

Leave of absence granted

The Speaker: Hon. Members, I have given leave of absence this morning to the Hon. Member for Rushen, Mr Watterson, and the Hon. Member for Michael, Mr Cannan.

Questions for Oral Answer

HEALTH AND SOCIAL SECURITY

Health services strategy Public consultation

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

If he will make a statement on the public consultation regarding the strategy for the future of health services in the Isle of Man?

The Speaker: We turn now to Item 1 on the Order Paper, Questions for Oral Answer, and I call on the Hon. Member for Onchan, Mr Quirk.

Mr Quirk: Thank you, Mr Speaker.
I wish to ask the Question standing in my name, sir.

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

The Minister for Health and Social Security (Mr

Teare): Thank you, Mr Speaker.

The public consultation regarding the strategy for the future of health services in the Isle of Man is continuing, the closing date being 31st May. Members of the public can submit their views to the Department, as set out in the document and as shown on the relevant consultation pages of the Isle of Man Government website.

The Speaker: Mr Quirk.

Mr Quirk: Thank you, Mr Speaker.

Could I ask the Minister that the documentation – I believe the Department actually printed 2,500 of the documents for draft consultation – could I seek confirmation from the Minister where that consultation exercise went to and which areas of the Health Service or the consultees, what were they, or what was the list that the Department used?

The Speaker: Mr Teare to reply.

The Minister: There was a wide circulation, sir. Copies of the consultation document were sent to GP practices and also they have been sent to libraries and the medical library at Keyll Darree, where there were 75 copies put in. There was also a further circulation to some of the public libraries within the Island, so it has been widely circulated, sir.

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

Mr Cregeen: Thank you, Mr Speaker.

Can the Minister inform the House how the external person from, I think it is RBS, is getting on with the review of the Health Service, as this will be part of the overall cost savings?

The Speaker: Mr Teare.

The Minister: That is entirely outwith the subject of this Question, sir. What I would say is that the Department is now focusing on lean management techniques to deliver these services in the most cost-effective way so that more of the taxpayers' money gets through to the front line.

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

Mr Karran: Vainstyr Loayreyder, would the Shirveishagh assure this Hon. House, allowing for the fact that the senior staff throughout Government have sorted out their pay and conditions, as far as their conditions are concerned, that we will not see a situation where we are expecting the weak, the poor and the sick to pay for the cuts that are going to have to take place?

What assurances can we have that he will actually drive this project and not allow a situation where the self-interest of those at the top will look after themselves and not look after the commitment that was given back in 1948?

The Speaker: I am not prepared to broaden the whole debate out beyond the future of Health Services.
Mr Teare.

Mr Teare: Thank you for your guidance, sir.

What I would say is that if the Hon. Member took the

trouble to read the document, it says: how do we protect the less well off in the community and how do we move forward? That, really, is the focus.

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

Mrs Cannell: Thank you, Mr Speaker.

Can I ask the Minister – bearing in mind that there appears to be a limited supply of the consultation document circulating within the community – whether or not he is particularly targeting the professionals submitting a view, or is it the wider public view that he is actually targeting?

The Speaker: Mr Teare.

The Minister: It is the wider public view, sir.

The Speaker: Mr Quirk.

Mr Quirk: Thank you, Mr Speaker.

Can I ask the Minister, out of the 2,500 documents that were actually produced, how many does he have left in his Department?

Can I ask him, could he give us any indication how many of those medical practitioners' surgeries have actually responded at the present time – or would he not agree with me, that the surgery in Onchan, which I visited a couple of weeks ago – which prompted me for this particular Question – does not have one single copy in the surgery?

Mr Cregeen: Well, give them one!

Mr Quirk: Can I ask why the Minister did not feel that his Department would supply some to the surgeries?

The Speaker: Minister, Mr Teare.

The Minister: It would be wrong at this stage, sir, with the consultation process still open and not closed, for me to comment further. What I would say is that it is not only the written copies of the consultation document; it is those which have been posted and also downloaded from the Government's consultation website.

The Speaker: Mr Karran.

Mr Karran: Vainstyr Loayreyder, can the Shirveishagh assure this House, when he talks about how it protects... How can he actually have a formula of making sure it does protect, when the situation is that the very people at the top, who have most to lose if he does get an effective system, will be making the agenda? Will there be any political control over what happens, as far as this document is concerned, with his Department; or will it once again be unaccountable people at the top of the Civil Service, who are out of control, making the decisions?

A Member: Where is your evidence?

The Speaker: Mr Teare.

The Minister: It is the duty and the responsibility of the Minister, as I see it, sir, to determine the policy and where

there are funding issues and major policy issues then, of course, there is wider consultation.

The Speaker: Mrs Cannell.

Mrs Cannell: Thank you, Mr Speaker.

Can I ask the Minister: how can he expect a wider public view being submitted to him when he has only had 2,500 documents circulated within the community? Does he not agree with me that unless he receives 1,250 responses, anything less than that would, in fact, be regarded as meaningless?

The Speaker: Mr Teare.

The Minister: Could I respectfully draw the Hon. Member's attention to my previous answer, that there is an e-mail facility available.

Mrs Cannell: Not everyone has the internet!

The Minister: I appreciate that, but with circulation in public libraries and also elsewhere, the media and press briefings that have been given by myself and my colleagues, we have broadened this consultation and I feel that we have and we will, receive good responses to this document.

Mr Earnshaw: Hear, hear.

The Speaker: Mr Quirk.

Mr Quirk: Thank you, Mr Speaker.

Could I ask the Minister whose decision it was – was it his decision, or a Member, or his Chief Executive of the Department – to have several consultations? The previous week, we had this particular document had gone out for consultation, and then we have this one. Was it his decision or was it his officers' decision to have all these consultations together?

Could I again ask him: out of the 2,500 documents, how many does his Department still have in its possession?

The Speaker: Mr Teare.

The Minister: As I said before, sir, there are wide means of circulating the document and I would just like to tell Hon. Members of... The Hon. Member who has just resumed his seat telephoned Public Health, and bearing in mind that we are fully engaged with pandemic flu preparations, my understanding is that a request was made, in a somewhat firm manner, that the number of documents which were still there were counted. It is up to us to determine our priorities. We have serious issues to confront on pandemic flu, if it takes over, so the Public Health Department were heavily engaged in that and I was not prepared to divert resources to count.

AGRICULTURE, FISHERIES AND FORESTRY

Mountain bike trails Provision by DAFF

1.2. The Hon. Member for Malew and Santon (Mr Cregeen)

to ask the Minister for Agriculture, Fisheries and Forestry:

What progress his Department has made towards the provision of mountain bike trails through glens and plantations?

The Speaker: We move to Question 2 and I call the Hon. Member for Malew and Santon, Mr Cregeen.

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

The Speaker: I call the Minister for Agriculture, Fisheries and Forestry, Mr Gawne.

The Minister for Agriculture, Fisheries and Forestry (Mr Gawne): Gura mie eu, Loayreyder.

I would like to thank the hon. questioner for giving me the opportunity to highlight my Department's work in this area, but first, I should clarify that cycling is not permitted in any of the Manx National Glens, which are reserved for walkers only.

The Department is continuing its investigation into the development of mountain bike trails on its estate and has identified significant scope to promote cycling opportunities within the plantations. I wish to see my Department building on the success of the 5 km waymarked trails at South Barrule Plantation, which combine forest roads with man-made tracks that meander through the trees and include timber boardwalks and bridges. These trails are becoming increasingly popular and we receive regular requests from users to construct more of the same at this and other venues.

