

Richard Falk – Douglas Central

Political Questions (2016)

Why do you want to be a member of the House of Keys?

First and foremost, I do not want to live in a failed state, which I believe is a very real risk if the public sector pension scheme is not radically reformed. With a total liability in excess of £3 billion and a projected revenue cost of £100 million a year by 2022, the final salary scheme could bankrupt the island. At our present rate of expenditure, our reserves will run out in around four years' time, at which point the Isle of Man Government will effectively be insolvent.

If you were elected, what would your priorities be on a national level?

The public sector pension scheme must be rapidly reformed so that it is self-funding. My recommendation is to freeze benefits under the old scheme and transfer contributions to a money purchase scheme, though other solutions may emerge during a Tynwald debate.

If you were elected, what would your priorities be on a constituency level?

In this instance, the local flows from the national. If we reform the pension scheme and make Government finances sustainable, we will have the funds we need to give Douglas Central residents the services they deserve, including first-class education and healthcare. The present situation, where the bulk of the

How well do you think the present administration has handled the major challenges of the past five years?

population endure continual austerity to fund gold-plated pensions for the lucky few, is manifestly unfair and cannot be allowed to continue.

What are the main political and social issues facing the Isle of Man in the next five years?

With regard to the pension scheme, in much the same way as a rabbit reacts to an oncoming juggernaut. In fact, their recent amendment to the scheme exacerbates the problem, committing further public money to this bottomless pit, clearly indicating the lack of financial literacy in the Keys.

First and foremost, the very real risk of bankruptcy, in which case we would need to seek a bailout from the United Kingdom. It is not entirely clear that they are duty-bound to help us, as the Crown Dependencies have a different legal status from the Overseas Territories. If they did, I believe their price would be our independence. Rolled into the UK, the Isle of Man would lose its tax neutrality, and consequently the finance industry (34% of our GDP), gaming companies (17% of our GDP) and CSPs would flee the island. Unemployment would soar to unprecedented levels and the island would massively depopulate, leading to a total collapse in property values. This cannot be allowed to

How would you deal with the challenges referred to in the previous answer?

happen.

The public sector pension scheme must be radically overhauled within the first year of a new parliament and broader Government spending must be more tightly controlled.

How would you deal with the issue of public sector pension reform and the public sector pension deficit?

I would deal with this almost immediately, taking the steps I have outlined above.

What has changed in the past five years for Isle of Man residents for the better? (Please give examples)

I would be happy to give examples if I could think of any.

What has changed in the past five years for Isle of Man residents for the worse? (Please give examples)

Ongoing austerity has increased waiting times for medical procedures as well as class sizes in schools, whilst additional taxes and charges have caused huge financial stress to many residents. The population of the Isle of Man has been subjected to stringent and ongoing austerity in order to fund an outmoded, unsustainable and gargantuan pension scheme.

Is the Isle of Man too reliant on any one sector of its economy?

With financial services and gaming accounting for more than half of our GDP, the answer is an unequivocal yes.

If you feel it is, how would you further diversify the Manx economy?

The Isle of Man Government should stop feeling cowed by the international hue and cry against tax avoidance and aggressively promote the island as a well-regulated, low-tax jurisdiction. Our tax neutrality and easy access to decision-makers means the island is an ideal location for entrepreneurial start-ups across a broad range of sectors.

Are you in favour of increased independence from the United Kingdom?

Once our finances are sustainable, yes. Whilst the island pays the UK to represent us internationally, the UK has been at the forefront of international action against so-called tax havens. Ugly threats from the Labour Party, including former leader Ed Miliband and current leader Jeremy Corbyn, indicate the danger we would face should Labour win power in the next few years. Indeed, Corbyn has openly boasted of his desire to impose direct rule on the Crown Dependencies and Overseas Territories. For our own safety, we should prepare for an independence referendum, and I believe that in a post-Brexit world we could enjoy huge success by negotiating free movement of services into both the UK and the European Union and acting as a tax-neutral conduit between them.

If you are, in which areas?

In all areas. I support total independence for the island, but our finances need to be reformed first.

Are you in favour of parliamentary reform in the Isle of Man?

Yes, particularly with regard to the unelected Legislative Council, which has become too powerful and frequently acts as a barrier to democratic reform.

If you are, which aspects of the parliamentary system would you change?

I would like to see the Legislative Council abolished or democratically elected via an island-wide mandate.

Who should have the responsibility of electing the Chief Minister?

The House of Keys. Post-independence, we could opt for a popularly elected Chief Minister or for an electoral college including both the Keys and the public.

Are you in favour of the nationalisation of air and/or sea services to and from the Isle of Man?

No. We don't have the money.

Are you in favour of renewable energy projects in Manx territorial waters?

Yes. We may be short of money but we are certainly not short of wind or waves.

Are you in favour of an increase in means testing for financial support and/or services provided by Government?

Yes. Even if we contain the public sector pension scheme, we will still face significant financial challenges and should target Government spending towards people with the greatest need.

If you are, in which areas?

Our limited supply of social housing should be provided for people who cannot afford their own homes, not people with high salaries who simply choose not to buy or rent privately.