

3.2. Sewerage (Amendment) Bill – Clauses considered

Mr Cannan to move.

The Speaker: We now turn to the Sewerage (Amendment) Bill. I call on the mover, the Hon. Member for Michael, Mr Cannan.

Mr Cannan: Thank you, Mr Speaker.

The financial challenges facing the Manx Utilities Authority and the reasons why the Authority is bringing this Bill forward at short notice were discussed at the Second Reading, so I will make my introductory remarks brief.

The board of the Manx Utilities Authority met on 21st November 2014 to discuss the implications of the proposed sewerage rate for Island householders and businesses, and I can inform the House today that, if this Bill is supported, the board have agreed that the sewerage rate for commercial premises will be calculated on 50% of the rateable value, which is broadly consistent with the application of water rates.

I can also inform the House that, in tandem with the discount for businesses, the board have asked that a review team be established to examine the current water and sewerage charging structure and to assess the effectiveness and fairness of current and alternative charging methods. Further details about that review will be made public in due course, but it is our intention to ensure that the Isle of Man has a sustainable and transparent charging system in line with best practice. (**A Member:** Hear, hear.)

Mr Speaker, the Bill amends the Sewerage Act 1999 to make provision for levying a sewerage rate. The Bill contains five clauses and a schedule.

Clause 1 gives the short title of the Act and I beg to move that clause 1 stands part of the Bill.

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

Mrs Cannell: Thank you, Mr Speaker.

I beg to second and reserve my remarks.

The Speaker: The Hon. Member for Malew and Santon.

Mr Cregeen: Thank you, Mr Speaker.

I appreciate the concessions that the Chairman of the MUA has made regarding businesses and revaluation, but can he give a bit of clarity on how they are going to make up for the shortfall of the reduced rate?

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

Mr Quirk: Thank you, Mr Speaker.

I also welcome the change of heart for the 50% on that.

I just wonder whether the Member, in responding back... Was the decision that was made by his board because of a request by the Chamber of Commerce or any other organisation? Has that been communicated back? Are they happy with that particular formula that is coming forward?

He also mentioned, Mr Speaker, the charging mechanism. He never put any meat, really, on that carcass. What alternative charging mechanisms is he talking about? Are we talking about a person having a right – and I am talking about domestic premises, because industrial premises can have meters... So if you live in a house somewhere and you want to put your own water meter in, that we could actually then have proper recycling; because if you are using a consumption of water regarding

your meter, you only pay for what you use on your meter...? Is that the sort of mechanism he is bringing out here today?

The Speaker: Hon. Member, Mr Karran.

Mr Karran: Talking to clause 1, I think it is important that the Hon. Member tells us why we are in the situation of having this piece of legislation here today, allowing for the fact of the good business sense of when we set up the whole [*Inaudible*] as far as the re-floating, as far as the Water Authority is concerned, (*Interjection and laughter*) and the fact of the way that it has had to bail out the MEA... good business practice from this Liberal Vannin Member.

Can he explain to this House why he is being forced into this position by the Treasury, of bringing this piece of legislation because of the bad financial practice, as far as the Treasury is concerned, as far as this first clause is concerned – the short title of the Bill – and the fact that the crazy tax policy that has forced Government into this situation?

Can I also say, Vainstyr Loayreyder, that it is important, as the Chairman of the new Manx Utilities Authority, to sort out this situation which has been raised by my hon. colleague where metering is concerned?

Allowing for the fact there is still a vast number of connections to properties on the Isle of Man, the situation would be that it would cost them at least three or four years of rates in order to provide the income to the Water Authority in order to do that, even though I cannot see what that has to do with the Sewerage Act in the first place.

The Speaker: Hon. Member, Mrs Beecroft.

Mrs Beecroft: Thank you, Mr Speaker.

It is a similar query really to a couple of the previous ones – about the 50% that is suddenly going to be levied on commercial businesses. I just wonder if the Chairman could confirm whether, after allowing this 50%, it will actually give him sufficient funds to replace all that has been removed by Treasury, because that is why they are being brought in in the first place – because of the reduction by Treasury? So, with that 50%, is it still going to generate enough funds for him or are savings going to have to be made elsewhere?

The Speaker: The Hon. Member, Mr Thomas.

Mr Thomas: Thank you, Mr Speaker.

I thank the Chairman for making a couple of statements and I ask some questions about one of those statements – the statement about the review.

Can the Chair confirm that this review is entirely separate from the review of rateable values for local authority purposes? Can the Chair advise the timescale for this review and also the cost of this review?

The Speaker: Hon. mover to reply, Mr Cannan.

Mr Cannan: Thank you, Mr Speaker.

There have been two questions about how we can afford it. I can inform the Hon. House today that we are ahead of schedule with our merger plans; that we have reduced headcounts sooner than we had expected, Mr Speaker; we have reduced released capital costs sooner than we expected; the merger costs, in terms of items such as stationery, boarding, repainting vans, clothing etc... we have opted specifically to keep those at an absolute minimum and our costs in that respect have been kept to an absolute minimum.

We are ahead of our budget, Mr Speaker. It is a good news story. I am very grateful to the officers for all the work they have done, and the staff in the Manx Utilities Authority, to enable us to have been in a position to help in terms of budgeting.

Manx Utilities Authority takes a responsible view towards businesses. It shares the Chief Minister's view that we are a business-friendly Government and, in that respect, Mr Speaker, we have moved forward to be able to offer this 50% discount or discount on rateable pay, which is broadly in line with what is currently being offered on the water rating charges and, therefore, I think makes a lot of sense.

Mr Quirk asks whether we had discussed this with the Chamber of Commerce. I can confirm that we had a meeting with the Chamber of Commerce; we listened to their views and this is the solution that we have come up with. It will be of benefit. It is going to cost £360,000, approximately, Mr Speaker, and, as I have said, we can afford that within our budget, due to the good work that has been going on within the Manx Utilities Authority to get ahead of schedule and save costs.

My good friend from Onchan, Mr Karran, asked about why we are in this situation and why we have brought through this legislation. Well, my good friend also knows that, in a previous budget, this House and the Hon. Court upstairs has voted and supported the budget and withdrawn the subsidy which has come from the Treasury, in terms of sewerage charging.

My good friend knows, of course, that there is substantial debt associated with the Manx Utilities Authority, but my good friend also must recognise that Tynwald has voted through a plan in that respect, over the next decade or so, to return the Authority to a neutral balance; and, as part of that plan, the sewerage costs have been included. Clearly, it will be up to this Hon. Chamber, today and in the future, to decide whether, in fact, that plan remains realistic; but that is the situation.

Mrs Beecroft – I think I have answered the question that the Hon. Member put.

I can confirm to my good friend for West Douglas, Mr Thomas, that this is separate from the rates review that Treasury have been instructed to take place and that this review will take place as soon as possible. It will take place primarily in-house but we are looking at getting it independently audited and verified.

I do not have the exact costs for the Hon. Member. We will be keeping it to a minimum, using the staff expertise that is available. But the review will include: looking at the effectiveness and fairness of methods of charging, given current trends of water metering in the British Isles and the use of the rateable value system; it will look at measures to manage affordability concerns for low income households; how that is implemented across the United Kingdom; the costs and benefits of metering; impact on health inequalities for individuals and social groups; costs and benefits of smart metering; and the effectiveness of measures to incentivise people to pay for their water and sewerage services and minimise the impact on bad debt. And the review team will advise on options for a new framework of charging, if recommended.

I can confirm to the Hon. Member that it will be a fully-transparent process and that any report will be a public report, and I hope will be available for public debate.

With that, Mr Speaker, I beg to move.

The Speaker: I put the question 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, Mr Cannan.

Mr Cannan: Mr Speaker, clause 2 provides for its commencement and gives effect to the Act from 1st April 2015.

I beg to move that clause 2 stand part of this Bill.

The Speaker: Mrs Cannell.

Mrs Cannell: Mr Speaker, I am happy to second and reserve my remarks.

The Speaker: We have three amendments to clause 2 that have been tabled. I call on the mover of the first amendment to clause 2, which is on page 8 of the Order Paper and is in two parts – amendment 1 and amendment 2.

Hon. Member for Onchan, Mr Karran.

Mr Karran: Vainstyr Loayreyder, I moved these amendments because of the fact that we find ourselves in this financial mess because of the Government and we are ending up with a situation of having this sewerage charge as far as every household is concerned.

My concern about putting it on the rates is the fact that it is based on a 1971 valuation, as far as rental incomes are concerned, with a massive discount as far as different areas within the Island... So we end up with the crazy situation where, as a former Chairman of the Water Authority, we were trying to get this revaluation done nearly 20 years ago and we have had excuse after excuse.

If we allow this to go through, we are going to end up with a situation where you can have houses that are worth four or five times more out in the countryside paying only a fraction of houses in Douglas, in particular, and in town areas.

We know for a fact that there was a 50% discount, I believe, in the Michael area, where it was originally conceived back in 1971. Obviously, in those days the biggest political party in this Hon. House was the farmers' party. There was a discount of something like 40%, if I remember rightly, as far as Maughold was concerned –

Mr Watterson: They were not on mains water.

Mr Karran: – and the fact is that if we put this through without that valuation, we are going to end up with the likes of many houses and many flats in places like Demesne Road and areas of Castle Mona Avenue, where they will most likely find that they are paying more, proportionately, for the sewerage rates, as far as this issue is concerned.

I believe that the first thing that we should do is make sure that we get the order right. In my opinion, it should not go ahead before there is an independent review of the rating applied to the Island by virtue of the Sewerage Act 1999 and that, until they have reported and it has been considered by Tynwald, the issue of bringing in the rates contribution should not come in before the appointed financial year – the one immediately following when it is being done.

In my opinion, we need to keep the pressure on. We hear excuse after excuse. We have ended up in a situation in the previous House where I was the only person in the parliament who was not in the Government. We ended up with the situation of more excuses as far as not addressing this issue and the real situation is that, of course, where the powerhouses, as far as the priorities is concerned... not to come up with the revaluation.

Hon. Members, if we agree to this we are going to end up with a situation which is more likely worse because many of the socially deprived areas, with higher rateable values, with poorer housing stock, will end up paying more for the sewerage rate by not agreeing to this.