I am sure the Hon. Member for Malew and Santon will be aware that officers in my Department are working closely with officers in the Department of Tourism and Leisure to prepare a submission for Treasury funding to further develop a mountain bike trail network. It is hoped, through the Marketing Initiatives Fund, that our Departments can undertake a feasibility study into the development of sustainable, well-managed and viable mountain bike trails, which can satisfy not only local demand but can entice cyclists to the Island from Britain, Ireland and further afield. The initial bid for the feasibility report will be less than £20,000 and will highlight the potential for trail creation, suitable locations and likely costs. Regardless of the success, or otherwise, of this funding bid, the Department will continue to work within its budget to meet the growing recreational needs of the Island's mountain bikers.

Gura mie eu.

A Member: Hear, hear.

The Speaker: Mr Cregeen.

Mr Cregeen: Thank you, Mr Speaker.

I welcome the Answer from the Minister. If he could just firm up when he thinks he may be going for the Marketing Initiatives Fund to bring this forward, as he will be aware that mountain biking is very popular (**A Member:** Hear, hear.) and, with the state of the economy in the UK and people not going away on holidays, I am sure the Tourism Department will be keen to see this, as it would generate more income to the Isle of Man.

The Speaker: Mr Gawne.

The Minister: Gura mie eu, Loayreyder and I am delighted, obviously, that the Hon. Member for Malew and Santon welcomes the Answer.

As far as when we are going to Treasury, clearly we are going to Treasury when the paper is properly worked up and properly considered, but I should not lead Members to believe that we are taking for granted the Treasury, far be it. I am sure my hon. friend, the Member for Ramsey, would be deeply concerned if we were to do so.

Clearly, we will put forward a good bid, a sound, well-constructed bid, but it is clearly down to Treasury whether or not they believe that is successful. Clearly, money is tight and we have to prioritise, and it may be that there are other priorities that take precedence over this particular bid.

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

Mr Houghton: Thank you, Mr Speaker.

Could the Hon. Minister advise which plantations on the Isle of Man have mountain bike trails going through?

The Speaker: Mr Gawne.

The Minister: Gura mie eu.

Currently, as far as I am aware, anyway, it is the mountain bike trail in South Barrule Plantation. I am not aware of any other permanent mountain bike trails; however, on a temporary basis, some races are held, as I understand it, in some of the plantations.

The Speaker: Hon. Members, that brings us to the end of Questions for Oral Answer.

Orders of the Day

Delegation on Animal Health (Amendment) Bill Report received and recommendations approved

2. The Hon. Member for Rushen (Mr Gawne) to move that:

The Report of the delegation elected by the House on 24th February 2009 be received and that the agreed amendments to the Bill set out in the Report be approved, namely:

Page 13

In the first line of paragraph 8, delete 'may' and substitute 'shall as soon as is practicable';

and

in the second line of paragraph 8, after 'compensation', insert 'in circumstances to be specified in the regulations'.

The Speaker: We therefore turn to Item 2 on our Order Paper, Report of the delegation regarding the Animal Health

(Amendment) Bill. The Hon. Member for Rushen, Mr Gawne, to move and I call on Mr Gawne.

Mr Gawne: Gura mie eu, Loayreyder.

As Members will be aware, the Animal Health (Amendment) Bill received its First Reading in the House of Keys on 28th October and was passed by the House at the 2nd December 2008 sitting. It was introduced into the Legislative Council on 9th December and passed, with amendments, on 3rd February. The House of Keys considered the Council's amendments on 24th February and requested a conference. A delegation met on 3rd March to elect a Chairman, and meetings of the conference were held on 18th and 23rd March.

The amendments made in the Legislative Council were as follows: page 13, in the first line of paragraph 8, delete 'may' and substitute 'shall', and in the second line of paragraph 8, after 'compensation' insert 'in circumstances to be specified in the regulations'.

A memorandum was provided to the delegation by my Department, and that is printed in the Report, and it highlights the concerns that the Department had in relation to the amendments. The principal concern of the Department was that the Legislative Council's amendments might have the effect of forcing the Department to make regulations under paragraph 8 of schedule 2 at the time of Royal Assent being given to the Act. This would be before the need for any order under paragraph 1 had arisen and before any order had been made. The regulations would therefore be valueless. It was common ground between the delegations that, were any order to be made under paragraph 1 of the schedule, then regulations under paragraph 8 making arrangements for compensation to be paid should be made.

To deal with the Department's point, the delegations have agreed: (a) to accept the amendments as made in the Legislative Council; and (b) to insert the words 'as soon as is practicable' after the word 'shall'. This is with the intention of ensuring that the Department makes regulations providing for compensation to be payable when the need of such regulations arises and not before.

Gura mie eu, Loayreyder. I beg to move the amendment standing in my name:

Page 13

In the first line of paragraph 8, delete 'may' and substitute 'shall as soon as is practicable';

and

in the second line of paragraph 8, after 'compensation', insert 'in circumstances to be specified in the regulation'.

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

Mrs Cannell: Thank you, Mr Speaker.
I beg to second and reserve my remarks.

The Speaker: Hon. Members, the motion is that the Report of the delegation regarding the Animal Health (Amendment) Bill, as set out in our Order Paper, be approved. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

BILLS FOR SECOND READING

Gambling Supervision Bill 2009 Second Reading approved

3.1. Mr Braidwood to move:

That the Gambling Supervision Bill 2009 be read the second time.

The Speaker: We turn now to Item 3, Bills for Second Reading: Gambling Supervision Bill 2009.

Hon. Member for Douglas East, Mr Braidwood.

Mr Braidwood: Thank you, Mr Speaker.

Responsibility for the Gambling Supervision Commission was transferred from the Department of Home Affairs to the Treasury in 2007 and the Gambling Supervision Bill 2009 is required to place the Commission on a similar standing to the other regulatory bodies aligned to the Treasury. By amending the existing constitution, the Commission's independence will be reinforced, and it can be seen to operate under a framework similar to that of the Financial Supervision Commission and the Insurance and Pensions Authority.

The framework confirms the Commission's regulatory objectives, which remain unchanged from those outlined within the Gambling (Amendment) Act 2006 and the basis for its functions and procedures. This short Bill provides for the constitution of the Gambling Supervision Commission to become a Statutory Board. The Bill also expands on the constitution, status, and the exercise of functions of the Commission.

In addition, the opportunity has been taken to simplify, amend, or provide a solution within existing gambling legislation, issues that have arisen since the introduction of the Gambling (Amendment) Act 2006. Provisions within the Bill extend and simplify the scope of appeal to cover all decisions made by the Commission and the circumstances in which mutual assistance agreements with other regulatory authorities may be entered into. Restrictions regarding disclosure of information are also outlined.

A further enabling provision is included that will allow the Commission, under the Online Gambling Regulation Act 2001, to draft regulations that will afford protection to players' funds deposited with an operator, as if the funds were held on trust. The Regulations will make clear that should a company go into liquidation, the players' money, deposited with the gaming company, is clearly not money of the company. It is protected from the liquidator and will be returned to the player in full. This is a commercial alternative to existing requirements, which provides an additional option to licensed gaming companies whilst maintaining secure regulatory obligations.

Mr Speaker, the primary purpose of this Bill is to provide for the constitution of the Gambling Supervision Commission to become a Statutory Board, whilst additionally expanding on the Commission's status and the exercise of its functions. Additional clauses merely restate and simplify the existing gambling legislative framework.

Mr Speaker, I beg to move the Second Reading of the Gambling Supervision Bill 2009.

The Speaker: Hon. Member for Ramsey, Mr Bell.

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

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

Mr Karran: Vainstyr Loayreyder, it might take a bit more than six minutes, like the Constitution Bill the other day, as far as this Bill is concerned...

I believe that the Hon. Member should be considering the principles behind this Bill, and I think that the question is: should we be in the business, as far as the gambling industry in the first place, allowing for it to be a social cancer? I think we need to debate that issue as a House. Should we be doing that?

