

## Political Questions – Phil Gawne (2011)

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

I want to make the Isle of Man a better place to live and ensure that our culture, heritage and natural environment is protected and actively promoted by Government and the Manx community.

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

Government has faced one of the most difficult five year periods for a generation and has dealt reasonably well with the challenges it has encountered. It has generally not been good at communicating with the public, however, and must do better in the next five years. Despite the difficult financial pressures, both internal and external, Government has increased expenditure on health in each of the past five years, we have the lowest rate of recorded crime for twenty five years, we have the highest expenditure on public sector housing for fifty years and the Manx economy is in to its twenty seventh year of unbroken growth. In the past two years Government has cut predicted expenditure by fifty million pounds and reduced the number of public sector employees. Despite this we still have relatively low

rates of unemployment and more people in employment than at the time of the last election. Government has introduced measures to ensure public sector pensions are affordable in the future and dealt effectively with the collapse of Kaupthing Singer and Friedlander so that investors got most if not all of their money back. Government has restructured its Departments and as a result begun a cultural change across the civil service as well as saving over one million pounds a year through reduced rental of private sector property, and Government has implemented a five year strategy to deal with the first hundred million pounds reduction in our VAT take without needing to use reserves. In an endeavour to reduce our dependence on imported energy, Government has insulated most public sector houses, offered grants to support insulation of private sector homes, developed the use of woodchip fuel for public buildings and increased the standards for insulation in new build properties.

**If the candidate were elected, what**

The bus services in Rushen are not

**would their priorities be at a constituency level?**

delivering what the people need. I would seek for a review to be undertaken by Bus Vannin and improvements to the service introduced urgently. The popularly supported suggestion of a skipper bus linking the villages and ports to the main Port Erin to Douglas route would offer a solution to the problems currently faced by most Rushen bus users and serious consideration should be given to its introduction. I would expand the work of the Southwest Regeneration Committee to deliver more vibrant and attractive futures for Port Erin and Port St Mary. The generally run down appearance of our Ports can be addressed by the Regeneration Committee, creating the right environment for visitors and indeed new business to relocate to the South. Specifically in Port St Mary I would press for the work to be undertaken to strengthen and lengthen the Alfred Pier. While budgets will be tight in the next five years we will still have a capital programme, and improvements to Port St Mary harbour are currently top of the priority list in the Department of Infrastructure's Harbours Division. I

would also continue to work for the development of a Marine Heritage Centre in Port St Mary. A lot of preparatory work has been undertaken and a primarily private/third sector funded project could well be developed with limited need for Government funding. Once the Southern Area Plan is approved by Tynwald, work can finally begin to develop the Ballakilley land for recreational purposes. Clearly public funds will be limited but work could begin with volunteer support and use of charitable funds. A small part of the land at Ballakilley can also be used for social housing and first time buyer homes. In Port Erin I would continue to support the redevelopment of the Marine Laboratory site and to encourage the development of Port Erin as the marine leisure centre for the Isle of Man. Work to revamp the Lower Promenade/Shore Road area in Port Erin is programmed to take place this Winter. If elected I would ensure that the best possible solution can be delivered with the limited funds available. Further road improvement work from the Four Roads

roundabout into the heart of Port Erin is urgently needed and I would continue to press for this work to be undertaken. The speed of traffic in our communities remains too high. I would work with the Highways Division of the Department of Infrastructure to identify and implement low cost solutions to slow traffic down. I would continue to work with the Department of Social Care to ensure that the recently announced proposal to open Surby Ward (providing 12 new spaces) in Southlands is delivered as planned in April next year.

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

Working with Government to ensure that expenditure is reduced and sustainable economic growth maintained would be my highest priorities. As Government looks to rebalance its budgets and tax base, it is important that we review the current outdated 'rates' system and introduce a new relationship between local and central government. I would press for an urgent rates revaluation and changes which would allow more local issues such as hedge trimming,

street cleaning and litter clearing to be dealt with at a local level. I would also press for improved international relations for the Isle of Man Government. I would encourage more political contacts with the UK and other countries with close historical ties or similar economic and constitutional backgrounds to ours. I would also support the expanded use of professional public relations and lobbying companies – while this would come at a cost, it is likely to enhance our ability to influence other governments and international bodies. We are still benefiting from our relationship with the UK (the VAT revenue sharing agreement is still favourable to us) so we must be sure if we finally break our UK link that we have a better solution to replace it with. I am committed to ensuring that the new Government undertakes a fully costed review of all our options regarding future independence. I would look to establish a Task Force on redundant and dilapidated properties which would consider why such properties remain undeveloped and urgently introduce legislative, fiscal and financial measures to