I hope Hon. Members will support my amendment. At the end of the day, no matter how much the likes of some in this Hon. House want to rewrite history, the fact is that this is another knee-jerk reaction by a Government that has spent years being in a boom and had no accountability. The few of us who held them to account lost a vote easily, with everybody being in Government.

I believe that we need to support this proposal in front of us today, because if we do not support this proposal in front of us today what we are going to end up with is a situation where you are going to find ordinary working people in ordinary working homes paying more out than the mansions out in the countryside and this is wrong.

I beg to move:

Amendments to clause 2:

1. Page 7 for lines 6 to 13 substitute —

'(1) This Act, other than section 1, this section and section 3(5) has effect for such financial years as the Manx Utilities Authority may by order appoint.

(2) An order under subsection (1) —

(a) may not be made before an independent review of rating applying to the Island by virtue of the Sewerage Act 1999 or any other Act of Tynwald has been conducted, and the report of the review has been considered by Tynwald; and

(b) may not appoint a financial year earlier than the one immediately following the one in which it is made.'

2. Page 7, line 15 for 'in subsection (2)' substitute 'in this section'.

The Speaker: Just for clarity, Hon. Member, are you moving amendments 1 and 2?

Mr Karran: I am moving amendments 1 and 2.

The Speaker: Hon. Member, before I call for a seconder, for the purpose of the record, it is important to state that at no time has the Hon. Member for Onchan, Mr Karran, been the only Member of the House who has not served in Government. That has never been the case, because the presiding officer never serves in Government. *(Laughter and interjection by Mr Karran)*

Hon. Member for Onchan, Mr Quirk.

I am right, Mr Karran.

Mr Quirk.

Mr Quirk: Thank you, Mr Speaker.

I am quite happy to support Mr Karran, my colleague from Onchan. I just ask the House to support —

Mr Watterson: Point of order, Mr Speaker. I do not think the Hon. Member will be able to second Mr Karran's motion if he is moving his own, so we may need to get a seconder —

The Speaker: Thank you for the point of order. *(Interjections)*

I can confirm that that is the case. If the Hon. Member is seconding —

Mr Quirk: A different amendment.

The Speaker: — this amendment, he will not be (**A Member:** Hear, hear.) entitled to (**A Member:** Absolutely.) move his own amendment.

Mr Anderson: Go on, second it. *(Laughter and interjections)*

A Member: 'Thank you, Juan'!

The Speaker: Are you wishing to second this amendment as well as to move your own amendment?

Mr Quirk: No, I am moving my own.

With respect, Mr Speaker, I take your guidance from the Chair and will just sit down and wait for my amendment.

A Member: There we are.

Mrs Cannell: Hear, hear.

The Speaker: Do I have a seconder to Mr Karran's amendment?

Mrs Beecroft: Yes, thank you, Mr Speaker.
I am happy to second it.

The Speaker: I now call Mr Quirk to move the amendment in his name.

Mr Quirk: Thank you, Mr Speaker.

I draw Hon. Members to this particular issue and can I say I do not want to see this as becoming an issue, as we run towards an election, of town versus the village or town versus country – which inevitably it will end up as.

It will not be the issue regarding rates at all and it will not be fair to this particular House and to the Isle of Man itself when we are 39 and a half miles long and 12 and a half miles wide – from Peel to Onchan, from Ramsey to the Calf.

We need to address this particular issue here today and when you look at the... Members, I have circulated some of the information under the 1953 Act. It does give – and I know I am going to be repetitive and I am trying not to be – a lot of information, a lot of answers, a lot of mechanisms for Treasury and the new Manx Utilities.

If you look at some of the pages there, it gives the powers to do certain things – for Treasury or the Utilities to insist on local authorities to make sure those lists in their particular areas are right.

It gives, also, the right for ordinary rate payers within the district or the Isle of Man itself to challenge those and have a look at the rating list. I would encourage everybody who lives in the Isle of Man to look at the rating list within your own district. I have looked at the 45,000-odd properties which are rated. I will not go into them all, (*Laughter and interjections*) but there are some really wide anomalies and I thought, really, the nicer ones – and I will draw to Members' attention where that was too... Somewhere in Lonan, towards Laxey, there is an MEA pole which is valued at £4. I will leave Members with that particular thought. (*Laughter*) There are other ones which are further out and I must say (*Interjection*) they are up north – for 12 quid... £75.

It is terrible. We need to address this as a parliament in itself. We need to look at this. We cannot wait for others to do it. We have a golden opportunity.

I am sorry, with the new Chairman of the Manx Utilities, we have not addressed that; because in the space of a couple of weeks he has spoken to the Chamber of Commerce. He has done great work. Within two weeks we have had some answers – a 50% reduction.

So why can't we give the Member a little more time, support the amendments here today, including my hon. colleague from Onchan, Mr Karran, and let's have some real policies out there (*Interjection*) for the benefit of the Isle of Man?

One other thing I was going to say, Mr Speaker, on my amendments that I move, is I looked at – and it is not to get on to the farmers but – agricultural hereditaments, because there can be other hereditaments within the Act or in the system, or the rating system that has been there for a long time... and never done. Can I say to Members that Treasury could have done some work over the years since 1953. It does list... The Utility, in itself, now has come together; it could work on some of these.

I want to see fairness right through and that is why my amendment is here today and I am putting before it... which actually, on (2):

'The Manx Utilities Authority may not make an order under subsection (1) until –

(a) the Council of Ministers has caused an independent review and operation of the Rating and Valuation Act 1953 to be concluded, and laid recommendations for the amendment of that Act [for improving] the rating system before Tynwald;...

And (b): that Treasury conducts a review in every case. You may say 45,000 is a lot of issues. There are not; you could sift them out. Some of them are actually glowing. You do not have to look at all of them to find out which ones are.

It is remiss for Treasury and the Manx Utilities not to do these; for fairness for us all, for the population that we represent here today.

And (3):

'Despite 45(2) of the Sewerage Act 1999, the Manx Utilities Authority need not consult the Department of Infrastructure before making an order under subsection (1).'

Can I say, with exoneration as well, I looked at some of the properties which the Government owns. I do not know what the DoI Minister is going to do to get this money to pay for all the rating systems for the future. We need to be looking to save if it is a Government-owned property, in the national interests and national need, for us as an Island, a benefit... *[Inaudible]*

Mr Watterson: A £4 pole.

Mr Quirk: – should it be rated?

That may be radical but we need to look at that. Should it be rated at all? Do we need that bureaucracy? We are supposed to be making it smaller and simpler to operate, so why do we need to have a rating system on authorised... We give you an authorised Government list and exclude them. Schools are a prime example; hospitals – another. And really make those local authorities get their fingers out; that is the term that they use.

I beg to move:

Amendments to clause 2:

3. Page 7 for lines 6 to 13 substitute —

'(1) This Act comes into operation on such day or days, and has effect for such financial years, as the Manx Utilities Authority may by order appoint.

(2) The Manx Utilities Authority may not make an order under subsection (1) until —

(a) the Council of Ministers has caused an independent review of the operation of the Rating and Valuation Act 1953 to be conducted, and laid recommendations for the amendment of that Act and the improvement of the rating system before Tynwald; and

(b) the Treasury has conducted a review of every case in which a hereditament is exempt from rating by virtue of section 52 of that Act and laid a report on the review before Tynwald.

(3) Despite section 45(2) of the Sewerage Act 1999, the Manx Utilities Authority need not consult the Department of Infrastructure before making an order under subsection (1).'

Renumber the existing subsection (3) as subsection (4).

4. Page 7 in line 15, for 'subsection (2)' substitute 'subsection (1)'.

The Speaker: Is there a seconder to Mr Quirk's amendment?

Mr Thomas: I second that for the purpose of... *[Inaudible]*

The Speaker: Mr Thomas.

I, therefore, call on Mr Cregeen to move his amendment to clause 2.

Mr Cregeen: Thank you, Mr Speaker.

I think my amendment speaks for itself. The Authority cannot impose a rate until a review has started.

I am disappointed that when the sewerage charge came in it was predicated on a review starting last year and my amendment makes it incumbent on the Authority to actually get on with this and we had a motion in another place which actually put an end to when this should be carried out by – as in February 2016. So we have got now, with my amendment, when they have to start it and also when it has to be completed.

I beg to move the amendment standing in my name:

Amendment to clause 2:

5. Page 7, after line 15 insert –

'(4) No rate may be levied under the Sewerage Act 1999 before a review of rating applying to the Island (by virtue of the Sewerage Act 1999 or any other Act of Tynwald) has been commenced.'

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

Mr Watterson: Thank you, Mr Speaker.

I am very happy to second Mr Cregeen's amendment to this and I believe I speak on behalf of the Council of Ministers in doing so.

Unlike the other two amendments, it does say that the review only has to have commenced. The other two both require the review to have been concluded (**A Member:** Hear, hear.) and that to me is just an unrealistic timescale – that the review had been done, would have then been laid before Tynwald, debated by Tynwald and approved by Tynwald – all before the Bill could take effect.

That would make it impossible for the creation of Bills for the coming year and would just leave a gaping black hole in the accounts of the Manx Utilities Authority, which in turn would leave it to either fall back on its reserves, which nobody really wants to do, or on Treasury and the general reserve, which nobody really wants to do.

So I believe that Mr Cregeen's amendment is pragmatic. It also has the safeguard, of course, by virtue of other elements within the Bill, of meaning that the rate that has been imposed for the following year cannot be increased without approval of an order by Tynwald. So Members have the safeguard that, if it is not conducted, if it is not completed within a reasonable timescale, then the Authority will not be able to increase the rate or the charge on households going forward. So there is that stopgap and safeguard for Members.

I just do not believe that the timescale that has been set out by Mr Karran's amendment and Mr Quirk's amendments are practically possible.