What I am concerned about is that we need to hear the economic benefits of the proposals for this sort of legislation and also the dangers, as far as this legislation is concerned. It is alright saying that it creates an extra 50 jobs here and so many jobs there, and you end up finding out that you need to be fluent in Cantonese in order to be able to be of any use, as far as those jobs are concerned. I think the point is that what we need from the Member is the arguments, as far as the sector is concerned, the dangers there are for the Isle of Man as far as the issue of the US Wire Act, I believe, which deals with gambling.

I asked a Question in the March sitting about the issue of extradition warrants, not just from the European Union but also from the US. What I am concerned about is the fact that if the likes of US extradition warrants can be enforced in this Island, what a PR disaster we would have if one of the statutory boards of Tynwald ends up in a situation where they go off to Disney in Florida and find out that they are staying there a little bit longer than a fortnight! It sounds ridiculous, but these issues are serious issues and that is why these issues should not be just nodded through.

I believe that, obviously, at the clauses stage, the Hon. Member from the Treasury needs to make sure that we are addressing these issues. Are we on a sound legal basis, as far as the fact that in other places they are now allowed to gamble outside their jurisdiction? Are we opening ourselves up, actually going for this type of business, by possibly creating dangers, as far as the rest of the finance industry?

I have to be honest with you, Vainstyr Loayreyder: I understand the problems that the Treasury has about diversifying the economic base of this Island, but I also think we have to, in this legislature, actually legislate the legislation that is in front of us here today. What happens about the issue of...? As we have seen in the past when this industry was starting in the Island, we ended up with the problem of the Dutch-auction effect with other countries and we lost quite a bit of business. Now we have got that business back, I believe.

How does this House, or how does Tynwald, not allow the Island to be used in the same way, as far as the protection in this Gambling Supervision Bill is concerned, if we allow it to have total autonomy? I think these issues need to be highlighted and put into *Hansard* for the legislative process.

Can the mover explain to us about the issue of how does it give... by not being part of the Treasury, it actually improves the situation. I agree with the principles, the idea of giving some sort of autonomy, as far as the issue is concerned, but also with that issue is making sure that that autonomy has some sort of democratic audit, as far as that autonomy is concerned.

What I also am concerned about, especially in light of the Questions that I put down not so long ago when we found out about the issue of the FSC, is the annual pay increases of unaccountable... and unaccountable to the democratic system... What safeguards are we going to be putting into this Bill to make sure that we find, as a byline, that they have given themselves a 14-per-cent increase, when in reality we have a situation where people will be lucky if they get any increase at all in the next couple of years in the public sector, allowing for the way things are going. I think it is important that that needs to be addressed, as far as this piece of legislation is concerned. I understand that it brings in money and I understand it brings in jobs at the present time, but I think it is important that we get these points clarified, because it is no use us then doing the Aunt Sally and the thing of shrugging our shoulders, when we have given all power and all audit away, as far as that issue is concerned.

When I was Chairman of the Water Authority, after the disastrous situation that was there, and started to repair the mess, one of the things that I wanted was putting the chief executive on five-year contracts. The question has to be asked: should the Gambling Supervision Commission be on a five-year contract, as far as it having to come back to Tynwald on a five-year basis, because if the business does not justify it, then it would be easier to close it down, instead of having a situation where we have got to keep lots of these infrastructures going when... and it is much more difficult. I would like to see what the mover has to say about that issue, but we have got to try and find a way of where we bring these expensive infrastructures in, but we make sure that it serves, not just the industry that it is supposed to serve, but the taxpayer and the people of the nation.

So I would like to know from the mover, what controls will be in the new Gaming Supervision Bill, as far as the control over payments and expenses and the increases that could happen. What checks and balances are there in the new system? How is the Member going to make sure that this does not end up just becoming another self-serving situation, serving itself and not the industry and not the people of the Isle of Man? I believe it is important that we do look at these issues.

I also would like to say that until we start seriously addressing – and I believe the next Item on the Agenda will highlight what I am on about – we talk about creating independence and being apart, but the problem you have got is that, until we address that issue of how we actually do create that independence... because we have not really got proper walls to create that independence at the present time.

Loayreyder, I think I have spoken enough on this Bill. (**Several Members:** Hear, hear.) I believe that I have, and – ‘Hear, hear’ – that that is what the role is here, so that the mover actually comes back and argues the points before we do the most important role that we have as Members of the House of Keys, and that is not be part of a Department or a Statutory Board, but to be a member of this legislature. I would be interested in the mover’s response.

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

Mr Cretney: Thank you, Mr Speaker.

Just to respond in part, if I can assist in some way, to the points that have been raised by the Hon. Member for Onchan,

Mr Karran. We all talk at election times about diversifying the economy, and e-business, including e-gaming, has been one area which the Isle of Man has, over the last several years, been successful in. I do believe that this Bill significantly takes us forward, in terms of separation, in terms of clear blue water between the Government and those who regulate.

I think also the point needs to be made that it is my Department – the Department of Trade and Industry – that is responsible for the promotion of e-gaming, and the Treasury Department, which has, up until now, been responsible, following on from Home Affairs, for the regulation of the industry. It is, in my opinion, entirely correct that there should be that separation. I think that the legislation before us takes that forward.

Can I just make the point, I am happy at any time, for the Hon. Member or any other Hon. Member who wishes to be informed about how things are, in relation to taking forward the e-gaming part of e-business, to make a presentation to Hon. Members, because if there are any misunderstandings, then I think it will be helpful to clarify those. There are good jobs for Isle of Man workers; there are well-paid jobs for Isle of Man workers. There are also, within this industry, good mechanisms in place for detecting any potential abuse and also for protecting any people who may have a problem in terms of gambling. There is far more protection for people in relation to e-gaming than there is in relation to ordinary gambling on the high street or other ways. This is a much safer way.

I, again, support the Hon. Member, Mr Braidwood, on behalf of the Treasury, for taking forward this regulation. As I say, I am happy to speak to any Hon. Member. I am sure the industry would be happy to speak to any Hon. Members in relation to what is going on in terms of taking this industry forward, which is providing good, well-paid jobs for the Isle of Man, in a properly regulated environment: and the most important point, which I have emphasised and I know my colleague in the Treasury, the Treasury Minister, has also emphasised, in relation to this, is that we do not want jobs, or we do not want businesses, at any price. What we are interested in is the same as applies across all areas of the economy and that is quality jobs and quality businesses. That is what we are aiming for and that is what the industry and the Government are being successful in promoting.

The Speaker: Hon. Member for Ramsey, Mr Bell.

Mr Bell: Thank you, Mr Speaker.

The Hon. Member for Onchan started with the question: should we be in this business? He seems to overlook the fact that we have been in this business for eight years now – and it is a bit late in the day to raise that point!

I brought in the original legislation that set up the online gaming industry in 2001, Mr Speaker. At that time the Isle of Man was ground breaking on a worldwide basis. It was the first country in the world to try and regulate online gaming. We got off to a hesitant start, because we did not have an established blueprint to set up the industry, we had to draft our own structures, and they had to be amended subsequently to be more relevant to the industry that we were trying to develop.

The Hon. Member makes comment that when he says the original licences were a dutch auction. They were not a dutch auction at all! We had some very well-established and highly reputable companies, worldwide, that were

awarded those original licences, and it was because online gaming was very much in its infancy at that time that those particular companies' own business plans did not work. That was the main root of the problem, plus a number of them were American-facing business and with the US attitude at the time, it became unviable and those licences were subsequently handed back.

What the Hon. Member needs to be aware of, though, Mr President, is there is a growing sea change, worldwide, in the attitude towards online gaming. Whilst in the early days there were certainly reservations about it, there was a lack of certainty that such an exercise could ever be regulated, but with the light of experience over the last few years and not a little contribution from the Isle of Man's own experience with a number of other countries, the whole mood internationally now is changing away from prohibition towards regulation. A number of the European countries are moving towards regulation. Italy in particular and France – formerly very strongly opposed to it – are now very aggressively promoting it because they see this as a way of diversification. They are convinced now that the sophisticated software which is available brings in much tighter controls over abuse of this form of gambling. As my colleague for South Douglas says, it is a far tighter controlled business altogether even than terrestrial gambling.

