



TYNWALD COURT OFFICIAL REPORT

RECORTYS OIKOIL
QUAIYL TINVAAL

PROCEEDINGS DAALTYN

HANSARD

Douglas, Wednesday, 19th March 2014

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Volume 131, No. 10

ISSN 1742-2256

Present:

The President of Tynwald (Hon. C M Christian)

In the Council:

The Lord Bishop of Sodor and Man (The Rt Rev. R M E Paterson),
Mr D M W Butt, Mr M R Coleman, Mr C G Corkish MBE,
Mr E A Crowe, Mr A F Downie OBE, Mr J R Turner and Mr T P Wild
with Mr J D C King, Deputy Clerk of Tynwald.

In the Keys:

The Speaker (Hon. S C Rodan) (Garff);
The Chief Minister (Hon. A R Bell) (Ramsey);
Mr D M Anderson (Glenfaba); Mr L I Singer (Ramsey);
Hon. W E Teare (Ayre); Mr A L Cannan (Michael); Hon. T M Crookall (Peel);
Mr P Karran, Mr Z Hall and Mr D J Quirk (Onchan);
Hon. R H Quayle (Middle); Mr J R Houghton and Mr R W Henderson (Douglas North);
Mr D C Cretney and Mrs K J Beecroft (Douglas South);
Hon. C R Robertshaw (Douglas East);
Hon. J P Shimmin and Mr C C Thomas (Douglas West);
Mr R A Ronan (Castletown); Mr G D Cregeen (Malew and Santon);
Hon. J P Watterson and Hon. L D Skelly (Rushen);
with Mr R I S Phillips, Secretary of the House.

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Tynwald

The Court met at 10.30 a.m.

[MADAM PRESIDENT *in the Chair*]

The Deputy Clerk: Hon. Members, please rise for the President of Tynwald.

The President: Moghrey mie, Hon. Members.

5 **Members:** Moghrey mie, Madam President.

The President: The Lord Bishop will lead us in prayer.

PRAYERS

The Lord Bishop

Order of the Day

12. Payment of Members' Expenses Act 1989 – Statutory Boards (Annual Sums) Order 2014 approved

The Minister for the Treasury to move:

That the Statutory Boards (Annual Sums) Order 2014 be approved. [SD No 2014/0078]

10 **The President:** We resume our business at Item 12 on the Order Paper, Hon. Members.
I call on the Minister for the Treasury to move.

The Minister for the Treasury (Mr Teare): Thank you, Madam President.

15 The Transfer of Functions (Manx Utilities Authority) Order 2014 established the Manx Utilities Authority as a new Statutory Board and transferred the functions of the Manx Electricity Authority and the Isle of Man Water and Sewerage Authority to the newly created Manx Utilities Authority.

20 The Payment of Members' Expenses Act 1989 enables Treasury to prescribe annual payments to be made to members of certain Statutory Boards who are not Members of Tynwald. The Statutory Boards (Annual Sums) Order 2014 therefore adds the Manx Utilities Authority to the current list of Statutory Boards whose members qualify for annual payments, where they are not Members of Tynwald. A member appointed to the Manx Utilities Authority will therefore be able to receive the specified payment with effect from the creation of the Authority on 1st April 2014.

25 By way of housekeeping, this Order also removes the Manx Electricity Authority and the Isle
of Man Water and Sewerage Authority as qualifying Statutory Boards.

Madam President, this Order has been brought forward purely to enable the non-Tynwald
members of the Manx Utilities Authority to receive payment in line with the amounts previously
approved for the members of the MEA and the Water and Sewerage Authority. The rates
payable across all areas remain unchanged from those outlined within the Statutory Boards
30 (Annual Sums) (Amendment) Order 2007, subject to the application of intervening Civil Service
pay increases.

Madam President, I beg to move that the Statutory Boards (Annual Sums) Order 2014 be
approved.

35 **The President:** The Hon. Member, Mr Downie.

Mr Downie: Thank you, Madam President.
I beg to second and reserve my remarks.

40 **The President:** The Hon. Member, Mr Thomas.

Mr Thomas: Thank you, Madam President.

Just two brief questions – and I apologise, as a new Member, if they are questions that I
should not be asking.

45 The first question is that the speech just then mentioned the Order in 2007, but the
explanatory memorandum mentions 2004, and I just wondered if the Treasury Minister could
explain why there is a premium and what is the premium paid for the members who are
ordinarily resident outside the Island, rather than inside the Island; and secondly, whether there
have been any changes to the taxation of members of the Statutory Boards since 2004 or 2007.

50 **The President:** The Minister to reply.

The Minister: Thank you very much, Madam President.

55 The difference in payment for members of Statutory Boards who are inside or outside the
Island tends to apply to the FSC and the IPA, and the FSC is the prime example of that.

He did mention too the difference between 2004 and 2007. The original Order was put in in
2004, and then it was uprated in 2007 and clarified in 2007.

60 I did say in my opening comments that there has been change proposed in the rates paid to
the members of the Authorities – it will remain the same – and that the payments are reviewed
in line with any increase in terms of Civil Service pay awards; but there is no increase contained
within this Order for any members of the Boards.

The President: The motion before the Court is set out at Item 12, Hon. Members. Those in
favour, please say aye; against, no. The ayes have it. The ayes have it.

**13. Payment of Members' Expenses Act 1989 –
Members of Tynwald (Annual Sums) Order 2014 approved**

The Minister for the Treasury to move:

65 *That the Members of Tynwald (Annual Sums) Order 2014 be approved. [SD No 2014/0079]*

The President: Item 13. The Minister for the Treasury to move.

The Minister for the Treasury (Mr Teare): Thank you, Madam President.

70 As previously outlined, the Transfer of Functions (Manx Utilities Authority) Order 2014 established the Manx Utilities Authority as a new Statutory Board and transferred the functions of the Manx Electricity Authority and the Isle of Man Water and Sewerage Authority to the newly created Manx Utilities Authority.

The Payment of Members' Expenses Act 1989 enables Treasury to prescribe annual payments to be made to Members of Tynwald who are appointed as chairmen of certain Statutory Boards.

75 The Members of Tynwald (Annual Sums) Order therefore adds the Manx Utilities Authority to the current list of Statutory Boards whose chairmen qualify for annual payments, where they are Members of Tynwald. A Tynwald Member appointed as Chairman of the Manx Utilities Authority will therefore be able to receive a specified payment with effect from the creation of the Authority on 1st April 2014.

80 By way of housekeeping, this Order also removes the Manx Electricity Authority and the Isle of Man Water and Sewerage Authority as qualifying Statutory Boards.

Madam President, this Order has been brought forward purely to enable the Chair of the Manx Utilities Authority to receive payment in line with the amounts previously approved for the Chairmen of the MEA and the Water and Sewerage Authority.

85 The rates payable across all areas remain unchanged from those outlined within the Members of Tynwald (Annual Sums) Order 2008, subject to the application of intervening Civil Service pay increases, as prescribed in the 2008 Order.

Madam President, I beg to move that the Members of Tynwald (Annual Sums) Order 2014 be approved.

90

The President: The Hon. Member, Mr Downie.

Mr Downie: Thank you, Madam President.
I beg to second and reserve my remarks.

95

The President: The Hon. Member, Mr Singer.

Mr Singer: Thank you, Madam President.

100 If I could briefly refer to article 3(2), which gives the additional sums payable to certain officeholders, could the Treasury Minister remind me of the reasoning behind the fact that a Member of Treasury gets 40%, rather than a Member of a Department getting 30%; and similarly, why the Chairman of the Civil Service Commission is given 40%, rather than the 30% given to Members of Departments? Could he perhaps remind me of the reason behind it?

105 **The President:** The Hon. Member, Mr Thomas.

Mr Thomas: Thank you, Madam President.

110 I have a question for the Treasury Minister. I believe back in May 2011, the Standing Committee of Tynwald First Report on Emoluments 2010-11, as approved by Tynwald, actually recommended a 30% payment for Committee Members on the Policy Review Committee. I wonder whether that recommendation had been considered before bringing forward this Order today?

115 **The President:** The Hon. Member, Mr Karran.

Mr Karran: Eaghtryrane, I have to agree with the Hon. Member for West Douglas – as one who has no pecuniary interests in either Departments or in the Statutory Boards, or the Standing Committees.

120 I think it is important that... the issue is why are we in the mess we are in with the Manx
utilities. The reason has been that the executive has had no audit, no accountability over its
actions over the MEA, over IRIS and over so many other things, because of – (A Member:
[Inaudible]... terrible!) No, it is not terrible; it is fact.

125 **The Chief Minister:** No, it's not.

Mr Karran: The point is that actually what Mr Thomas is saying is right and we need to get
that balance right. Here we are, once again, wanting everyone to be part of the executive club,
and we are not dealing with the issue of parliamentarians and the parliament holding the
executive to account. I do hope that the points that the Hon. Member for West Douglas has
130 raised... It is an important issue. I am not on any of these boards, so it will not make any
difference to me, but I do feel that it is the underlying lack of value that everyone is going to be
on the slippery pole, as far as the executive part of being a Member of Tynwald. I do think that
this needs to be looked at because there is a role there and it should be valued, and it is not
valued at the moment. I think the point that the Hon. Member for West Douglas has brought out
135 is well worthy of debate.

I have to say that on the other ones, the likes of the Planning Committee, I was one of the
ones who instigated the Planning Committee being raised to have the 10% extra because of the
amount of workload there. But allowing for that, these Standing Committees – particularly
Public Accounts... If Public Accounts is to work right, they need to be on that Committee and on
140 no other committee and no other part of a Government Department. That is the way it should
be. We recognise that when it comes to the executive club, where the Public Accounts
Committee cannot have somebody on from the Treasury... What we need to do is recognise that
we need Tynwald Members actually scrutinising the parliamentary process, the process of
executive Government, and making this Chamber more meaningful and doing its job of
145 protecting future generations as far as the taxpayers are concerned.

The President: The Hon. Member, Mr Houghton.

Mr Houghton: Thank you, Madam President.

150 In relation to the speech by the Hon. Member for Ramsey, Mr Singer, I think all Hon.
Members really understand what the 40% is for, for the Treasury and also for the Civil Service
Commission – because both of those Departments, if I may say, are unable to go on ordinary
Government Departments. So, of course, the 10% additional was in respect of that, because
they could not serve any other Department of Government – which is understandable in the
155 Treasury, and of course in the Civil Service Commission. We understand, of course... [Inaudible]
the Civil Service Commission will be made... that will be covered by the Minister, who will not be
paid 40% separately for that particular role. That is understood.

Bearing all of that in mind, Madam President, and bearing in mind the experience I have had
as Chairman of the Water and Sewerage Authority and Vice-Chairman of the Manx Electricity
160 Authority, when both those now are going to be conjoined on 1st April that Board is going to be
the size of any Department – or of any of the smaller Departments anyway – and the Chairman
will never be away from those headquarters. He will be heavily committed, especially in the
early years of the formation because it will still take 12 months' work to actually bring about the
formation, the proper and careful formation of those two huge utilities coming together – or
165 three, because of course it is water, sewerage and electricity, and the chairmanship of the Manx
Electricity Authority alone is a *huge* undertaking.

So the point I would like to make – and I would turn to the Treasury Minister to answer this
and perhaps take it away for review – is really the Chairman of the Manx Utilities Authority
should be considered for 40% alone and have no Department; because currently, as is

170 understood, for a Board chairmanship it is 10% and for your departmental responsibilities it is 30% – a total of 40%. So it is 30% plus 10%.

For the Hon. Member – the Chairman designate, Mr Cannan – to undertake a position in a Department, where he gets paid more for a much *greater* responsibility in the undertaking of the chairmanship of the utilities, really needs to be carefully considered, because *he will not*
175 *have time*. He will not have any more time than any Minister, who is looking after his own Department, sitting on another Department. He just will not have time. But it is not just the time, it is the commitment and effort, and for the chairmanship of the utilities to just be paid 10% and be expected to make up his remuneration on a Government Department is quite exceptional.

180 It is a fair point this, and I made this point to the Chief Minister some time ago. In fact, when all of this was talked about, about conjoining these two utilities, I said to the Chief Minister then that this was really a ministry – it should be a ministry and have that responsibility. Of course, by reducing the Government Departments by one overall, as we know, there was room for a ministry in the Council of Ministers – a Minister for Utilities.

185 That has not happened – that is understood, the reasons why – but certainly for the chairmanship of that massive undertaking, then the the payment of Members' expenses, as is being moved now today by the Hon. Treasury Minister, really needs to be reviewed. For that, I would ask the Treasury Minister... I will vote for this today, of course, but would he review that undertaking, for all the reasons that I have given and I am sure for all the reasons he already
190 knows and understands?

Thank you.

The President: The Minister to... Oh, Chief Minister.

195 **The Chief Minister:** Sorry, Madam President, just a very quick point to follow up the previous speaker's comments. I agree with him wholeheartedly and I can give him the assurance that this will be reviewed. We just have not had the time to put all the pieces together (**A Member:** Hear, hear.) at this stage. It is almost equivalent to a full Department now, the responsibility of this Utilities Authority, and we need to have it structured in an appropriate way to deal with it.

200 So I can give him that reassurance: it *is* being looked at.

The President: The Minister to reply.

The Minister: Thank you very much, Madam President.

205 There is, as has been explained, a contradiction really between the responsibilities which will fall upon the Hon. Member for Michael's shoulders, as Chair of the Manx Utilities Authority, and that which would fall upon a Minister.

I have been at the MEA in very interesting times, and it was very much a full-time job, very much a full-time role. So, in effect, the Chief Minister has once again spiked my guns – and how
210 could I possibly disagree with him? We will certainly review it and that, I hope, will make my hon. colleague from Michael smile a bit more. (*Laughter*) (**A Member:** Hear, hear.) I can always live in hope, Madam President!

Why the additional payment for a Member of the Treasury, compared with a Member of any other Board? Treasury sits on a weekly basis. We have very full agendas, and in effect everything
215 that comes through this hon. place tends to be reviewed by Treasury one way or another beforehand. So it is a very time-consuming function being part of the Treasury team, and I do appreciate the commitment that my colleagues put into their roles as Members of Treasury.

The Hon. Member for West Douglas, Mr Thomas, and also Mr Karran mentioned payment for committees. This was discussed when the committee structure was originally put forward. I have
220 not had any persuasive argument to say that I should bring this back again.

What I would say too is that Government is quite happy and prepared to be scrutinised, but it would certainly help Government from time to time if people were able to come back with alternative proposals. I appreciate that what Government is proposing will not always be acceptable or welcome in certain quarters, but it would be nice to have Hon. Members' perception of what plan B would be. *(Interjection by Mr Karran)* Yes, when you voted against the Budget.

I would also point out that there is no pay for other committees – for example, the Public Accounts Committee, or indeed specific committees which are set up in response to a Tynwald motion.

I think I have dealt with most issues there, but I would like to move the motion standing in my name, Madam President.

The President: The motion before the Court is set out at Item 13 on your Order Paper. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

**14. Oil Pollution Act 1986 –
Merchant Shipping (Control of Harmful Anti-Fouling Systems) Order 2014 approved**

The Minister for Economic Development to move:

That the Merchant Shipping (Control of Harmful Anti-Fouling Systems) Order 2014 be approved. [SD No 2014/0062]

The President: Item 14. The Minister for Economic Development to move.

The Minister for Economic Development (Mr Shimmin): Thank you, Madam President.

The Order gives effect to the International Convention on the Control of Harmful Anti-Fouling Systems on Ships, which prohibits the use of harmful anti-fouling systems.

These are used to prevent sea life, such as mollusks and algae, from attaching to the hull of the ship, causing it to slow down and require increased fuel consumption. Anti-fouling systems usually take the form of paint applied to the hull. However, compounds used in some anti-fouling paints remain in the water, causing serious damage to marine organisms. This Convention prohibits the use on ships of any anti-fouling systems containing the harmful compounds.

The Order applies to all Manx-registered vessels and to any foreign vessel entering Manx ports. Countries which are party to the Convention conduct port state control inspections to ensure vessels entering their ports comply with the Convention. Therefore, Manx vessels engaged on international voyages have complied with the Convention since it came into force in 2008.

Extension of the Convention cannot be granted to the Island until Manx law has given effect to its provisions. Upon extension of the Convention, the Ship Registry will be able to issue Manx-registered vessels with the certification required by the Convention. At present, Manx vessels can obtain a statement of compliance, which is generally accepted by port state control in other states; however, ship owners prefer their vessels to hold the Convention certification.

The Order will prohibit the use of harmful anti-fouling systems in Manx ports and already the enforcement regulations order has prohibited the importation of harmful anti-fouling paints to the Island since 2010. Additionally, the sale, marketing and importation of these paints has been prohibited in EU member states since 2002.

Having the Convention extended to the Island would help maintain the high level of customer service expected by owners of Manx-registered vessels, and contribute to the competitive ability of the Ship Registry.

I beg to move, Madam President.

265

The President: The Hon. Member, Mr Crowe.

Mr Crowe: Thank you, Madam President.

I beg to second and reserve my remarks.

270

The President: The motion before the Court is set out at Item 14. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

**15. Oil Pollution Act 1986 –
Merchant Shipping (MARPOL Annex IV – Prevention of Pollution by Sewage)
Order 2014 approved**

The Minister for Economic Development to move:

That the Merchant Shipping (MARPOL Annex IV – Prevention of Pollution by Sewage) Order 2014 be approved. [SD No 2014/0063]

275

The President: Item 15. The Minister for Economic Development.

The Minister for Economic Development (Mr Shimmin): Thank you, Madam President.

Pollution from ships is controlled internationally by the MARPOL Convention, and Annex IV to the Convention is concerned with the prevention of pollution by sewage.

280

Periodically, the Convention is amended to take account of advances in technology and shipping industry requirements. This Order gives effect to the latest version of MARPOL Annex IV and controls the discharge of sewage from ships and how it is stored on board.

285

The Order applies a survey and certification regime to Manx vessels engaged on international voyages. Foreign vessels visiting Manx ports are also inspected for compliance. The Ship Registry already conducts MARPOL Annex IV surveys and port state control inspections; therefore, no additional resources will be required.

Existing legislation giving effect to the original version is revoked and replaced by the Order. Subject to Tynwald approval, it will come into operation on 1st April 2014.

I beg to move the motion standing in my name.

290

The President: The Hon. Member, Mr Crowe.

Mr Crowe: Thank you, Madam President.

I beg to second and reserve my remarks.

295

The President: The motion before the Court is set out at Item 15, Hon. Members. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

**16. Oil Pollution Act 1986 –
Merchant Shipping (MARPOL Annex V Prevention of Pollution by Garbage) Order 2014
approved**

The Minister for Economic Development to move:

That the Merchant Shipping (MARPOL Annex V Prevention of Pollution by Garbage) Order 2014 be approved. [SD No 2014/0065]

The President: Item 16. Minister for Economic Development.

300 **The Minister for Economic Development (Mr Shimmin):** Thank you, Madam President.

Marine pollution from ships is regulated internationally by the MARPOL Convention, as stated previously. This Order gives effect to a full revision of MARPOL Annex V, which introduces more stringent requirements for garbage disposal from ships.

305 This can be just as deadly to marine life as oil or chemicals. The greatest danger comes from plastics, and MARPOL Annex V prohibits the disposal of all plastics into the sea and severely restricts the discharge of other garbage, except in specific circumstances.

Ships are required to follow strict procedures when disposing of garbage, whether at sea or reception facilities ashore. Larger ships and ships carrying 15 or more people are also required to have a garbage management plan and a garbage record book. The management plan must
310 provide written procedures for minimising, collecting, storing, processing and disposing of garbage. The garbage record book records each discharge or incineration of garbage, and records must be kept for two years. The garbage management plans and the garbage record books make it easier for inspectors to check for compliance, because the ships must keep track of their garbage and what happens to it.

315 This Order applies to ships registered in the Island wherever they may be, and also to foreign ships in the Island's territorial waters. It also revokes and replaces existing regulations.

Our Ship Registry already administers these in order to be in accordance with MARPOL Annex V, so implementing the updated requirements will not create any additional resource implications.

320 I beg to move the motion standing in my name.

The President: Hon. Member, Mr Crowe.

Mr Crowe: Thank you, Madam President.

325 I beg to second and reserve my remarks.

The President: The Hon. Member, Mr Anderson.

Mr Anderson: Thank you.

330 I am very supportive of this. Could the Minister just fill us in and say if this is updating of present legislation or is this brand new legislation; and could he agree with me that we have an excellent organisation now that cleans up our beaches regularly, through Mr Bill Dale's organisation; (**Several Members:** Hear, hear.) and does this legislation have any impact on our own territorial seas?

335

The President: The Minister to reply.

The Minister: Thank you, Madam President.

340 I would like to put on record again the appreciation, I think of this Court and the people of the Isle of Man, for Bill Dale and the Beach Buddies and everything that they have done, (**Several**

Members: Hear, hear.) particularly after the success of recent weekends, when there has been an enormous amount, which does indicate the importance of these types of motions.
(Mr Houghton: Hear, hear.)

345 It is only amending and updating, and it certainly is one that... We may investigate any discharge, and any ship owner known to have or found to have discharged into our waters is responsible for committing an offence punishable by a fine or up to two years' imprisonment.