As it is on the floor, Mr Speaker, with regards to Mr Quirk's amendment, I do have an awful lot of sympathy with what he is trying to do in terms of section 52 of the 1953 Act; but my concern is that the way he has worded the amendment means that it is impossible to take just that section, that part of it, without looking at the whole of the amendment which, while it is tempting, still means that the review of the operation of the Rating and Valuation Act has to have been conducted and its recommendations laid before Tynwald before this Act can actually commence, and that to me is the... (**Mr Henderson:** Crux.) crux of the matter. (*Interjection by Mr Quirk*)

So, for the reasons I have set out, just in terms of the financial imperative of being able to levy a charge, Mr Karran's and Mr Quirk's amendments would practically preclude that for the coming year.

Mr Cregeen's amendment is far more practical. It gives a commencement date; Tynwald has to determine an end date. It would mean that the Authority could come to Tynwald some time at the back end of 2015 with its proposed rates charge – whatever it wants it to be – for 2016-17 and if Members were not happy with the formula proposed at that point they could still have their say and turn it down at that point.

I am happy to second Mr Cregeen's amendment and hope that Members will vote against Mr Karran's and Mr Quirk's, for the reasons I have set out.

The Speaker: Hon. Members, the three amendments and the clause, having been duly proposed and seconded. We will take debate together on all the amendments but, clearly, vote upon each separately, if the House is content. (**A Member:** Yes.)

I call Mrs Beecroft.

Mrs Beecroft: Thank you, Mr Speaker.

I would just like some clarity on Mr Cregeen's amendment please – if anybody is able to answer that – because his seconder, Mr Watterson, was referring to this 'black hole', if either of the other two amendments by either Mr Karran or Mr Quirk were approved or Mr Cregeen's failed.

I fail to understand why there would be a black hole – it could be my misunderstanding of the situation. I would have thought that if either of Mr Karran's or Mr Quirk's amendments *were* approved today, until the review of all the ratings was finished it would go back to the original method of charging that was approved in Tynwald, so that next year it would be this blanket charge of £100 –

Mr Watterson: Would the Hon. Member give way?

Mrs Beecroft: Certainly, yes. It is a genuine query, yes.

Mr Watterson: My understanding is that the mechanism for putting the rating system into place for the coming year has to have been put into place by the Authority by the end of January – they need to know what the rate or charge would be – (*Interjection*) by the Authority, because that then has to go in part of the rating bill mechanism.

So, if it is not in by the end of January then they cannot then set the bills, and put all the bills out in time for the commencement of the financial year. So that is the first thing, the whole thing would have had to have been done and approved by Tynwald before the end of January, in effect, to allow the logistics to take it forward.

The other one about falling back on the method for last year: the £50 that was levied for last year was only levied for one year. So, for another year, you would have to then bring forward another Order, and again there is the same tight timescale; but the practical alternative would have to be a very late addition to the December Order Paper for Tynwald to impose a £100 charge.

I hope that is of some assistance?

Mrs Beecroft: It is, thank you.

The Speaker: Mrs Beecroft, you may resume.

Mrs Beecroft: Thank you, Mr Speaker, and I thank Mr Watterson for clearing some of those details up for me.

I still remain to be convinced that it is actually the right way to do it, because it *is* possible to bring another Order to Tynwald, if it is not finished, and if we allow it for when it has been... It is almost like giving Government a get-out clause for not finishing the rating review, and it just leaves it very open-ended. It just leaves me feeling uncomfortable with it, despite what Mr Watterson says – and I do appreciate the clarity that he has given.

An amendment was brought to Tynwald for the blanket £50. If the review is not finished, another Order could be brought to Tynwald for the £100, which would leave his finances intact –

Mr Watterson: Be done in December.

Mrs Beecroft: – but ensure that the rating review was finished for the following year; or, certainly, would *hopefully* ensure that it was finished by that time. So really that is the only comments I have to make on those.

Thank you, Mr Speaker.

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

Mr Shimmin: Thank you, Mr Speaker.

I would like some clarity. I think we have had it from the mover of the amendment, Mr Cregeen, because I do believe he said that this gives the time of commencement but also of completion, and I think we have covered that. But I think that was said in *error* rather than actually saying there is a completion date in it.

That gives us all concern. When you look at planning, people have four years to commence, but then they do not actually have a need to complete. Therefore, we are left in a potential difficulty, which comes then down to trust.

If I understand this right –

Mr Cregeen: Mr Speaker, will the Member give way? There was clarification on... I did say that there was a motion moved in another place which said that the rerating exercise will be completed by February 2016. So the end date was approved in another place.

The Speaker: Mr Shimmin.

Mr Shimmin: Acknowledging and appreciative of that clarification which was stated, but it just for the record made it easier for me to simply understand.

I think the difficulty we then have is down to a level of trust, and there are so many fingers in this particular pie as to who do we believe is going to actually deliver that.

We have the situation where Member for Onchan, Mr Karran, talks about rewriting history – and he should know how to do that because he wrote the book on it. (*Laughter*) The reality is that he talks repeatedly about being the former Chairman, as if in that role he made all the decisions – all those clever decisions all those years ago – thereby ignoring the work of Colin Kniveton, and the various other people on the board at that time. But it is a useful one for him to continually pluck out of the sky, after failed attempts at working inside Government over a number of years.

When he talks about an independent review: yes, that is fine, but it is open-ended. It is a case of, we have talked about this and where does the money come from for that review. We all want an issue about the rates to be effectively modernised. Everybody is talking about it, why has not it been done? Because there are winners and losers, because it is expensive.

The point that the Hon. Member for Onchan, Mr Karran, makes which I would like the mover of this Bill to actually clarify if he is able to, is the 50% discount in Michael – because he raised this previously and I had not heard about that until this year. The Hon. Member has raised it in talks about discounts on some of the rating, and it is quite a concern for those of us in the urban areas when you talk about the inequality of the rating system already – and actually that is magnified by areas that have got some sort of subsidy or reduced figure, and that just happens to be in the Member's constituency. It does beg the question when the Hon. Member is looking at openness and honesty, let's have a clarification of that 50% discount – if it actually exists.

I commend the Chairman, because as one of the fiercest critics of Government over his time in Government he now tells us that in the six months he has been the Chairman, actually they are great, this is a good news story everybody. We are moving through unusual, unorthodox approaches for speed of this legislation, yet within two weeks the same board who made the original decision can now turn round and find 50% reduction (**A Member:** Hear, hear.) in the commercial rates –

which was not really a consideration at that time. That is pretty good, impressive work for a board that we are meant to trust, which will then carry on and do all the work that is necessary.

So, we have a number of issues here that we in the urban areas are going to struggle with. I am somewhat bemused to find the Member for East Douglas seconding all of this, at a level whereby it is *our* constituents who are the ones who are most likely to be unfairly affected.

So we are left then with the position of saying, 'Do we go along with this speedy route through it, in order to try and benefit the 70% of beneficiaries of this system?' The Chairman used that figure previously, and I am sure he will back it up again today. That, if we go along with this legislation, and it moves rapidly through the House, 70% of the domestic ratepayers will actually have less money to pay than they would do if we turn this down and it reverts to the £100.

The fact is that the predominance of *our* constituents are unlikely to be in that 70% of the beneficiaries, (**A Member:** Hear, hear.) therefore we have to trust that, not just will it be commenced, that it will be completed within a certain period of time, that it will be affordable for Treasury – and everybody has got all of these other priorities. We have a short-term dilemma that is going to be, what the public were expecting was the £50 up to £100, as unpopular as that was.

I still find it *bizarre* that the Hon. Member for South Douglas, Mrs Beecroft, was moving the area of public transport where the costs we are imposing upon children travelling to school is in the order of that £100, and there has been very little publicity about it – but the original intent was £191 per year, that has now been reduced by the Minister to half that figure, but that is for each child using the school bus is going to be approximately £100 annual charge, and there has been no publicity about it.

Yet here we have something the public are expecting, an increase from £50-£100; they hated it last year, they will hate it again this year, but at least there is a greater level of fairness there than some of the opportunities that are going on within this piece of legislation. (**A Member:** Hear, hear.)

So I am as yet unconvinced, I am very concerned about not supporting something which will benefit many people. I am grateful to the Authority for taking on board the guidance and the impact on the needs of business to employ people to continue to thrive as an economy on the Island, but I am afraid there are quite a few areas of trust on which I am still not yet convinced. But I would certainly be interested in learning more from the Member for Onchan or the Member for Michael as to this 50% discount, both there and maybe in Maughold.

Thank you.

The Speaker: Hon. Member, Mrs Cannell.

Mrs Cannell: Thank you, Mr Speaker.

Well, that was quite an outburst (*Laughter*) from the Hon. Member for West Douglas. (*Interjections*)

Mr Shimmin: Thank you.

Mrs Cannell: A former Minister, who is struggling with a degree of a level of trust in whether or not this will be delivered. I think I have to remind him, and the House, that the Member moving the Bill is in charge of the Utilities: he is a member of the board, he is the Chairman of the board, who is faced with this problem. It is the Council of Ministers – and in particular the Treasury Minister – who is charged with doing the review of the rating system, and delivering it by February 2015, (*Interjection*) 2016. So, if the Hon. Member for West Douglas is struggling with a level of trust, then it is lack of trust in the Council of Ministers of which he was part (*Interjections*) not anything to do with the board. (**A Member:** Hear, hear.)

The board were faced with a dilemma of whether they continue with this charge, which is set to increase to £100 next year, then it is increasing until it reaches £300 a year – that is the plan that we

are involved in at the moment. That is how it works, that is what we were told by the former Chairman. Now it is *that* which is unfair –

Mr Shimmin: Will the Hon. Member make way?

Mrs Cannell: I will make way.

The Speaker: Mr Shimmin.

Mr Shimmin: Thank you, Mr Speaker, thank you to the Member for making way.

I would put on level that my level of trust is certainly quite clearly in an area of those parties that I have limited influence over. As the debate goes on this morning, I look for some reassurance from some of the Members, indeed a Council of Ministers' Member who is moving an amendment, where we will get some of that trust; and I certainly would put my trust more in my previous colleagues in the Council of Ministers than other parties who have spoken here this morning.

Several Members: Ooh! (*Interjections*)

Mrs Cannell: Thank you. Well, I do not quite know what to make out of that give way –

Mr Shimmin: Work it out! (*Laughter*)

Mrs Cannell: – other than perhaps the Hon. Member (*Interjections*) should consider going back into the fold of the Council of Ministers, if the Chief would like to offer him another position, (*Interjections*) then he can oversee the delivery of this and make sure that it is conducted in a proper, and a fair and impartial way, and one that will sustain the Island for *many* years to come.