So the international mood has changed, but not only in Europe: it is also starting to change in the United States. I have no doubt at all, over the next few years, online gaming will be legalised in the US, and it will be properly regulated. The US will be very competitive, as it always is, and will try to attract that business to those shores.

The Hon. Member should also be aware that the UK has actively courted online gaming, and has brought in its own regulations and, indeed, the Isle of Man, because of the high quality of control of responsibility and the sophistication of our regulatory system, has gained a place on the UK white list, which allows companies to advertise in the UK. There are only four countries in total that have achieved white list status, and that I think, Mr Speaker, speaks highly of the work that the Isle of Man has done, over the last few years, to act responsibly in monitoring and controlling this industry. So the comment or the impression that the Hon. Member makes, that we are out on our own on this and we are dicing with economic death, reputationally, by getting involved with this industry, is entirely wrong. He fails to understand how the international scene has changed over the last few years.

The industry itself is growing strongly on the Island, even though the Island itself is not in recession. By contrast to most other industries, this is the fastest growing industry on the Island at the moment and currently we have somewhere round about 500 jobs created, and there are a good number of new licences in the pipeline, which ought to create further employment opportunities in the future. These are highly paid jobs, Mr Speaker. I think the average job in the industry currently is around £50,000. That is very much at the top end of the average wages on the Island.

The other beauty of this industry, Mr Speaker, is that, in many areas, there is a great similarity between the jobs in the finance industry and the jobs in online gaming. We could find ourselves – and we are finding ourselves, at the moment – as the online gaming related jobs are developed, they are in a position to absorb some of the redundancies which might come, and are coming, across the financial services industry, so there is a great synergy between these

two, which is helping to keep the unemployment down and also to stimulate economic growth in other areas.

We have to diversify. The financial services industry is still very strong. It is still showing signs of growth, but in the next few years, undoubtedly there will be a restructuring of offshore financial business. There will be some losers and some winners in all that, but the Isle of Man has to make sure that it is positioned strongly to be able to capitalise on whatever changes take place. Nevertheless, we have to be aware that we need to build on the policies that we have had in the last few years to diversify the economy, as far as we possibly can.

Mr Speaker, the comment I have made on many occasions over the years is that e-gaming is not an end in itself. It is a means to an end, and by developing e-gaming, it has enabled us to expand at a much greater rate than might otherwise have been the case. Our telecommunications infrastructure, the cost of bandwidth and availability of bandwidth has changed accordingly, which makes other e-business more accessible to the Island. We are a more competitive jurisdiction on that basis, because of the major contribution made by online gaming.

So, Mr Speaker, I would refute all the concerns that the Hon. Member has made in that area about the industry. It is a highly responsible, well-regulated industry in the Isle of Man. The Isle of Man is still a world leader and other countries are coming to the Isle of Man to learn from our experience, so in no way can the Isle of Man be considered to be irresponsible by developing this business.

The Hon. Member for South Douglas made comments about the fact that we are not accepting business at any price, and it is most important to realise that, Mr Speaker. Treasury, above all, realises how vitally important it is to protect the Island's reputation. The one thing we cannot afford is for rogue business to open up on the Isle of Man, whether it be through online gaming or any other activity, which would either tarnish the reputation of the Isle of Man itself and then, by association, tarnish the other companies which are important parts of our economy.

So there is no way, Mr Speaker, will we accept or issue licences to companies, other than those with a proven track record and ones that can prove that they are responsible players in this market.

The Hon. Member is contradicting himself again, Mr Speaker, when it comes to the autonomy of the Gambling Supervision Commission. On the one hand, he wants us to control everything that is going on in there – the appointment, the salaries etc – and at the same time he is demanding that it should have more independence so that Government does not interfere with it. You cannot have it both ways.

It has been my ambition, Mr Speaker – and I believe the time is right now because of the maturity of the industry – that the Gambling Supervision Commission should be put on a similar footing to the FSC and to the IPA and that we have these three regulators, all operating in slightly different areas but connected at the same time, working as independent bodies but feeding into Government through Treasury. This is the thinking behind this. It is to give the Gambling Supervision Commission some autonomy so there is clear blue water between Government and ourselves so we cannot be seen to be unduly influencing the issuing of these licences, again bearing in mind the reputational risk this would pose to the Island. The IMF itself, Mr Speaker, when it has been over here, has insisted strongly that the regulator

must be separated from Government, it must be seen to be independent, and this is what we are trying to achieve through this piece of legislation.

The Hon. Member finally throws in the point, 'Well, of course, we can always close it down if we are not happy with the way you are going.' You cannot just close an industry down! This is becoming an important part of the economy now and there are hundreds of jobs at stake, hundreds of families are involved in this. We have brought people here from every corner of the world to help us develop this industry. It is providing jobs for our own people, and well-paid jobs as well. So, Mr Speaker, before we lightly throw in the comments in debate here that the future perhaps is unstable and that at some point Government might just turn round and pull the plug on the industry... It is sending out absolutely the wrong message to an industry at a time when we really need industry on this Island to feel confident in what we are doing, to have their certainty of continuity of business into the future to enable them to invest and to expand and to create jobs for our people and revenues for our exchequer in the time ahead.

Mr Speaker, I would strongly urge Members to support this piece of legislation. I think it is a forward-thinking piece of legislation which will finally establish a proper regulatory framework around the regulator himself. It gives independence to the regulator from Government and it will give the regulator the resources it needs to be able to properly oversee this industry, which is an important part now of the Manx economy. So, Mr Speaker, I would urge Hon. Members to give their full support to this.

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

Mrs Cannell: Thank you, Mr Speaker.

I will be a bit shorter than the previous speaker (**Several Members:** Hear, hear.) and the first one after the mover of the Bill.

Just to say that the issue of gambling is a serious one, and we have had some very hearty debates over this, in the past. Indeed, in 2001, when the Hon. Member for Ramsey took through this particular piece of legislation, I voted against it. I have consistently voted against anything to do with encouraging people to gamble, because I recognise the problems that some members of our society have in terms of addiction to gambling.

Having said all of that, I do accept that it has provided valuable jobs within our community, which is a diversification. I am just disappointed that perhaps we cannot be a little bit more imaginative, in terms of other ways to diversify, in order to secure the economy for the future –

Mr Bell: We'd be very happy to hear your ideas. Please come forward!

Mrs Cannell: I have had some very good ideas, but they have never been taken up.

Mr Bell: Perhaps you could pass them on to us, then.

Mrs Cannell: Well, I have in debate, Mr Speaker, but they have never been picked up on.

However, dealing with the piece of legislation before us, it is not merely a case of the online gambling aspect, because

there are provisions within the Bill to set up a Statutory Board. So that is to put on a firmer footing the overall regulation. I can see the merits in that, because if you are going to run a responsible industry then, at some point in time, you have to have some kind of statutory obligation, in order to regulate it appropriately and effectively.

However, what I would ask the mover of the Bill is, if they are going to now be put on a statutory footing, and there is provision in here, in terms of their functions, their constitution and how they proceed whilst they are in session, to me the detail does not go far enough. For example, we approved and passed and is now law, the Statutory Boards (Amendment) Bill, which is now an Act. That provides that all Statutory Boards, the chair of such Boards can be replaced half way through the term, that is two and a half years. My question is, will this new Statutory Board come under that? If so, when you turn to schedule 1, which is to do with the constitution and then the tenure of office, it says here,

'2(2) a member of the Commission may be removed from office by resolution of Tynwald.'