350 If this Convention was operating fully, at 100%, then we would not see the scale of litter and garbage on our shores. We can only control what is going on within our waters, or with our ships that are around the world. We need to maintain the high standards of our Ship Registry; however, we would greatly appreciate it if other ship registries carried out the same levels of responsibility with their ship owners.

So it is no extra work, but I do take on board the comments from the Member, and it is genuinely something which is an ongoing battle to try and prevent garbage going into the environment.

355 I beg to move.

The President: The motion before the Court is set out at Item 16. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

360

**17. European Communities (Isle of Man) Act 1973 –
Draft Community Design Order 2014 approved**

The Minister for Economic Development to move:

That the draft Community Design Order 2014 be approved. [SD No 2014/xxxx]

The President: Item 17. The Minister for Economic Development.

The Minister for Economic Development (Mr Shimmin): Thank you, Madam President.

365 My Department seeks Tynwald approval for three intellectual property Orders which extend EU recognised rights to the Isle of Man as part of my Department's modernisation of intellectual property law. In all three cases, the Orders apply EU legislation to the Island. Regulations making provisions supplemental to the Orders will be laid at a subsequent sitting of Tynwald.

370 Firstly, the Community Design Order 2014 extends to the Island the EU-wide system of protection for industrial designs. The system enables designs to be registered in a single European registry, and therefore receive protection against unauthorised copying throughout the EU, up to a maximum of 25 years.

375 The system was introduced in the EU in 2002, and the Order will extend recognition and protection of such registered designs to the Isle of Man for the first time by applying EC regulation to the Island.

I beg to move that the draft Community Design Order 2014 be approved.

The President: The Hon. Member, Mr Cregeen.

380 **Mr Cregeen:** Thank you, Madam President.
I beg to second and reserve my remarks.

The President: The Hon. Member, Mr Karran.

385 **Mr Karran:** Can the Shirveishagh just explain the issue about the draft Order...? One of the
things I am just a bit concerned about is the fact that, many years ago, we tried to get this Court
– one of the things that seems to be written out of history – to look at the issue of a patents
office, just for the information of Mr Teare, and we got nowhere with this. If these three Orders
390 come in, will this have any effect as far as trying to establish a patents office on the Island? I
would be interested to know whether that would be the case as far as these three Orders are
concerned.

The President: The Minister to reply.

395 **The Minister:** In anticipation, Madam President, of the Hon. Member raising this issue again,
I have asked for some information regarding it.

As much as I can share the idea that it might appear attractive, the reality and the experience
of Jersey and Guernsey is actually the opposite. What we are attempting to do is make us more
commercially viable and attractive for these propositions; and therefore, for that, it is in order to
400 keep issues simple for those involved in patents.

I can advise that in Guernsey, according to the figures that they have produced from their
own intellectual property office, expenditure has massively outstripped income in all of the last
four years. In Jersey, it is known as a dependent registry. In other words, registration of IP rights
with the office there is dependent upon it first being registered in the UK. So it gives the
405 appearance of being its own register, but in both cases of our main competitors in this area, we
believe that what we are moving with these three draft Orders and equivalent legislation
previously and in future, is to actually make us a more attractive proposition, rather than giving
the appearance of having more control. The reality is that in the EU context they have the skills
necessary to recognise some of this IP; and if we were to set up that structure alone, the costs in
410 Guernsey are significantly – 250% – more expensive in costs than in the revenue return they
bring into their jurisdiction.

With that, I would urge Hon. Members to support this as being a pragmatic way forward to
make us more attractive and indeed competitive.

415 I hope that answers the Hon. Member's question. I am quite happy taking it up, because over
many years he has shown an interest in this area. I am quite happy expanding on that further, if
he wishes.

I beg to move, Madam President.

420 **The President:** The motion before the Court is set out at Item 17. Those in favour, please say
aye; against, no. The ayes have it. The ayes have it.

18. European Communities (Isle of Man) Act 1973 – Draft Community Trade Mark Order 2014 approved

The Minister for Economic Development to move:

That the draft Community Trade Mark Order 2014 be approved. [SD No 2014/xxxx]

The President: Item 18. The Minister for Economic Development.

The Minister for Economic Development (Mr Shimmin): Thank you, Madam President.

425 Now turning to the Community Trade Mark Order 2014, unlike registered community
designs, a register of trademarks covering the EU has been recognised in the Isle of Man since
1998.

430 The object of protecting the community trademark in the Island was to prevent it being used
as a base for marketing counterfeit goods. Manufacturers with Europe-wide markets would
register their marks as community trademarks and allow their UK and other national
registrations to lapse, and as a result would lose protection in the Isle of Man. However, the EC
regulation in operation was repealed and replaced with updated EC regulations in 2009.
Therefore, the draft Community Trade Mark Order 2014 applies the 2009 EC regulation to the
Island.

435 I beg to move the draft Community Trade Mark Order 2014 be approved.

The President: The Hon. Member, Mr Cregeen.

Mr Cregeen: Thank you, Madam President.
440 I beg to second and reserve my remarks.

The President: The Hon. Member, Mr Karran.

Mr Karran: Talking to the Order, like the previous Order, I have no intentions of voting
445 against the Order, but it would be interesting to know that the concept that we were talking
about as far as intellectual property legislation and the likes of a patents office on the Island was
not to be on the same basis as the Channel Islands, but actually to create a patents office where
there was a facility within that patents jurisdiction to actually defend patents, because that is
the big issue that most people have difficulty with as far as intellectual property is concerned. So
450 there would be a vast difference between our competitors, as far as the Channel Islands are
concerned, and the rest of the other organisations. That was the thing that needed to be
developed, because that is the thing that people who have a patent have the big problem with.

I will not be voting against this, like I will not be voting against the other, but I just do get
tired of listening to the mantra of Government saying that we never put anything up in its place
455 as far as policy is concerned, when the fact is most of the time they do not listen to you.

The Chief Minister: I think you are wrong.

The President: Minister.
460

The Minister: Thank you, Madam President.

I think, if the Hon. Member looks back through *Hansard*, I was respectful of his involvement
in this in my previous response. I am not in any way criticising his involvement because we are
aware that the IP controls on the Isle of Man have been a disadvantage to us and business over a
465 number of years, and that is why we are going through this process of modernising and
updating. Therefore, I think he does protest too much that we are always critical. I was
attempting to offer him the opportunity of discussing it further, in case there are things that we
can benefit from.

I think I have given him due recognition of his involvement historically in this matter. It is very
470 complex. The difficulty is that we could go down the route of attempting to deal with...
[Inaudible] patent boxes, copyright tribunals – but all of those would be against the best
interests of the Isle of Man because we would be setting up a bureaucratic process on the Isle of
Man which actually has more international credibility when done by larger jurisdictions (**A**
Member: Hear, hear) who have specific legal expertise within these areas. Why would people
475 choose to come to the Isle of Man for this, when actually it would work against their business
interests? That is the point I am trying to make.

We believe that we are piggybacking on the appropriate body, which does not make us more
attractive, but it takes away those disincentives which have existed for a period of time so that

480 people who wish to register on the Isle of Man and do business with the Isle of Man are now at
no disadvantage by following through our legislation compared to others.

I beg to move, Madam President.

The President: The motion is set out at Item 18, Hon. Members. Those in favour, please say
aye; against, no. The ayes have it. The ayes have it.

**19. European Communities (Isle of Man) Act 1973 –
Draft Patents (Medicinal Products) Order 2014 approved**

485

The Minister for Economic Development to move:

That the draft Patents (Medicinal Products) Order 2014 be approved. [SD No 2014/xxxx]

The President: Item 19. The Minister for Economic Development.

The Minister for Economic Development (Mr Shimmin): Thank you, Madam President.

490 The draft Patents (Medicinal Products) Order 2014 updates the legislative regime for
extended patent protection for medicinal products.

In some cases, the time taken to obtain a market authorisation for a patented product is so
long that patent protection is of little benefit to the inventor. In the case of medicinal products,
European law enables the period of patent protection to be extended by permitting a patent
registry to issue a supplementary protection certificate for a patented product. Although this has
495 been enforced in the Isle of Man since 1993, EC legislation has changed and therefore the Order
applies this new legislation.

I beg to move the draft Patents (Medicinal Products) Order 2014 be approved.

The President: The Hon. Member, Mr Cregeen.

500

Mr Cregeen: Thank you, Madam President.

I beg to second and reserve my remarks.

505 **The President:** The motion before the Court is set out at Item 19. Those in favour, please say
aye; against, no. The ayes have it. The ayes have it.

**20. Harbours Act 2010 –
Harbour Dues (Merchant Vessels) Regulations 2014 approved**

The Minister for Infrastructure to move:

That the Harbour Dues (Merchant Vessels) Regulations 2014 be approved. [SD No 2014/0060]

The President: Item 20. The Minister for Infrastructure.

The Minister for Infrastructure (Mr Skelly): Gura mie eu, Eaghtyrane.

510 This motion is in respect of the principal Harbour Dues Regulations which apply to merchant
vessels – that is to passenger and cargo ships. It excludes fishing vessels, work boats,

construction barges, pleasure vessels, house boats, large commercial yachts and tall ships, which are all dealt with in separate regulations.

515 Subject to Tynwald approval, the Department intends to increase harbour dues for merchant vessels by 2.5% from 1st April 2014, which was agreed on the basis of information received from Treasury with respect to the annual rate of inflation as it applies to harbour operations.

520 Passenger-related harbour dues are the subject of the percentage link agreement between the Department and the Isle of Man Steam Packet Company. For 2014 and 2015, it is estimated that this agreement will produce an income of about £1.2 million – actual £1,246,921 – for passenger-related dues in respect of merchant vessels. Actual income will be dependent upon the number of passengers and vehicles carried. The agreement however, requires that the Isle of Man Steam Packet pay a guaranteed minimum, regardless of the actual level of traffic, and for 2013 and 2014 the minimum was just over £1 million.

Eaghtyrane, I beg to move the motion standing in my name.

525 **The President:** The Hon. Member, Mr Singer.

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

530 **The President:** The Hon. Member for Onchan, Mr Karran.

535 **Mr Karran:** I would just like to ask, on the Order is there any way of ring-fencing this money actually going towards harbour maintenance as far as the breakwaters and the harbours around the Island are concerned? I think it is an important issue that, to be fair, has been of concern for the last 15 years or so, as far as the maintenance of the harbours and breakwaters around the Island. Is there any way of making sure that the ring-fencing of this money can go towards this proposal? I think it is important that this is something that is maybe not being seen as a priority. Even allowing for the harsh economic times we have had recently, this has not been a problem just recently.

540 **The President:** The Minister to reply.

The Minister: Gura mie eu, Eaghtyrane.

545 I take on board the Hon. Member from Onchan's comments with regard to ring-fencing. Harbour maintenance is a major issue, as is harbour redevelopment. I am not certain we can actually ring-fence this amount, but it will be part of the Department's income, which is vital, I think, for the use of the harbour for this particular use. So I will take that on board.

I beg to move.

550 **A Member:** On board!

The President: The motion before the Court is set out at Item 20, Hon. Members. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

**21. Harbours Act 2010 –
Harbours Dues (Fishing Vessels, Work Boats and Construction Barges) Regulations 2014
approved**

The Minister for Infrastructure to move:

That the Harbours Dues (Fishing Vessels, Work Boats and Construction Barges) Regulations 2014 be approved. [SD No 2014/0059]

The President: Item 21. The Minister for Infrastructure to move.

555 **The Minister for Infrastructure (Mr Skelly):** Gura mie eu, Eaghtyrane.

These Harbour Dues Regulations, which are made under the provisions of section 38 of the Harbours Act 2010, increase by 2.5% the rate of harbour dues applicable with respect to fishing vessels, work boats and construction barges.

560 Subject to Tynwald approval, the new fees will come into effect on 1st April 2014. There are, at present, no Manx fishing vessels that fall into the over 125 gross tonnes category, so these dues will only apply to visiting fishing vessels. It is considered that those large non-Manx fishing vessels which regularly pay annual dues would not be dissuaded from doing so in future because harbour dues at the rate of £14.87 per week still represent good value for money. Furthermore, all of the aforementioned dues entitle a fishing vessel to use any Manx port for the full year.

565 Eaghtyrane, I beg to move the motion standing in my name.

The President: The Hon. Member, Mr Singer.

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

570

The President: The motion before the Court is set out at Item 21, Hon. Members. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

**22. Harbours Act 2010 –
Harbour Dues (Pleasure Vessels, House Boats, Large Commercial Yachts and Tall Ships)
Regulations 2014 approved**

The Minister for Infrastructure to move:

That the Harbour Dues (Pleasure Vessels, House Boats, Large Commercial Yachts and Tall Ships) Regulations 2014 be approved. [SD No 2014/0061]

The President: Item 22. The Minister for Infrastructure.

575

The Minister for Infrastructure (Mr Skelly): Gura mie eu, Eaghtyrane.

580 The Department recommends that the rate of harbour dues applicable to pleasure vessels, house boats, large commercial yachts and tall ships be increased from 1st April 2014 by 2.5% from their 2013 and 2014 levels. It is estimated the proposed increase in dues will produce an additional revenue of around £2,700.

I therefore recommended that Tynwald approves the proposed increase in harbour dues for pleasure vessels, house boats, large commercial yachts and tall ships.

Eaghtyrane, I beg to move the motion standing in my name.

585 **The President:** The Hon. Member, Mr Singer.

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

The President: The Hon. Member, Mr Quirk.

590

Mr Quirk: Thank you, Madam President.

Could I just ask the Minister regarding the amount of debt that is held within the Department for those vessels which have not paid their fees? Could I get a statement from the Minister

595 regarding... If he has not got the information now, could he pass it on at a later date and say
what the mechanism is to check around our harbours that those vessels who are paying get
space and the ones who are not are being asked to move on?

The President: The Minister to reply.

600 **The Minister:** Thank you.

I would take on board Mr Quirk's point there regarding debt, and it is worth noting I believe
there are 2,200 pleasure craft registered on the Island, of which we believe 1,400 are in use and
are invoiced for annual dues. There are 800 obviously not in use and therefore not liable for
harbour dues, so we do have to bear that in mind. However, we will definitely look into the
605 matter with regard to any debt.

The President: The motion before the Court is set out at Item 22. Those in favour, please say
aye; against, no. The ayes have it. The ayes have it.

**23. Harbours Act 2010 –
Harbour Facilities (Charges) Regulations 2014 approved**

The Minister for Infrastructure to move:

That the Harbour Facilities (Charges) Regulations 2014 be approved. [SD No 2014/0058]

The President: Item 23. I call on the Minister for Infrastructure.

The Minister for Infrastructure (Mr Skelly): Gura mie eu, Eaghtyrane.

610 The proposed Harbour Facilities (Charges) Regulations 2014 are made under section 38(2) of
the Harbours Act 2010 and require Tynwald approval under section 38(3) of that Act.

The Regulations prescribe the charges that the Department of Infrastructure may apply with
respect to facilities it provides at harbours on the Island. The facilities provided by the
Department include pontoons and deep-water moorings; boat storage facilities at, for instance,
615 the Tongue on the North Quay, boat parks and similar areas around other harbours; and
miscellaneous provision of showers, electricity, freshwater and maintenance berths.

The Harbours Act provides the Department of Infrastructure with powers to prescribe
charges in respect of facilities provided at its harbours for vessels, passengers and goods. The
charges allow the Department to generate income of approximately £450,000, which
620 significantly contributes to the annual operating costs of the harbours. There are no increased
cost or personnel implications in this measure.

Eaghtyrane, I beg to move the motion standing in my name.

The President: The Hon. Member, Mr Singer.

625

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

The President: The Hon. Member, Mr Karran.

630 **Mr Karran:** I would just like to ask the Shirveishagh... Obviously, the issue of Douglas and Peel
marinas... Has he got any idea of the actual liability as far as the costs of the initial capital outlay
as far as these marinas are concerned? This is an excellent policy – it has revolutionised Peel, in

my opinion – and I think it is something that is a real asset as far as Peel and Douglas are concerned.

635 But one of the things that I would like to know is what is the actual deficiency as far as the capital costs, the liabilities, the running costs? This is where I think Government gets it a bit skewed – it is the fact that you are putting it up by 2½% a year and we hear a great mantra of attack, of attack, of attack on council houses that have gone up 5% as far as their increases are concerned. I just want to know the rationale. If you have got something here that is still being
640 subsidised by the taxpayer, it is a luxury. If they are not working boats for their industry, why have we not put these charges up at 5%? Why has the priority been that we have kept these fees down when they are being subsidised, when it is a luxury product; when local authority housing is not a luxury product, it is putting a roof over heads?

645 **The President:** The Hon. Member, Mr Turner.

Mr Turner: Yes, if I may just ask the Minister: in the Order, it says the regulation does not apply to officers of Customs and Excise Division – I just wondered why that is the case. And if this is an exemption for official use of the harbour, then why does it also not apply to officers of
650 DEFA, who obviously have vessels in terms of fishery protection and other such duties?

The President: The Minister to reply.

The Minister: Gura mie eu, Eaghtyrane.

655 First of all, taking the Member of Council's point first, charges with regard to other Departments – I think that is what the question is – I am not aware of that; however, I will review that matter and we will explore that issue.

With regard to Mr Karran's points – are the marinas providing value for money, first of all – we have a major capital outlay making it happen. Are they providing value for money? I would
660 suggest they are. I know also in my previous role with regard to Economic Development, we are exploring the opportunity from a tourism perspective of an all-tidal marina, which would be in my constituency, in Port St Mary – talked about for *many* years, and it is something that we are going to explore. However, we must ensure that it does have an economic benefit.

665 **Mr Karran:** Can the Member give me figures... [*Inaudible*] to ask him to circulate the deficiencies?

The Minister: I take your point. It is really the value for money and deficiencies. We will explore that particular point, but they do provide value for money, as far as I am aware.

670 The point with regard to the percentage increase: this is consistent within this Department. I think what the Member is picking up on is it a central policy, and I think that is a question probably for the new Minister for central policy – should we have increases across all Departments, all equal, and it is a fair point that he does raise.

I beg to move.

675

The President: The motion before the Court is set out at Item 23. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

**24. Fees and Duties Act 1989 –
Town and Country Planning (Application Fees) Order 2014 approved**

The Minister for Infrastructure to move:

*That the Town and Country Planning (Application Fees) Order 2014 be approved.
[SD No 2014/0064]*

The President: Item 24. The Minister for Infrastructure to move.

680

The Minister for Infrastructure (Mr Skelly): Gura mie eu, Eaghtyrane.

The Order is made under the Fees and Duties Act 1989. It revokes the Town and Country Planning (Application Fees) Order 2013. The Order increases in line with inflation the various fees applicable to planning applications under town and country planning legislation by approximately 3%. The revised fees will help the ongoing efforts by the Department to achieve a greater level of cost recovery contribution towards the provision of development management service to customers, whilst still ensuring that the level of fees is competitive and lower than other jurisdictions. If approved by Tynwald, this Order comes into operation on 1st April 2014.

685

Eaghtyrane, I beg to move the motion standing in my name.

690

The President: The Hon. Member for Castletown, Mr Ronan.

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

695

The President: The Hon. Member, Mr Karran.

Mr Karran: Eaghtyrane, I have no problem with the increases. Obviously, the planning process should wash its face. But what I am just concerned about is the new Minister needs to reconcile the issue that we are 80% – or 70% I think it has gone down to – Government spend in one of the most important sectors of employment opportunity on the Island, being the construction industry.

700

Does he feel that by putting increases up... does he need to prioritise putting increases up on planning orders... will it detract from people doing development and getting Government spend down further than it is at the present time?

705

One of the things that I would like him to consider with planning orders is where land gets designated for planning development – and I tried it both at primary legislation basis and as secondary legislation, both here and in the other place... is the issue of whether there should be some sort of fee for designated land that lies year in, year out, decade in, decade out, designated for planning for residential use, industrial use, which enhances the value of the land... and maybe there should be some sort of planning order or fee put on that – that every year it is not used for what its planning order is... This might help to affect the deficiency as far as the planning process is concerned, and also encourage more to actually get on with the job and use the areas that are designated for planning.

710

715

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

Mr Quirk: Thank you, Madam President.

720

In a similar vein, I suppose, can I ask the Minister could he review the number of retrospective applications that are brought about, and maybe he could think about next year bringing in a more punitive charge when these retrospective applications that have just been brought in or been found... caught.

725 Also, while we have an opportunity, maybe just... because my hon. colleague from Onchan mentioned it as well: the area plans. Because the area plans are so slow at the minute, or stalling, certain lands which are designated... and I agree with my colleague here from Onchan – when land is being designated for a number of years, we are waiting for an area plan so that we can actually test these lands again to see if they are still valid, or we move off to another area. So I am just wondering whether the new Minister will look at that; and would he not consider publicising, as a little exercise too, the number of small permitted developments now that are taking place without having to go to full applications?

730

The President: The Minister to reply.

The Minister: Gura mie eu.

735 First of all, Mr Karran's point with regard to the construction trade. Having previously had the role of construction responsibility in DED, and previous Chairman of Planning, I fully recognise the value of the construction industry to our economy – without a doubt, a major driver. His question is: are these price increases going to be overpriced and detract development? I think not. We do have a very good consultation process, working closely with Economic Development. The new Chairman of Planning, my good friend from Castletown, Mr Ronan, is in the construction trade and has also been involved with all the various bodies that Government is connected with through the chamber, the Construction Federation etc. We do consult on these matters before bringing them forward, so I do not think it will discourage development.