But, returning to the matter of the Bill and the amendments which have been moved. There is a great deal of *heart* in these amendments, all of them – and I can see that. I can see what Members are trying to do: they want a degree of certainty that this review will be completed and that we will end up with a fairer system.

The wording of the Hon. Members Mr Karran's and Mr Quirk's amendments – well, they are too wordy, and actually quite complicated to follow. But both of them are integral to the fact that the review not only has to be carried out, it has to be completed. It has to be completed and ready to roll out, if you like. What we do know as a commitment was given – it was not an approval, I have to correct the Hon. Member for Malew and Santon. The issue arose in another place and a degree of certainty was given in the debate that the review would be carried out by February 2016.

But talk in here, and another place, can sometimes be cheap. (**A Member:** Hear, hear.) Yes, we can look in *Hansard* and see, 'Oh well, the Minister said it is going to be then.' And 'then' has come and passed, and then you begin to run – as a backbencher – with more questions and perhaps even motions to try and get it back on to the conveyor belt again, up at the front somewhere. And that is what happens, and this is why the Hon. Member for West Douglas is expressing a degree of concern.

But let me put it this way, Hon. Members: if you vote against the Bill today and all of its clauses, what will we be left with? We will be left with the current situation, (**A Member:** Hear, hear.) we will be faced where the board has to make a decision by January next year to roll out £100 next year for every person in the Isle of Man, for every property in the Isle of Man. Okay, they struggled with the £50, it was the principle of the charge, but we have had to go over that, we have to get over that fact because it was provided for in law years ago, for if ever the event occurred where we had to make charges. And I do not like the idea of having to make a charge, but I would rather it be linked to the rates than a standing charge.

So what we are looking at is £100 next year. How many people are going to be able to afford £100 next year? And then what will happen the year after? Is it going up to £250, or will it be £200,

or will it be £100? We do not know. What we do know, it is set to continue to increase until it reaches £300 – and that is what you will be left with.

The Hon. Member who moved the second amendment, Mr Quirk, said he does not want it to be an election issue. Well, I am sorry, it is *always* an election issue and especially in Douglas at election time, people always query why it is that people in Douglas have to pay more than people who live outside of Douglas. Why the unfairness? That has always been an issue, historically it has – that is not going to go away, until we address the rating issue and get it on a fairer basis. Yes, there will be winners and losers, because you cannot win every time.

The Hon. Chairman did say the last time we were in this place – was it 60% or 70% of the population, I think he said (**Mr Quirk:** 70%.) – were going to be better off than the current system. So I would urge Hon. Members to reject the first two amendments to this clause. I think there is a degree of support I would say for Mr Cregeen's amendment (**A Member:** Hear, hear.) because it is saying that the review *has* to take place, but also it has to have *started*.

I think half the problem here is that there seems to be a reluctance to start it. There was a pilot scheme that ran two, three or four years ago, and it never got further than that, because Treasury officers were distracted by other more important factors. There is always a reason why it has gone on the back burner. But the thing it is has not started; so the most important thing is to *get* it started. And those of you who are returned after the General Election will then have to put your weight behind this issue and make it happen – and *deliver*. So make your words strong today and keep your promises and deliver for the people.

Thank you.

The Speaker: Call on Mr Thomas.

Mr Thomas: Thank you, Mr Speaker.

Three points: the first one is that I believe the review that was discussed in another place is actually about the rebate scheme, and about the discount scheme. I wanted to ask the Chair when he is replying to actually give the legal basis for the rebate scheme, or the discount scheme, that he has talked about again today. So, in other words, I think there was a commitment made that by February 2016 we would have made the sewerage charge, or the sewerage rate system, to be fair; my recollection is that it was to do with actually giving discounts or rebates for things like single occupancy, and means testing. So I would like the Chair when he is replying to provide the legal basis for that possibility.

Secondly, I just wanted to clarify that I agree with Mrs Cannell, that Mr Cregeen's amendment is helpful because it starts the process. But I also wanted to disagree with Mrs Cannell and a few other speakers because there is an alternative, which is that the Sewerage Order would have to come back to reintroduce the sewerage charge for next year. Nine people voted against it last year, and we could do that as late as February, because that is when we did it last year. Many other people would have voted against it last year if they had not been persuaded that there was actually going to be a review of making it fairer by introducing a rebate scheme. So there is an alternative: taxation could be used, or resources could be found from the Manx Utilities Authority for this.

And the third point is that I would like the Chair to comment on the fact that what we have actually done, and what he has actually done, is set up a completely separate system. We now have a local authority rates system, and we have a Utilities financing system – and there is nothing wrong with that in principle, but it is not the sort of thing that should be rushed through this autumn. It is the sort of thing that should be taken more care about. We need primary legislation to actually cover how we charge for electricity, water, sewerage – perhaps even waste processing as I proposed in January 2014. We need that in a more considered way.

So I will be supporting Mr Cregeen's amendment, and perhaps also the other two depending on further comments. But ultimately I will be continuing to vote against the continuation of this Bill through the House.

The Speaker: I call on Mr Karran to reply.

Mr Karran: I was going to... yes, I can reply then –

The Speaker: Sorry, Mr Cannan, were you wishing to comment on Mr –? (*Interjection*) Yes, you may have the floor.

Mr Karran: Speaking to Mr Cregeen's amendment, I think it is important that, yes, there is a motion down for February 2016. There have been battles for the last 20 years on this subject –

Two Members: Longer than that.

A Member: 40 years.

Mr Karran: – and vested interest has stopped that revaluation from happening. My concern is that there is no primary law but a motion in Tynwald, and when you look at primary law, Vainstyr Loayreyder, (**A Member:** Hear, hear.) the situation is even primary law can be ignored. We have only got to look at the financial regulations for that, as far as this House is concerned.

So my concern with his amendment, it is what the old Manx would say *lhiam-lhiat*-ism, 'with thee, with me' and what we end up with is this woolly situation where there is no commitment. No wonder the Shirveishagh son Cooishyn Sthie, the Minister for Home Affairs, leaps up to support his friend from Malew and Santon because it will mean *nothing* if this goes through. Nothing at all. And I am afraid that all we will be doing is window dressing.

Vainstyr Loayreyder, I could go on, but I do have the right of reply, so I will sort out the misconceptions and the unreality of the Hon. Member for West Douglas, who has spent his last 15 years in a cocoon (*Laughter*) in the Council of Ministers' party –

The Speaker: Hon. Member for Onchan, Mr Quirk, to speak to one of the amendments

Mr Shimmin: As opposed to six months.

Mr Anderson: It seemed a long six months though.

The Speaker: Mr Quirk.

Mr Quirk: Thank you, Mr Speaker.

I just wanted to comment on the amendment from my good friend and colleague from Malew and Santon, Mr Cregeen. I do not think I will be supporting it – at the end of the day we might *have* to support it I suppose. But can I say to Hon. Members here today that I would hope that the board has been listening to the debate. They have been certainly listening to the debate regarding the commercial rating structure, because we have got a discount – two weeks it took. That is all it took, two weeks to make a decision.

But I want the board to listen to what is right for the whole of the Isle of Man, and the rest of us that live round there, so it does not become an issue between town and country and village. (*Interjections*)

I would like some more – not from Mr Cregeen – but to the Chairman there is an opportunity there. He did say 70% are going to be better off, and we have seen no evidence at all; and where is that likely to be? I think he said to me 25% were going to be worse off, and the 5%, we will have to see what happens there.

Mrs Beecroft, was quite right – or one of the other Members, I think it could have been Mrs Cannell as well that said – we could bring an order together, we did it last time, we did it in February,

we can do it in January. If there is a concern – and there is a concern around the Isle of Man regarding this particular Bill that is coming forward. Is it right, Hon. Members? No, I do not think it is. Is it perfect? No, it is not. It needs to be looked at and examined.

And by just commencing something, you can do that by pressing a button. I have commenced something, what I have done is I have switched on the computer. I do not want us today to switch on the computer and just leave it there overnight, 52 weeks of the year, 365 days. I want to make sure that screen is lit and there is information put in it, and we do something about it. It is up to us today in this particular Chamber to do something about it, because since the 1953 Act, 61 years ago, we have done nothing.

Treasury has had the opportunity to do loads of things – and I am not blaming the current Treasury Minister, it was in the past. The may have been vested interest, and I have got a feeling on that as well –

Mr Karran: Of course there was.

Mr Quirk: – but, the Manx Utilities can do something about it – it says that in this 1953 Act – they can do lots of things. They can share the work out there.

And I would say to Hon. Members let's make the decision here today that covers everybody on the Island – not because of where you live, because we all live on the Isle of Man.

The Speaker: Hon. Member, Mr Cregeen.

Mr Cregeen: Thank you, Mr Speaker.

Speaking to the Hon. Member for Onchan's amendment. He is actually –

Mr Watterson: Point of order, Mr Speaker.

I think we are getting a bit wrapped up in knots again. (**A Member:** Hear, hear.) Mr Cregeen's amendment was moved after Mr Karran's amendment, so he has the right to reply and speak up at that point, but not necessarily to speak to Mr Karran's amendment.

The Speaker: No, no, no, no. Mr Cregeen is quite entitled to speak to one of the amendments. The three amendments are on the floor for debate.

Mr Cregeen: They all came to debate at the same time.

The Speaker: The clause has been moved and seconded, the three amendments have been moved and seconded, the House gave its consent that they are debated together and voted on separately.

Mr Cregeen is quite entitled to contribute to the debate as long as it is on one of the amendments, which is what I understand it is. (*Interjections*)

A Member: And it is not more than two minutes.

The Speaker: You have the floor, sir.

Mr Cregeen: Thank you, Mr Speaker.

On the Member for Onchan – well, both Members for Onchan – (**Mr Quirk:** Friends?) and friends, Romans, countrymen. I am supportive of where they are coming from, but what my amendment does is, it has got a stopgap if yours fails. What it actually means is, if yours fails, we have something in there to say that you are going to have to get on with something.