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

ensure they are transformed from eyesores to productive and attractive properties. As part of its budget rebalancing strategy Government intends to significantly reduce its capital expenditure programme. As this programme represents about seventy per cent of the construction sector's work, it is essential that urgent measures are introduced to encourage private sector development. I would also work to ensure that fiscal penalties and financial rewards are used to encourage people to reduce energy use and waste production. For example a cycle to work scheme could be introduced with funds raised from increasing charges on higher polluting vehicles. I will continue to press for a more transparent system of Government and support the introduction of stronger freedom of information legislation.

There are two very big issues facing Government in the next five years. The first will be ensuring that public sector expenditure is reduced. Government has already

implemented a strategy which addresses the first hundred million pounds loss from our VAT income. This requires Government expenditure to be frozen for the remaining three and a half years of the five year strategy. A further seventy five million must now also be found and this will require further reductions in spending. Ensuring that sustainable economic growth is maintained and a more diverse economy developed is the second big issue and this will depend on many factors beyond the control of the Government. Housing continues to be unaffordable to many young Manx people and we are storing up trouble for the future if we don't developed more solutions in the next five years. Growing youth unemployment is also a very big concern which will need to be addressed by the next House of Keys. The long term affordability of health, social care and pensions will also have to be addressed. Ensuring a secure supply of food and energy for the Isle of Man is an important strategic objective for Government as global population is set to increase by fifty per cent and the effects of



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

climate change are predicted to reduce food production by eighteen per cent.

Reducing public sector expenditure at a time when our economy is being buffeted by the massive financial uncertainties and turmoil facing the global economy, will be difficult and must be done with great care.

Government expenditure represents about twenty five per cent of our economy so savage cuts at a time of private sector fragility would be unwise as they may tip us over the edge into recession. In the short term it would be prudent to use some of our reserves while maintaining the 'managed retreat' approach to spending cuts as currently adopted by Government in the past few years. This approach has delivered a fifty million pounds saving in two years and has delivered this largely without the need to consider compulsory redundancies. I feel I have a good record in delivering this approach to spending reductions both as the Department of Agriculture, Fisheries and Forestry Minister and Department of Infrastructure Minister. In the

Department of Agriculture, Fisheries and Forestry I reduced the budget over the five year period I was Minister by twelve percent and reduced staff numbers and budget by seven percent. During this period the direct support to farmers was increased and the level of service was largely maintained. In the Infrastructure Department I have this year reduced the budget by seven percent and staff numbers by two and half percent with only limited effects on service. Significant savings and improved productivity can be delivered through simplifying the incredibly overly bureaucratic way in which Government employs and manages its staff – see the report of the Council of Ministers' subcommittee which I chaired which reviewed Government's HR function (available on my website [www.philgawne.im/News13.html](http://www.philgawne.im/News13.html)). Improved management structures could lead to a marked improvement in productivity if we get this right. In some areas this could allow for either a reduced staff delivering the same service or increased service delivery with the same resource. It is also clear

that savings can be generated through the expanded provision of online services and the Department of Infrastructure is certainly making significant progress in this area. We also need to revisit the report into the scope and structure of government as clearly there are some good suggestions in there on how savings can be made. In particular the suggestions for improved service delivery need to be urgently considered as well as the scope of activity undertaken by government. In principle I agree that some services could be outsourced and run more successfully and efficiently by the private sector. I do not believe, however, that there is a 'one size fits all' solution here. There are examples that I am aware of where the economies of scale generated by a relatively large public service make Government more efficient than the private sector (Department of Infrastructure's fleet management service for example). Government's shared services agenda will generate further economies of scale across the public sector. In the Department of Agriculture, Fisheries and Forestry we

