

## Political Questions – Chris Thomas (2011)

**Why this candidate wishes to be a member of the House of Keys?**

I want to be one of the Liberal Vannin team that is working inside and outside the House of Keys and Government to contribute to better government through implementation of the liberal programme in the Party manifesto. It would be my privilege to serve as MHK both i) ensuring fair treatment for all Douglas West constituents; ii) and contributing to national politics, developing and implementing Government policy or scrutinizing and monitoring Government's work.

**How well does the candidate think that the present?**

I share the perception of many that politicians and senior civil servants have been riding a wave of prosperity which has allowed ill-judged decisions to be air-brushed. But now we need to move forward rather than dwelling on mistakes and some wasted taxpayers money, merely learning and applying the lessons of the past as we tackle current challenges. Summary evaluation of the recent administration is: • Government has contributed to economic growth through working with private sector,

although important drivers were international economic developments and Island's catch up, and – most importantly – the Island's dynamic finance and business sectors themselves; • Government did not reduce its scope and increase its effectiveness and efficiency as much as it might have done. In addition some questions have been raised about leadership of the civil and public services, customer focus of parts of the administration, and aspects of budgetary, procurement and control processes; • Moreover various unfunded liabilities, particularly in respect of Government staff pensions and electricity infrastructure, have been accumulated; • Furthermore Government has not handled negotiations with UK well (e.g. reciprocal health agreement and VAT and other revenue sharing in particular), although it has extended international partnership through things like Tax Information Exchange Agreements, IOSCO MMOU signature and the like, Commonwealth Youth Games 2011 hosting etc.; and • And transport and electricity costs are

**If the candidate were elected, what would their priorities be at a constituency level?**

perceived to be too high and rising and that this results from Government negotiating bad Steam Packet User Agreement and losing control of MEA.

West Douglas constituents and organisations need their perspective heard and taken into account as national policy is formed and implemented. They need equality of treatment. Cost of living, security of income, health, education, leisure opportunities, parking and transport etc, are important issues in West Douglas and can be addressed by good national politics, and a good local MHK working with Douglas Corporation, departments and private and community bodies.

**If the candidate were elected, what would their priorities be at a national level?**

To facilitate dynamic economy and better establish government revenue-raising to finance a good Island Government and administration with solid relationships with neighbours and the rest of the world.

**What does the candidate view as the main political and social issues facing the Isle of Man in the next 5**

- Encouragement of truth, and reconciliation between voters and politicians;
- Business-friendly

years?

Government to stimulate innovative and dynamic finance and business sectors; • Protection of front-line services, benefits, and Government jobs - even when posts are made redundant - as well as the maintenance - and limited enhancement - of state assets; • Balancing Government accounts; • Localisation of government investment project implementation with fewer foreign consultants used; • Adoption of a more self-confident approach to UK and international relationships; • Availability of affordable housing in a safe country in which there is a good quality of life; and • Normalisation of freight, electricity and transport charges, and other factors which threaten economy and quality of life.

**How would the candidate deal with the challenges/issues over the next five years - as stated in the Main Social Issues question?**

Isle of Man needs an alternative source of policy and political direction, especially given what has been described as the “one-party state” of the Council of Ministers and its legislature and civil service. Liberal Vannin provides this, and I am its spokesman for Economics and Business. Liberals believe that a

market approach to a challenge is usually best - with property rights and rule of law paramount - as long as the state concerns itself with social justice and tackling market abuse and failure. This is Liberal Vannin's approach. Specific initiatives are:

- Politics • Capped pensions for politicians, and political payroll reduced through statutory reduction of number of departmental members and specification of minimum number of MHKs serving outside Government;
- Better oversight and scrutiny, involving National Audit and empowered Public Accounts Committee, as well as Ombudsman and proper Freedom of Information;
- Government • Taxation and expenditure should be rebalanced by 2014, financing the transition using reserves which could be allowed to fall to a quarter of forecast annual government expenditure;
- National debt and liability needs to be reduced between 2014 and 2016, through having capped potential pension and Kaupthing-related liabilities, and funded re-payment of some MEA-related debt;
- Tax Commission should work during 2012

to review revenue-raising. Principles include: i) proper information exchange with foreign authorities; ii) competitive rate taxation.