740

But his point with regard to encouraging development when planning has been approved is a very good point, and it will be something we will take a look at; because obviously, if somebody puts in a planning application, pays the fee and wants to bring forward that application, we want to see that come forward; so we will look at any mechanisms to try and encourage that.

745

With regard to Mr Quirk's point with regard to retrospective fees, we do need to be careful with that. I think we all recognise that enforcement is a major issue with regard to planning, but what we try and do in the planning is actually, when people recognise that they are in planning violation, we encourage them to put a retrospective application in, so they can go through the system. So there are a good number of innocent cases that we do need to be careful with on that, but I take his point. *(Interjection by Mr Quirk)* If there are blatant violations with regard to enforcement we do follow that through, but it is a complex process and – I hate to say it – it is a resource issue for us as a Department to manage. We do have a big workload with regard to that area.

750

755

He picks up the point with regard to the area plan. I could not agree more. Probably the biggest, most important aspect with regard to planning will be bringing forward the Eastern Area Plan. We know how vital that is for the economy and for the Isle of Man and it is something that I know I will be working very closely with Mr Ronan on to actually drive that forward, and hopefully we will deliver that on time. But it is quite an involved process, especially the public inquiry aspect of that. To publish PDs? I will investigate that matter.

760

Gura mie eu.

The President: The motion before the Court is set out at Item 24, Hon. Members. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

765

**25. Local Government Act 1985 –
Castletown (Number of Commissioners) Order 2014 approved**

The Minister for Infrastructure to move:

That the Castletown (Number of Commissioners) Order 2014 be approved. [SD No 2014/0054]

The President: Item 25, Minister for Infrastructure.

The Minister for Infrastructure (Mr Skelly): Gura mie eu, Eaghtyrane.

770 The Department is pleased to present for consideration the Castletown (Number of Commissioners) Order 2014, which provides for the reduction in membership of commissioners from nine to seven members.

775 The proposal has been dealt with in accordance with section 9(2) of the Local Government Act 1985 (the 1985 Act) and has been validated by public inquiry, which was held on 15th January this year. The chairman of the inquiry recommended that the Department support the proposed scheme and make an Order to that effect.

780 The Order provides for the following: (a) the reduction in the number of members of Castletown Town Commissioners from nine to seven in relation to the term of office beginning on 1st May 2016; and (b) if a casual vacancy arises on or after 1st April 2014, no election shall be held unless the number of members falls below seven. The Department now invites Tynwald to approve this Order under section 9(3) of the Local Government Act 1985.

Eaghtyrane, I beg to move the motion standing in my name.

The President: The Hon. Member, Mr Ronan.

785

Mr Ronan: Thank you, Madam President.

I am delighted to second the Minister on this motion.

790 Having served as a Castletown commissioner for seven years, I know only too well the workings of a local authority on the Isle of Man. There are currently 165 local authority members serving 24 local authorities. I think you all know my thoughts on this and also know my long-term thoughts on where the local authority structure should be heading, but that is for another day.

795 The reduction of members in Castletown from nine to seven (**A Member:** Five.) is for the current local authority structure, and the majority of the members on the board of Castletown Commissioners have rightly recognised that nine is too many in this day and age, and have decided to reduce.

A Member: One will do.

800 **Mr Ronan:** I am fully aware that the main driving force behind this is the current chairman of the board, Mr Kevin Weir. Kevin Weir is arguably the hardest-working man I know, certainly within local authorities. His unselfish belief and care for Castletown should be applauded. (**A Member:** Hear, hear.)

805 Madam President, I am fully supportive of this positive and proactive step for Castletown and local authorities in the Isle of Man, and congratulate the members of Castletown Commissioners who have driven this.

Thank you.

The President: The Hon. Member, Mr Thomas.

810

Mr Thomas: Thank you very much, Madam President.

Will the Minister welcome additional commissioners and even the council applying for a reduction in number? For instance, my perception is that there is a majority now in Douglas Council that will favour a reduction to 12.

815

Mr Quirk: Hear, hear.

The President: The Hon. Member, Mr Karran.

820

Mr Karran: Eaghtyrane, obviously this is an issue for Castletown Commissioners, and if they want to reduce their numbers then we should support them.

825

One of the things I am concerned about, and the Shirveishagh needs to sort out, is that one of the problems is the way that we have seen the absurd amount of costs that the higher management has got in local government over the recent years, and the fact that this will not be used as an excuse because there are not local authority members for an increase in wages as far as staff are concerned. Take, for example, the case where we had the absurdity in Braddan where the clerk, before the Hon. Member for South Douglas got on to the Commissioners, was actually getting more money than the Chief Minister of the Isle of Man when they worked out the recompense. The people of Braddan should always be in her debt as far as that issue is concerned.

830

835

One of the things that I am concerned about is that the principle of getting fewer members on these local government bodies... I am concerned that it does not just go into officialdom, where there is no accountability. When you think that the employment costs, I am led to believe, are well over £100,000 for the chief executive of Douglas, and when you allow for the employment costs of some of the other commissioners, I am concerned that, with this trendy idea that by lowering the number of commissioners you are going to get a better local government... I do not know whether that is always the case. I think that when you look at some of the local commissioners, who have wonderful clerks who do their job without getting ridiculous amounts of recompense for doing it, who have members on those commissioners...

840

I am just hoping that the Minister can tell me what safeguards are going to happen so that if we reduce the numbers and we carry on with this issue of reducing numbers of local authorities, we will not end up with having the wage structures of the chief executives and the ones at the very top actually increasing for some justification of having to do more input into what was done by lay people in lay committees on these local authorities.

845

The President: The Hon. Member, Mr Speaker.

The Speaker: Thank you, Madam President.

850

I rise, really, to commend Castletown Commissioners on their initiative and proactive stance.

855

I think the mover referred to 170 local authority members throughout the Island, which is an excessive number, and I think we see the difficulties at local election time in actually getting people to stand. Often, elections are re-advertised because there is not the requisite number to fill the places. Reducing from nine to seven is certainly a step in the right direction. In recent years Laxey, used to be nine – it went to seven, now it is five, and it is certainly easier to find five local interested people to fill the places.

860

So my point really to the Minister is would he recommend to other local authorities that they similarly take this proactive stance, particularly those small local authorities who are concerned about local government reorganisation in the sense that they might be absorbed, against their wishes, into neighbouring authorities – that this is the sort of step that they should be taking to reform themselves and demonstrate to the Department that staying still is not an option; and

that before they get to a position of having to draw up battle lines to resist a model of reform that is imposed on them, that is not to their liking, it would be very much in their interest to follow the example of Castletown and other local authorities, to reform themselves first by reducing their internal numbers and also talking to their neighbours about coming together into more viable units and to do this proactively? I think that is the point I am trying to make.

865 Thank you, Madam President.

The President: The Hon. Member for Ramsey, Mr Singer.

870 **Mr Singer:** Thank you, Madam President.

In regard to the point made by Mr Speaker, I did not see any correlation at all between reducing the numbers of members on a local authority, which perhaps will give an excuse not to have local government reform. Local government is *absolutely essential* (**A Member:** Hear, hear.) if we are to see efficient spending of money on the Island by local authorities, so I think that is rather a red-herring put in by Mr Speaker.

875

I think to a certain extent – and it was mentioned – the fact in some local authorities is that it has been impossible at times to get enough people to stand to cover the seats, particularly in by-elections, and that is a reason to reduce because it is obviously very embarrassing to any local authority when nobody wants to stand to represent the people there. But for those local authorities – and I put Ramsey as one of those – where there is not a shortage of people who wish to stand and wish to give their time to their local authority, then there is no reason why they should be restricted from doing so.

880

I think each has got to be taken on its merits. If the local authorities wish to reduce, whatever their case is – and I think a lot of it is due to what I have said, that they cannot get people to stand anyway – then let them do so; but I do not think this should be imposed on local authorities which have good support and which do serve the people.

885

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

890 **Mr Quirk:** Thank you, Madam President.

This is turning into a local authority debate, I suppose.

The President: Well, I hope it is not. (*Interjections*) (**A Member:** Hear, hear.) Can we focus on Castletown, please?

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Mr Quirk: If I could just ask the Minister, because he is new, (*Laughter*) and there is an opportunity to lobby, and I am sure he will take it all in, or notes will be taken... Maybe the Minister should be looking to say to... or having a review of the local authorities, because it was the term of office that did the problem. When Mrs Crowe was in this particular Court, who sent it off to a five-year term... When it was a rolling programme – (**A Member:** Four.) Five. (**Several Members:** Four.) Well, four then – only a year difference. If the terms of office of the local authority members are a little bit more staggered, then you get an opportunity for those... do not cause an election, they are just simple drop-offs, one by one, in a year, and people take over.

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But also could I ask the Minister – because he is new, and I am sure he will be getting some letters from me about it as well – about the performance of the local authorities. I would like to see from you, as the Minister in charge of local government, some regulation in there – how they are accountable, a league of their performances in the future – because your Department supplies them with a lot of the money to provide services right round the Island. I wonder whether you are getting value for money from those services, so I want to see, as happens everywhere else in this universe –

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The President: Hon. Member, you are straying from the Order. (*Interjections*)

915 **Mr Quirk:** – some targets.

The President: The Minister to reply.

The Minister: Gura mie eu, Eaghtyrane.

920 It always had that danger, didn't it, that it might fall into local government reform. I certainly take the points on board there.

925 First of all, may I thank my seconder, Mr Ronan, who is very passionate with regard to local government reform; but this is *his* town that has actually taken a very proactive step, and yes, we would want to support that without a doubt. I would also like to put on record my congratulations to Kevin Weir, the Chairman, who has actually been driving this – I think he has done a superb job.

Mr Thomas asked me would I support Douglas reducing to 12. Yes, I would have no problem in supporting Douglas reducing to 12. I think it follows on Loayreyder's point with regard to this organic reform that appears to be happening, or has been happening for quite some time.

930 Mr Karran and Mr Quirk, of course, represent Onchan. They have been at five members for quite some time, representing a very large (**Mr Quirk:** Seven.) – sorry, seven, I beg your pardon – electorate for quite some time. What that means is whenever an authority reduces their number, those elected officials will have to work harder.

935 Picking up Mr Karran's point with regard to what effect does that have on the executive, the weight of responsibility switches, and he is concerned that that might actually change with a lower number of members. Really, it is all about how effective those members actually are. They do have an executive there, and it is a very good point: are they providing value for money? We know ourselves, we always get challenged as elected officials, as do local authority elected officials; but it is the executive that actually needs to be held to account by those elected officials.

940 Loayreyder mentioned would I be supportive of the proactive move of reducing numbers. Yes, I will be and it is obviously happening already. I think it has been pointed out that in Peel they are struggling to find a new member – so there lies an issue. It is not the same all around the Island, but there are places where I would support it without a shadow of a doubt.

945 Mr Singer pointed out... Yes, this should not be confused with the local government reform debate, so this is about local authorities reducing and one particular authority here, Castletown, which I am asking you to support.

950 I will come back to Mr Quirk. Performance is important, but that is rolled into governance – that is our main role with regard to what we do as central Government supporting local government.

With that, Eaghtyrane, I beg to move.

The President: The motion before the Court is set out at Item 25. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

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**26. Social Security Contributions and Benefits Act 1992 –
Social Security Administration Act 1992 –
Social Security Benefits Upating Order 2014 approved**

**27. Social Security Act 2000 –
Pension Supplement Scheme (Amendment) Order 2014 approved**

The Minister for Social Care to move:

- 26. That the Social Security Benefits Upating Order 2014 be approved. [SD No 2014/0034]*
27. That the Pension Supplement Scheme (Amendment) Order 2014 be approved. [SD No 2014/0035]

The President: The Minister for Social Care is asking to move Items 26 and 27 together, Hon. Members, but we will vote on them separately.

I call on the Minister.

960 **The Minister for Social Care (Mr Quayle):** Thank you, Madam President.

I ask Hon. Members to note that, with your approval, I am moving Items 26 and 27 as I would like to explain the rationale for each of them in a single consolidated statement. They will subsequently be voted on separately.

965 Madam President, the first of these Orders concerns the annual review of the rates of so-called Isle of Man Social Security benefits and fixes the new rates of these benefits and allowances from the week commencing 7th April 2014.

970 These benefits and allowances are outside the scope of the reciprocal agreement on Social Security with the United Kingdom and include the income-related benefits as well as the Retirement Pension Premium. In particular, the maximum rate of Retirement Pension Premium is increased by 2.7%. Broadly speaking, the prescribed amounts for income-related benefits will be increased by 1%, and the rate of the nursing care contribution is also increased by 1%.

975 This Order also provides that the rate of the Christmas Bonus is reduced from the current £82.50 to £40.00. This will first have effect in December 2014 and will save approximately £1 million annually from the Manx National Insurance Fund. The new rate of £40 still compares very well with the UK's £10 payment.

980 The second Order currently before Hon. Members amends the Pension Supplement Scheme. Currently, where the qualifying benefit is a category A or B Retirement Pension, a Widow's Pension, a Widowed Mother's Allowance or a Widowed Parent's Allowance, the rate of supplement payable to qualifying persons is set at 48.8% of the rate of the qualifying benefit. Therefore, as the rates of those qualifying benefits are increased each year through the annual benefits upating process, the rates of pension supplement are automatically increased by the same percentage as applied to the qualifying benefits. Those operating percentages are determined by the UK government and applied to the Island under reciprocal arrangements.

985 This Order amends the Pension Supplement Scheme so that the rate of supplement payable to those who receive the qualifying benefits I have just mentioned is set at 47.525% of the rate of their qualifying benefit from 7th April 2014. This will have the effect that when those qualifying benefits are increased by 2.7% from 7th April the rates of pension supplement will stay the same. This will avoid the cost of the pension supplement increasing by approximately £1 million annually from 7th April. Madam President, this is a necessary holding position pending the outcome of the comprehensive review of our Social Security and National Insurance policies currently being undertaken, which is due to report this summer.

990 In the forthcoming financial year, my Department will spend around £191 million out of the National Insurance Fund, predominantly by way of state pensions and the pension supplement

995 as well as other benefits and allowances. Furthermore, around £78 million of taxpayers' money will be paid out on other Social Security benefits.

1000 We operate a relatively generous Social Security programme on the Island, which, given the fiscal challenge we now face, is simply not sustainable in the longer term. We must very carefully manage the burgeoning demand in this area and seek to avoid any unwarranted increases in expenditure where we can. Our position is by no means unique. The UK government has also acknowledged that there must be cuts in welfare spending if economic recovery is to continue and secure fairness across the generations.

1005 Madam President, although not the subject of the Orders currently before them, Hon. Members may wish to note that, from the week commencing 7th April 2014, state pensions and Bereavement Care are to increase by 2.7% and the rates of Attendance Allowance and Disability Living Allowance are generally being increased by 1%. However, the higher rate mobility component of DLA will increase by 2.85% to ensure that the difference in the rates of this component between the Isle of Man and the UK remains the same from April 2014, which will be of particular benefit to Motability leaseholders.

1010 Comprehensive details of the current and new rates of Social Security benefits and allowances, including those which are within the scope of the reciprocal Social Security agreement with the United Kingdom and which will be the subject of a further Order I shall be bringing before this Hon. Court in due course, are set out in the appendix to the memorandum which has been circulated to Hon. Members.

1015 Madam President, I beg to move Items 26 and 27 on the Order Paper.

The President: Hon. Member, Mr Coleman.

Mr Coleman: Thank you Madam President.
I beg to second and reserve my remarks.

1020 **The President:** The Hon. Member, Mrs Beecroft.

Mrs Beecroft: Thank you, Madam President.

I have difficulty in supporting this for two main areas: the elderly and the disabled.

1025 The elderly seem to be getting hit in many areas, including the Personal Tax Allowance, the reduction in that; and they do rely on the Christmas Bonus. With utilities going up all the time, there are many elderly in all areas of the Isle of Man who are already really beginning to have to choose between eating a hot meal or putting the heating on. I just think this is almost like another attack on them: it just feels wrong.

1030 Again, on the Mobility section of that, you say that the difference will remain the same. I do appreciate that you are the new Minister in this position but I am sure the previous Minister will remember well my questioning him on this very issue. The difference is the same, but our people are still disadvantaged compared to the UK. Yes, they are. Madam President, the Minister is shaking his head. I would very much like him to prove to me that I am wrong, because I believe I am right. I would welcome him showing me where I am wrong, because from previous questioning and previous admittances from the previous Minister our people are still disadvantaged compared to the disabled in the UK, and it was referring to the *difference* remaining the same. That is the point that I am trying to make, Madam President. I would welcome any comments on those areas.

1040 **The President:** The Hon. Member, Mr Thomas.

1045 **Mr Thomas:** Thank you very much, Madam President, and to the Minister for his statement – particularly one part where he mentioned that this was in advance of the 2014 review of Social Security benefits.

I am looking for the Minister to make a statement today that at least one thing that is in this statement is not actually prejudging a decision in that debate. That is that, in 1993 I think it was, a decision was taken in this Court that the pension supplement would be at 50% of the basic state pension, and today it has gone down to 47.35%, or whatever it is. Obviously, as the Hon. Member for Douglas South has said, pensioners are on a fixed income and they are feeling it from the increased cost of living, and I wanted the Minister to say quite clearly that we are not prejudging that the pension supplement will constantly be eroded by 3% or so until it has gone completely.

Like the Hon. Member for Douglas South, I wanted to reference the fact that the disabled actually have lower benefits here in the Isle of Man compared to the UK – for instance, the Disability Living Allowance is £4 or £5 lower – and I wanted the new Minister and the fact that we have got a new Minister to be an opportunity for us to consider that relationship between the UK and the Isle of Man.

The next point I wanted to say – and again it is beyond the scope of this immediate Order, but the Minister went beyond it in his statement – is that some of the Isle of Man benefits are causing a difficulty to a great number of my constituents in terms of the way that they deal with children when they become 13, because some of the childminding benefits are taken away on the assumption that everybody can look after themselves once they become 13, 14, 15. I seem to have evidence that that is not always the case and I am looking for some flexibility from your staff, or the Treasury Minister's staff, in the coming months about how that is interpreted.

Finally, I just wanted to put on record that you are right to draw attention to the National Insurance Fund and the risks to it, but those risks are immaterial compared to the public sector pensions liability, and we have got to get the balance right during 2014 to give equal weight to the two issues in terms of their importance to people of all generations in this Island.

The President: The Hon. Member, Mr Karran.

Mr Karran: Eaghtyrane, I just would like to ask the Minister firstly on the issue of the Christmas Bonus. I am disappointed. One of the arguments we had many years ago in the DHSS in the late 1980s was the issue that one in four pensioners were paying the upper limit of Income Tax. That was one of the arguments... The mantra that we used to be given back in the late 1980s was that we cannot do anything because of this one-in-four thing, and that is what saddens me when we come to the second issue.

My concern is... I just think the arbitrary way that it is being done is wrong, and I am very concerned about voting for this Order because the fact is the cost of living on this Island is horrendous compared to the UK. The only good thing that there has been over here for the working people over the years is that rental costs were reasonable if you were in a council house and were not having to suffer for the selling off of council houses in the adjacent island, the folly of that, when Mrs Thatcher was about.

So I want to know why, on the Christmas Bonus, we could not have used the taxation service of trying to say, 'Right, if you are over this amount of money,' – yes, it would be arbitrary – 'we would let you have your £82, but if you are not over that amount of money...' I would question whether you should even give them £40 anyway, because it is purely academic.

Part of this restructuring... and some of it *is* the right way forward – we have seen that the likes of the benefits side has gone to the Treasury – and I would have liked to have seen the idea of doing what you have done with the likes of Child Benefit. I would have preferred you to have done that with the pension premium rather than Child Benefit, but the principle of trying to prioritise the fringe benefits in society to the ones that need it... And that does not always mean, Eaghtyrane, the ones who are at the bottom end of the scale, the ones who are on Social Security.

I get annoyed in that for the last 20 years... trying to create a welfare state where we do not penalise those who actually *are* responsible with the limited means at their hands... do not find

1100 themselves being penalised for doing it. I only have to look, not very far from home, at an individual close to home, where they paid 5% Widows and Orphans when the Public Sector Pension Scheme was not as good as the Civil Service Pension Scheme, but they paid the 5% – not like many of their counterparts, who paid nothing and got most of it back on Social Security.

I am just disappointed with the issue of the Christmas Bonus: why couldn't we have seen a system where the majority... well, every pensioner in this Hon. Court does not need a Christmas Bonus and should not be getting a Christmas Bonus, in my opinion, if you are on £50,000 or £60,000 income a year. What we should be prioritising is a taxation system where we prioritise this benefit and the issue of the pension supplement.

1110 When the pension supplement came out – and I know it will be boring, but the whole idea of that was that it was a cost-of-living bonus for the poor pensioners to give them a little lift in their twilight years, when people need to remember the average working wage of our parents and our grandparents was 45% of the Brits' on average, if they did not have UK parity or they were not a boarding house keeper or a farmer. The point is that what we have here now is a situation where this was given to everybody – and it should not have been given to everybody in the first place. It should have been given to... and it should have been prioritised at a decent living standard, not a Social Security standard but a *living* standard, so that people who have been responsible are not being penalised.