Well, that is good, but can they not also, or can the chair not also be removed after two and a half years and you put in a fresh chair? So if it is not falling under the Statutory Boards (Amendment) Act, I want to know why.

Can I also ask the mover, what remuneration they will be receiving as Statutory Board members, because some of the Statutory Boards get more than others? There is not an evenness there, because on the explanatory memorandum under 4, it is said,

'it is not expected that the Bill will have any effect on public revenue, expenditure or personnel.'

If it is not expected, is it not therefore anticipated, so if it is not anticipated, the mover must have an idea of what it is going to cost, because there will be a cost implication.

Finally, just to say with regard to – I will support the Bill because it is putting on a statutory footing regulation of an industry that I do not approve of, but I would be less inclined to vote against something that is going to put in a formal footing of regulation for an industry that I do not support, because that is a recipe for disaster. That would allow an industry in effect to get away with all sorts of things which could potentially, in future, damage our reputation, so regulation is important, having a Statutory Board is important, but I would just like a little bit more detail from the mover, in terms of the items I have mentioned.

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

Mr Gill: Thank you.

Briefly, Mr Speaker, I was reflecting on the comments from the Treasury Minister when he was castigating the Member for Onchan for misunderstanding and misrepresenting the purpose of this Bill, which was to do two things; to regulate independently perfectly legitimate and very welcome diversification of the economy, but at the same time to have some Treasury control in that.

That is a fine balance and it is a balance that was raised at a briefing for Members and there was not a satisfactory answer: there was no answer from the mover, so perhaps we could afford him the opportunity again to satisfy us what the purpose of having the Treasury Minister and Members

included on the list in schedule 2 specifically – I know we will come to that another day – but in terms of principle, what is that balance? I think, rather than the Member for Onchan getting it wrong, it sounds like the Treasury Minister is getting his cake and eating it. He says it was nothing to do with us, but we want to be part of controlling it. If there is a legitimate balance to be struck there, let us hear it; we have not heard it, or I certainly have not heard it yet. Perhaps today is the opportunity for the mover to enlighten us.

The Speaker: I call on the mover to reply. Mr Braidwood, please.

Mr Braidwood: Thank you, Mr Speaker.

First of all I would like to thank the Hon. Members, for Douglas South, Mr Cretney and for Ramsey, Mr Bell, in explaining and answering a lot of the queries which were raised by the Hon. Member for Onchan, but I would like to expand slightly on what they said.

The Hon. Member for South Douglas, Mr Cretney, was quite right when he was looking at terrestrial-based gaming and online gaming and the addiction to gambling. In actual fact, on the websites of the online gambling people they have to provide links to websites and information about other resources that can provide assistance to problem gamblers. Operators are required to provide functions within their systems to allow players to restrict their maximum stake or bet in any one session or over a period of not less than seven days and these functions are reviewed on application and routinely under ongoing supervision. So, in actual fact, the online gaming is better supervised, in a way, for problem gamblers, than the terrestrial gaming.

The Hon. Member for Ramsey also mentioned about the expansion of online gaming as it has occurred in Italy and is occurring in France. The Hon. Member also mentioned the United States, where there are restrictions at the present time on online gaming, but that is changing. If it does not change directly through the Congress or the Senate, individual states will be taking legislation through to make online gaming legal.

Mr Speaker, the Hon. Member for Onchan mentioned this Bill of social cancer in the gaming... The Hon. Member for Ramsey, Mr Bell, was quite correct: this is legislation, really, which is being consolidated. It has been there for eight years. We have other different legislation at the present time, and hopefully in the next couple of years we will be bringing a Bill through which will consolidate all the Acts which are now in place, so it will make it a lot easier to amend the legislation.

The Hon. Member for Onchan also mentioned the economic benefit coming forth from the online gaming industry and the Treasury Minister briefly mentioned it. I have some economic figures here. The total employment in November 2006 was 230; in December 2008, it was 464; and probably by the end of this year it will be 640. On the average wages, the Treasury Minister was nearly correct. He said £50,000; it is £52,000. The total Isle of Man spend was £60 million in November 2006; it is now £118 million. The total Isle of Man wages paid was £12 million in November 2006 and is now £28 million. A benefit to the... tax paid to the Isle of Man through taxes, NI and duty: £6.2 million – an increase, doubled from £3 million in November 2006. Also, licensing – (*Mobile telephone rings*)

A Member: Ten pounds!

A Member: Sorry

Mr Braidwood: Mr Speaker, before any operator can be licensed in the Isle of Man, they have to undergo due diligence and probity on the corporate structure – key employees, directors and beneficial owners, so they cannot just come over and open online gaming.

The Hon. Member for Ramsey was quite correct. It has been the benefit and also bandwidth in the Isle of Man. We have now the optical cable being fully utilised, with companies over here using the fibre-optic cables. We are very resilient in that field, and that is why a lot of companies come to the Isle of Man, because of the resilience of the telecoms industry in the Island.

Mr Speaker, as my hon. colleague for Douglas East has mentioned, she can understand the merits of a Statutory Board. The remuneration of the Chairman and the members of the Commission is already in the public domain. That was actually passed, I believe, a few months ago, by the Treasury Minister. Just off the top of my head, I think it is £10,000 for a member of the Commission, and I think the Chairman, who has to be an advocate, is round about £25,000. So, at the present time, the salaries are not changing.

One thing I will look at, and come back to the Hon. Member, because there might have to be an amendment moved because of the Statutory Boards, where, at the present time, the Council of Ministers can do some direction. At the moment, it is missed off and there will probably be an amendment on that. At the same time, I will look at the length of term of the chairman and come back to the Hon. Member.

The Hon. Member for Rushen, Mr Gill, seems to have a bit of a bee in his bonnet with clause 7 and schedule 2, which is the disclosure of information and disclosure of information to Treasury and the members – although this is a direct lift, actually, from the Financial Services Act 2008, which is very similar. In actual fact, the functions really are to allow good communication between the Gambling Supervision Commission and the Treasury. The Treasury is also a member of the Gambling Forum and it is better if information comes forward to the Treasury so that any legislation which needs to be required or decisions, which have to be made in a timely manner, can be made. So the information can flow from the Gambling Supervision to the Treasury and the Treasury is restricted as to whom they can give that information.

If we look at the schedule, the information can only be given to the Treasury and its members, the Commission and its members, the Gambling Appeals Tribunal and its members and any officer or employee of any person or body mentioned in the above, which I have just mentioned. So, in actual fact, the Treasury cannot pass that information on to any other body.

Mr Speaker, I hope I have covered a lot of the queries which have been raised by Hon. Members. I will get an extract from *Hansard* and at the clauses stage, in a couple of weeks, I will try to answer any queries which I might have been... I have not marked down... and if that is the case, I will come back and, as I have already said, answer those queries.

I beg to move, Mr Speaker.

The Speaker: Hon. Members, the motion is that set out

on the Order Paper: that the Gambling Supervision Bill be read for the second time. Those in favour, say aye; those against, say no. The ayes have it.

A division was called for and electronic voting resulted as follows:

FOR	AGAINST
Mr Quirk	Mr Karran
Mr Earnshaw	
Mr Brown	
Mr Crookall	
Mrs Craine	
Mr Bell	
Mr Quayle	
Mr Teare	
Mr Cregeen	
Mr Houghton	
Mr Henderson	
Mr Malarkey	
Mrs Cannell	
Mr Braidwood	
Mr Corkish	
Mr Shimmin	
Mr Cretney	
Mr Gawne	
Mr Gill	
The Speaker	

The Speaker: Hon. Members, the motion carries, 20 votes for, 1 vote against.

Payment of Members' Expenses (Amendment) Bill 2009 Second Reading approved

3.2. Mr Braidwood to move:

That the Payment of Members' Expenses (Amendment) Bill 2009 be read the second time.