I do have some concerns regarding the seconder of the main cause, when they go on about, 'The rates in Douglas are higher than the rest of the Isle of Man'. The rateable *values* may not be higher, it is the *Douglas Corporation rateable charge* which is at a greater amount. I had a look at some of the rateable values which I circulated in another place before, about similar size properties, and the rateable values for similar properties across the Isle of Man did not necessarily say that the rateable values on properties in Douglas were higher than other areas.

Your rateables that you get charged from the Douglas Corporation are higher –

Mrs Cannell: Will the Hon. Member Member give way? (*Interjections and laughter*) Thank you, thank you.

I would advise him to check *Hansard* after this debate. I said, 'Douglas pays more in rates', I did not say they pay more and they have low rateable values. I said they pay more in rates. Yes, it is down to the Douglas Corporation because they impose quite a hefty charge. But the fact is people in Douglas pay higher rates than anywhere else; the reasons for that have just been explained by the Hon. Member, and I accept. But please do not take exception to what I said. I have been in this place a very long time, (*Interjections*) a lot longer than you, Member.

A Member: Ooh!

Mr Cregeen: Thank you, Mr Speaker.

You may have been in here longer, but it does not mean that you are wiser! (*Laughter*)

One of the other areas that you have, is that you could look across the water rate. If you look at the water rate, which is a set level across all properties, it does not mean (**A Member:** Sinking fund.) that the rates are higher in Douglas.

And that is my point, that we have to separate rateable values, rates charge and the water rate.

A Member: Very good.

The Speaker: Now, does any other Member wish to speak? In that case I call on the mover of the first amendment to clause 2, numbers 1 and 2 on page 8.

Mr Karran to reply.

Mr Karran: Vainstyr Loayreyder, it would have been nice to have the mover's views on the amendments to this clause beforehand, but that unfortunately we have not got.

I think the point is that the Hon. Member for Malew and Santon is actually wrong, as far as the formula is concerned. The fact is that there was a discounted policy that was brought about back in 1971, because I knew that he was a constituent of mine. And to answer Mr Shimmin's point, it was a chap called Mr Moore, who was the Senior Valuer who lived at Middle Begoade, Onchan, who was a constituent of mine.

A Member: Not Willie?

Mr Karran: His grandfather. We actually talked about the situation, and the fact was that there were recognised discounts for different areas.

I think it would be wrong of me to go through the political niceties of why those discounts came about in the first place, but what the Hon. Member needs to realise is the fact that there was a recognised discount for different areas. Remember, in those days if you had four legs and a woolly coat you were better off by the taxpayers' subsidy than if you had two legs with no coat, as far as the financial priorities of the House at that time.

So, if the Hon. Member can get away from the situation of his personal animosity for being in this House and trying to hold the executive to account, the fact is the danger that he might find in *his*

constituency is that his £100 charge – if it goes up to £100 next year – he might find that he is going to have many of his single, elderly constituents ending up with a situation of paying well over a £100 charge on his rates system under what is proposed. And that is why I think the hon. mover needs to clarify that point, that the concern would be that in *his* area – being in West Douglas, which is classed as a higher valuation area than many areas in Douglas – it will actually be a bigger anomaly, as far as that is concerned.

On his points about rewriting history, Mr Kniveton was not even on the Water Authority when we originally brought the sinking charge up. And, just for his information, when they first went about the issue of the bonds being of AAA rating, went to the Treasury, he was scuttled off. It was only when the fact that I was wanting to do it, and the basis of telling people that their rates were going to go up horrendously over a 15-year period, that executive Government tried to hang me out to dry on the situation.

So the situation is that we are not rewriting history. The sinking thing was long before him. We had to get rid of the Chief Executive at the time, which was a difficult function at the time, and many things before he came to there. So I think it is important that the Hon. Member comes back away from the personalities, of the fact that in the last House apart from the presiding officer – unless we are in a West African republic – I was the only Member in this Hon. House that was not a Member of a Government Department.

The situation is that, yes, he *is* right there are concerns that he says about other charges, about the fact that we have got the bus charges going up and that – and that is a great shame. So I hope the Hon. Member considers that at least mine puts a firm marker down that we get the revaluation over with now.

My concern is, if you do not support my proposal, what you will find is we will end up with the situation like we had before with the Treasury Minister, where he has got either amnesia or shortage of wind to answer questions when he is being held to account; and we will find ourselves in the situation later on where his elderly constituents, depending on their income coming from investment capital, finding that their charge has not gone up £100, but maybe £200 or £300 because of that proposal. I hope that the mover of the Bill, the Cahirliagh Lught-reill Ushtey, will clarify that point, that we are not going to see that scenario happening.

The other points that were brought out as far as my amendment is concerned, is the fact that I believe there is a clear understanding of what we should be doing. I hope that the Hon. Member for Rushen is not getting confused with the amendment to clause 3 that I want to bring in, because I believe that we need to firstly address this issue and then the whole issue of the taxation process, because the Member for Rushen seems to fail to understand that if this Bill does not go forward, yes, we have got a £50 levy, and more likely £100 levy next year –

Mr Watterson: We have neither at the moment.

Mr Karran: Actually, what will happen, there will be an Order in another place and the block vote will win the day. (*Interjection by Mr Watterson*)

So I think the Hon. Member is better staying in this House as an MHK, as far as that is concerned, than in his accountancy, if he seems to get confused with my good friend the Hon. Member for South Douglas –

Mr Watterson: I am not confused.

Mr Karran: So, Hon. Members, we have here a situation where if this goes through, it puts the pressure back on. What we are going to end up with if you do not support this proposal, is you are going to end up with retired, single pensioners paying a fortune. That is what my concern is, as far as that is concerned, paying a fortune. And why are they paying a fortune? Why is this here today? Because we have a perverse tax system. I am all for low tax, Vainstyr Loayreyder, I understand the

issue of low tax, but you have a perverse system where you have got these very rich people paying nothing into the system.

I believe that the reason why you should be supporting this amendment today, is you are tying this administration down off the fence, away from the *lhiam-lhiat*-ism, where they are trying to be all things to all people, and end up being nothing to anybody, and actually say, 'Right, we will force the issue as far as revaluation is concerned'.

Hon. Members, if you do not support this, you will find what we see, and we have seen for too long – where there is now more with a general election coming, who are smelling the coffee – we will end up with a situation where there will be nothing done, and we will find that the urban areas, particularly urban areas where you have got elderly people in old family houses, ending up paying an absolute fortune for this.

So, Hon. Members, please consider the facts that what we have here today is we have one way of sorting this out, once and for all.

Vainstyr Loayreyder, I would just like to say on this amendment, this is not the first time we have had these representations about an all-Island revaluation, these things have been going on for 20 years – 20 years! And it is time that we got off that fence and we actually addressed the issue.

I hope Hon. Members will support my proposal, there is a clear understanding, there is clear pressure put on, and I hope my good friend – my rewritten Member for West Douglas history lesson, the teacher over there – will consider supporting this (*Interjection*) because it is in his constituents' interests. It might not be in his former friends' interests in CoMin, but it is in his constituents' interest. I hope Hon. Members will support it.

The Speaker: Mr Quirk to reply to the debate.

Mr Quirk: Thank you, Mr Speaker.

One thing for certain here today, Members, is there is confusion. There is definitely confusion and that is the particular issue we should not have in a House in a parliament setting. There is confusion where there is 50% reduction in Kirk Michael – that frightened me a little bit more than I thought, here today – and then Maughold. As far as I know, there is a discount structure which applies around the Isle of Man. I did not think it actually applied up in Maughold but it could do.

We still do not have that clarity on: is it fair to us all; to the people we are representing here today? We need to put that to bed a little and if it takes a little bit of time or takes a little bit of effort from all of us here in this particular Chamber, why can't we do that?

As I say, under that 1953 Act there is a lot that the Manx Utilities can do now, like pressing buttons, sending out revaluation lists to local authorities, making them do the work.

I just wanted to say, too, I think Mr Karran is quite right: we may affect a lot of people who are living in urban areas who are living on their own with fixed incomes, because there is no discount structure in there to help them out to survive in their own homes that they bought years ago and are still there, costing them a fortune to heat and pay the rates.

So Members, if I could say to you please support the amendment of both of us and, if all else fails, it has to go to Mr Cregeen. But I would like some honest opinions from the Chairman of the Utilities... to say to us – and I still have not got the answer and I did ask your department and I asked your officers in the last week – where are the 70% of the people who are going to benefit? I have not heard that at all in this debate. Are they all going to be living in a rural area? My guess is they are.

Mr Anderson: 70% do not live in a rural area.

The Speaker: Mr Cregeen to reply to the debate.

Mr Cregeen: Thank you, Mr Speaker.

Just on the point that was made before, it is amazing what two weeks can do, in savings of £300,000. How come these were not calculated in earlier? That is what makes me think this has all been rushed. It has got to a certain time and they think, 'Oh! We've got to get our rates set for next year. I've got to bring the legislation forward.'

If the Chairman can actually give some reassurance that on the days when the Board did consider changing it from a charge to a rate, what other considerations were made, whether it was unanimous across the Authority and also why he did not go through the public consultation, which was a big criticism the last time, because we have had since April? The Chairman was quite vocal on the point then. What has changed now?

I will be supporting the amendments from the Members for Onchan and I do hope you will support my amendment, if all fails, because I think we need to have something in there to ensure this is started. And any Hon. Members can put motions down at any time in the following months to see what updates the Treasury have on where they have got up to on the ratings.

I beg to move my amendment.

The Speaker: Mr Cannan to reply.

Mr Cannan: Thank you, Mr Speaker.

Speaking directly to the clauses – and apologies so those movers if they had expected me to speak earlier – Mr Karran and Mr Quirk both move similar amendments and the main aim of their amendments is to ensure that the Island's rating system is reviewed before the sewerage rate comes into effect.

I acknowledge, and Hon. Members are well aware, that there are anomalies within the Island's rating system and we accept that. That is why Tynwald has asked the Treasury to conduct the rating review. However, to delay the introduction of the sewerage rates would place the Authority's financial plan in jeopardy and leave no practical alternative, other than to reintroduce the unfair and unpopular sewerage charge.