Attribution Regime for Individuals abolition should be postponed; •

Service delivery should be re-thought in line with 2006 Scope and Structure of Government recommendations.

Independent Review Committee should be re-activated to report in 2012; •

Government expenditure should be reduced through enhanced management and administration, reduction of abuse, or through contracting-out operations of some government owned facilities.

Recommendations already made in respect of leadership of the civil and public services, customer focus of some parts of administration, and aspects of budgetary, procurement and financial/contract control processes should be accepted; •

Transfer some government expenditure items, which might previously have been carried out as a capital project, to user or government revenue financing. Thus investment is maintained, and there should be increased use of

Government technical staff and local private sector, and reduced expenditure on international consultants; • Re-deployment etc. following any redundancy of government posts, to minimise trauma and expense; • Consideration of abrogation and further development of independent revenue-raising regime. Potential customs barrier issues should be dealt with either bilaterally through an agreement with UK, or through multilateral discussions in the framework of an EU Association Agreement or by membership of EFTA. Exclusive Economic Zone concept should be considered; • Build on its experience and well-deserved high reputation in the international taxation and financial services regulation (IOSCO MMOU signatory, TIEAs, Isle of Man letter etc.), the Island's Government, bodies and people should engage even more positively with European and international bodies and the international agenda; Economy and business • Innovation and entrepreneurship should be encouraged through legislative and

political initiative, supported by limited government incentives. Hidden subsidies like those made to MEA and to Film Industry should be avoided;

- Government should initiate and prepare provisional plans for investments like the recently proposed £10 million Douglas Promenade enhancement, but detailed planning, implementation and financing should have form of public-private partnership with significant community involvement. Furthermore this investment will need to be fully aligned with transport, environment and economic development strategies and policies;
- Red-tape and regulation should be minimised, relying as much as possible on Guidelines and Responsibility of the regulated person;
- Office of Fair Trading activity should be enhanced;
- The potential involvement of the Lieutenant Governor in representing the Island's promotion abroad should be considered with the Crown, and business delegation involvement should be appraised and reviewed as well;
- Diversification is valuable - to reduce risk and to prepare for the



future - but normally the market should bring it about, and government policy might actually reduce diversification and distort economic development. For instance perhaps education is tilted too much in favour of the professions and the public sector, away from some business sectors and engineering?

Some other initiatives and principles •

The Manx pension supplement is generous, but controversial in payment especially given some long-term residents are excluded and other non-residents are apparently paid it. The opportunity of the UK review of A state pension for the 21st century, and similar welfare development, should be taken to review all dimensions of the Manx state pensions, and indeed all Manx benefits given changing National Insurance regimes etc. Important principles are legal residence, contribution, dealing with abuse and simple and cheap administration; •

All Island residents should be able to access opportunities on equal terms without discrimination, and those that cannot take advantage of the opportunities themselves need to be

**What does the candidate feel has changed for the better, for Isle of Man residents, in the past five years - giving examples?**

included in the prosperity; • New residents should be welcomed according to the opportunities available and within the constraints of what the Island can provide.