1115 I am very tempted to vote against this, because again this is going to hit... Whilst it is going to hit the rich, it is going to hit the responsible, and what we need to get over in Social Security is responsible citizens taking responsibility. We have always got to have a net... that it is not acceptable to a decent Christian society to allow people to fall under that net, but there should be a level we would see as a good level.

1120 So I am disappointed that what we are going to see here... On top of the tax and the Budget, we are now going to see effectively a decrease, because there is going to be no increase in the pension premium. Fair enough on people like me, if I have a parliamentary pension – if there is one there at the end of the day – but it is not fair enough, in my opinion, on the poor little souls who are just above Social Security. Social Security levels are supposed to be the minimum standard that a society believes is acceptable for their citizens. It is not a standard that they would want to attain, and I would like to know what the Minister's views are on that.

1125 I would also like the Minister to tell me the effect as far as the universal benefit for funeral rates is concerned. I have not got a problem with that – well, I am not as concerned about that – but will the Social Security funeral payment for people who have not got money to pay for their loved ones to be buried be going up? Because I think it is important. My good friend, the former Member for South Douglas, likely got more votes for his services in the funeral industry than anything else in South Douglas, but the fact is that this is an important factor and I just would like to know what the Minister's view is.

1130 I would also like to know from the Minister why we do have this discrimination as far as our disabled to the disabled in the United Kingdom as far as the benefits are concerned. I am all for you as far as making hard decisions – we have to make hard decisions – but what I want is proportionality. My brief interlude as a Minister in this Government was about proportionality and about having an inclusive, not an exclusive society; and this tips the other way.

1135 The other issue that I would like to ask the Minister about on this subject is how is he going to try and help those individuals who are not on Social Security, who do not want to be on Social Security? They have had their council tax put up, or their council rents put up, they have had the costs that are going to have to come through because of the problems as far as our utilities, at the MEA and that. What is he going to do for that middle ground? I think before we vote for this we need to know what he is going to do as far as that is concerned.

1140 I would also like to know what the Minister's viewpoint is about having the minimum wage put up to a more realistic level, which means that we do not have the absurdity in the welfare state where we have a situation where you actually cannot *afford* to go to work. You cannot afford the loss of the £114 a week rent allowance that pays for the roof over your head, because

1150 you are only going to end up with about £180 a week if you go to work – and by that time you are actually out of pocket because of the fact that it costs you to go to work. At least when you are sitting round you are not having to catch buses and the likes.

I am disappointed that what we have seen here again is a blinkered vision of attacking everybody as far as these benefits are concerned. I would like to know what the Minister's proposals are, so that we can try and make sure that we do not just not hit the poor, but we do not hit the ones with a reasonable income who should have a decent standard of living. I would be interested in what the Minister feels is a decent standard of living as far as our pensioners are concerned, and that should be exempt from the pension supplement as far as what is going to happen with it, which is effectively a pay decrease for the elderly in our society. The ones at the top, the ones in this Chamber who are retired and getting a bit of money as a wage for being an MLC or an MHK, I have no problem with, but it is those who have fought all their lives to be responsible.

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

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The Minister for the Treasury (Mr Teare): Thank you, Madam President.

Really, I think we are getting somewhat tied down here. This really is a step on the way, and it has been mentioned on more than one occasion, certainly by my hon. colleague, Mr Robertshaw, that we will be broadening the means test. One of the issues – and it has been highlighted by the Hon. Member for Onchan, Mr Karran – is the cliff edge on means testing.

We have to remember that up until very recently, up until this Budget, the one section of the community that has been largely isolated from the financial difficulties and the retrenchment that we have experienced, has been that section of the population. Those people in employment have not seen an increase in their wages or their salaries, they have seen a decrease in their personal allowances – and that just went through. I feel, really, that we are not actually acknowledging that the older section of our community have had a reasonable passage up until now.

The Hon. Member for South Douglas said that pensioners on the Island were disadvantaged compared with the UK. It depends whether you are a married couple or a single person. Our statistics show that, in terms of cash, they are between 10% and 15% better off.

1180 What we are doing is... we actually monitor that –

Mrs Beecroft: Madam President – if I may – a point of clarification?

1185 **The President:** Yes, for clarification, Mrs Beecroft.

Mrs Beecroft: Thank you, Madam President.

The section of the community that I referred to as being worse off here than in the UK was actually those... If I did not make it clear, I apologise, but it is those who are disabled who are actually going for the Motability allowance. They are the ones who are disadvantaged here.

The President: Minister.

Mr Teare: Thank you.

1195 Also, we need to recognise that we need to focus Government's resources much more accurately.

The Hon. Member for West Douglas, Mr Thomas, was asking whether we would be eroding the pension supplement as time goes on. It is difficult to keep this as an ongoing feature. If we do not act now, the National Health Insurance Fund will be completely exhausted in 2047, and that is a reality. So what sort of legacy do you want to leave to the next generation? To use the

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Hon. Member from Onchan's expression: do we want to leave a debt of gratitude; or do we want to leave a blank cheque that they will have to sign and pay?

There will be a full debate on all benefits later on this year, we will be bringing it back in; and as I said at the outset, this is just a step along the way.

1205 Mr Karran also mentioned that the reduction in the Christmas Bonus was an arbitrary manner. What I would say is that by reducing the amount spent on the Christmas Bonus it has, in effect, retained money in the National Health Insurance Fund, which *inter alia* does help to fund the Health Service. So, do we spend it on the Christmas Bonus – which is not means tested; it goes to the beggar, or the pauper, or the very wealthy person – or do we focus it on those
1210 people who are ill?

The Hon. Member for Onchan made a very eloquent and compelling case for means testing. What he said was certainly very persuasive and I look forward to his positive vote later on this year when we bring back proposals for means testing. He has ticked all the boxes, as far as I am concerned, and I do look forward to his support later on in the year. He is quite right: it is not
1215 right that we have benefits which are paid to people regardless of their personal financial circumstances.

A quick history lesson, if I may, Madam President: when the State Retirement Pension was brought out – I think it was in 2006 – it was half a crown or five shillings in old money terms, and it was means tested. Surely people have an obligation that they should make an attempt to
1220 make provision for themselves in retirement or in their old age. I would suggest that what started out as a safety net has got into a means or an entitlement now. We have to break that and we have to have a look at actually how we focus our resources much more accurately in the face of an increasingly ageing population and an increased dependency ratio. These are issues which we, as Members of this Hon. Court, will have to consider and will have to deal with so that
1225 we leave a sustainable legacy for the next generation.

Thank you, Madam President.

The President: Minister to reply.

1230 **The Minister:** Thank you Madam President.

I thank the Members for what I think has been quite a good debate on this.

It gives me no pleasure to be moving these cuts or below-inflationary increases wherever relevant; however, it has to be done. We, as Hon. Members, are elected to give leadership here and we have a National Insurance Fund which, according to the latest report, is going to be
1235 exhausted by 2054. That is five years earlier than predicted and that takes into account the increase in the retirement age of the public. So even though the retirement age has been increased and therefore you would have thought our liabilities would have decreased, we still have seen five years taken off that Fund.

We have to make sure that, for the next generation coming, there is going to be money in the
1240 pot. I just put it like this: if you are in a lifeboat and you know you have got seven days' supplies, rations of water and food, and it is going to be maybe seven days to get to the nearest island where you will find more water, do you have a massive feast on the first day and then you have nothing for the remaining six? These are questions which this Hon. Court has to decide. We do have to make incredibly painful decisions. But if we do not get it right, we are going to... For
1245 anyone under the age of 50, when they retire and they run out of the pot, where are we going to find the money from, unless we strike gold in them hills or there is gas worth billions off the coastline? Maybe Minister Shimmin for Economic Development will be able to then reinstate it.

Nobody wants to have to cut benefits to people; however, we have been paying over eight times more for the Christmas Bonus than in the UK, so it is something which is most regrettable,
1250 but given the state of our Fund... In the financial year 2012-13, we have taken £14 million out of that Fund more than we have taken in. We have had to pay out £14 million more, and if we carry along that – that is what the actuarial report has stated – we are going to run out of funds. So

the cuts, the saving of £1 million by reducing the Christmas Bonus... It is very regrettable; however, that is a £1 million saving. Not increasing the bonuses by altering the percentage is another £1 million saving. However, we have committed to having a review of it.

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I will be coming to the Hon. Member for Onchan, Mr Karran's comments. He was effectively saying means testing, wasn't he, for people who have got a good income or great wealth; and I have to say I do not disagree with him. This is what we have got to look at in a review, but at the moment we are paying out far more than we are taking in and we have to put measures in place to deal with it.

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Moving on to the first speaker, Mrs Beecroft, obviously she was not happy that the Christmas Bonus has been cut. I do not think anyone in this Hon. Court is happy, Madam President, that we have cut the bonus, but it is for the reasons I have given. However, I would like to point out that my Department was spending £264,000,961 in Social Security benefits, including the pension benefits, to the people of the Isle of Man. That is now going to go up to £269,000,594, an increase of £4,000,633.

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The pension payment to pensioners, the basic rate, has gone up by 2.7%. If you look at inflation on the Isle of Man, it is less than 2% the way the mechanism worked it out. A 2.7%... even after we take off the £42.50 payment on the Christmas Bonus, is still leaving the pensioners on the Isle of Man with a 2% increase on their income compared with last year.

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We are also going to be paying £2,370,000 more to the existing pensioners than they were getting the previous year, so this is not a cut in their income; it is just a cut in the Christmas Bonus – but the basic pension has been increased by 2.7%.

I am not happy that we are doing it, but if we do not put our house in order now, for the next generation there is going to be nothing in the pot. This is something that Ireland have had to do. They have had to make various cuts to the payments they make.

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The Motability: I think Mrs Beecroft and myself were slightly at crossed wires. I thought she meant that this rate was not the same as the... and I can accept that the previous increase was slightly less, as I had to represent my own constituents who had a problem, and there was a company threatening to pull out of the deal. We got round that, and this increase of 2.85% is in line with the UK, so I can concede that we pay *slightly* less than in the UK, but the increase that we have given this year, unlike the previous increase, is in line with the UK increase. So I hope I have –

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Mrs Beecroft: Still less.

The Minister: It is still slightly less. A small amount, but you are correct in that point.

Mr Thomas's views: a review will take place, sir, and I do not have any preconceived ideas for this review, but we must make it as fair as possible, and personally, means testing people who do not need a pension... In fact, I was out at a dinner not so long ago and a wealthy resident said to me, 'I don't want my pension, but when I said I don't want it I was told that even if I don't take it...' it will accrue against his estate, and when he dies, that amount of money his estate will then be taxed on. So he felt he had to take it so that his estate would not be taxed on the accrued income.

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These are all areas we need to look at to see how we may make it fairer. If you have got assets of millions in the bank, should you be getting the Christmas Bonus? That is for this Hon. Court to decide.

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Childminding benefits are taken away at 13, Mr Thomas raised. If you would like to come and meet with my officers, as I have said in the speech, we are having a review and I am more than happy to discuss any ideas you may have.

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Your final point was very good. The Public Sector Pension Scheme is a greater problem. As a backbencher, I moved a motion to that very effect. We are £14 million down on the financial 2012-13 for state pension; we were £37 million down for the public sector pension. I am

1305 predicting that to be nearer £50 million, so you are correct; but we have already agreed to tackle that. We have now got to try and balance the books on the state pension problems.

Mr Karran: the Christmas Bonus, the arbitrary way it has been done, the cost of living, why have we not introduced means testing. I am not disagreeing with his viewpoint on means testing. I think that is something this Hon. Court is going to have to look at when we have the review.

1310 No increase in pension, he said. Well, that is actually incorrect. We have cut the Christmas Bonus, we have levelled out the 48.5% to 47.25%. However, when you take into consideration the 2.7% on the increase on the basic pension rate, there is an increase of at least 2% to our pensioners; and as I mentioned earlier, that equates to an additional £2,370,000 coming out of the pension funds to fund that.

1315 Social Security funeral and winter bonuses: again, we are going to have to look at them but it is Government policy to target resources where they are needed most. Funeral payments are paid on a universal basis. That means no regard is had to the recipient's financial circumstances. They are payable to the poor and the affluent alike. To increase benefits paid on a universal basis, particularly during the current economic climate, would represent poor targeting of resources and would be contrary to Government policy. But the Department is currently reviewing the status of all benefits paid on a universal basis with a view to better targeting the resources available, and income tested Child Benefit entitlement will come into effect on
1320 7th April, so we are already starting there.

I think most of the Hon. Member for Onchan, Mr Karran's concerns we have addressed in the
1325 speech. We are having a review, and I do not think anyone is against his views on looking at some form of means testing.

I thank the Hon. Member for Ayre, Mr Teare, the Treasury Minister, who has the honour of taking over the Security side of things on 1st April, and he will no doubt deal with most of these problems in the future.

1330 I do appreciate Members' uneasiness with what we are having to do. I am not happy either, but we have to make sure that we look after people now and in the future and do not leave a big hole. When we all go, we cannot have a hole in our finances.

Thank you, Madam President. I beg to move Items 26 and 27.

1335 **The President:** We will take Item 26 first, Hon. Members. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Item 27. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

**28.-29. Social Security Contributions and Benefits Act 1992 –
Employed Person's Allowance (General) (Amendment) Regulations 2014 approved –
Income Support (General) (Isle of Man) (Amendment) Regulations 2014 approved**

The Minister for Social Care to move:

28. That the Employed Person's Allowance (General) (Amendment) Regulations 2014 be approved. [SD No 2014/0036]

29. That the Income Support (General) (Isle of Man) (Amendment) Regulations 2014 be approved. [SD No 2014/0037]

1340 **The President:** Items 28 and 29. The Minister has asked to move these together. We will vote on them separately.

I call on the Minister for Social Care.

The Minister for Social Care (Mr Quayle): Thank you, Madam President, and I thank you for allowing me to move Items 28 and 29, as they have common effect for two Social Security benefits. However, they will be subsequently voted on separately.

As Hon. Members will recall, at its November sitting last year, this Hon. Court approved legislation providing for the broad framework for the income testing of Child Benefit from 7th April 2014. At its January sitting this year, this Hon. Court approved Regulations prescribing the rates of Child Benefit that would be payable from 7th April 2014.

The two Items currently before Hon. Members provide additional support for persons who are – unusually are – on a low income, claiming Employment Person’s Allowance or Income Support, and either receiving no Child Benefit or a reduced amount of Child Benefit as a result of the new income test. This will effectively put them in the position that they would have been had they qualified for the full rate of Child Benefit for the period they are entitled to either Employed Person’s Allowance or Income Support.

These Regulations further provide that persons claiming Employed Person’s Allowance or Income Support will be treated as responsible for a child or a young person if they would be entitled to Child Benefit for that child or young person but for the operation of Child Benefit income test. This is necessary as, in certain circumstances, a person may only claim Employed Person’s Allowance or Income Support or allowances for children within these benefits if they are responsible for a child or qualifying young person, which normally means they must be receiving Child Benefit for them.

Madam President, changes are also made to the Income Support Regulations to further reduce the transitional additions of Income Support payable. With the approval of this Hon. Court, transitional additions were first reduced last April. Full details are set out in the memorandum which has been circulated to Hon. Members.

Madam President, I beg to move Items 28 and 29 on the Order Paper.

The President: The Hon. Member, Mr Coleman.

Mr Coleman: Thank you, Madam President.
I beg to second and reserve my remarks.

The President: We will take first Item 28, Hon. Members. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Item 29. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

**30. Social Security Act 2000 –
Social Security Legislation (Benefits) (Application) (Amendment) Order 2014 approved**

The Minister for Social Care to move:

That the Social Security Legislation (Benefits) (Application) (Amendment) Order 2014 be approved. [SD No 2014/0038]

The President: Item 30. Minister for Social Care to move.

The Minister for Social Care (Mr Quayle): Thank you, Madam President.

This Order makes a number of changes to existing legislation. The effects of the changes are that a person will no longer have to make a separate application to be paid a Social Security benefit by direct credit transfer, and ordinarily Child Benefit will now be paid by direct credit

transfer every four weeks. However, a person may receive their Child Benefit by a different method and at different intervals if the Department agrees.

1385 Other changes are made consequentially on the introduction of income testing of Child Benefit entitlement to ensure that persons claiming an income-based Jobseeker's Allowance, who are not entitled to Child Benefit for a child because of the income test, will still be treated as responsible for that child for the purpose of their claim for Jobseeker's Allowance. They will therefore qualify for an allowance for their child in Jobseeker's Allowance.

1390 Full details are set out in the memorandum which has been circulated to Hon. Members. I beg to move.

The President: The Hon. Member, Mr Coleman.

1395 **Mr Coleman:** Thank you, Madam President. I beg to second and reserve my remarks.

The President: The motion before the Court is set out at Item 30 on your Order Paper. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

**31. Summary Jurisdiction Act 1989 –
Fines Etc. (Application for Benefit Deductions) Regulations 2014 approved**

The Minister for Social Care to move:

*That the Fines Etc. (Application for Benefit Deductions) Regulations 2014 be approved.
[SD No 2014/0039]*

1400 **The President:** Item 31. Minister for Social Care to move.

The Minister for Social Care (Mr Quayle): Thank you, Madam President.

1405 These Regulations are made consequentially on new powers for summary courts to require the Department of Social Care to make deductions from Social Security benefits payable to persons adjudged liable to pay sums following court proceedings, in payment of the sum due. They are necessary to give effect to the new powers the court will have.

Among other things, the Regulations specify which Social Security benefits are subject to deductions, when and how deductions can be made and the amounts which can be deducted.

1410 The Regulations and the relevant provisions of the Summary Jurisdiction and Miscellaneous Amendments Act 2013, under which the Regulations are made, originated from recommendations made by the Tynwald Standing Committee on Public Accounts in its Report on Fines Collection in 2009, and the work done by the Fines Working Group set up following that Report.

1415 Full details are set out in the memorandum which has been circulated to Hon. Members. Madam President, I beg to move.

The President: The Hon. Member, Mr Coleman.

1420 **Mr Coleman:** Thank you, Madam President. I beg to second and reserve my remarks.

The President: The motion before the Court is set out at Item 31, Hon. Members. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

**32. Public Sector Pensions Act 2011 –
Public Sector Compensation Scheme 2013 approved**

The Vice-Chairman of the Public Sector Pensions Authority (Mr Cannan) to move:

That the Public Sector Compensation Scheme 2013 be approved. [SD No 2014/0021]

The President: Item 32. I call on the Vice-Chairman of the Public Sector Pensions Authority,
1425 Mr Robertshaw.

The Vice-Chairman of the Public Sector Pensions Authority (Mr Cannan): Thank you, Madam
President. **(The President: Oh!)**

1430 In June 2012, the Council of Ministers requested that the Public Sector Pensions Authority
review the existing compensation arrangements for public servants, with a view that new
provisions should be brought forward which provide a unified approach to compensation
benefits across the public service, as far as possible; should provide benefits that are no more
generous than those benefits currently in place in the United Kingdom; take account of statutory
1435 minimum compensation benefits and private sector experience for large employers; and include
suitable transitional arrangements to progress from the current position to new arrangements.

In considering future arrangements, the view of the PSPA was that the existing benefits were
overly complex and did not provide for equity of treatment of employees, in that they were
dependent upon which employment group an employee belonged to. Furthermore, the current
compensation provisions have been in place since the 1980s, and in the main have been based
1440 upon the early payment of public sector pensions. The employment landscape is now very
different to that which was in place when compensation provisions were originally introduced,
and life expectancy has improved considerably since the 1980s. Therefore, whilst the enhanced
early payment of a pension may have been appropriate then, the PSPA does not consider that
provisions should remain in place that encourage recipients to remove themselves from the
labour market at a relatively young age through receipt of a considerably enhanced pension.
1445

The PSPA has therefore sought to simplify and harmonise compensation benefits payable on
redundancy across employment groups and to provide all employees with equity of treatment.
The payment of future compensation benefits will now be based upon a lump sum payment
calculated on the length of service and gross pay formula with no automatic and costly pension
enhancement. This pension enhancement is being removed.
1450

Being mindful that some employees, who are over the statutory minimum pension age of 55,
under the Unified Scheme may wish to take their pension early, the PSPA considered that such
older employees should be given the choice of exchanging all or part of the compensation lump
sum for additional pensionable service in order to increase their pension. However, this will be
1455 at their own cost, based on appropriate factors determined by an actuary, and after a
transitional period will no longer be subsidised by the employer or the public purse.

Finally, these new arrangements provide protection for the low paid with the inclusion of a
deemed minimum pay of £25,000 per annum upon which benefits are calculated.

In summary, Madam President, the new provisions provide for existing public servants a
1460 lump sum payment for compulsory or voluntary redundancy of one month's pay for each year of
service up to a maximum payment of 24 months' pay. Compared with the previous
arrangements, those employees who did not receive an enhanced pension – for example,
because of their age – could have received a lump sum payment of up to a maximum of 36
months' pay. Therefore, the maximum lump sum payment is being reduced by one third for
1465 longer-serving public servants. For new public servants, a lump sum payment of up to 12
months' pay for compulsory redundancy and up to 18 months' pay for voluntary redundancy,
again based upon one month's pay for each year of service. This is a reduction in benefits of up
to one half, compared with the previous schemes, some of which paid up to 36 months' pay for

1470 longer-serving employees, as previously noted. This is also less generous than the Civil Service Compensation Scheme in the UK, which covers both civil servants and manual workers.