Mr Speaker, I ask that Hon. Members do not vote in favour of either of the amendments from Mr Karran or Mr Quirk.

In respect of the amendment from Mr Cregeen, given the commitments that we have from the Treasury and the assurances that this review is about to commence, I can support the Hon. Member for Malew and Santon's amendment, in that respect, and I do think that it will bring in safeguards that the House can feel confident in.

Basically, if the review does not commence then there will be no sewerage rate brought forward – it is as simple as that; but if we get that assurance and confirmation then the sewerage rate will be commenced.

I just want to deal with some of the other comments, Mr Speaker, if I may. Just in terms of Mrs Beecroft, the Hon. Member talks about the black hole and I am a bit unsure as to what that 'black hole' is. Just to refresh everybody's memory, Mr Speaker, Treasury is effectively withdrawing £7 million-worth of subsidy that was paid to the former Water and Sewerage Authority, now the Manx Utilities Authority, to pay for sewerage and we are having to reflect, therefore, that withdrawal of that money, by raising £1.8 million –

Mrs Beecroft: Could the Member give way?

Just as point of clarity, when I quoted the 'black hole' it was what Mr Watterson said when he was trying to clarify matters for me. He referred to the 'black hole', so it was not something that I brought into the debate; it was responding to Mr Watterson.

Mr Speaker: The Hon. Member, Mr Cannan.

Mr Cannan: Okay. Thank you, Mr Speaker.

Just to be clear, effectively, the options are we either do the sewerage rate or, because of our withdrawal of the funding which Tynwald has approved in the budgets, we will have to come back with the option of the sewerage charge for £100 in order to keep our business plan on track.

The Hon. Member for West Douglas talked about a level of trust and whether things are going to be done. Clearly, Tynwald has expressed its view to Treasury; we, the Manx Utilities Authority, trust Treasury that that motion is being taken seriously and that the comments of the Treasury Minister are being acted upon and that something is going to be delivered.

So we do trust Treasury. I can assure him, he questions the trust in the board... I can assure the Hon. Member that we are conducting business in a completely open and transparent manner. There are no secret deals behind the scenes for businesses. There are no secrets that are not being brought here out in an open and transparent manner; and the board are completely trustworthy. I have absolute confidence in the board and that is why we are dealing with things in an open and transparent manner. As unpopular as it is, it is completely above board and completely transparent.

The Hon. Member also perpetuates, or seems to perpetuate, this myth, along with others, that somehow there is a general discount for rateable values for properties in Kirk Michael and, indeed, he has mentioned Maughold now as well.

Mr Speaker, as far as I am aware and I have been told, this is a complete and utter myth, and I would ask those Hon. Members who continue to perpetuate these myths about the ratings system that they actually bring forward some evidence instead of this humming and harring, 'I've heard on the grapevine' sort of language, which I do not think is appropriate.

I prefer to deal in facts, Mr Speaker. I have reviewed and looked at and researched those rating calculations. There is absolutely no evidence that there is a 50% discount and perhaps it would be good if Hon. Members, instead of dealing in vague assertions, really got hold of their facts; it might help the Government, as a whole, progress. Those are the answers to those particular enquiries there.

Clearly, obviously, the Hon. Member feels the £100 is a fairer charge and I cannot argue with Hon. Members who think that is a fairer way to go, Mr Speaker. I and the board feel that the rating system is the least worst of the options at the moment, given the pressures that we are facing.

My good friend, Mr Quirk, from Onchan, questions the 70% figure. If he wishes to come and sit in front of a computer and work through the calculations and see the 70% figure, I open that invitation to him to come and do so, Mr Speaker; but we have done our calculations, we have looked at this very carefully and I can assure the Hon. Member that 70% of properties across the Island, split in many different areas, are going to be paying less than the £100 charge.

Mr Quirk: Douglas and Onchan?

Mr Cannan: Across the Island, Hon. Member. You cannot expect me, out of 40,000 or so properties, to start breaking down every single property by area; but I give the Chamber and the Hon. House, this morning, my assurance that we have done the calculations and that 70% of properties will be paying less than £100.

I would like to thank Mrs Cannell for her support this morning.

Just to deal with some of the questions that were raised by the Hon. Member for West Douglas, Mr Thomas, he talked about the legal basis for the rate and – (**Mr Thomas:** Rebate scheme.) or the rebate scheme. I cannot speak for Treasury, obviously, but as far as I am aware the review that Treasury are undertaking is purely on the rateable values; it does not include any rebate scheme.

If he is asking about the review that the Manx Utilities Authority are undertaking – the one that I promised Members will happen, this morning – when he talks about the legalities, obviously, we will have to look into that. I am not sure there is anything stopping us looking at how charging is brought forward across our near neighbours and what is in place, if anything, to help protect what this Hon. House might regard as the vulnerable. So if he wants to clarify with me and the Authority afterwards, we are happy to do so.

He talked about again – moving that on – having proper legislation and things, in terms of reviewing all the charging systems – whether it is our electricity, whether it is water, whether it is sewerage. What I can say to the Hon. Member is I think the Board has taken a lot of these issues on board. That is why we are ahead of the game; that is why we are going to move ahead with this review and that is why we, as a Board, want a sustainable and transparent future in terms of charging.

Clearly, the economic situation is changing now. There is no more money to cover up a system that does not operate properly and that is why we are going to be pushing ahead with that review. Again, I can assure the Hon. Member that as soon as that is completed and as soon as the Board has had sight of it and as soon as that has clearly been approved by the Council of Ministers, we will get that released so that there is opportunity for everybody to input, because clearly this is a matter of public interest.

Again, I want to just give the assurance to the Hon. Member that we are bringing this forward because we have to. We need to maintain the funding. We think it is in the public interest to maintain the funding for the Authority. This is not a knee-jerk reaction. We have thought this through. We have looked at the implications of the sewerage charge – the fact that it is deeply unpopular, that it is not consistent, that it is not fair and it does not apply across the board. We believe this is a fairer way and that is why we are bringing it forward.

The Speaker: Hon. Member, you might care to bring your winding up to a close soon.

Mr Cannan: Thank you, Mr Speaker.

I just think it is important that I deal with some of these issues because they can get lost slightly and Hon. Members have taken a great deal of time to try and stop this, this morning, (**Several Members:** Hear, hear.) so I think it is –

The Speaker: As long as you are not repetitive.

Mr Cannan: I appreciate that.

Mr Quirk: We are only being helpful.

Mr Cannan: Okay, Mr Speaker, I think I probably have actually dealt with most of the points (**Several Members:** Hear, hear.) and I think I have made my point.

I am sorry if there are some Members who feel I have not dealt with their points directly but, just to summarise, I will be supporting the amendment by Mr Cregeen and I will not be supporting those by Mr Karran and Mr Quirk.

I beg to move.

The Speaker: Hon. Members, I will put first the amendments in the name of Mr Karran. If they carry then the amendments in the name of Mr Quirk will follow as a consequence.

Putting the amendment 1 to clause 2, in the name of Mr Karran: those in favour, please say aye; against, no. The ayes have it.

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

FOR

Mrs Beecroft
Mr Cregeen
Mr Cretney
Mr Hall
Mr Henderson
Mr Houghton

AGAINST

Mr Anderson
Mr Bell
Mr Cannan
Mrs Cannell
Mr Crookall
Mr Gawne

Mr Karran
Mr Quirk
Mr Shimmin
Mr Thomas

Mr Quayle
Mr Robertshaw
Mr Ronan
Mr Singer
Mr Skelly
Mr Teare
The Speaker
Mr Watterson

The Speaker: There are 10 votes for, 14 against.

Amendment 2 will fail as a consequence of that vote.

We move then to the amendments in the name of Mr Quirk – amendment 3. Those in favour of Mr Quirk’s amendment –

Mr Watterson: Sorry, did you just say that Mr Quirk’s amendment fell?

The Speaker: No.

Mr Watterson: Sorry, I have lost –

Mr Cretney: No, the second part of Mr Karran’s.

Mr Watterson: The second part of Mr Karran’s. Right, okay. I was struggling to follow it.

The Speaker: The second part, number 2 is a consequence of number 1, (**Mr Watterson:** Thank you.) therefore I will not even take a vote on it.

The amendment by Mr Quirk: those in favour, please say aye; against, no. The noes have it.

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

FOR

Mrs Beecroft
Mr Cregeen
Mr Cretney
Mr Hall
Mr Henderson
Mr Houghton
Mr Karran
Mr Quirk
Mr Shimmin
Mr Singer
Mr Thomas

AGAINST

Mr Anderson
Mr Bell
Mr Cannan
Mrs Cannell
Mr Crookall
Mr Gawne
Mr Quayle
Mr Robertshaw
Mr Ronan
Mr Skelly
Mr Teare
The Speaker
Mr Watterson

The Speaker: There are 11 votes for, 13 against. Amendment 3 fails to carry. Amendment 4, which is consequential, therefore does not apply.

We turn now to Mr Cregeen’s amendment. 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 Anderson
Mrs Beecroft
Mr Bell
Mr Cannan
Mrs Cannell

AGAINST

Mr Henderson

Mr Cregeen
Mr Cretney
Mr Crookall
Mr Gawne
Mr Hall
Mr Houghton
Mr Karran
Mr Quayle
Mr Quirk
Mr Robertshaw
Mr Ronan
Mr Shimmin
Mr Singer
Mr Skelly
Mr Teare
The Speaker
Mr Thomas
Mr Watterson

The Speaker: There are 23 votes for, 1 against. Mr Cregeen's amendment therefore carries. I put clause 2, as amended. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Clause 3. Mr Cannan, please.

Mr Cannan: Mr Speaker, clause 3 deals with the financial challenges outlined in my Second Reading speech in the following ways.

It amends the Sewerage Act 1999, introducing a series of new provisions enabling the Manx Utilities Authority to impose a sewerage rate by reference to the rateable value of the premises provided with the sewerage services by the Authority.

For simplicity, clause 3(2) divides the existing Part 2 of the Sewerage Act 1999 into six divisions. Under division 5, clause 3(3) it introduces six new sections, 10A to 10F, and a schedule.