The Speaker: We turn now to the second of our Bills for Second Reading: Payment of Members' Expenses (Amendment) Bill 2009. Again, Hon. Member for Douglas East, Mr Braidwood.

Mr Braidwood: Thank you, Mr Speaker.

The recommendations contained in the First Report of the Joint Committee on the Emoluments of Certain Public Servants for the 2006-07 session identified a requirement for amending the Payment of Members' Expenses Act 1989, so that when a Member of the Legislative Council goes out of office as a Member of the Council, he or she should continue in office as a Minister or Member of a Department or Chairman of a Statutory Board until a successor is appointed, and thereby receive the remuneration due for that Government role. The Report and its recommendations were received and approved by the Legislative Council on 26th June 2007 and by the House of Keys on 23rd October 2007.

This short Bill amends the Payment of Members' Expenses Act 1989 to give effect to the above recommendation and clarifies the position so that any Member of Council going out of office will receive the same treatment regarding remuneration for holding a Government appointment as would a Member of the House of Keys, until such time as a

successor is appointed. This is in keeping with the spirit of the Report by the Emoluments Committee.

The opportunity has also been taken to specify that no Member can receive an annual sum in respect of membership of more than one Department and extends the requirement for Tynwald to approve orders made by Treasury by including the amount of attendance allowance payable to non-Tynwald members of specified tribunals and committees and rates of travelling allowances. It has been a Treasury practice to obtain Tynwald approval for these items for a number of years.

Mr Speaker, this is a short technical Bill. The main purpose of the Bill is to ensure equality of treatment regarding remuneration between Members of the House of Keys and the Legislative Council holding Government posts on going out of office.

Mr Speaker, I beg to move the Second Reading of the Payment of Members' Expenses (Amendment) Bill 2009.

The Speaker: Hon. Member for Ramsey, Mr Bell.

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

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

Mrs Cannell: Thank you, Mr Speaker.

I have one question for the mover. In terms of the explanatory memorandum and it is repeated in the Bill, it says:

'The new provision' will enable a person who was a member of the Keys immediately before the dissolution of the Keys continue to receive their salary for being a member of Keys until the return of the writ in accordance with the election rules in Schedule 2 to the Representation of the People Act 1995.'

My question to the Hon. Member is, what happens if no writ is returned? In terms of the Member who was holding the post does not intend to defend their seat or to stand again, in terms of the Member of the House of Keys, will they then simply continue in that role, in that office, be paid for it, until someone else is appointed to replace them? If that is the case, I think it needs to be clearer in the legislation, because it seems to be totally reliant, the new provision, for a Member of the House of Keys to be, until the return of the writ.

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

Mr Karran: Vainstyr Loayreyder, I think this Bill is a classic example that just shows the total imbalance in the political system that we have got at the present time. To be frank, in this Hon. House, apart from myself, everyone else in this Hon. House has a pecuniary interest in this Bill.

The Chief Minister: No they do not.

The Speaker: Hon. Member, that is not the first time I have heard you make such statements. I would remind you that the presiding officer has no pecuniary interest.

Several Members: Hear, hear.

Mr Karran: Loayreyder, the situation is, as far as this Bill is concerned, you need the votes out of the executive in

order to be part of the payments of this piece of legislation. What concerns me is that I do not believe that this piece of legislation, by supporting it, will actually start to address this serious issue of trying to put the audit and accountability into this legislation. In my opinion, what this Bill does is consolidate what the practice is at the present time and, with the exception of unless you have the displeasure of the Minister, you get paid anyway, as far as being until the following general... until the general election comes up.

The situation, I believe, that what we should be seeing is, that this Bill is not a payment of Members' expenses, this is a payment of Members, who happen to need to have the patronage of the Council of Ministers' legislation and the wording of this Bill is quite wrong, in my opinion. I believe that that issue gives me great concern.

What concerns me also, when you read this legislation and you read the Members expenses... the Payment of Members' Expenses Bill 1989, the question that needs to be asked is whether all payments should not only have to be laid, but have to be approved for any other bodies, as far as the membership is concerned within this legislation. That question needs to be asked.

We have had the muddying of the waters from the Minister and he has, on a previous piece of legislation, some very valid points that I could sympathise, especially with the problems we have got with unemployment, but he seems to muddy the water between the issue of Tynwald, the parliament of the Isle of Man, and Council of Ministers, the executive Government of the Isle of Man, and I think that this is one of the issues, which has led to a system of government that we have managed to be able keep afloat over the last, nearly 20 years now, that has allowed an economic boom not to fulfil many of the wishes of the people of the Isle of Man. Because of the imbalance and because of the payment of expenses and the way we do things, we have allowed an awful lot of money to be very poorly spent, because of the lack of parliamentary scrutiny and the lack of any audit on the system, because everyone bails out of the ship of scrutiny in parliament into the situation of being part of the executive pay.

This Bill needs to be changed, in my opinion. There are a couple of things that I would like to consider, and maybe consider as far as this Bill is concerned, and that is that if there is no agreement, after three months of going out of office, of people being politically changed – and we have seen that in the past – maybe there should be amendments put at the clauses stage so that they at least have to come back to Tynwald if they cannot get agreement as far as replacing people with different political responsibilities... that at least they have to come back to Tynwald and debate why they cannot get their Government, their new membership in place, as far as that is concerned. It is about putting audit into the system when we have a system where everybody is part of the executive function, apart from me, and I believe that we need to address that issue.

The second point that I think we need to consider is whether Members of Departments should be paid at all, because at the end of the day, Members of Departments... and I think people can be forgiven outside this Hon. House... The Department is the Minister, and what he gives down –

Mrs Cannell: Or she.

Mr Karran: As far as the Minister is concerned, he is the

Minister. Members of Departments are purely functionaries for the Minister with whatever delegated function the Minister wants to give. In some Departments, like – unfortunately, he is not here and I was going to give him some praise – the Member for Ayre with the DHSS – in reality he has to give some sort of delegated function because of the size of his Department and the workload that he has got.

But the question really needs to be asked, should we be paying Members who are not Ministers of Departments, during this process? At the end of the day, the point is that it is only a delegated function, it is only part of the patronage system of Government; they should not be paid. I am not sure whether it would be even worth trying to move such amendments, but I would be interested in the mover's viewpoint on this.

I will not be supporting this Bill, as far as this is concerned. I believe that what we should be doing is this Bill should be broadened. And there is an argument that I could be... 'oh, I am only looking after myself, if I want to get Public Accounts'. But let us be honest about it, Vainstyr Loayreyder: I spent five years in Public Accounts – I was a complete pain in the neck, as far as the Public Accounts Committee – (*Interjections*)

Mr Bell: Never turned up!

Mr Karran: I refused to sign many of the whitewashes that were about and I got thrown off it, so it is not –

Mr Gill: Vainstyr Loayreyder –

The Speaker: Mr Gill.

Mr Gill: Are you going to allow the work of the Public Accounts and their Reports to be dismissed as 'whitewash' without any intervention, sir?

Mr Bell: He never turned up to any meetings!

The Speaker: I was distracted and I did not hear what the Hon. Member said.

However, Hon. Member, I have made reference to Standing Orders and the requirement that questions – and as far as I am concerned, the same consideration applies to debate – shall not contain argument, inference, imputation, disparaging or abusive wording. Furthermore, it must not reflect in the character or conduct of any person. That goes for Committees of the Court as well and the Members of those Committees and I just take this opportunity to say to the Hon. Member that it is not the first time that he has referred to himself as being the only Member of this House who is not part of executive Government or remunerated as such. Again, the Hon. Member knows full well – or at least he ought to know – that the presiding officer (**A Member:** Hear, hear.) is not remunerated as part of executive Government.

Mr Karran, continue.