'outsourced' our fish hatcheries. A company which sells disease free fish eggs took over our hatcheries operation, pays us for the privilege, provides at no cost to the Department the service we formerly ran and is able to use our facilities to produce disease free fish eggs for global trade. On the other hand we had the option three or four years ago to outsource the then five hundred thousand pounds per annum loss making saw mill operation but were concerned that we could end up getting very little for this, or worse, having to offer a subsidy to persuade someone to take it on. Instead we decided to improve the management of the mill and introduce a strategy which at least allowed the mill to move to a 'break even' position. Such a strategy has been successfully introduced and the mill now has the capability of providing a strategically important locally produced fuel source for the Isle of Man. Sale of the mill now would be much more beneficial to Government but questions over loss of control of a strategically important national asset would need to be

adequately answered before such a sale could be considered. To ensure that sustainable economic growth is maintained and a more diverse economy developed we need to develop and enhance our collective ability to identify emerging markets and back winners. The creation of the Department for Economic Development was a significant step in the right direction, however, this relatively new Department has a major challenge not only in working with business to identify new winners and strengthen existing sectors but also in providing clear policy guidance across all Government Departments. The Department of Infrastructure, for example, does not have the expertise to devise overarching policies for economic development and until such policies are developed and adopted it is difficult for us to replace existing Tynwald approved policy with more suitable 'business friendly' alternatives. Devising and implementing a new economic development strategy for Government is an urgent priority for the next Government. Clearly with

limited resources we have to spend money wisely but if we are to find the next 'big thing' in business we need to be prepared to take considered risk and spend some 'seed corn' money on sectors which may not ultimately deliver. If significant progress is to be made Government needs to robustly defend this 'considered risk' approach against the 'blame and shame' culture often engendered by the media and some Tynwald members. As previously mentioned it will be crucial going forward that all relevant Departments of Government more actively engage with all economic sectors to ensure the best possible environment for business to thrive. Such engagement will not of course guarantee that business gets everything its own way as the overall needs of our community must always come first, but it should allow for more business friendly decisions going forward. In the Isle of Man our most valuable asset is our people so providing a good education is an essential investment by the Government. I support the continuation as far as possible of

Government funding of degree level and vocational education. In difficult financial times however it may be necessary to have a system of part Government funded part top up loan funded post graduate education. Our current preschool provision is unfair as only some benefit from it. More can be done to support private sector and voluntary sector preschool groups and clearly a modest charge for an all-Island public sector service should be considered over a service free for the privileged few. The unaffordability of housing, particularly for our young people, is a big concern and the lack of transparency and monopolistic practices evident in sale and development of new housing needs to be addressed. I was successful in getting second reading for a Bill which would bring more transparency in the sale of development land and if elected I would introduce this Bill at the earliest opportunity. It is important that Government adopts much stronger policies to ensure development more equally offers benefits to the Manx community rather than purely to the

developer. In attempting to address youth unemployment I would continue to support good quality vocational and academic training and would look to encourage more apprenticeships and paid internships in Government and the private sector. Long term affordability of health, social care and pensions needs to be addressed in two ways. Increasing national insurance contributions would increase the money available to deliver these services and increasing the focus on low cost interventions, which reduce the time for which the higher cost interventions have to be paid, would reduce expenditure. For example greater community support to allow elderly people to remain in their homes is not only better for the people concerned but its cheaper too. People of my age and younger will have to get used to the fact that we will have to work longer and expect a retirement age nearer to seventy if pensions are to remain affordable. In ensuring a secure supply of food Government could do no better than to follow the strategy I promoted which was unanimously



supported by Tynwald in 2008. If elected I would continue to call for this strategy to be fully implemented. Energy costs have a massive impact on inflation so it is important to secure energy resources which we have control over – use of renewable energy such as wind power and biomass should be embraced and measures to reduce energy waste encouraged. In relation to energy costs I feel it is important that Government works to wean the Isle of Man off its massive reliance on imported energy (around ninety five percent imported). Government has a good record in insulating public sector properties and offering grants to private households for insulation. While the ‘energy champions’ established through the former Department of Trade and Industry have had a major role in changing cultures across businesses, more can and should be done to incentivise reduced energy consumption particularly through grants for use of low energy technology.

As mentioned previously we have had continued economic growth

**What does the candidate feel has changed for the better, for Isle of Man**

**residents, in the past five years -  
giving examples?**

and more people in employment now than there were at the last election. Unemployment remains relatively low despite global financial turmoil. A new scheme to ensure public sector pensions are affordable in the future has been introduced. This allows public sector workers to have certainty that their pensions can be paid in the medium to long term and should reassure taxpayers that they won't have to face massive tax bills to pay for future public sector pensions. We have the lowest recorded crime levels for twenty five years. More appropriate implementation of work permit legislation has reduced the numbers of people from outside the Isle of Man competing for Manx jobs. Introduction of a five year residency qualification for most benefits has reduced 'benefit tourism'. Manx students know that their Government cares enough about them to fund their further education. The Manx curriculum has been expanded to allow children to be taught about their own history, geography, music, art and literature for the first time. Aspects of our Health Service have