In addition, the new scheme has removed the automatic right to an enhanced pension for those aged over 50, which was a considerable cost to the employer. The pension enhancement of up to 6½ years' service for those civil and public servants and manual workers aged over 50 is completely removed. This provides considerable savings to the public purse.

1475 As I have highlighted, there is now no automatic enhancement of pension... *[Inaudible]* cost. Any additional pensionable service secured by employees aged over 50 is funded entirely by the individual choosing to use their compensation lump sum to buy additional service. It is also worth noting that employees who receive a compensation lump sum for loss of office or redundancy in excess of £30,000 per annum will be liable to pay Income Tax on the remaining
1480 sum.

Madam President, the PSPA believe that the original guidance from the Council has been met, with these arrangements providing a unified approach to compensation benefits across the public service, as far as possible; with benefits that are no more generous than those benefits currently in place in the United Kingdom; that account has been taken of statutory minimum
1485 compensation benefits and private sector experience for larger employers; and that they include transitional arrangements for existing public servants to progress from the current position to the new arrangements.

These arrangements provide a considerable saving to the Isle of Man taxpayer, in particular with the removal of the early payment of an enhanced pension, the reduction in the maximum
1490 lump sum for longer-serving employees, and the considerable reduction in lump sum payments for new public servants.

Madam President, I beg to move that the Public Sector Compensation Scheme 2013 be approved.

1495 **The President:** The Hon. Member, Mr Turner.

Mr Turner: I beg to second.

The President: The Hon. Member, Mr Ronan.

1500 **Mr Ronan:** Madam President, I cannot support the Public Sector Compensation Scheme today, although I do accept the positive intent behind introducing such a scheme, the widespread consultation prior to putting it together, and also some very encouraging
1505 movement, I would like to think, from the mover, Mr Cannan, saying a considerable saving to the taxpayer, which we will wait and see. However, having asked the following questions earlier this year in another place, I would like to reiterate my original issues.

1510 Firstly, why are redundancy payments to individuals by the private sector in the Isle of Man governed by the Redundancy Payments Act 1990 and the Employment Act 2006 – both enacted by Tynwald – and yet those employed by the public sector are not; and what is the justification for a public sector worker receiving four times the redundancy pay of a private sector worker who has worked the same length of time for their employer?

1515 I would also like to know what is the justification for the proposal to allow redundancy entitlements to be converted into additional pension, when the current public sector pension scheme is completely unsustainable – and this Hon. Court in January this year agreed unanimously that this was the case and that the full and final figures are currently being compiled to present back before the end of the year.

The way that this scheme is structured is likely to incur additional cost – although the mover says not – to the taxpayer, and that is approximately six times higher than paying the already-inflated public sector redundancy compensation payment that this scheme seeks to introduce.

1520 On this basis, how can any of us agree to support a compensation scheme that potentially adds a layer of additional annual cost and liability to a scheme that we already know we cannot afford, particularly as we do not yet know the latest annual cost figures... the Isle of Man public pension schemes.

1525 The most recently quoted level of liability, last year, means that every man, woman and child on the Island currently faces a charge of over £30,000 per head to cover our public sector pension schemes. What this all illustrates to me, in reading this document – and I have to say I do not have a PhD in applied mathematics and therefore have found many of the clauses in it way beyond my level of comprehension – is how can anyone actually work out what anyone is entitled to, in terms of this scheme, in a clear and transparent way. You would need to be a professor of quantum physics to truly be able to decipher all the clauses in this. (**A Member:** Rubbish.)

1530 Turning to questions I have asked previously throughout, I am pleased to see section 8 and the recognition that any re-employment pay should be factored in to benefits drawn; however, I have found that section particularly difficult to follow, the logic as to how any understandable calculation is derived.

1535 At the end of the day, I cannot support this Scheme because of its entitle-ism, unrealistic rewards and lack of costs or forecasts, and having voted on an amendment in January that supported the motion that the current Public Sector Pension Scheme is unsustainable. This will further exacerbate things, and that to me is hypocritical. Instead, I want to see something that is consistent with all sectors in the Manx economy, and that is not adding to the unsustainability and future liabilities of the current pension scheme. I do fully understand the need to restructure and I understand and support the need for it to be done in a supportive and sensitive way. What I cannot support is throwing even more money at this problem. Of course, we all know that.

1540 What I would like to know from the proposer of the motion today is... If he could answer these questions, I would be grateful. What is the cost likely to be for each of the next five years of this scheme? Why are we actively encouraging experienced people in our organisations and Departments, and how do we intend to fill the knowledge gap left behind?

1545 Finally, Madam President, what money we have to spend needs to be invested in the sustainability of our Island and its economy, and those are the motions I will be supporting in this Hon. Court; not those that seek to mortgage the future of our children and future generations.

1550 Thank you, Madam President.

1555 **The President:** The Hon. Member of Council, Mr Coleman.

Mr Coleman: Thank you, Madam President.

1560 My remarks are less detailed than those of the previous speaker. I know that we are in a transient stage of departmental and Statutory Board amendment. I have a very simple question: could you provide a valid reason for the Manx Utilities Authority not being included in schedule 1 as being eligible for this; and why the Department of Community, Culture and Leisure is still in there?

Thank you, Madam President.

1565 **The President:** The Vice-Chairman to reply.
Sorry, Mr Karran, did you wish to speak?

1570 **Mr Karran:** Eaghtyrane, I have to say that I think the Hon. Member for Castletown might have some good points, but at least it is a stumble in the right direction. That is the reason why we need to support it, because I think the Chairman needs to explain what effects there are as far as bringing this proposal forward.

I thought what he had put in this thing was going to be upsetting enough. It is interesting to hear this proposal, because I know of a number of people who are now retiring because they have got the choice to do so. So I think it is important that the Minister does do that.

1575 I would just like to ask the Chairman also... Some of us tried to finish the final salary pension scheme off about eight years ago. We moved that it should go to a mirror scheme. I do hope that the Chairman of the Civil Service Commission will consider the issue that... I believe that this can be done, where there is an independent financial assessment, the contributions are put in, but the money *is* used to help ease the funding crisis that executive Government has – and I think everyone in this Court has to accept that.

1580 So I think the idea of voting against this really is futile, and I think it would be far better that you accept that there are going to be some *awful* decisions that have got to be made in the future about trying to bring about sustainability. But voting against this because it does not go far enough really is not the answer.

1585

A Member: Vote!

The President: The Vice-Chairman to reply.

1590 **The Vice-Chairman:** Thank you, Madam President.

I will just start with the remarks from the Member for Castletown. I have absolutely no idea what he means when he says this is going to further exacerbate things or somehow make things more costly. (**A Member:** Hear, hear.)

1595 Let me be very clear: we have jointly negotiated this scheme with the unions, and the workforce have had to accept a reduction in their benefits and have negotiated a reduction in their benefits. If the Member for Castletown wants to impose, without negotiation, reductions in the workforce's terms and conditions, then he needs to get himself into a position to be able to do so and to accept the consequences of taking such radical action. There may be a time in this Hon. Court when that action has to be taken, but the brief as far as the Public Sector Pensions Authority was concerned, and *my* brief, was to jointly negotiate a reduction in the terms for the workforce, and particularly those who are under the Government Unified Scheme.

1600 So this Scheme – let me be very clear for the Member – removes the pension enhancement that they were previously entitled to. It reduces the maximum payments from 36 months to 24 months for existing workers. It reduces the compensation for new starters to 18 months maximum for voluntary redundancy and 12 months maximum for compulsory redundancy. I cannot see how that possibly does anything but help to *improve* the situation. (**A Member:** Hear, hear.)

1605 It does not make it more complex. I admit that some of the wording around these pensions can get complex. It is a complex subject, it is not easy, but this is simplified as much as possible to reduce costs, to help the taxpayer and to make sure that we are laying a platform for the future. When new starters come on board, they will be coming on board for 12 months and for 18 months. (**A Member:** Hear, hear.)

1610 I will tell the Member what else has been happening to supplement this: we have also been keeping pay, for the last four years, at an average 1%. We are reducing the gap between the private and the public sectors. We have initiated and brought forward the redundancy schemes to help Departments to reduce numbers so that the long-term costs for the taxpayer are going to start to reduce. And we have made the public aware, in a very open and transparent manner, of the whole pensions cost, the whole pensions liability, and we continue to do so.

1615 The Member knows that I and many other Members in this Hon. Chamber are well aware that the costs of the public sector pensions compared to the private sector are out of proportion and need to be addressed, and that it is why we have pushed for... and I have supported the Hon. Member for Middle with his motion, and indeed I have pushed on many occasions myself that this has to be addressed.

1620

1625 This step here is a step along the way. It is not perfect – I know that, we know that – but we have to have some progress, and this is progress. It may not be perfect, there may well be lots more to do in the future, but to vote against it and not support it on the basis that it is there is not right. If we all took that attitude, we would still be forever going into the future with the same scheme, which is far more costly.

1630 I have not got every single detail, Madam President, for the Hon. Member, so I hope that he will accept that I will be coming back to him with some of his technical questions once I have had chance to have a look at *Hansard*, but he mentions the private sector and why the difference between the legislation and what is applicable in the private sector. The legislation that is available is a statutory minimum that is there really to protect the workforce and help small businesses with their costs when they come to make people redundant.

1635 We have taken a good look around at larger employers and it is not always a black-and-white situation. Larger employers, when they make staff redundant, do not adhere just to the statutory minimum; they tend to have much bigger payments, often up to 12 months. I think up to 12 months, in setting a standard there, is probably pretty reasonable. It was not reasonable at 36 months and we have taken it away. It was not reasonable to have 6½ pension uplift: we have taken that away and we have reduced it, and we are making every effort to reduce it.

1640 Madam President, Mr Coleman asked me a technical question about the MEA and DCCL wording in the schedule, and it is because those Departments still exist. The schedule will be amended post 1st April 2014, but for the technical purposes of this legislation it is in at present but will be amended. I hope that explains.

1645 Mr Karran: I think probably I shared some of the broader issues about the funding crisis of pensions and I have probably covered some of those arguments in my response to Mr Ronan.

Madam President, I beg to move.

1650 **The President:** The motion before the Court is set out at Item 32, Hon. Members. Those in favour, please say aye; against, no. The ayes have it. Division called.

Electronic voting took place.

1655 **The Speaker:** Madam President, in the Keys, 18 for, 2 against.

The President: In the Council, 8 votes for, no votes against.

Mr Quirk: Madam President, I did press the green button, *(Laughter)* I can assure you of that.

1660 **The President:** Would you like to try... Could I have advice from the Clerk?

A Member: Can we just press it again? *(Interjections)*

1665 **Mr Quirk:** I can assure you of that, Madam President.

Mr Corkish: A Likely tale!

Mr Karran: Don't you think we should let him have another vote on this?

1670 **The President:** We are doing that, Hon. Member.

Mr Quirk: I'll go first!

1675 **Mr Teare:** And I'll watch you!

The President: We will retake the vote, Hon. Members.

A Member: The Chief Minister was not in.

1680 **The President:** No, the Chief Minister was not in, so he will not be able to vote.

Electronic voting resulted as follows:

In the Keys – Ayes 19, Noes 1

For	Against
Mr Anderson	Mr Ronan
Mrs Beecroft	
Mr Cannan	
Mr Cregeen	
Mr Crookall	
Mr Hall	
Mr Henderson	
Mr Houghton	
Mr Karran	
Mr Quayle	
Mr Quirk	
Mr Robertshaw	
Mr Shimmin	
Mr Singer	
Mr Skelly	
Mr Teare	
Mr Thomas	
Mr Watterson	
The Speaker	

1685 **The Speaker:** Madam President, 19 votes for and 1 against.

In the Council – Ayes 8, Noes 0

For	Against
Mr Butt	None
Mr Coleman	
Mr Corkish	
Mr Crowe	
Mr Downie	
Mr Turner	
Mr Wild	
The Lord Bishop	

The President: In the Council, 8 votes for, no votes against. The motion therefore carries, Hon. Members.

1690

**33. Tynwald Standing Orders –
Amendments consequential on the restructuring of Government –
Motion carried**

The Chairman of the Standing Orders Committee of Tynwald Court (Mr Speaker) to move:

That with effect from 1st April 2014 the following amendments be made to paragraph 1.1 of the Schedule to the Standing Orders of Tynwald Court:

- (a) To delete 'Chief Secretary's Office' and substitute 'Cabinet Office'.*
- (b) To delete 'the Department for Community, Culture and Leisure'.*
- (c) After 'Department of Health', to insert 'and Social Care'.*
- (d) To delete 'Department of Social Care'.*

The President: We turn now to Item 33. I call on the Chairman of the Standing Orders Committee of Tynwald Court, Mr Speaker.

1695 **The Chairman of the Standing Orders Committee of Tynwald Court (Mr Speaker):** Madam President, the proposed change to Standing Orders is purely a consequence on the restructuring of Government and the need in Standing Orders to rename the constituent Departments that are subject to scrutiny by the various Tynwald Policy Review committees – purely a technical amendment, and I beg to move.

1700 **Mr Watterson:** I beg to second and reserve my remarks.

The President: The motion before the Court is set out at Item 33. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

**34. Time-limited speeches –
Experiment during July sitting –
Debate commenced**

The Lord Bishop to move:

That, for the duration of the sitting scheduled for 15th to 17th July 2014 only, the Court will experiment with time-limited speeches; that for the purposes of the experiment the times specified in the Schedule to this resolution will be allocated as of right, the President having discretion to allocate additional time on request; and that the Standing Orders Committee review the experiment and report in November 2014.

Schedule

<i>Making a statement</i>	<i>20 minutes</i>
<i>Moving a report</i>	<i>20 minutes</i>
<i>Moving any other motion</i>	<i>15 minutes</i>
<i>Speaking to a motion or amendment (includes moving an amendment or adjournment, and replying to a debate)</i>	<i>10 minutes</i>
<i>Answering a tabled Question, supplementary question, or question on a statement</i>	<i>5 minutes</i>

The President: Item 34, the Lord Bishop.

1705

Mr Turner: We're timing you!

A Member: You get 10 minutes! *(Laughter)*

1710

The Lord Bishop: Madam President, a true story is recounted, from the beginning of the 19th century, of the Rev. Edward Tatham, who was Master of Lincoln College, Oxford, and who had preached a sermon that lasted for three hours. At the end of the sermon, only one person remained in the congregation, and he was dead. *(Laughter)*

1715

Madam President, I have never courted popularity, but I have never been so popular as the time since this private Member's motion was published. The popular view, which is of course a seriously misguided view, is that a politician, in the words of Adlai Stevenson, is a person who faces every question with an open mouth. Every one of us here today, myself included, is testimony to the folly of that ridiculous observation.

1720

The motion is a clear proposal that seeks to implement a simple experiment from which we may gain valuable insights into the conduct of business in this Hon. Court. It arises from a number of motives.

1725

First, from some back-of-an-envelope calculations during the February sitting and the realisation that our rambling discussion of refuse-collection vehicles cost the Manx taxpayer several hundred pounds in Members' salaries, on top of which were the far larger sums in the cost of the civil service ancillary staff, owning and maintaining buildings, and so on – what crossed my cynical mind was whether that time was well spent, or whether we should have conducted the business in a less leisurely, one might even say less casual manner.

1730

Second, I have been a Member of this Court and of the Council for nearly six years. During those years, there have been times when business has been conducted effectively and efficiently, rather like the Parish Walk – particularly when the Court is under pressure of time, debates are shorter and more to the point; and there have been times when the same quantity and seriousness of business has resembled a Sunday afternoon ramble. **(A Member: Absolutely.)**

1735

Which leads, Madam President, to a third reflection: namely, that we operate under Standing Orders which, guided by you, regulate the conduct of our business in detail. We are all agreed that these important restraints on the conduct of our business are vital aspects of democratic order, and in specific circumstances speech limits are already imposed.

1740

Fourth, I am in the speech-making business, and probably I have prepared and delivered more addresses than most, if not all the Members of this Court. I am aware that the human brain starts working in the mother's womb and never stops until we stand up to speak in public. *(Laughter)* It was once said of the speeches of William G McAadoo – he was an unsuccessful Democratic contender for nomination in the United States presidential campaigns in the years 1920 and 1924 – that they, and I quote:

'... left the impression of an army of pompous phrases moving over the landscape in search of an idea. Sometimes these meandering words would actually capture a straggling thought and bear it triumphantly, a prisoner in their midst, until it died of servitude and overwork.'

I have to admit, Madam President, this has come to mind once or twice during the last six years.

1745

So, to the motion itself: the proposal is not to implement a permanent change in the Standing Orders, but to trial an alteration in one aspect of the conduct of our business, an aspect used effectively in many democratic forums worldwide.

1750

Two: the proposal is to conduct that experiment through one sitting of Tynwald Court scheduled for the period 15th to 17th July this year. It may never be repeated, and it cannot be done piecemeal. For it to be a worthwhile test, it needs to be implemented for the whole range of typical business during a single sitting.

Three: the proposal includes a schedule of time limits to speeches, which are, by standards of most public bodies, generous. In the National Assembly for Wales, the presiding officer may announce a time limit on Members' speeches and may, and I am quoting:

'direct a member who has spoken for too long to stop speaking'.

(Interjection) **(A Member:** Yes.) These powers are routinely and normally used in the Welsh Assembly. *(Interjection by Mr Downie)*

1755 In the Scottish parliament, the presiding officer may allocate speaking time, whether for proceedings in relation to any particular item of business or for a particular speaker in any proceedings, and may do so whether or not the proceedings have started or the speaker has started to speak. The presiding officer may not allocate speaking time in a manner which would disrupt any timetable of business set out in the daily business list. I go on:

'The Presiding Officer may order a member to stop speaking if that member continues to speak beyond any time allocated to that member or to that item of business... or if, in the opinion of the Presiding Officer, the member departs from the subject or repeats what *the* member has already said.'

1760

That is power, Madam President, *(Laughter)* and it is regularly used.

The President: I have tried here, but it does not always work. *(Laughter)*

1765 **The Lord Bishop:** The generous times in this schedule have been chosen so that there could be little or no accusation of stifling political speech at the July sitting. My instinct might have been to set shorter time limits, but at this stage, as with a chemical experiment, it is best to conduct the test with care.

1770 The proposal involves the Standing Orders Committee reviewing the results of the experiment and reporting to Tynwald Court during its November session. I will have no part in that discussion, but I have no doubt that, if the Court is willing to agree this practical test, your Committee will consider how business was transacted, whether some aspects of business were expedited or not, and whether to recommend any amendments to the Standing Orders.

1775 Six: the proposal is for an experiment to be conducted, without which we could not determine whether limiting the length of speeches would be a good thing or not. Your authority, Madam President, to vary the proposed speech limits is neither questioned nor curtailed in any way. In short, there is nothing to lose in conducting a fair and open experiment by which the Members of this Hon. Court and the citizens of this Island may learn whether a more concise means of conducting our business would or would not be beneficial.

1780 The proposal is modest, limited both in extent and in nature. It is a realistic means of examining whether the time limiting of speeches would be beneficial and in which circumstances. It does not commit this parliament to anything more than is plainly stated in the motion. It does, however, also demonstrate to the people of this Island that the Members of this Hon. Court are willing to be courageous and lay its proceedings open to public scrutiny with greater clarity.

1785 It is said that a speech is like a love affair. I would not know about that, but I have no reason to doubt that any fool can start it, but to end it requires considerable skill.

1790 Madam President, I do not court popularity, but I am an eternal optimist. I maintain there is little to lose and much to gain by supporting the motion which stands in my name and that I have the honour to propose.

The President: The Hon. Member, Mr Anderson.

1795 **Mr Anderson:** Madam President, I am content to second the motion and at this stage reserve my remarks.

A Member: Vote!

The President: The Hon. Member, Mr Singer.

1800 **Mr Singer:** I am not sure, in the first place, if this is necessary. If we look what has been happening, certainly since I have returned to this Chamber – (**A Member:** Ten minutes.) I will keep it short – most of the days that we have sat have been basically one day. When I was here the previous years, we were sitting three days and sometimes until midnight, so I would not say that in this session, or since 2011, we have been over verbose. We can all point to one or two
1805 Members who do repeat things, but we accept that now; I do not think it is a great problem.

The weakness of this particular proposal is that the Lord Bishop is saying we should undertake this experiment in July. It might happen that in July we have an agenda with items that do not actually need long discussion. So that will be analysed in November, but when we come back in October we may have great weighty items where people will be speaking much
1810 longer. So I think that is a little bit of a weakness.

I noticed what the Lord Bishop said at the very beginning, and certainly one of my constituents said to me would I ask him whether, if this were successful, he would be transmitting this to his clergy, as far as their sermons are concerned. (*Laughter*)

I will support the Lord Bishop, but my general view is that as an experiment it might not do
1815 any good, but it certainly will not do any harm.

The President: Hon. Members, we will now adjourn. The adjournment will be until 2.30 p.m. and the first to speak after lunch will be the Hon. Member, Mr Speaker.

The Court adjourned at 1.00 p.m. and resumed its sitting at 2.30 p.m.

**Time-limited speeches –
Experiment during July sitting –
Debate concluded; motion carried**

1820 **The President:** We continue with the debate at Item 34.
I call on the Hon. Member, Mr Speaker.