Mr Karran: Vainstyr Loayreyder, why I am arguing this point is just to show that the fact is I do not want the sort of nonsense of saying, 'Well, you're only looking after your own side.' What I am trying to do, and what concerns me about this Bill is the fact that the function of the Public Accounts Committee is as important as the Council of Ministers being a Minister, and because that function has not been recognised

and has not been paid, because of that, we have got a sewerage plant on top of a mountain and we have got all sorts of other absurdities, as far as the payment and the fact that we have not got people in here going along, putting that proper audit into the system.

I understand because I have been part of that function when we used to have the absurdity of Treasury Members and Ministers being a part of the Public Accounts Committee. That has been recognised, and what I see is this is a long road of trying to get the good governance that we need in this Island. Both roles need to be recognised and valued, but what I do not want is Members just turning up and saying, 'Well, you're only doing that because you want to be on the Public... again.'

I know at the present time I am not very popular, (**Mr Bell:** Hear, hear.) but the fact is what I am saying in this debate is the fact that we need to recognise that... We need to recognise the situation that those reports, which are very complicated as far as the Public Accounts Committee is concerned, are generally a damned sight harder to understand than much of the stuff that has to go through the Departments which the Civil Service have prepared the brief on. That is why I believe that this Bill and our Committee have let this parliament down, this legislative arm of Tynwald down, in my opinion, because this piece of legislation only looks at one side of the argument. That is why I will not be voting for this Bill, because of that point, because the point is over the last 20 years we have done so well and, may I say, I have been shoulder to shoulder with Mr Brown, the Hon. Member for Castletown, and Mr Bell, as far as the vast social improvements that we have seen.

But the point is that if you do not have the good systems of government put in place for the hard times, then what we will see is a situation like we see, where we have just had Questions before. They have looked after themselves. There are cuts which have got to be made and –

Mr Speaker: Hon. Member, would you please stick closer to the content of the Bill that we are debating. I appreciate, Hon. Member, you are developing your case, but let us try not to be repetitive, and keep to the point.

Mr Karran: What I am trying to do with this debate is the fact that because of the total imbalance, as far as the payment of expenses, what we are seeing is a situation where everyone wants to be part of the executive. There is a role in this House, as far as parliamentary scrutiny is concerned, as far as the issue of audit and accountability of the executive function, with this House, that this piece of legislation has not addressed.

I know there are one or two who do support what I am saying, and I appreciate that. I believe that this Bill will do nothing, as far as addressing the real issues that need to be addressed, as far as the payment of expenses is concerned. I believe that because of that I will not be supporting this Bill, and I will be considering amendments to this Bill, as far as the limited function that this Bill has.

I have talked to the Attorney General's department about this Bill, but I think that Members should reflect on what I am saying: do not shoot the messenger; just try and listen to the message, because it is going to become more and more important that we do see the function and the payment of expenses, as far as Members are concerned. There are other issues that will have to be addressed, Vainstyr Loayreyder,

that if we are going to have to wait two or three weeks to get our stuff done in the Members' secretariat, if we cannot get that sorted out, there should be amendments to the Members' expenses, in order to provide these services for Members of parliament.

The Speaker: Hon. Member for Malew and Santon.

Mr Cregeen: Thank you, Mr Speaker.

First of all, I take offence to some of the comments from the Member for Onchan, who seems to think he is the only Member with integrity. I have only been in this House for two and a half years. I am on six committees, two Departments and for the Member to say that it clouds a decision, I take offence to. As a member of the Water Authority, whatever he was in the past – the Health Services – is he saying that he did not have integrity when he was in those positions? Then to accuse other Members of saying, 'Ah, well, because you are getting paid, you cannot be independent!' I take offence to that.

One thing I would support him on is that on this Bill, if a Member goes out of office, there is no timescale to say when they should be replaced. It is open, so what you could have, is, if you can clarify the position, because from reading here it says:

'Where a person holding office specified in section 1(2)(g) ceases to be a member of Tynwald he or she shall continue to hold that office until the next appointment to that office is made.'

If it is not made, say, for instance, the Post Office, you could continue to be the Chair of the Post Office until it is decided that you want to put somebody else in. So you could have an awkward decision to make, leaving it to somebody who is now not elected and then go from there. I wish he could clarify that position for us, please.

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

Mr Quirk: Thank you, Mr Speaker.

In a similar vein, I get the feel from my hon. colleague from Onchan what he is trying to get at, but to paint the picture that the Hon. Members of this House who do provide functions within the Government are under Ministers... We respect that the Minister is in charge of the Department, but as far as I am concerned, from the Departments that I am involved in – the DoT and DAFF – I have a big input into those derogations which are given to me.

Like my colleague from Malew and Santon, I do take offence at the Hon. Member for Onchan for giving that opinion out here today, and I am sorry this debate is going down that particular road, but it does have to be said and I hope the mover of the Bill will understand why Members may say this: that we have an input to make and we want to make. It is not the pay, as far as I am concerned, anyway; I am sure it is not for other Members in this particular Chamber. It is not the pay that is attractive to that. We want to be – or I want to be – part of this Government. I want to be part of this Government that makes decisions for its population, the people who elect you there, and the only way actually to do that is to get involved in a particular Department, and the Departments that I am in I am thrilled about, really, I suppose, at the end of the day.

Mr Karran: Sewerage plants on mountains, yes!

Mr Quirk: And the little comment that comes out, and he does it all the time – sewage plants on the top of a mountain – but, as far as I am concerned, the only mountain on the Isle of Man is Snaefell and it does not have a sewerage plant on it, so I will just put that right for you.

A Member: Well said.

Mr Quirk: The issue, which I do support Mr Karran on, is that the Payment of Members' Expenses (Amendment) Bill... My hon. colleague from Malew and Santon is quite right: there is a little bit of open-endedness there and I think that needs to be maybe boxed off.

The other issue, too, if I could say it to the mover of the Bill, is, regarding the payments, how is that information disseminated into the public domain?

I am just going to mention it because I feel I have to. The Members' Interests book is in our room and it is in the Library, round the corner, and I know it is not relevant to this particular thing, but why can't that be on the internet? Members here have nothing to hide at all, (**A Member:** Hear, hear.) and I know I am probably wandering off the subject matter –

The Speaker: You are, sir; please come back.

Mr Quirk: – but I hope you will bear with me. (*Interjections*) Can I say to you, and to the mover of the Bill, I will be supporting you a little bit, but I am going to vote against you because I think there is not enough in this particular Bill, as far as I am concerned, and I wanted to box off some particular issues.

If I could finally wrap up and just say to my hon. colleague there: (**Several Members:** Hear, hear.) do not tar everybody with the same brush. Please, don't do that.

The Speaker: Hon. Member for Castletown, Mr Brown.

The Chief Minister: Thank you, Mr Speaker.

I think it is unfortunate that the Hon. Member for Onchan, Mr Karran, continues, and continues, and continues to use anything at all to promote his philosophy of party politics for the Isle of Man because that is what it is about. I think, also, it is unfortunate when he broadens out the subject to go all over the place and, to be blunt, it detracts from the matter before the House. In fact, when Members are trying to look at something and consider it responsibly, then all these things that are thrown in, all they do is confuse the issue, give the wrong impression to the public and then, of course, quite clearly and hopefully, I suppose the Hon. Member is thinking, undermine some confidence in the present system we have.

Mr Speaker, I think the point is that – just answering the Hon. Member for Onchan, Mr Quirk, and his point about legislation – with the greatest respect, Members need to go back on the legislation that this is amending to understand what it is doing and then they will see how it ties up. Legislation by its nature, and this legislation especially, is referring to existing statute and it is amending it and what it does not do in here is set out how that existing section makes it all work.

The Hon. Member for Malew and Santon, Mr Cregeen, made the point about, you know... it does not make it clear

about whether or not they get paid if there is no replacement. Of course there is a replacement. If the Hon. Member for Malew and Santon was not successful at the next election, when the new Government comes into place there will be new Members appointed to Departments and if his name is not on the list when that order is made, he ceases to be a Member of that Department. It is quite straightforward.