The first five sections, 10A to 10E, which give effect to schedule 1A are modelled on the corresponding provisions of the Water Act 1991, enabling the Authority to operate the water and sewerage rating systems in a similar way.

Section 10A(2) enables the Manx Utilities Authority to apply a proportion of the rateable value when calculating the sewerage rate for non-domestic properties. In essence, it enables the Authority to make discounts where appropriate.

Section 10F prescribes the sewerage rate for 2015-16 as 61.29 pence in the pound which, at the time of calculation, provides the same revenue as a sewerage charge of £100. For future years the sewerage rate is subject to Tynwald approval.

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

The Speaker: Mrs Cannell

Mrs Cannell: Thank you, Mr Speaker.

I am happy to second and reserve my remarks.

The Speaker: I call on the Hon. Member for Rushen, Mr Watterson, to move the amendments standing in his name.

Mr Watterson: Thank you, Mr Speaker.

My first amendment, number 6 on page 9 of the Order Paper, is designed to give more flexibility to the MUA in levying a sewerage rate or charge for the year. The amendment allows for a mix of rating and charge, so we do not have the unfair extremes of either system. It also permits the MUA

to set a minimum and maximum amount to be payable in respect of any business or class of property.

This House has wrestled with the various options for charging a sewerage rate, a fixed charge and other systems, and there has been a wide diversity of opinion. It is important, therefore, that the MUA has the flexibility, when coming to Tynwald with its annual charging order, to be able to come up with a rate, charge or mix of both that will carry the favour of the Court.

It also allows the MUA to differentiate between classes of properties, which may mean that rates payable by retail businesses could be different from those for equestrian centres or Government buildings. This is achievable. There are 110 different property codes already identified in the rates list, covering everything from sheds to banks and mines to kennels, and I am grateful to Mr Quirk for sharing that information with me. **(Mr Quirk: No problem.)**

I am the first to accept that this will not solve the inequities of the rating regime, nor will it solve the inequities of the charging regime. However, in coming up with something that is as fair as possible, it can take account of different issues of relative economic success by sector, as well as balance the business to residential mix of the amount levied.

Members will appreciate that these powers are permissive, not prescriptive; they allow the MUA to do this but do not require them to do so. I, like other Members, realise the system has to evolve as it becomes more informed over time – certainly as a result of the review that has commenced – and the MUA is able to digest the different issues facing the groups it serves.

My second amendment, number 7 on page 9, provides that the MUA has to have its charging order to Tynwald by the end of the calendar year preceding the financial year in which it takes effect. This is an entirely practical measure to ensure that there is sufficient time to incorporate the details into the rates bills for the coming year.

To give a practical example, the 2016-17 financial year commences on 1st April 2016. Currently, the legislation only requires that the Tynwald order has to be in place by 31st March, which is practically impossible to get the bills made up. If this amendment passes, the order will need to have been approved by Tynwald by 31st December 2015, in order to be in effect on 1st April 2016.

Mr Speaker, my final amendment prevents the situation that we have at the moment – the black hole that I referred to in my response to Mrs Beecroft earlier – whereby if an order fails, no amount is payable by anyone for the coming financial year. Hon. Members will appreciate that if this Bill fails to carry there will be no sewerage rates for next year. If a flat charge also fails to pass through Tynwald then we do not simply have last year's £50 flat fee again – there would be no fee payable. This clearly represents an impossible situation for the MUA who need to have at least some certainty as to their income.

This amendment provides that once Tynwald has proved a charging order, that order remains in place until Tynwald approves another one. This prevents an all or nothing situation whereby at least the Authority can rely on the same level of income as the previous year, even if Tynwald does not approve an order increasing the charge. There is of course the safeguard that the rate may not be increased without Tynwald approval, but it prevents the situation arising, as at present, where the MUA may have no income in relation to sewerage for a financial year.

I beg to move the amendments standing in my name:

Amendments to clause 3:

6. Page 8, lines 12 to 18 substitute —

'(2) A sewerage rate in respect of any premises may comprise —

(a) a fixed amount; and

(b) an amount calculated by reference to a rate poundage

(3) The Manx Utilities Authority, in fixing a sewerage rate may prescribe minima and maxima for amounts payable under subsection (2)(a) or (b) in respect of particular classes of premises.'

Renumber the following subsections of the inserted section 10A accordingly.

7. Page 8, line 20 for 'the beginning of the financial year' substitute 'the end of the calendar year preceding the first financial year'.

8. Page 8, after line 23 insert —

'(4) A rate levied in respect of a financial year continues to apply for subsequent financial years unless and until a further rate is approved by resolution of Tynwald.'

The Speaker: Mr Cregeen.

Mr Cregeen: Thank you, Mr Speaker.

I beg to second and I think this puts some rick on the rates for the following year, because if we fail to approve next year, it does not mean that they can continue to increase the charge.

Mr Watterson: Hear, hear.

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

Mr Karran: My concern is the flexibility that we are being told of as far as this amendment is concerned. I have deep concern that the way we will end up with the 'Ways and Means Act' of where people will lobby as far as who will pay what and where...

I would be interested in the mover's thinking about the issue of the safeguard of getting it out before it becomes *fait accompli*.

I understand our number one priority, Vainstyr Loayreyder, is to make sure that we try to get jobs. We have had a fantastic 25% growth in wages from 45% up to 120% of the Brits and then back down to about 105% of the UK's average earners, so —

The Speaker: Hon. Member, I just want to make this clear that you are moving your amendment in your presentation just now, (**Mr Karran:** Yes.) because if not, you will not have an opportunity to do so if you are simply speaking to the motion.

Mr Karran: I was speaking to the amendment first.

My concern is how do we make sure we are going to have the consistency, as far as the Hon. Member for Rushen's amendment? How are we going to make sure that there is going to be a consistent way and we are not going to end up with *carte blanche* amendments and restrictions as far as who pays what later on.

As far as I am concerned, I believe that what we should be doing is on my amendment. We should not be allowing any sewerage charge to be made, as far as this is concerned, until there has been a review, with independent persons to do that review, and for it to be laid... a copy of the report of the review before Tynwald.

I believe, Hon. Members, that will be the best way of forcing the issue as far as the totally unfair and unjust rating situation. I would like the mover of the Bill, when he says there is no proof of the agricultural discounts... I think that he does need to clarify that situation, allowing for the fact that if that is the case, that is only for the newest of properties that have been developed and (**A Member:** Hear, hear.) have had planning applications on them; and the reality is the valuations are stated as far as what I have just said, as far as the 1971 rental costs with discounts.

He might also want to inform this Hon. House that there is not just that, but there is also the discount as far as agricultural property is concerned — which is another anomaly that we are hammering on to this system.

Hon. Members, whilst it will not be popular to end up with a £100 sewerage charge, I believe that at least it would keep the pressure on to actually get an injustice that has been done, not so much to

my constituents as the constituents of Douglas, Castletown and Peel, where their rateable values have been higher...

What we are going to end up with is a situation like we knew full well when I was Chairman of the Water Authority: that the urban water ratepayers were subsidising the rural water ratepayers considerably and they were actually cheaper to provide water in the urban areas than often in many of the rural areas. (**A Member:** Yes.)

So I believe that this amendment of mine will actually pin your colours to the mast and we will say, 'Right, you've got it wrong.' We have got an unpopular sewerage charge, but at least we will not end up with the situation where we are going to end up with people who are going to be very much worse off in an urban area, living on their own. I am thinking of pensioners, in particular, who will end up paying a fortune, unless somehow we are going to see, with the amendment from the Hon. Member for Rushen, some way of altering that and making sure. The only concern then is whether that will just end up being another subsidy for these tax capped individuals in their big houses.

I honestly believe, Vainstyr Loayreyder, that we have got to lance this boil, not support this Bill and get the revaluation. There has been far too much vested interest in the past for this to go through. The rating valuation is totally unjust and we are only augmenting what is already unjust, as far as the water rate payers are concerned on this Island.

I hope that Members will support my amendment. I beg to move:

Amendment to clause 3:

9. Page 10, after line 24 insert —

'(5) Until the coming into operation of subsection (4) of this section, section 1 is amended —

(a) by inserting after subsection (1) —

"(1A) But no sewerage charge order may be made (after the passing of the Sewerage (Amendment) Act 2014) until the Sewerage Authority has caused to be conducted a review by an independent person of the operation of this section and laid a copy of the report on such review before Tynwald."; and

(b) by omitting "However," in subsection (2).'

Remember the following subsections of the clause and adjust cross-references accordingly.

The Speaker: May I ask if there is a seconder?

Mrs Becroft.

Mrs Becroft: Thank you, Mr Speaker. I am happy to second that.

The Speaker: Mr Cannan.

Mr Cannan: Thank you, Mr Speaker.

I would like to thank the Hon. Member for Rushen, the Minister, for tabling his amendments which make a number of helpful changes to the Bill, which the Manx Utilities Authority welcome. Mr Speaker, I will be supporting that amendment.

The amendment to clause 3 from my good friend from Onchan, Mr Karran – the aim of his amendment is to, effectively, review the sewerage rating system before applying charges. We covered that earlier. I will not be supporting that amendment.

The Speaker: Mr Quirk.

Mr Quirk: Thank you, Mr Speaker.

Speaking to both amendments, to cut out repetition I suppose, I welcome the amendments coming from my hon. colleague, Mr Watterson.

I think it puts some clarity in it that the Bill never had at the beginning, that it should have had. It also gives us an opportunity to examine, in my opinion – and maybe the mover of the amendment will correct me if I am wrong – that maybe we could then take out the Government-owned properties; (**Mr Watterson:** Could do.) the things that are stupid, the things that we should not have been doing, all of us, for donkeys years. Why do we re-rate our own properties and then pay ourselves back and back? Smaller, simpler, less bureaucratic.

The final one, on the bottom, gives real comfort that, if something does happen in the future, they still rely... . There is no black hole in the future.

To Mr Karran's too, I still have support for that particular issue and I would ask the mover of the Bill really... He indicated to us the model they are using is the 1991 model. I would love to see some paperwork on that 1991 model to see what it actually does.