The Speaker: Madam President, having listened to the Lord Bishop, I am reminded of the story of the newly appointed Minister in the Scottish Kirk who had just very nervously given his
1825 first sermon. The church elders met to discuss what they thought of the new minister, and as one of them put it: 'In the first place, it was read; in the second place, it was well read; and in the third place, it was worth reading.' (*Laughter*) Not that, Lord Bishop, there is anything wrong with a good sermon: some people arise from it reinvigorated; some awake from one refreshed.

1830 The point is, Madam President, this Chamber is not a place where sermons are preached, but it is the Chamber for the exercise of democratic expression. There has always been a principle – because this question, you will not be surprised to learn, has come up before – that has been generally held in this place that a Member has the right to take whatever time he or she considers necessary to make their case.

1835 Other jurisdictions have been quoted, and looking at the table on the Order Paper it is remarkably similar to what you will find in the Standing Orders, in exactly the same form, of the parliaments of Australia, Canada and New Zealand. Give or take a minute, this particular form and definition of where time limits are appropriate, set out in a table like this, is to be found there.

1840 What is different between the parliaments of Australia, Canada, New Zealand and the Isle of Man? Well, the number of MPs, for one thing: the House of Representatives in Australia has 150, Canada's House of Commons has 311, New Zealand has 121. In addition, they have two, three, four, maybe five political parties and therefore, it could be said two, three, four or five distinct political points of view –

1845

A Member: We have 33.

The Speaker: – with the resultant need to avoid repetition. (**A Member:** Yes.)

1850 By contrast, the House of Keys has got two Members of the Liberal Vannin Party, one Member of the Manx Labour Party and 21 (**Mr Anderson:** Other parties.) independents. In other words – Mr Anderson is absolutely right – 23 political parties, 23 potentially distinct points of view. Therefore, each of those points of view is entitled to have more than the 10 minutes, which is set down in here to make the case, and in replying to the debate to give 10 minutes.

1855 The *very* important debate on the children's inspection yesterday, when the mover replied – not in a repetitive long-winded way, but in an absolutely necessary way to cover that ground – he was certainly at least 10 minutes and it was more like 20 minutes. I did not quite time him – it was about 18 minutes.

1860 The Lord Bishop mentioned our immediate neighbours, and yes, in the case of Wales and Scotland he is quite correct, the presiding officers have discretion. They *may* announce a time limit in the case of Wales.

It is actually the same in the House of Commons: there are no limits and it is entirely at the discretion of the Speaker in the House of Commons.

1865 The House of Lords has no time limit at all. What happens is that, after 10 minutes or so, their Lordships start tut-tutting amongst themselves and they self-regulate – there is no need for a set of rules. (**Several Members:** Tut-tut.) Exactly like that, (*Laughter*) and if that was done, one would be tempted to resume one's seat! (*Laughter*) (**A Member:** Hear, hear.)

1870 I think the point is where there is presiding officer's discretion – they *may* set a time limit – we have the same here. Standing Orders provide that the presiding officer may intervene in a speech where it is tedious, irrelevant repetition. And this presiding officer is possibly guilty of not exercising that Standing Order enough; (**A Member:** Hear, hear.) and if that is the case, it is that the overriding need, in my mind, is to give the Member the opportunity to make their point and to make their case, (**A Member:** Hear, hear.) which they are entitled to do.

1875 The Lord Bishop has told us that what has triggered off this concern was a debate about bin collection. Perhaps he will clarify in the summing up, but if he is referring to Question 11 at the last sitting of Tynwald, Questions that were dealt with by the Hon. Member, Mr Cretney... Correct me if I am wrong, Lord Bishop, but that exchange certainly did not go on for an hour. It may have *sounded* an hour (*Laughter*) –

1880 **Mr Cretney:** It certainly felt like it!

The Speaker: – but it possibly had been more than about 10 minutes.

Mr Corkish: Load of rubbish!

1885 **The Speaker:** There were 10 supplementary questions to the Minister. What I would say is that waste collection, bin collection, may not be of interest to some, but to many members of the public it is extremely important indeed and it concerns people. Those of us who are elected representatives of the public are quite entitled to discuss a matter of importance to our constituents, the people we represent, for as long as we think it is necessary. It was not an hour, 1890 but I suggest, Madam President, even if it had been an hour and an hour was genuinely needed,

that is what we are here to do. This is a democratic Chamber: there should not be restraints artificially imposed on us.

1895 I think self-regulation is the answer. I think we all know, and the longer we are in this place I think the more we realise that the secret is to stop speaking when you have finished what you want to say. (**Several Members:** Hear, hear.) Often, one finds one has finished one's speech, but nevertheless carries on talking, (*Laughter*) and I have certainly been guilty of this on occasions. There are some of us who like the sound of our own voices and it is self-indulgent to carry on. I suggest those Members reflect upon the impact of that self-indulgence, because the most effective speeches – and this is where I do agree with the Lord Bishop – are the short ones, (**Two**
1900 **Members:** Hear, hear.) the short snappy ones that make the point. As someone once said, 'A speech, to be immortal, need not be eternal.' (*Laughter*)

1905 Finally, Madam President, I would point out that the principle of time limits, having said all that, is not entirely without merit, in the sense that Guernsey, for example, where there is no time limit on speeches, nonetheless has a one-and-a-half-minute time limit on Ministers answering Questions and posing supplementary questions. Members will be aware that the Standing Orders Committee are currently looking at how Question Time can be more efficient and effective, and it may well be that the principle of time limits at Question Time, to make that happen, will be a feature of the report and a range of proposals which I very much hope will be made to this Court before July. So Members may want to wait for that.

1910 As Chairman of the Standing Committee to which this motion, if it is passed, will be referred, no problem: the Standing Orders Committee will do its duty and look at it. But personally, I think there are important principles involved here. I am personally not in favour of artificial limits. I think self-regulation, in an environment where we are mostly independent Members... ought to have the ability to make their own case without artificial restraint.

1915 Thank you, Madam President.

The President: The Hon. Member for Douglas South, Mrs Beecroft.

Mrs Beecroft: Thank you, Madam President.

1920 I have to say I concur with just about everything that the previous speaker has said, apart from the different points of view – I get a lesser number, because oftentimes the Council of Ministers have decided... well, they have to vote together because of collective responsibility, in much the same way as a political party would.

1925 I would ask the Bishop actually what he bases his costs on, because I do not know what additional costs there are, apart from possibly a bit of heating and electricity and stuff like that, because nobody that I know of gets any more for staying a bit later when we go on for too long.

1930 He says that we have got nothing to lose by conducting this experiment: I think we have. July is the last sitting of Tynwald of this parliamentary year. It is the last opportunity to bring things here for debate, and if we are curtailed in what we want to say then I think we have a great deal to lose and we would have to wait months before we could actually bring it back in another form if we were not satisfied with this experiment. So I think even the timing of when it is conducted is very unfortunate.

1935 I think it is wrong that we should be curtailed in this manner, because it is very subjective as to what is important. (**A Member:** Hear, hear.) There are some things that you can present quite briefly if it is a very simple sort of motion, and other things can take a long time to explain where you are coming from – particularly for back benchers, I think, Madam President. We do not have the automatic support of others in the Council of Ministers for whatever that is being proposed. We have to take our time and hope that people are going to listen to us, and I think we are very well aware that, if we go on for too long and become repetitious, people are going to stop
1940 listening and we are going to lose the momentum that we gained up to that point. So I think we are aware of that; and if we are not, then it is we who have to learn from it, not to have it forced upon us.

1945 Really, I would like a bit of clarity, possibly from you Madam President or the Clerk: if it is decided that we are going to conduct this experiment and if somebody wanted to bring a motion that is going to take longer than what is down here, if we disobey the rules of this experiment in July, do we have the right to do so, because it has not gone into Standing Orders yet. I really would like a bit of clarity on that.

Thank you, Madam President.

1950 **The President:** The Hon. Member for Malew and Santon, Mr Cregeen.

Mr Cregeen: Thank you, Madam President.

1955 I think it was Les Dawson who said something with the piano... (*Laughter*) that some speeches are all the same words but in a different order. (*Interjections*) I think when you are looking at some of the speeches, when you are talking about repetition do you mean week after week after month after year? Is that counted as repetition – because if you took that repetition out, some of the speeches would be quite short.

1960 **Mr Singer:** Would that be yours?

Mr Cregeen: I know the Hon. Member for Douglas South is saying it might be very important, but I think some of the work is the groundwork you put in with Hon. Members beforehand to try and put over your point –

1965 **Mrs Beecroft:** This is the debating Chamber.

Mr Cregeen: – so you can get the points over, rather than trying to catch people cold.

1970 I do not have much of a problem. Yes, the times on it you might want to extend just a little bit, just for a trial; but let's try and get people concise in what they are trying to do, instead of repeating what they have said last week, the week before, the month before.

Mrs Beecroft: You did it!

1975 **Mr Cregeen:** Exactly! Point made! (*Laughter*)

The President: The Hon. Member, Mr Cannan.

Mr Cannan: Thank you, Madam President.

1980 It is interesting that the Bishop managed to drift off whilst talking about refuse collection, but he did not quite drift off as far as I did during his sermon last Sunday at Jurby Church, (*Laughter and interjections*) at which point I had solved the mystery of the missing airliner and various other mysteries.

1985 Madam President, the Bishop also said to Hon. Members that in the six years he has been here business has sometimes been conducted efficiently and sometimes not. Of course, we all have these opinions, but ultimately for us it is our constituents who are going to judge whether or not (**A Member:** Hear, hear.) our business is being conducted efficiently and whether or not we keep repeating the same mantra – and whether or not they wish to keep hearing the same mantra year after year after time after time. (*Laughter and interjections*) Whatever Les Dawson said – yes, exactly.

1990 So really, when the Speaker raises the very valid point about the Australia, New Zealand and Canada parliaments and the time limits that they have in those parliaments, I should also add do they only sit 10 times a year, or are those parliaments sitting on multiple occasions, maybe up to 200 days a year; do they have multiple speakers – yes, probably; and do they have multiple questions and motions that are being put forward all the time – and the answer to that is yes,

1995 probably. So there is probably very sound and solid reason why those rules should be limited in order for those particular parliaments to achieve their business.

I am really with the points brought forward by the Hon. Member for Ramsey, my good friend Mr Singer, although I will not be supporting the Bishop; and also, of course, the Speaker, who eloquently put forward really the reasons why there is no need for a change and why we do
2000 have strong reasons and strong democratic rights to speak for however long we wish.

Really, it is for the Speaker and for the President to bring us to order. That is really what they are there for – to help people stay on track – and I think it is appropriate that we leave it to them to make their judgements accordingly.

2005 **A Member:** Make Nicholas Parsons the President.

The President: The Hon. Member, Mr Quirk.

Mr Quirk: Thank you, Madam President.

2010 First of all, if I could say to the Bishop that when he first came, I remember the debate we engaged in, and he will remember this because – I suppose confession time – I said to him, ‘I will get revenge.’ So today is probably the day. (*Laughter and interjections*) It was to do with civic amenity sites. It was not to do with refuse vehicles at all in the early days; it was to do with civic amenity sites.

2015 **Mr Karran:** Let’s go to the vote.

Mr Quirk: Members, just have a little courtesy and listen, (**A Member:** Hear, hear.) because the Bishop has brought a valid point, as far as I am concerned, as well. I am mindful to support
2020 the Bishop just for the trial, because it *is* a trial and in any democracy you have got to make things move along a little bit.

I respect the Chair, the presiding officer, our Speaker in our own Chamber too. I must say, Madam President, and to the Speaker, sometimes some of the Members in the House are really discourteous to the Chair (**Mr Crookall:** Hear, hear.) and I wish sometimes you would bring them
2025 to heel a bit quicker and have a little word with them a bit faster than we normally do – because at the end of the day we are publicly broadcast here. It is not the opinions of certain individuals; we are wholly... as a Government on the Island, a democracy on the Island, and we push legislation forward. We talk about constituencies – we are in the book, we are everywhere.

As far as I can see, by not supporting the Bishop we will not know what *might* happen, or
2030 maybe we will need that in the future. My little criticism would be, if I could say to the Bishop, maybe one is not enough – we should have attempted a couple to examine, (*Interjection*) because you do not know what the particular July agenda will be. I am sure there will be enough Questions to keep it going for a long time.

Anyway, I am mindful to support the Bishop. I am one of the Members who, as far as I am
2035 concerned, respects the Bishop – respects that he is up there with the Council and he is not afraid to speak his mind.

The President: The Hon. Member for Castletown, Mr Ronan.

2040 **Mr Ronan:** Thank you, Madam President.

It is pretty clear that the Court is again divided here. I find the motion from the Lord Bishop very refreshing, to be honest with you, I think this is something which we should certainly look at. I do think that we are in danger of missing the point here as well: this is about a trial, (**A Member:** Hear, hear.) about an experiment. We proclaim to be modern over here. I
2045 understand the reasons why we are thinking against, but let’s give this a go – let’s just see how it

could work, and if it is a load of rubbish we will throw it out, and if it needs tweaking we will tweak it.

2050 I will just remind Members in the Court that last year we went to Edinburgh to represent Tynwald for the Commonwealth Parliamentary Association, and I was really struck by their modern thinking. I think what they said, in fairness, was that they looked at the different parliamentary roles around the world, and in the end they looked at Westminster and they said, 'Well, we'll do everything opposite to them' – because that is what the Scottish probably do, but I was taken aback by just how their thinking was. I also liked the way they called each other by first names and it was a very relaxed environment, and I think we could learn a lot from that as well.

2055 Just slightly straying off what this is here, but one thing that struck me – and I think we should note this, and I did say it at the time to the Speaker – is that we should be looking at something where, the likes of now, we are having a debate and we do not know who is speaking next – we have got to catch your eye. I think we should be looking at the technology which we have got here, which is fantastic. We have got this new technology up here now, a nice new screen here... where you should put your name down and you should know who is coming next. You should be able to prepare for your speeches. I think that would make us far more organised; and, Madam President, I think it would make your job a *lot* easier.

2065 **The President:** Make me redundant! (*Laughter*)

Mr Ronan: I would hope that would be taken... [*Inaudible*] the recommendations.

I think also, just touching on what the Member for South Douglas said – that you were more concerned about the actual date of when it was being done – I do not think it would ever be right. I think the Bishop has come up with a date, let's go for it and let's see what happens.

2070 Thank you, Madam President.

The President: The Hon. Member, Mr Anderson.

2075 **Mr Anderson:** Thank you, Madam President, and in the spirit of this motion mine will be the shortest contribution. (**Mr Henderson:** Hear, hear.)

2080 Mr Speaker makes the point that Hon. Members have the right to make their case in whatever time they might want to take. Well, my father, who was a Member of Tynwald for much longer than I intend to be, had a saying: 'If you cannot strike oil in 10 minutes, you should stop boring.' (**Two Members:** Hear, hear.) I think the proposed time limits that the Bishop has got down in this motion are generous. I think there is no harm in having an experiment and make sure, if there are examples where there are things like Budget debates, we can suspend Standing Orders and revert to our normal two-day, or whatever it is, debate in those sort of situations.

2085 I really think that self-regulation, sadly, does not work, because as somebody has already said, we do hear the same speeches, with a few words changed here and there, time and time again, and we get history lessons every week. So I would encourage other Members to support the motion and give it a go.

2090 **The President:** The Hon. Member, Mr Karran.

2095 **Mr Karran:** Eaghtyrane, I think the issue that needs to be addressed is what is the role of this Chamber. This Chamber is supposed to be a parliamentary assembly. It is difficult... One of the problems that people outside of this Court have is that they wonder why so much stuff gets nodded through. It is alright people talking about repetition, but if people keep on repeating the mistakes in executive Government you have got no choice but to actually repeat the mistakes that they have done. (*Interjection*)

2100 Allowing for the fact of the Hon. Member for Malew and Santon... He might think that he is a sequel to the likes of Les Dawson, (*Laughter and interjections*) many other people might think it outside this Hon. Court –

Mr Cregeen: It was you, not me!

2105 **Mr Corkish:** He certainly cannot play the piano!

Mr Karran: It is important, Eaghtyrane, that people realise that, outside this Court, most people are deeply concerned. We can see how things (*Laughter*) –

2110 **The President:** Hon. Members.

Mr Karran: – have been allowed to be nodded through just willy-nilly, and the problem has been that there has not been enough debate in this Hon. Chamber.

2115 I have to say that the thing is we should not be *discouraging* Members of this Tynwald to be speaking; we should be *encouraging* them to say what they really think and not worry about their career structure in this Chamber.

As far as I am concerned, I will not be supporting this proposal. I know that will almost certainly be on the same sequel as if I was proposing a motion to double their wages and add 10 years of life – there are at least eight or 10 of you who would vote against it on the grounds that I am supporting the proposal.

2120 I do feel that one of the problems that some in this Court need to realise is that Tynwald Court is a parliamentary assembly. It is a parliamentary assembly. The criticism there has been is that the assembly has not done its job right – when we used to be in here for hours in this place when we had no money.

2125 Hon. Members, get out of the personalities, get out of the issues of wanting to be budding comedians, or whatever, and actually remember the situation is that we are here for the welfare of the nation. We are here to say what we believe is right as far as the nation is concerned.

2130 I might not agree with many in the Council of Ministers on many of the points, but I defend their right to say it; and I think, Hon. Members, instead of just wanting everything nodded through so we have got another day off, I am afraid that this is not the way forward (*Interjections*) and it certainly does not reflect what people outside this Hon. Court feel.

The President: Lord Bishop to reply.

2135 **Several Members:** Hear, hear.

The Lord Bishop: Thank you, Madam President, and thank you to those who have contributed. It has been a very, generally, good-natured debate.

Politicians are like clergy, in that some of them say ‘finally’ and they finish, some of them say ‘in conclusion’ and they conclude, some of them say ‘lastly’ and they last. (*Laughter*)

2140 I have to announce that the sweep in the Legislative Council on my speech was won by the Hon. Tony Wild at 8 minutes 34 seconds. (*Laughter*)

I am sorry that Mr Cannan drifted off, Madam President, during my sermon last Sunday. It was because I was talking about God. (*Laughter and applause*) (**Mr Corkish:** Touché!) It was lovely to see you, Mr Cannan; we do not often. (*Laughter and interjections*)

2145 **A Member:** He realised you weren’t talking about him!

2150 **The Lord Bishop:** We have been talking about July. July may be untypical – any month may be untypical – and July I chose because it would give us enough time to think about it in advance and also because July is a very full agenda.

We have heard the argument from Mrs Beecroft that because it is a full agenda we may need all the time. Remember that, because it is a full agenda, we also need to do our business efficiently. That is the reason that I suggested July in this motion.

2155 Let's move on to some of the principles. Yes, of course this is a parliament, of course this is a Chamber for the exercise of democratic expression; I could not be more firmly in agreement with that, but there are one or two things that we have failed to acknowledge. We have failed to acknowledge in the motion the provision, for instance, for the allocation of additional time by the President, which is quite clearly, in fact, written in the motion.

2160 Let me look at the House of Commons and the House of Lords. Most of my episcopal colleagues in the Church of England sit in the Lords. I see a lot of what goes on in both Commons and Lords. Yes, there are no time limits; but yes, they do self-regulate, except during filibustering, and debates as a whole are scheduled. They have a start time and they have a finish time, so if somebody filibusters then they ruin the debate – and that is part of the democratic process that they have. We do not do that. We do not time the beginning and end of debates. I am suggesting that there is a better way.

2165 The Questions on bin collection: I think you would be surprised if you listened to the recording just how long it did take, and of course if it had taken place in the Channel Islands it would have taken place much more quickly given their 1 minute 30 seconds limit – I could not remember whether it was Jersey or Guernsey.

2170 Finally, Mr Ronan: if it is a load of rubbish, then after the experiment we will throw it out. That is *exactly* what this is intended to allow for that possibility. It is simply the opportunity to try something to see if it works. The problem is that sometimes – and it is extraordinarily difficult for the President to regulate this – in debates, everything has been said but we know that not everybody has said it. **(A Member:** Hear, hear.)

2175 Madam President, I support the motion which stands in my name.

The President: Hon. Members, the motion before the Court is set out at Item 34. Those in favour, please say aye; against, no. The noes have it.

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

In the Keys – Ayes 14, Noes 7

For	Against
Mr Anderson	Mrs Beecroft
Mr Bell	Mr Cannan
Mr Cregeen	Mr Cretney
Mr Hall	Mr Crookall
Mr Henderson	Mr Karran
Mr Quayle	Mr Robertshaw
Mr Quirk	The Speaker
Mr Ronan	
Mr Shimmin	
Mr Singer	
Mr Skelly	
Mr Teare	
Mr Thomas	
Mr Watterson	

2180 **The Speaker:** Madam President, in the Keys, 14 votes for, 7 against.

In the Council – Ayes 7, Noes 1

For

Mr Butt
Mr Coleman
Mr Corkish
Mr Crowe
Mr Turner
Mr Wild
The Lord Bishop

Against

Mr Downie

The President: In the Legislative Council, 7 for and 1 against. The motion therefore carries.