Again, this is all tied into existing legislation. There are about three or four components of legislation that all have a relationship with the whole procedure and what goes on. This is purely about an issue in relation to Members' payment during the period when they cease to be Members of the House of Keys, when the House is dissolved, and the period of election and maybe just after when, in fact, the Government has to continue to work and that is not unique to the Isle of Man.

Any Government in the world continues to work until the new executive is in place. We have just seen it in America: George Bush was defeated in November. The new president did not take over until January but George Bush's administration still continued to carry out the functions of government, because they have to do. There is no date, because the dates that determine it are the election of the Speaker, the election of the Chief Minister, Chief Minister puts in place his Ministers, and then the Council of Ministers determining who will be Members of Departments. When that order is made, then those people who are not any more on those Departments, because of the new appointments, cease to be Members of Departments.

It is all quite clear: it has never been a problem, it is quite straightforward and I do not think we should get confused that there is not a clear date here.

There are procedures that are set in motion, things to happen and quite clearly, any new executive will ensure that is the case and I do think we are getting distracted from the issue that is actually in the Bill. The issue in the Bill is straightforward. At the moment, under legislation, there are certain Members who will continue to carry on with functions, who will not be paid for that and it has been deemed by the Branches that that is no longer an acceptable procedure, because Members have been working sometimes until January, by the time the new orders come in, from being defeated in the House of Keys or stepping down and carrying on that function for two or three months without payment. It has been deemed that that is not acceptable and Members, who could have quite easily, Mr Speaker, just said, well I have been defeated at the Keys now, I want nothing more to do with it – and that includes Ministers previously – could have walked away and said, 'On your own' and they have not, because they had integrity and said, we will continue to fill that post, until you are in a position to replace me with a person from the new House or from Tynwald.

That is something that we have always acknowledged, but you cannot expect people to do that, because quite clearly and especially dependent on the age of the Member, if they are looking for a new post, because they have been unsuccessful in the Keys then, of course, their priority will be for their family to get another job: so that is why this has all been part of trying to tidy that up. It is part of this movement forward of the change of what is going on and has been now for some time within Manx politics and to bring it far more into a manageable position.

The other point I think that is important is that, as was raised by the Hon. Member, Mrs Cannell, she said she was

concerned – I think I picked it up right – about Members going out of office until the writ is issued. Of course, that change again, you will go out of office as being a Member of the House of Keys on the day that the House is dissolved

This allows for you to be paid as if you were still a Member of the House of Keys until the new person replaces you or until you are returned when the writ is issued, whereas before you got no payment as a Member of the House of Keys. You only got a payment as a Member of a Department if the Minister did it through a system through his Department. The whole thing was a mess.

The same applied with the Legislative Council. We have seen, because of the changes in how Members of the Legislative Council are elected, Mr Speaker, this whole nonsense happening where they have been hanging on and hanging on until the House has determined one way or the other whether or not they are re-elected, and in the meantime continuing to fill their role and the Minister having to make a decision and do an order to pay them in a different system. This all tidies it up so the public know where we stand. They know exactly what happens when a Member of the House of Keys or a Member of the Legislative Council continues to hold a post after the House is dissolved or, for example, if it is a Legislative Council Member, after they have vacated their seat and are waiting for re-election, and may or may not be successful.

So it is purely a tidying-up exercise, clearly outlined in the Report that came from our Emoluments Committee, which has been in the public arena already, debated in the House, debated in the Legislative Council, which is our procedure, and this is the consequence of it: the legislation to put into effect how it will actually now work.

All I would say to Hon. Members is do not get lost on how well this system works out. It is all covered because the system works by the very fact that a new Chief Minister will then proceed with getting his executive in place, will then proceed with getting the Statutory Boards in place and Tynwald approval for that, and then get in place the Members on the Departments. It all ties up, and as soon as those things are put in place, of course, any Member who is holding a post until they are replaced will cease on the date either Tynwald approves them being replaced as a Statutory Board Member or until the Council of Ministers – Governor in Council, I should say – makes an order which appoints them to the Departments, and if they are not on that list they automatically cease.

These things all happen and you cannot fit them in dates because there are many reasons why that would be impractical. In fact, if you put it in statute it could be a nightmare – it could be an absolute nightmare. What happens, though, is there is enough there to make sure it all changes.

So, Mr Speaker, I think it is important and I would say to any Member who is not sure, please seek clarification from the mover in terms of any individual sections. There are only a few sections in this, but what they do is tie up with existing statute and amend them to make it work under this system.

Finally, the Hon. Member for Onchan, Mr Karran, said that he is considering putting amendments. I hope he does, because I hope if the House resoundingly rejects them, then again, at least we all know where we stand and so will the public.

Thank you, Mr Speaker.

The Speaker: Mover to reply, Mr Braidwood, please.

Mr Braidwood: Thank you, Mr Speaker.

Can I thank the last speaker, the Chief Minister, the Hon. Member for Castletown, for bringing us back to reality and also answering a lot of the queries which were raised and the one which was raised by my colleague from Douglas East.

Mr Speaker, it was a pity that the Hon. Member for Onchan did not raise this when the Report of the Emoluments Committee was going through the House of Keys, because he was straying quite a lot, as far as I am concerned, from the Bill which is in front of us, which only stems from the recommendations, which was in the Report of the Emoluments Committee. It is quite surprising that the only Department he mentioned where he felt that a Member of a Department should receive additional remuneration was the DHSS. This may arise because when he was, probably, the Member responsible for Health, he thought he might have had additional money for that position.

Mr Speaker, the Hon. Member for Onchan, Mr Quirk, said he wanted to be a part of Government so that he could take decisions. He is quite right. It is better to have your feet under the table, working with the Department and putting your input in, instead of being on the outside knocking on the door, knocking on the window, and you are not listened to. The prime example of this, you could say, was the Isle of Man Government having their feet under the table with the OECD. All along, at least we were there involved with the discussions.

The Hon. Member for Onchan, Mr Quirk, also mentioned it would be better if it was out in the public domain – the salaries and remuneration of Members. That is already out, Mr Speaker. From the top of my head we receive a basic salary. The Chief Minister gets an 80 per cent enhancement on that basic salary; the Speaker of the House of Keys get a 60 per cent enhancement; Ministers and the President of Tynwald get a 50 per cent enhancement; Members of Treasury get a 40 per cent enhancement on the basic and Members of Departments get an additional 30 per cent enhancement. If they are chairmen of such as the Water Authority, the Post Office and also of Planning, they get an additional 10 per cent. So it is out in the public domain already.

Mr Speaker, I do not feel that there is any need to continue now to answer the queries. I think the Hon. Member for Castletown, Mr Brown, has done that adequately and I beg to move the Second Reading.

The Speaker: Hon. Members, the motion is that the Payment of Members' Expenses (Amendment) Bill be read for the second time. Those in favour, please say aye; against, no. The ayes have it.

A division was called for and electronic voting resulted as follows:

FOR

Mr Quirk
Mr Earnshaw
Mr Brown
Mr Crookall
Mr Anderson
Mrs Craine
Mr Bell
Mr Quayle
Mr Teare
Mr Cregeen
Mr Houghton
Mr Henderson
Mr Malarkey
Mrs Cannell
Mr Braidwood
Mr Corkish
Mr Shimmin
Mr Cretney
Mr Gawne
Mr Gill
The Speaker

AGAINST

Mr Karran

The Speaker: Hon. Members, with 21 votes for, 1 vote against, the motion therefore carries.

Hon. Members, that concludes the business of the House today. The House will now stand adjourned until 10.30 a.m. on Tuesday 19th May in Tynwald Court.

The House adjourned at 11.36 a.m.