been enhanced through the improved use of IT to allow access and transfer of medical records and enhanced medical procedures. Also new services for screening for breast and bowel cancer have been introduced. Fishermen have a much more vibrant and sustainable economic future. In the difficult trading environment which followed the loss of the red meat derogation, farmers have an important financial safety net to help them through difficult times. Wildlife enthusiasts have many more Areas of Special Scientific Interest to enjoy and areas of marine environment closed to fishing. The new i-Museum is allowing heritage enthusiasts a fantastic insight into our historical records.

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

The cost of housing continues to increase making housing unaffordable for many people. Considerable economic uncertainty is of great concern to us all. Increased cost of living while incomes are frozen is having a considerable impact on people's lives. Uncertainty over pension provision is a big worry for people approaching the end of

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

their working lives.

Economic diversification in Isle of Man has been quite successful over the past decade and the level of our reliance on financial services compared with other sectors in the economy is not that dissimilar to that of the UK. With an uncertain global financial outlook, however, it is important that we continue to look to other sectors for future expansion as well as doing what we can to maintain the finance sector.

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

Significant expansion of our embryonic 'clean tech' sector is a must as we are well placed not only to exploit the opportunities created by the UK's expansion of its renewable energy programme but to encourage and support research and development companies specialising in emerging 'clean' technology. The Economic Development Department is able to offer support to the 'clean tech' sector and should continue to develop strategies and support packages to assist in the establishment of such new sectors.

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

Tynwald and Government must allow the Economic Development Department the freedom to take considered risks in endeavouring to sniff out new economic sectors. I would also support any measures to develop increased low cost travel to the Isle of Man as we have a fantastic tourism product if only people could afford to come here. The important thing about the tourism sector is that, provided we can introduce lower cost travel, we have a long term sustainable sector which although likely to remain a small part of our economic output can have a big impact on the overall quality of life of Manx people as well as visitors. If elected I would press for a root and branch review of air and sea travel to see what more we could do to reduce the cost of travel to and from the Isle of Man.

I have always believed that the Isle of Man should continue the process of constitutional reform begun in the late 1950s early 60s which has been leading us to greater independence from the UK. We must do more to build links and strengthen existing

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

friendships with other countries and consider all options available to us to ensure a stronger more secure future for our Island nation. That said we must be careful not to bite off our nose to spite our face. We are still benefiting from our relationship with the UK – VAT revenue sharing agreement is still beneficial to us – so we must be sure if we finally break our UK link that we have a better solution to replace it. I am committed to ensuring that the new Government undertakes a full review of all our options regarding independence.

Yes – I have supported all measures brought forward to try to achieve this in the eight and a half years I have been an MHK. If we can not reach agreement in the first two years of the next House of Keys on a popularly elected Legislative Council I would favour introducing legislation to diminish the role of Legislative Council Members instead. It is also reasonable to ask whether we need to retain the Legislative Council at all as its work could be undertaken by a legislative committee of the House of Keys.

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

Yes – we have a very obvious democratic deficit in the current way in which Government is formed which I believe needs to be addressed. That said, it may be difficult to justify spending a huge amount of time introducing legislation for popular elections for Legislative Council or Chief Minister in the next five years, bearing in mind the scale of the financial challenges we will be facing.

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

No. There are very few examples if any of nationalised air and/or sea travel working without massive subsidies and I have seen no evidence to suggest that such nationalisation would benefit the travelling public. Instead we need to double our efforts to encourage all operators to introduce lower cost higher throughput services.

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

Yes. As most European countries are increasing their reliance on gas due to fears over nuclear safety, the already limited supplies of gas in the north west of Europe will diminish more quickly. In the coming decades

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

if we don't introduce renewable energy we will become heavily reliant on increasingly costly fossil fuels supplied from countries with a poor record for political stability. Onshore wind farms and biomass fuels (such as the woodchip I introduced as Forestry Minister) are the only financially viable renewables currently available to us. In the longer term tidal power may provide us with a large amount of energy but it is some distance away from being a commercially viable energy source.

Yes. It seems ridiculous to me that I have received child benefit for my children while receiving a very reasonable salary as an MHK. I can see little justification for families, couples or indeed individuals with annual incomes greater than say fifty thousand pounds receiving any benefits and/or subsidised social housing.