**35. Domestic Rating System –
Amended motion carried –
Mr Cannan, Mrs Cannell and Mr Thomas elected**

The Hon. Member for Douglas West (Mr Thomas) to move:

That a committee of three Members be appointed with powers to take written and oral evidence pursuant to sections 3 and 4 of the Tynwald Proceedings Act 1876, as amended, to consider and to report to Tynwald on the Petition for Redress of Mr David Buttery presented at St John's on 6th July 2009 in relation to replacing the domestic rating system with a fair local services tax.

2185 **The President:** We move on to Item 35. I call on the Hon. Member for Douglas West, Mr Thomas.

Mr Thomas: Thank you very much, Madam President.

2190 Madam President, Hon. Members, I move that a three-Member committee is formed to consider and to report to Tynwald on the 2009 Petition for Redress of Mr David Buttery in relation to replacing the domestic rating system with a fair local services tax.

2195 One part of Douglas householder Mr Buttery's assertion in his Petition is that Douglas ratepayers subsidise householders living outside this town, but more important is his stated view that the domestic rating system in the Isle of Man is anachronistic and unfair. He proposes a simple solution to share the cost of local services fairly. Fair, for Mr Buttery, seems to have at least three dimensions: discounts or a rebate system for pensioners and those on benefits; payment according to what you get use-wise and also given different access to different services, even taking into account the enhanced personal mobility he describes in his petition; and thirdly, allocation of costs, taking into account various types of property occupation, multi-occupation particularly.

2200 As brought into stark focus during the recent sewerage charge order debate by the Hon. Member for Malew and Santon, aspects of unfairness in the current system exist with differences in rateable value for similar properties in different areas – and he gave us examples. This was confirmed by the Treasury Minister, who then reminded us that pilot investigations of rateable value, I believe in Onchan and Kirk Michael in 2004-05, created winners and losers.

2205 Beyond that, there are also differences in the rateable value in different parts of the Island, some of which have an unequal amount of commercial rateable value, and some of which have an unequal domestic rateable value – in other words they are different from the average, quite noticeably in some cases. Luxury housing and commercial activity are distributed unevenly.

2210 During recent years I have actually collected information about this, and if this committee is set up... I will do it in any case – I will contribute that into this debate. Furthermore, the original idea of 10-year rate reviews was not implemented, and thus it is at best difficult to rate new properties, given the assumption about the 1971 rateable value. That is why we need to have this review.

2215 I just wanted to provide three parts of the context to support the case for establishing this committee. The first part is that clearly Government wants to de-link taxation revenue from local authority provision. If we look at the January 2013 Scope of Government principles, recommendation 1, to guide Government, is that:

‘Services provided by Local Authorities should be wholly funded by Local Authorities.’

2220 So the proposed committee’s call for evidence, its work and its findings can be expected to engage the general public and local authorities, which is a good thing in itself. I believe there is an appetite out there to submit evidence, and in fact I have had discussions with people from all around the Island who say they would submit evidence, including those who have had experience of other modernisation or transformations of local financing. For instance, in 2225 Guernsey I think we have an Isle of Man company that was involved in that work, in Northern Ireland, in Scotland and in England.

If we did not approach this issue in this way, we might end up with councillors and commissioners, for instance, having grave reservations about the lack of consultation. Last week, in Douglas Council, which I attend regularly, they talked about local authorities being treated with contempt in respect of the waste management debate, which was referenced by the 2230 Bishop just now. The proposed committee could assuage concerns about lack of involvement, and I am sure that people like the Municipal Association and local authorities would participate, as well as the public.

The second context is the timing issue. I believe some people here will be worried this 2235 committee might end up as a reason for prevarication and not doing anything. So I believe that at least a first report of this committee should be issued in the autumn, so it can feed into both the Treasury review of rateable values, which is scheduled to take place from March 2015 and be finished by September 2016; and secondly can be taken into account with the new fiscal strategy that the Treasury Minister announced in his recent Budget speech. Its findings might 2240 even be helpful for inclusion in the deliberations about financing utility provision and the capital debt of our new utility.

That comes on to the last point I wanted to make, the third point, which is what is the scope of this review. Basically, the scope of this review, to my mind, is what it says in the motion, which is alternatives to the rateable value, including local income tax. So rates could be replaced 2245 by various types of property tax, or a local service tax – there are various types of both of those.

I would be pleased, personally, to serve this Court as a member of the committee, and as I have said, I believe there are a great number of organisations that would submit evidence. It would be important for this Court that there would be representation from different types of areas, with different experiences and different aspirations in respect of rates in local authority 2250 financing, so I hope the Court would ensure that there was no perception of bias in the consideration.

In closing – and this really is in closing, Lord Bishop, who I see has left (*Laughter and interjections*) – this review needs to be an open consideration of options for fair payment for good local services. Mr BATTERY used provocative language in his Petition for the reason of getting attention and so on, but it has to be understood that the language of the Petition is not the conclusion of the investigation by the committee – and that is a very important point to sit 2255 down on.

Madam President, Hon. Members, I beg to move.

2260 **The President:** The Hon. Member, Mr Ronan.

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

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

2265

The Minister for the Treasury (Mr Teare): Thank you, Madam President.

We do not, as Council of Ministers, have a great deal of difficulty with this. The only comment which I would make – and there is an amendment just about to be circulated now – is that we feel that, as this is drafted now, there is no time constraint on it.

2270

Hon. Members will be aware that we are bringing forward our new fiscal strategy by Budget time next year – it will probably be incorporated as part of the Budget next year. It would be very helpful if we could have everything organised for a single view at the same time, so what I am suggesting is that after the words ‘report to Tynwald’, we insert ‘by October 2014’. That, hopefully, will give us time to review, to debate and to incorporate their recommendations into the overall Government policy going forward. So, in effect, it will be more of a joined-up approach.

2275

One of the riders I would just put down, though, is that I personally – and it is not a Council decision, but I personally would have difficulty in linking a local taxation system into the Income Tax system, because that would be bureaucracy. Income Tax is easy to manage, putting it politely; whereas if you have a very pleasant home, a very big home, it is difficult to hide that from public gaze and also the impost of the taxman.

2280

So, with that rider, I am quite happy to support this motion and I wish the committee good luck in their deliberations. What they will have to remember, and I am sure they will, is that, as I said before, those who pay less will be grateful – they will keep quiet about it – and those who are asked to pay more will form a lobby group. So the best of luck to you.

2285

I beg to move:

After the words ‘report to Tynwald’, insert the words ‘by October 2014’.

The President: The Hon. Member, Mr Henderson.

2290

Mr Henderson: Gura mie eu, Eaghtyrane, I beg to second.

The President: The Hon. Member, Mr Downie.

2295

Mr Downie: Thank you, Madam President.

I think the hon. mover of this motion today has actually done this Court a justice, because for some years we have been struggling with this.

2300

There is no doubt in my mind there are a lot of anomalies in the rating system. I know two or three years ago we looked at introducing a Northern Ireland system, where properties could be revalued and banded as such, but since the imposition of the recent properties charge – the taxation regime – I think it is right and proper that we should examine this whole system now on a much more intensive basis.

2305

What Hon. Members have to realise is that the rates that you pay are for services provided by your local authority for your property, and there has always been the dilemma in the Isle of Man where Douglas Corporation and the larger conurbations – Peel, Ramsey and the South – have provided a lot more for their ratepayers – (**Mr Quirk:** And Onchan.) and Onchan: public libraries, parks, all sorts of other facilities. But really, as the Island has developed, and in particular over the last few years, there would be a very good argument made now to say that we should be looking for some form of a basic Isle of Man all-Island rate, and then added to that

2310 there are elements that can be introduced which reflect the facilities available to the people in a specific area. I think that would be fair, if that could be done.

There are other little anomalies that have crept into the rating system. Perhaps some of the Members of this Court are not aware that mineral royalties, for instance... some of the revenue from minerals actually stays with some of the local authorities. That was done for many reasons
2315 over the years. When we were having huge amounts of sand and gravel extracted from the northern plain, from places like Bride, and then we were backfilling those holes with putrescible refuse, a deal was struck between the local authorities where they shared the mineral rights, which developed that system and allowed for those holes to be filled. Likewise in Malew, that is a situation that happens down there, as I understand.

2320 So there are lots of little areas that really need to be looked at. I think it is right to do this and perhaps this committee could come up with a solution that we could all perhaps sign up to.

I think it would be fair to say that what has been wrong, in my opinion, is where different people have come into the Isle of Man... they have perhaps bought a disused farmhouse, they have had planning permission to knock it down or substantially extend it, and they are still
2325 paying around £40 per year on their rateable value – which I think, in this day and age, is absolutely ridiculous when you have a property of that value.

Alright, we are dealing with figures that were brought in in 1971. The whole system really is out of kilter now and I think it is high time that we took this opportunity to have a look at it. So I will be supporting the motion that is before us today, Madam President.

2330

The President: The mover to reply.

Mr Thomas: Thank you very much, Madam President, and to this Court for seemingly supporting – on the basis that if you were going to vote against, you would have spoken against,
2335 following normal... *(Laughter)* I am trying my luck!

A Member: Don't bank on it!

Mr Thomas: I just wanted to observe, in that context, that you can make a contribution to a
2340 debate by staying silent if you agree with other people's... I disagree with the Bishop, who said that he was thanking the people who contributed to the debate, and how you should contribute by only speaking – you can also contribute to a debate by staying silent. **(A Member:** Hear, hear.)

In summary, then, I do hope that this Court will vote to set up this committee. I accept the Treasury Minister's ambitious target to actually report back by October 2014, so I support the
2345 amendment now that it has been moved. I was actually minded originally to include an end date, but I thought that might appear ridiculous, given this is such a mammoth task to put in place.

I also support Mr Downie's observation. I appreciate his support and I have noted down the anomalies he has identified and the solutions he has postulated, as in fact I noted the Treasury
2350 Minister's solutions. The idea of an all-Island property tax and then a local property tax is actually the solution that has been put in place recently in Guernsey, so that might be something that is very interesting for us to consider in our committee.

I believe it will be possible to do something by October, because so much has been done in the Isle of Man over the last 30-40 years. For instance, between 1979 and 1986 there were six
2355 reports produced, which can just be taken down off the shelves and revisited. I believe in 2004-05, Treasury itself did quite a lot of work.

I hope that this committee will actually be formed and will make progress to give the chance to people to participate, as I believe they do want to do, in this debate about how we finance local provision. I move.

2360 Thank you very much, Madam President.

The President: The motion before the Court is set out at Item 35, Hon. Members, and to that we have an amendment in the name of Mr Teare. I will put to you the amendment first. Those in favour of the amendment, please say aye; against, no. The ayes have it. The ayes have it.

2365 I will now put to you the substantive motion. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

So we now move to appointing a Committee of three Members. Could we have nominations, please.

2370 **The Speaker:** I propose Mr Thomas, Madam President.

Mr Crookall: I would like to second Mr Thomas, Madam President.

The President: Mr Quirk.

2375

Mr Quirk: I propose Mr Cannan.

Mr Cregeen: I second Mr Cannan.

2380

Mr Karran: I propose Mr Ronan.

The President: Mr Ronan?

Mr Karran: The Hon. Member for Castletown.

2385

The Speaker: I second Mr Ronan.

Mr Watterson: I propose Mrs Cannell.

2390

Mr Corkish: I second Mrs Cannell.

The President: Mr Thomas.

Mr Thomas: I would like to propose Mr Anderson, Madam President.

2395

Mr Ronan: I second Mr Anderson, Madam President.

Mr Cannan: I propose Mr Cregeen, Madam President.

2400

A Member: Vote!

Mr Corkish: That's everybody.

Mr Downie: I move nominations closed.

2405

Mr Karran: I will second Mr Cregeen.

Mr Singer: I move that nominations close.

2410

Mr Corkish: I move that we close nominations.

The President: I think we will close nominations, Hon. Members. Is that agreed? *(It was agreed.)* When the Clerk has checked them all out, we will have the names read out. If the Clerk would read the names, please.

2415

The Clerk: The following Members have been nominated and seconded: Mr Anderson, Mr Cannan, Mrs Cannell, Mr Cregeen, Mr Ronan and Mr Thomas.

A ballot took place and electronic voting resulted as follows:

Vote Results

Mrs Cannell	19
Mr Thomas	19
Mr Cannan	18
Mr Ronan	10
Mr Anderson	8
Mr Cregeen	7
Number of spoilt papers	2

2420 **The President:** We have a result, Hon. Members. The votes cast are as follows: Mrs Cannell, 19; Mr Thomas, 19; Mr Cannan, 18; Mr Ronan, 10; Mr Anderson, 8; and Mr Cregeen, 7. Mrs Cannell, Mr Thomas and Mr Cannan are therefore elected.

Thank you, Hon. Members.

**36. Collective responsibility –
Investigation into alternative systems –
Motion carried**

The Hon. Member for Douglas South (Mrs Beecroft) to move:

That Tynwald is of the opinion that the Council of Ministers should investigate alternative systems for ensuring that collective responsibility is enforced in a more open, transparent and democratic way; and report to Tynwald by June 2014.

2425 **The President:** We now come to Item 36. I call on the Hon. Member for Douglas South, Mrs Beecroft.

Mrs Beecroft: Thank you, Madam President.

2430 The ministerial system of government, together with collective responsibility, has not been round for very long, in the political sense, and it has been in a process of evolution. Various pieces of legislation and subsequent amendments testify to this. There were two Bills that most affected the powers of the Chief Minister and the Council of Ministers and diluted the authority of Tynwald.

2435 The first was the Government Departments Bill in 1987. This Bill amended the number of departmental Members and the way that they were appointed. Up to that point, each Department had two Members. They were nominated by what is now called the Council of Ministers, but were elected by Tynwald. This Bill removed the fixed number of departmental Members, but more importantly gave Council of Ministers, rather than Tynwald, the power to appoint and dismiss them.

2440 The second Bill was in 1990, the Council of Ministers Bill, and this Bill removed the right of Tynwald to elect the Ministers. This right was given to the Chief Minister. The code of collective responsibility for the Ministers and departmental Members evolved until we arrived at the situation we are in today. We have evolved from a situation where Tynwald appointed the Chief Minister, the Council of Ministers – or Executive Council, as it was called then – and all departmental Members, to where we are today, and that is that Tynwald elects a Chief Minister

2445 but all subsequent appointments and dismissals are by the Chief Minister, who may or may not take into consideration the wishes of his Ministers.

Most of the Ministers are elected by their constituents as independent MHKs, yet when they sign the code of collective responsibility they have to support whatever is decided in the Council of Ministers meetings. If they are not prepared to do this, they have to resign or risk being sacked from their ministerial positions.

2450 I have heard them say that they are proud to be independent and do not want party politics on the Island, that we are too small for party politics; but what we have today is, in my opinion, party politics by stealth. It is a party that is formed after the election; a party that the electorate have no say in; a party that has not published its policies; a party that claims to be still made up of independents, even though a Minister who sticks to what he believes in, what the electorate
2455 voted him in for, is going to lose his position. I do not think this is right: it is not democratic. There were many who feared the path that this ministerial system would lead to, and they were right.

The Chief Minister: No, they weren't.

2460

Mrs Beecroft: Not many Ministers, and indeed departmental Members, will go against the wishes of a Chief Minister or against a majority decision of the Council of Ministers, because they are aware of the consequences.

I could illustrate this with various examples, but I will resist the temptation and use the most recent example, which you will find in the evidence of the Report of the Economic Policy Review Committee into the Government support given to the Sefton Group. I am sure that everyone remembers the statements made by the Chief Minister, the Minister for Economic Development and the Treasury Minister justifying this support. Yet if we look at page 117 of the Committee's Report, in the evidence we find that, and I quote:

2470

'Treasury noted it would not provide concurrence to the present recommendation to purchase the site or provide the unsecured loan.'

Treasury would not provide concurrence. We do not know what happened in the Council of Ministers meeting, but we know that before that meeting Treasury did not agree with either the purchase of the Middlemarch site or the £1.3 million loan. We do know that the Treasury
2475 Minister subsequently defended the support given to the Sefton Group. Did he change his mind in the Council of Ministers meeting? After all the consideration given to this by the Minister and his officers, and the decision not to support either the purchase or the loan, what could have happened in the Council of Ministers to make him change his mind? Or did he simply comply with collective responsibility because he was outvoted? Whatever happened, I am sure that
2480 there will have been Members of Tynwald who put their faith in Government's position because they believed that the Treasury Minister had scrutinised the deals and was satisfied with what he and his officers had found.

Ministers sign on the dotted line to adhere to collective responsibility when they are appointed Ministers. Many members of the public do not realise this. They wonder why their
2485 MHK is not representing them anymore. They do not realise that their MHK has signed to join the Council of Ministers party.

The situation today is that Ministers hide behind collective responsibility. They say, 'Well, I don't like it, but I am governed by collective responsibility,' as if this absolves them from any responsibility of the issues that are being discussed. It should not: it was their choice to sign; it is
2490 their choice to say what they believe is right. And it is not right, the way it happens at the moment – it is not democratic. It has evolved over time to where it is today and I believe that it is time for further evolution, and evolution that will make our ministerial system more open, more transparent, more democratic, more fit for purpose in today's world.

2495 One way of achieving this could be that before a new Minister is elected he sets out in writing his basic policies, his programme for government, and any MHK he asks to become a Minister would know that they have to support this, but that anything outside of this would be a free vote. Everyone would know where they stood then: MHKs, and more importantly the public, would know what the basic policies of a new government were, what their elected MHKs would be expected to support, and what they would be able to vote freely on. Ideally, which MHKs were governed by collective responsibility and which were not should be stated at the start of every debate, so that people would understand why Ministers or departmental Members suddenly voted against what they had stated in their manifestos.

2500 Northern Ireland operates a similar system. They prepare a programme of government. It is a coalition, and the Chief Minister himself has called the Council of Ministers a large coalition but in Northern Ireland they get together and they thrash out this programme of government, which is published so that everybody can see it. All the ministers in that government stick to that programme of government. They support each other, whether they actually like some... They cannot like all of it, but they stick to it – but they are allowed to say, ‘I am going to vote for this because it is in the programme for government, but I do not actually like it,’ and then people know where they are. Other members within the government know exactly where they are. They know how that particular minister feels about a subject, and they know why he is supporting it.

2515 Personally, I would like to see the whole Island voting for the Chief Minister before a Council of Ministers is appointed, and that way everybody could play their part in selecting the MHK whose policies resonate the most with their wishes. Every MHK would know what policies they would have to support should they accept a ministerial position. At the moment, they sign up just to support every decision that they are outvoted on – every majority decision of whatever is going to happen in the next five years. Nobody has got a crystal ball, nobody can see ahead to what is going to happen in five years. Changing the way collective responsibility is enforced would most certainly help the evolution of democracy on this Island.

2520 This motion is asking for the Council of Ministers to consider how the current system can be changed to make it more open, transparent and democratic, and report back to this Court in June. That is all. I have not put any firm suggestions in this motion because I am sure that whatever I suggested would not find favour, and that is why I am asking the Council of Ministers themselves to come forward with *their* suggestions.

I do hope that Members will support this motion, and I do hope that the Ministers in the Council of Ministers are not restricted by collective responsibility when voting on this motion.

Thank you, Madam President. I beg to move.

2530 **The President:** The Hon. Member for Rushen, Mr Watterson.

2535 **The Minister for Home Affairs (Mr Watterson):** Madam President, I am delighted to second this motion to review alternative systems, but I will disappoint the Hon. Member up front and say that we are bound by collective responsibility to support this motion, (*Laughter*) because we believe that it could be enforced in a more open, transparent and democratic way, and there are ways of looking at that and we are happy to review it.

Just to dispel perhaps some of the myths that did come out of the original speech, of course the Chief Minister does put forward a manifesto when he or she stands as a candidate, and Members of Tynwald vote then on the individual and the manifesto that person puts together.

2540 In terms of having a free vote on everything that is not in that manifesto, that is going to be a matter for interpretation an awful lot of the time. If you think about one of the key principles that we are all battling on, which is how do we balance the budget by the end of the parliamentary session, there are a million and one ways of doing that: we have then got to come up with an *agreed* way of achieving it. So there may be issues of interpretation and detail which

2545 may take as much time as... but it is important for the benefit of democracy that we work that out, and that it is really in depth and considered.

Implicit in the motion and explicit in the comments of the proposer is the point that it is not just the *enforcement* of collective responsibility as it says in the motion, but it is the whole *scope*, and I think it is important that we look at the whole scope of it.

2550 Collective responsibility has been a feature of the ministerial system since it was established, but it has not been without its reviews. It was considered by the Select Committee on Ministerial Government – with such illustrious people serving on it as Speaker Cringle, Mr Cretney, Mr Karran, Mr Rodan and Mr Shimmin – back in 1999.

2555 It is interesting also that this motion calls on the *Council of Ministers* to review its arrangements on collective responsibility, compared to the early days of the ministerial system when it was determined that *Tynwald* should determine the limits of collective responsibility – and it shows perhaps, that in itself, how far we have come.

2560 On 17th May 2000, Speaker Cannan put a motion that stated that the Council of Ministers should prepare a document setting out agreed policy for which they would be collectively responsible subject to some exceptions, much the same as the Government code is today. That debate was lost 10-10 in the Keys and 4-5 in the Council, so quite closely tied at the time. It has, however, come under intense scrutiny recently in the course of this House, where Mr Karran was sacked for breaching collective responsibility whilst demanding it of his departmental Members – and of course that is open to individual interpretations around the Court, but that is

2565 certainly the understanding of those within Council of Ministers at that time.