- The people, business and government have worked together to grow the economy and society substantially;
- The importance of transparency and accountability is more generally accepted;
- The Island had the confidence to bid for Commonwealth Youth Games and the volunteering spirit to make it happen;
- OECD and other international organisations have acknowledged the Island and included it in international political development, especially in financial sector matters; and
- Realisation by the general public that the way that the Island is run is not sustainable

**What does the candidate feel has changed for the worse for Isle of Man residents, in the past 5 years - give examples?**

Morale seems to have declined in the public sector, and all those working seem more concerned about job security for themselves and availability for your young adults. Pensioners and those on benefit worry that prices are rising faster than

**Does the candidate feel that the Isle of man has been too reliant upon the financial services industry?**

**If The candidate feels there is too much Financial Services reliance, how does the candidate feel that they would further diversify the Manx economy?**

incomes. Some social problems are perceived as increasing. The most unfortunate legacy of the 2006-2011 Government is the relatively widespread feelings of disappointment in, and perhaps even mistrust of, Isle of Man and UK Governments, and politicians more generally.

Finance sector – and the business community more generally, and the people working there - has been very productive, and the doubling of income from it each decade or so has substantially improved the Island's quality of life. Diversification is valuable both to reduce risk, and to prepare for the future.

The role of government is to create an enabling environment for innovation and growth in sectors that can flourish, and participate with private and civic partners in planning and implementation. State intervention can distort the economy and reduce diversification. Certainly real participation in a 'cluster' – when the Island's part is integrated into the whole - should be encouraged,

**Is the candidate in favour of independence from the United Kingdom?**

acknowledging the tiny size of the Island's market and economy. A private placement exchange might be appropriate, as might outward-facing Business School providing research and innovation, as well as education and training. Construction – Yes; Food/leisure/tourism – Yes; Other Services – Yes; Some existing and new technologies – Yes; Etc. Potential productivity and fit of sector is important.

Immediately Isle of Man should announce its consideration of abrogation of VAT and other revenue sharing with UK. Two year notice of abrogation would be provided after full investigation and debate in public, and after negotiation. Island should work-out independent revenue-raising, customs and economic zone regime in cooperation with Crown, UK and others involved. Potential customs barrier issues should be dealt with either bilaterally through an agreement with UK, or through multilateral discussions in the framework of an EU Association Agreement or by membership of

EFTA. Furthermore Island should discuss with Crown and UK both the extension of Island's international relationships and memberships, and further development of Lieutenant-Governor role. Any timetable for Independence would only be developed after a referendum of the Manx people supporting such a step, and even seeking such a mandate would require enhancement of the Island's governance system and confirmation of the willingness of the Crown to retain its prerogative rather than delegate it to the UK Government.

**Is the candidate in favour of -and if a standing member, did they vote for- a popularly elected Legislative Council?**

Yes, although priority is that LegCo acts primarily scrutiny chamber, and members should not be in Council of Ministers.

**Is the candidate in favour of -and if a standing member, did they vote for- a popularly elected Chief Minister?**

Yes, although there are options for voting system which need to be considered.

**Is the candidate in favour of nationalisation of air and or sea services to and from the Isle of Man?**

No, but Government should consider taking golden share in a provider of off-Island transport. The Steam Packet User Agreement - key to freight, transport and thus other costs – is

matter of public interest, and OFT findings should be published, especially as nearly 80% of Steam Packet value comes from this agreement. Government should have costed strategy and plans in respect of the provision of transport, and the like, including the use of equity and guarantee arrangements. Airport and port should remain state assets but operations could be contracted-out using service level agreements etc.

**Is the candidate in favour of onshore wind farms in the Isle of Man?**

Yes, but without subsidy and according to planning regime. Other forms of electricity generation should also be expected, including offshore wind farms. Despite substantial capacity at Pulrose, MEA should purchase excess electricity generated at micro-electricity generators at reasonable price, and public facilities (e.g. sewerage plant, hospital etc.) should lead way in local generation. Environmental priority is insulation, energy efficiency and security.

**Is the candidate in favour of Means testing for "universal" benefits and**

Not for universal benefits. Payment of child benefit for every child, and

## **social housing?**

other universal benefits, is fair, cheap to administer, and unites our society. But investigation of abuse, and enforcement when discovered, is crucial; and consideration could be given to capping benefit quantity (e.g. only payable for 2 children or something).