He mentioned also the discount and he mentioned that word: where 'appropriate'. That is a strange word to use, isn't it, especially when we are making law? Where 'appropriate'. (*Interjection*) What is appropriate to West Douglas is probably not appropriate to Jurby, Andreas or other rural areas. That is absolutely silly – where 'appropriate'! This should be a finite mechanism and, as I said to Hon. Members, we should only be getting the one bite of this particular cherry but we are not taking that one bite; we are taking 10 bites out of it and we are making a worse scenario even worse. We never looked at it. We should have bitten the bullet and looked at it totally.

As far as the amendments are concerned, I support Mr Watterson's and I will see how the vote goes.

The Speaker: Mr Watterson to reply to the debate.

Mr Watterson: Thank you, Mr Speaker.

I would like to just refer back to the points that Mr Karran made – ensuring consistency. It will be up to Tynwald to determine whether the order is fair and to determine what mix is appropriate. Yes, I should imagine there will be lobbying. There will be lobbying from households; there will be lobbying from businesses; there will be lobbying from different classes of businesses.

It will be up to the MUA to come forward with an order that is considered and that will achieve a majority in Tynwald. The order will then be able to be expressed in something other than just a pence-in-the-pound, which is all that the Bill, at the moment, is able to do. So it means that there are more options for coming forward with the order but, of course, it will still be up to Tynwald to approve the order.

The important thing, as well of course, is that it will be able to vary the mix between different sectors of businesses and also be able to have a policy discussion as to whether the residential-to-business mix of rate charging is appropriate.

I have mentioned how it splits out in the rates codes between banks, equestrian centres, sheds – and even Mr Quirk's MEA pole in Lonan – so they are easily split already. There is not an extra amount of work that needs to be done for that.

Mr Quirk: It could have been in Laxey.

Mr Watterson: The amendment would also allow, if Tynwald was minded to pursue this route, for discounts for single-member households. I believe 10D also commits support.

For the record, and just addressing Mr Karran's point, I would not support an order that was beneficial to tax cap beneficiaries. I will tell you that now, if that is of any help to you at all. I know when I stood up in Tynwald the other day you said you were not interested in what I had to say but hopefully that was of some use to you! (*Laughter*)

With regard to Mr Quirk's point, yes, again if Tynwald was minded and Tynwald thought that it would be appropriate, it could set a zero pound rate for all those classed as Government properties, because they are highlighted as well. So there would be the flexibility for that.

So really this is just about allowing the MUA to come forward with a far broader set of principles that it can move a charging order on and it would still then be up to Tynwald to determine whether that was fair, whether that was appropriate.

With that, I thank Hon. Members for their support – those who were supportive – and move 6, 7 and 8 on the list of amendments.

The Speaker: Mr Karran.

Mr Karran: Vainstyr Loayreyder, all I would like to say is of course my amendment would stop not only the issue of the revaluation but also the sewerage charge, as far as this amendment in front of us.

Mr Watterson: You have no money though.

Mr Karran: The fact is that that would put the pressure back on Government in order to create a proper taxation policy within this Island. The situation we, and I hope other Members in this Hon. House – the likes of the Member for West Douglas, Mr Thomas, who is very keen on local taxation issues... This would have to force them to look at the whole concept.

If we support my amendment, yes, it puts the MUA in a funding crisis which will have to be addressed by the Treasury and they will have to resolve to address that issue, but if we support my amendment, what we will do is, effectively, leave the structure there for the MUA, but what it will do is it will stop them from having the ability as far as to stop any sewerage charge, as well as the issue of the revaluations.

So I hope Hon. Members will support my proposal in front of this House. This is the only way we are going to start getting a just and fair system. What we have got proposed originally by Government is a poll tax on sewerage – like the Brits had a poll tax. I believe that that situation has now been seen as unsustainable.

My amendment would make them have to go back on both issues and I would like to say to my good friend, yes, he is right, it will come back as far as the debate is concerned on his amendment, which is very nice in there, but I am afraid as far as the issue of tax capped individuals is concerned, the Hon. Member will have to do what he has to do as part of a collective responsibility of the Government of the Isle of Man and as a Member CoMin. He will have no choice in whatever CoMin decides, unless he is prepared to resign his position as a Minister. So I think this idea of having that flexibility is somewhat naive of the Hon. Member.

Hon. Members, we have got, once again, a knee-jerk reaction because of the problems of failed taxation policy by the Chief Minister, not just now but over the last 10 years with the Brown administration. What we need to do, in my opinion, Vainstyr Loayreyder, is to send this back to the drawing board and not support the situation where we are going to end up with a levy. This would stop any chance of a poll tax on sewerage. This is the way forward, as far as this piece of legislation is concerned. You can let the Bill go through and get the structural revaluation, stop the idea of a poll tax on sewerage and we actually get something that is fair and equitable to all our services, as far as this is concerned.

I hope that Hon. Members will support what I am saying down here. This is the way forward. I so move.

The Speaker: I call Mr Cannan to sum up.

Mr Cannan: Thank you, Mr Speaker.

I have already clarified my support for the amendment from Mr Watterson and my opposition to the amendment from Mr Karran. I will not go over old ground, but my good friend from Onchan talks about a poll tax. Well, a £100 sewerage charge is about as close to that as you can get and that is what he is actually wanting to happen.

My good friend, Mr Quirk, the Hon. Member for Onchan, talks about basically a 1991 piece of legislation. I assume he is referring to the Water Act and if he wishes to read that then I will happily give him a copy of that.

Thank you very much, Mr Speaker, I beg to move.

The Speaker: Mr Karran.

Mr Karran: I was just wanting him to give way on the fact that this actually stops him from having a poll tax – if he reads my amendment – on sewerage.

The Speaker: Is it a point of order, Mr Quirk?

Mr Quirk: ‘Where appropriate’, I had asked the mover of the Bill to –

The Speaker: No, I am sorry, the mover has finished now. The debate is over. Let me make that clear.

We proceed to the voting and the first vote I am taking is on amendment 6, in the name of Mr Watterson. 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 Anderson
Mrs Beecroft
Mr Bell
Mr Cannan
Mrs Cannell
Mr Cregeen
Mr Cretney
Mr Crookall
Mr Gawne
Mr Hall
Mr Houghton
Mr Karran
Mr Quayle
Mr Quirk
Mr Robertshaw
Mr Ronan
Mr Shimmin
Mr Singer
Mr Skelly
Mr Teare
The Speaker
Mr Thomas
Mr Watterson

AGAINST

Mr Henderson

The Speaker: There were 23 votes for and 1 against. That amendment carries.

Amendment 7, in the name of Mr Watterson. 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 Anderson
Mrs Beecroft
Mr Bell
Mr Cannan
Mrs Cannell
Mr Cregeen
Mr Cretney
Mr Crookall
Mr Gawne
Mr Hall
Mr Houghton
Mr Karran
Mr Quayle
Mr Quirk
Mr Robertshaw
Mr Ronan
Mr Shimmin
Mr Singer
Mr Skelly
Mr Teare
The Speaker
Mr Thomas
Mr Watterson

AGAINST

Mr Henderson

The Speaker: There were 23 votes for and 1 against. The amendment carries.

Amendment 8, in the name of Mr Watterson. 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 Anderson
Mrs Beecroft
Mr Bell
Mr Cannan
Mrs Cannell
Mr Cregeen
Mr Cretney
Mr Crookall
Mr Gawne
Mr Hall
Mr Houghton
Mr Karran
Mr Quayle
Mr Quirk
Mr Robertshaw
Mr Ronan
Mr Shimmin
Mr Singer
Mr Skelly
Mr Teare
The Speaker
Mr Thomas
Mr Watterson

AGAINST

Mr Henderson

The Speaker: There were 23 for and 1 against. Amendment 8 carries.

Amendments 9, in the name of Mr Karran. Those in favour, please say aye; against, no. The noes have it.

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

FOR

Mrs Beecroft
Mr Cretney
Mr Henderson
Mr Houghton
Mr Karran
Mr Quirk
Mr Thomas

AGAINST

Mr Anderson
Mr Bell
Mr Cannan
Mrs Cannell
Mr Cregeen
Mr Crookall
Mr Gawne
Mr Hall
Mr Quayle
Mr Robertshaw
Mr Ronan
Mr Shimmin
Mr Singer
Mr Skelly
Mr Teare
The Speaker
Mr Watterson

The Speaker: There were 7 votes for, 17 against. That amendment, therefore, fails to carry.

Clause 3 as amended. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Mr Watterson: Divide.

Several Members: Too late.

The Speaker: Too late.

Clause 4, Mr Cannan.

Mr Cannan: Thank you, Mr Speaker.

Clause 4 repeals a paragraph of section 49(1) of the Rating and Valuation Act 1953, which is spent as a consequence of the restructuring of the Sewerage Act 1999, effective by clause 3.

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

The Speaker: Mrs Cannell.

Mrs Cannell: Mr Speaker, I am happy to second and reserve my remarks.

The Speaker: Mr Quirk.

Mr Quirk: Thank you.

I would just like to ask the mover of the Bill what is his definition of 'where appropriate'?

The Speaker: Reply, sir, Mr Cannan.

Mr Cannan: Thank you, Mr Speaker.

I think the Hon. Member is referring to the last clause where he did, to be fair to him, ask me about the business... (**Mr Quirk:** Percentage.) percentage.

What I can confirm to the Member is if I have said the word 'appropriate' I do apologise. As I said in my opening statement, the board have agreed that, 'the sewerage rate for commercial premises will be calculated on 50% of the rateable value'. There is no 'where appropriate' there, so I apologise if that has come over at some point. It is 50% of the rateable value for commercial premises.

Thank you very much, Mr Speaker. I beg to move.

The Speaker: I put the motion that clause 4 stands part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

Clause 5, Mr Cannan.

Mr Cannan: Clause 5 provides for the expiry of the resulting Act on the day following the letter of its promulgation and the commencement of the last of its provisions, but without affecting the continuing operation of any amendment or repeal made by it.

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

The Speaker: Mrs Cannell.

Mrs Cannell: Mr Speaker, I am happy to second and reserve my remarks.

The Speaker: I put the question that clause 5 do stand part of the Bill. Those in favour, please say I; against, no. The ayes have it. The ayes have it.

That brings us to the end of the clauses stage.