However, given the last review formally by this Court was in 2000 and a lot of time has passed since then... Certainly we have not had a review since 2006 and we have had five voting MLCs changed since that time and 12 MHKs changed between 2006 and the present day, so with a different make-up of the Court it is worthy of review.

2570 I am glad it has not been disputed by the mover of the motion that, whilst she believes that Council of Ministers might be a party, they are a party permanently in harmony and beholden unto the Chief Minister of the day. Conversations in Council of Ministers are perhaps even more vociferous than many of those in here. I agree that it seems strange to those outside this place that the Council of Ministers appear to agree with each other all of the time. Sometimes, the

2575 debate in Tynwald, I believe, would be enhanced by different views from Ministers, and whilst – I finish where I start – I am not going to agree with everything the Hon. Member for Douglas South has said, the Council of Ministers has agreed to support this motion as printed and approach it with an open mind, Madam President.

2580 **The President:** The Hon. Member, Mr... (**A Member:** Vote!) The mover... No, nothing to reply to.

We will move to the vote, Hon. Members. The motion before the Court is set out at Item 36. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

37. Southern Area Plan – Motion withdrawn

The President: Item 37 is, I understand, to be withdrawn.

2585

Mr Cregeen: Thank you, Madam President.

I rise to advise Hon. Members that I am withdrawing at this time the motion standing in my name.

2590 Members will be aware of the concerns that the area involved could lose a premier site for a hotel and leisure facilities which were supported in the Area Plan approved by this Hon. Court.

I would like to advise that the owners and developers of the site have agreed a meeting with me and residents –

2595 **The President:** Hon. Member, you can simply withdraw but not move a motion here or debate –

Mr Cregeen: I was not moving it, Madam President; I was just advising why I was withdrawing it.

2600 **The President:** Well, I think we will have to say –

A Member: Can we say it?

2605 **The President:** Very briefly, Hon. Member.

Mr Cregeen: I was just advising why I was withdrawing it. The owners and developers have agreed to a meeting with me to put forward a proposal for a possible 50-bedroom hotel, and have given an undertaking that they will not put forward any planning applications at this time.

2610 **A Member:** Hear, hear.

Supplementary Order Paper No 1

1. Paper laid before the Court

The President: We move on then, Hon. Members, to the Supplementary Order Paper. I call on the Clerk to lay papers.

2615 **The Clerk:** Ta mee cur roish y Whaiyl ny pabyryn enmyssit ayns ayrn nane jeh'n Chlaare Obbyr Arbyllagh.

I lay before the Court the paper at Item 1 of the Supplementary Order Paper.

Document subject to no procedure

Council of Ministers Act 1990

Ministerial Titles Order 2014 [SD No 2014/0084]

2. Standing Order 2.4(1) suspended

The Chief Minister to move:

That Standing Order 2.4(1) be suspended to the extent necessary to allow the business relating to appointments to Statutory Boards and other bodies to be taken.

The President: Item 2, suspension of Standing Orders. Chief Minister to move.

2620 **The Chief Minister (Mr Bell):** Madam President, I beg to move that Standing Order 2.4(1) be suspended to the extent necessary to allow the business relating to appointments to Statutory Boards and other bodies to be taken.

2625 **The President:** Is that agreed, Hon. Members?

Members: Agreed.

**3. Manx Utilities Authority –
Mr Cannan and Mr Coleman appointed –
Mr Christian, Mr Mummery and Mr Reid appointed as lay members**

The Chief Minister to move:

That Tynwald approves the appointment of:

- (a) Mr A L Cannan MHK as Chairman of the Manx Utilities Authority;*
- (b) Mr M R Coleman MLC as Vice Chairperson of the Manx Utilities Authority; and*
- (c) Mr S Christian, Mr W Mummery and Mr J Reid as lay members of the Manx Utilities Authority.*

The President: Item 3, the Manx Utilities Authority. Chief Minister.

2630 **The Chief Minister (Mr Bell):** Madam President, Members will recall that agreement to the Transfer of Functions (Manx Utilities Authority) Order 2014 was agreed at the January 2014 sitting of Tynwald. The Order comes into effect on 1st April 2014.

2635 The Order requires that the Board of the Manx Utilities Authority will comprise a chairman, who should be a Tynwald Member; a vice-chairperson, who is a Tynwald Member; and at least three but no more than five other non-Tynwald members.

In making appointments to the MUA, the Order requires that the Council of Ministers must, as far as practicable, ensure that one or more of the members has substantial relevant engineering experience, and one or more members has substantial financial experience.

2640 It is proposed that the Hon. Member for Michael, Mr Cannan MHK, be appointed as Chairman of the Manx Utilities Authority. Mr Cannan brings to the post considerable and relevant business experience.

It is proposed that the Hon. Member of Council, Mr Coleman, will be appointed as Vice-Chairperson to the Manx Utilities Authority. Mr Coleman is a chartered engineer and initially worked in the engineering industry.

2645 The existing members of both the MEA and WASA were contacted to see if they wished to be considered as lay members for the MUA. Mr Frank Newton has not sought reappointment, due to time commitments. After consideration of the skills and expertise of the remaining members, a decision to appoint Mr Steve Christian, Mr William Mummery and Mr John Reid as lay members of the MUA was made.

2650 Mr Christian is a chartered accountant with extensive financial experience.

Mr Mummery has significant experience in both public and private sectors and is the Executive Director of local e-gaming company, Celton Manx Ltd. Mr Mummery has significant director-level experience in the e-gaming sector and has also been Head of e-Gaming Development for the former Department of Trade and Industry.

2655 Mr Reid is a highly experienced engineer with a wealth of knowledge in electricity generation and nuclear power.

I am sure Hon. Members will agree that we are very grateful to the outgoing Isle of Man Water and Sewerage members – Mr Newton, Mrs Sally Roberts and Ms Eva Wisemark – for their valuable contribution during their tenure.

2660 Madam President, I beg to move.

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

Mr Houghton: Thank you, Madam President.

2665 I am very happy to have the opportunity of seconding the nominations for those three people who are being transferred from the Manx Electricity Authority to the Manx Utilities Authority on 1st April.

2670 As the outgoing Chairman of the Water and Sewerage Authority, which will be taken up by the MUA on 1st April, I think it would only be right and proper if I just said one or two things about the outgoing members who have been mentioned by the Chief Minister.

The President: Can I just clarify for a moment, Hon. Member: you said you are happy to second –

2675 **Mr Houghton:** Second, yes, I have said that.

The President: You said you are happy to second the three who are transferring. I hope you are seconding the whole motion, sir, are you?

2680 **Mr Houghton:** Yes I am, Madam President, I am very happy to do so.

As the outgoing Member of the Water and Sewerage Authority, I think it would be more than appropriate if I could just mention the service of the three outgoing members of the Water and Sewerage Authority and the fine work that all three have done.

2685 For instance, Ms Wisemark joined the board of the Water and Sewerage Authority on 1st March 2012. She was the Chair of the Capital Projects Steering Group, Chair of the Health and Safety Council and Vice-Chair of the Investment Committee. In the past, she was an executive director of North West Water plc. Her extensive experience in business change and in mergers and acquisitions has been of great benefit during the development of the plans for the formation of the Manx Utilities Authority.

2690 Frank Newton also joined the board of the Water and Sewerage Authority on 1st March 2012, and Frank was the Chairman of the Audit Committee and Vice-Chair of the Capital Projects Steering Group. Formerly the founder and Chairman of the Hamblin employment group on the Island, Frank took a very keen interest in the development of staff and in the progression of the various schemes forming the Authority's capital programme.

2695 Finally, Sally Roberts joined the board in July last year, following the appointment of Mike Coleman to the Legislative Council. She was the Chair of the Investment Committee and Vice-Chair of the Audit Committee. Sally is a chartered accountant, having previously worked with the Treasury and various financial institutions on the Island. Her extensive financial experience was extremely useful in developing the Authority's financial systems and in reviewing the finance models of the Manx Utilities Authority.

2700 I would just like to say how very grateful I am to all of those three individuals for some sterling performance in the Water and Sewerage Authority. (**A Member:** Hear, hear.) Although the Chairman and the Vice-Chairman are Tynwald Members, you could not do without those professional people, who are there to advise and have a great deal of experience.

2705 In closing, Madam President, Mr Newton did say that he did not wish to stand. Ms Wisemark and Mrs Roberts are available, and I would ask the Chief Minister if he would consider

appointing them at the next sitting of Tynwald to the Manx Utilities Authority, where their experience and professionalism would be most beneficial to that new Authority.

Thank you.

2710

The President: The Hon. Member, Mr Quirk.

Mr Quirk: Thank you, Madam President.

2715 I echo the sentiments, as Vice-Chair of the Water Authority, and wish the new Chairman of the Utilities... I know he will do a fine job, because we will all be looking at him – and Mike Coleman too, who I have, over the last year, I suppose, got to know a lot better.

The little concern I did have, and I... [*Inaudible*] this is an amalgamation between two utilities, and I hope that the new Chair and Vice-Chair see that. It is not a takeover from the MEA against the Water Authority.

2720

My only little bit of concern... It echoes a little bit what our Chairman of the Water Authority said too. I was disappointed, when the list was given out, that the Council or the Chief Minister, or whoever, did not even consider just taking one of the individuals onto the board. I feel that this could be construed in my eyes, and maybe some others', as a one-sided effort pushed in, when I would like to see it as a balanced coming together of those utilities for the future, for this Government and for the Isle of Man.

2725

I will definitely be looking over the shoulders of both of them.

The President: The Hon. Member, Mr Thomas.

2730

Mr Thomas: Thank you, Madam President.

2735 Just to associate myself with the observations and remarks of the previous two speakers, and to ask a question, which is... This is not a transition arrangement; this is the appointment of the lay members for five years, and I wanted to see whether the Chief Minister was happy that we were appointing without any public announcement of these vacancies – because five years is quite a long time to appoint from the existing board. It is an extension, I imagine, of their original terms.

The President: The Chief Minister to reply.

2740

The Chief Minister: First of all, Madam President, this *is* a public announcement of what is going on, so there is nothing underhand about it.

I thank the Member for North Douglas for his comments. I should also put on record – which I apologise for – my thanks to him as Chairman of the Water Authority, and indeed to Mr Quayle (**Some Members:** Hear, hear.) as Chairman of the MEA, who have done an excellent job to date.

2745

I would remind the Member for Onchan, Mr Quirk, who clearly has a short memory, that this is not a takeover: this is a merger of two utilities to set up a new Authority, which Tynwald has debated and voted on, (**Mr Quirk:** That is what I said.) and that is why this resolution is here today, to set up the new management structure of that board.

2750

The position of the two members who have not been appointed – they were considered, but it was felt at this time it would be opportune to freshen up the new Authority with some new faces, some new experience, and we will be advertising very shortly for those two members.

With that, I beg to move.

2755

The President: The motion before the Court is set out at Item 3, Hon. Members, on your Supplementary Order Paper. Those in favour, please say aye; against no. The ayes have it. The ayes have it.

**4. Whitley Council –
Mr Robertshaw, Mr Gawne and Mr Turner appointed**

The Chief Minister to move:

That Tynwald approves the appointment of:

(a) Hon. C R Robertshaw MHK as Chairman of the Employers' Side of the Whitley Council for the Isle of Man Public Service (Manual Workers);

(b) Hon. P A Gawne MHK as member of the Employers' Side of the Whitley Council for the Isle of Man Public Service (Manual Workers); and

(c) Mr J R Turner MLC as member of the Employers' Side of the Whitley Council for the Isle of Man Public Service (Manual Workers).

The President: Item 4, the Chief Minister to move.

2760 **The Chief Minister (Mr Bell):** Madam President, to co-ordinate our approach to improving performance through our people, it is imperative that a consistent approach is taken when dealing with all employment groups.

I am therefore pleased to recommend to Tynwald the appointment of the Hon. Mr Robertshaw MHK, as Chairman of the Employers' side of Whitley Council as he will, with effect from 1st April, be the Minister for Policy and Reform. With effect from that date, Mr Robertshaw will also become Chairman of the Civil Service Commission.

2765 In due course, as Hon. Members will be aware, it is intended that the Minister for Policy and Reform will become Chairman of the Public Services Commission – the body which will, subject to the necessary changes in legislation, replace both the Civil Service Commission and the Whitley Council.

2770 Further, it is proposed that the Hon. Member for Rushen, Mr Gawne, remains as the Council of Ministers' representative on Whitley Council. Mr Gawne has a longstanding interest in the subject area and is currently Chair of the Industrial Relations Sub-Committee of the Council of Ministers.

2775 Finally, it is recommended that the third member of the Employers' side of Whitley Council is the Hon. Member of Council, Mr Turner. (**A Member:** Hear, hear.) Mr Turner would therefore remain as a member and, as as he is also currently Vice-Chair of the Civil Service Commission, his reappointment will further strengthen co-ordination between these important roles at what is a pivotal time for public sector industrial relations.

2780 I beg to move.

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

Mr Teare: Thank you, Madam President.

2785 I beg to second and to reserve my remarks.

The President: The motion before the Court is set out at Item 4, Hon. Members. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

**5. Statutory Boards –
Mr Cregeen and Mr Turner appointed to the Isle of Man Post Office –
Mr Quirk and Mr Thomas appointed to the Office of Fair Trading**

The Chief Minister to move:

That Tynwald approves the appointment of:

- (a) Mr G D Cregeen MHK as Chairman of the Isle of Man Post Office;*
- (b) Mr J R Turner MLC as Vice Chairman of the Isle of Man Post Office;*
- (c) Mr D J Quirk MHK as Chairman of the Office of Fair Trading; and*
- (d) Mr C C Thomas MHK as Vice Chairman of the Office of Fair Trading.*

2790 **The President:** Item 5, the Chief Minister to move.

The Chief Minister (Mr Bell): Madam President, I am pleased to recommend to Tynwald the Chairs and Vice-Chairs of the Statutory Boards as set out at Item 5.

2795 The Council of Ministers is keen to bring a broad range of experience to these important roles in light of the many challenges that they will face in the years ahead.

In respect of the Isle of Man Post Office, it is proposed that Mr Cregeen, the Hon. Member for Malew and Santon, is appointed as Chairman. Mr Cregeen is well aware of the commercial challenges facing the Post Office and I am confident he will manage these well.

2800 It is proposed that the Hon. Member of Council, Mr Turner, will be appointed as Vice-Chairman. Mr Turner is an experienced Member of Tynwald, who I am sure will support the Chairman through this period of strategic development.

Turning to the Office of Fair Trading, it is proposed that the Hon. Member for Onchan, Mr Quirk, be re-appointed as Chairman. During his previous tenure, Mr Quirk has demonstrated a high degree of commitment and I am confident he will build on this.

2805 It is proposed that Mr Thomas, the Hon. Member for Douglas West, is appointed as Vice-Chairman. Mr Thomas's varied and extensive background and valuable experience will allow him to make a significant contribution to the work of the Office of Fair Trading.

Madam President, the Council of Ministers has again sought to appoint an experienced team to lead the Statutory Boards of the Post Office and the Office of Fair Trading.

2810 Just before I finish, Madam President, I would also like to pay tribute to the hard work and commitment put in by Mr Corkish, the previous Chairman of the Isle of Man Post Office, (**Several Members:** Hear, hear.) and thank him most sincerely for the work he has put in.

I beg to move.

2815 **The President:** The Hon. Member for Ayre, Mr Teare.

Mr Teare: Thank you, Madam President.

I beg to second and to reserve my remarks.

2820 **The President:** The motion before the Court is set out at Item 5. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

**6. Tynwald Advisory Council on Disabilities –
Mr Braidwood and Mr Corkish appointed**

The Chief Minister to move:

That Mr R P Braidwood MLC and Mr C G Corkish MBE MLC be appointed to the Tynwald Advisory Council on Disabilities.

The President: Item 6, the Chief Minister.

2825 **The Chief Minister (Mr Bell):** Madam President, the Council of Ministers would like to recommend that both Mr Braidwood and Mr Corkish remain on the Tynwald Advisory Council on Disabilities.

2830 As the Tynwald Advisory Council on Disabilities has a statutory duty to give to any Isle of Man Government Department and Tynwald Statutory Board advice on matters relating to chronically sick or disabled persons and to recommend changes in legislation, the reappointment of both Mr Braidwood and Mr Corkish ensures commitment and continuity for the Tynwald Advisory Council on Disabilities.

I beg to move.

2835 **The President:** The Hon. Member, Mr Teare.

Mr Teare: Thank you, Madam President.

I beg to second and to reserve my remarks.

2840 **The President:** The motion before the Court is set out at Item 6. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

**7. Manx Heritage Foundation (now known as Culture Vannin) –
Mr Gawne and Mr Corkish appointed**

The Chief Minister to move:

That Tynwald approves the appointment of:

(a) Hon. P A Gawne MHK as Chairman of the Manx Heritage Foundation; and

(b) Mr C G Corkish MBE MLC as Member of the Manx Heritage Foundation.

The President: Manx Heritage Foundation, Chief Minister, Item 7.

2845

The Chief Minister (Mr Bell): Madam President, the Council of Ministers recommends that the Hon. Member for Rushen, Mr Gawne MHK, is appointed as the Chairman of the Manx Heritage Foundation, now known as Culture Vannin. The Manx Heritage Foundation is currently in the midst of a significant internal structural change, which he has been leading. Members of this Hon. Court will be well aware of Mr Gawne's interest in all matters concerning the heritage, culture and language of the Isle of Man.

2850

The Council of Ministers also recommends the appointment of the Hon. Member of Council, Mr Corkish, as a member of the Foundation. As Members will be aware, the Foundation is statutorily obliged to promote and preserve the cultural heritage of the Isle of Man, which

2855 includes music. Mr Corkish's well-known enthusiasm in this field will bring considerable expertise to the Foundation.
I beg to move.

The President: The Hon. Member, Mr Teare.

2860

Mr Teare: Thank you, Madam President.
I beg to second and to reserve my remarks.

The President: The motion before the Court is at Item 7. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

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**8. Economic Policy Review Committee –
Mr Singer discharged; Mr Coleman and Mr Anderson elected**

Mr Singer to move:

That Mr Leonard Singer be discharged from the Economic Policy Review Committee.

The President: Item 8. The Hon. Member for Ramsey, Mr Singer.

Mr Singer: Thank you, Madam President.

I would like to move that I am discharged from the Economic Policy Review Committee, as I am now a Member of the Department of Economic Development and that makes me ineligible to sit on the Committee. In doing so, hoping that Tynwald will support the motion, can I briefly thank the members of the Committee – Mr Butt, Mr Coleman and initially Mr Quayle – and the Clerk of Tynwald for the support that they have given me over the last two and half years as Chairman of that Committee.

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The President: The Hon. Member, Mr Butt.

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

The President: The motion before the Court, Hon. Members, is set out at Item 8. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

2880

We now require to elect a Chairman in the place of the Hon. Member, Mr Singer. Can we take nominations please.

Mr Butt: Madam President, can I nominate Mr Coleman, currently a member of the Committee.

2885

Mr Downie: Much pleasure in seconding Mr Coleman, Madam President.

The President: If there are no... The Hon. Member, Mr Skelly.

2890

Mr Skelly: I would like to propose Mr Anderson.

A Member: I will second that, Madam President.

2895

The President: Are there any further nominations, Hon. Members? If not, we move to the vote. If the Clerk would read names, when he has prepared the screen.

2900 **The Clerk:** The two Members nominated to be Chairman of the Economic Policy Review Committee are Mr Coleman and Mr Anderson.

A ballot took place and electronic voting resulted as follows:

Vote Results	
Mr Coleman	22
Mr Anderson	7
Number of spoilt papers:	3

2905 **The President:** The result of the ballot, Hon. Members: Mr Coleman, 22 votes; Mr Anderson, 7; with 3 spoilt papers. Mr Coleman is therefore elected as Chair of the EPRC.
We now have to have a further ballot to elect another member of that Scrutiny Committee. Could we have nominations, Hon. Members.

Mr Singer: Could I nominate, Madam President, Mr Anderson for this position?

2910 **Mr Butt:** I second Mr Anderson, Madam President.

The President: Are there any further nominations?
In that case, Hon. Members, it is agreed that Mr Anderson be the member of the Committee. Is that agreed?

2915 **Members:** Agreed.

9. Election for Environment and Infrastructure Policy Review Committee – Mr Wild elected

2920 **The President:** We turn now to Item 9, Hon. Members: to elect a Member to the Environment and Infrastructure Policy Review Committee to serve during the term of the House of Keys, notwithstanding Standing Order 5.5.
Can we have nominations, please.

Mr Butt: Madam President, as Chair, can I nominate Mr Tony Wild, please.

2925 **Mr Hall:** Happy to second that, Madam President.

The President: Any further nominations, Hon. Members?
If not, I declare Mr Wild elected. Thank you, Hon. Members.
That concludes consideration of our Order Papers, Hon. Members. The Council will now
2930 withdraw and leave the House of Keys to transact such business as Mr Speaker may place before it. Thank you.

The Council withdrew.

House of Keys

The Speaker: Hon. Members, the House will now stand adjourned until the next sitting,
2935 which will take place on Tuesday, 25th March at 10 o'clock in our own Chamber.

The House adjourned at 4.00 p.m.