

Tim Baker – Ayre and Michael

Political Questions (2016)

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

I believe I have the financial management skills and business leadership experience to help lead the Island through the challenges it currently faces.

Having been educated at Ballasalla Primary and Castle Rushen High School, I obtained a Masters degree in Economics from Cambridge University. Since qualifying as a Chartered Accountant with Arthur Andersen in Manchester, I have spent over 25 years working in financial and management leadership roles within various businesses, particularly those facing rapid change or challenging financial constraints.

Government needs to provide clear and confident leadership, financial discipline and a willingness to embrace fresh approaches to deliver success for the Island over the next 5 years. As a Member of the House of Keys I believe I can contribute to this, thanks to my experiences to date.

I am already involved in a number of initiatives which benefit the community of the North of the Island (principle

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

financial backer and chairman of SureStrike Bowling Alley; founder of Ramsey Table Tennis Club) and see this as a chance to make a difference on a larger scale.

My upbringing on the Island combined with my wider experience will enable me to make a positive contribution at this time, both to the people of Ayre and Michael, and to the Isle of Man as a whole.

Economic success is critical as this is what sustains jobs, public services and living standards, however this must be achieved without sacrificing the qualities which make the Isle of Man such a special place to live.

We need to combine a focused approach to growing our national income (both through maximising existing income streams and developing new ones), with more disciplined financial management to ensure that we use our resources in the most effective way possible. To do this we must draw on all the expertise available to us, whether in Government, Local Authorities, business or the third sector.

Our actions must balance the Island's immediate needs with the long-term interests of future generations, ensuring particularly that we are creating opportunities for our young people whilst adequately caring for the older and vulnerable members of our community.

As part of this we need to think strategically about what will be important to the Island's success in a changing international landscape and ensure that we take appropriate steps to protect those things – for example travel and communication links, food and energy security.

We also need to ensure that

Government:

- operates in a joined-up manner,
- works always for the best interests of the Isle of Man as a whole
- has a positive “can-do” approach which allows opportunities to be taken quickly
- properly addresses the difficult issues.

If you were elected, what would your

To a large extent I believe that the

priorities be on a constituency level?

interests of the constituency mirror those of the Island as a whole, however there are a number of specific areas of concern which I would look to focus on:

- Ensuring that the North and West of the Island benefit appropriately from economic development and government policy decisions – it cannot just benefit the established centres in the East and South
- Improving fast broadband coverage in rural areas
- Ensuring government policy works effectively to sustain the Agriculture sector which underpins this rural constituency
- Developing coastal erosion and river management strategies to address the risks that face us
- Maintaining the accessibility of essential services throughout the community – particularly health, transport and education.

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

We should not under-estimate the scale of the challenges which have arisen from the VAT issue, increasing tax transparency requirements and international austerity. Undoubtedly significant progress has been made over the past 5 years, however there has been a lot of dis-harmony, about-turns in

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

policy and general discontent which has cast a shadow over what has been achieved. There remains a huge amount to be done and many difficult issues still to be properly addressed.

In addition, whilst economic growth has been maintained, this has not benefited everyone. For many people living standards have been eroded and their personal financial circumstances are now very difficult as wage levels have stagnated whilst the cost of living has increased.

For the Island to succeed we will need to:

- Achieve economic growth
- Control public spending, including pension payment commitments
- Adapt public services to the needs of an ageing population
- Avoid de-population
- Ensure that our tax policies generate the right level of government revenue whilst being perceived as fair and transparent, both by our population and internationally
- Spread the benefits of economic growth across all sectors and groups within the Island
- Preserve the distinctive culture

and nature of the Isle of Man

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

To address these challenges the critical requirement is for the government and civil service team (as broadly defined) to operate in the most effective manner possible. It needs to be united, with a clear sense of purpose, focusing on what is important and not being distracted by peripheral issues.

As a unit it needs to operate efficiently, effectively and in an agile manner. It must engage with, and command the respect of, key stakeholder groups within the Island. It needs to communicate clearly and openly with the people of Mann as to what it is doing and why; being open to listen to their perspectives without being dictated to by them. It needs to be capable of making firm but fair decisions that are solidly based and then be committed to implement them.

I would use my influence, abilities and experience as much as possible to help bring this about, recognising that tough decisions do need to be made and it is not possible to please all the people all of the time!

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

We will need to build on the work that has been done in recent times, as this is a step in the right direction and has started to address the issues. However, it is far from a final solution.

This is a technically complex area and there are no easy solutions. Essentially, due to actions taken in the past, the Isle of Man has a long term liability to make pension payments to former employees which will become an increasing financial burden on the Island and divert funds away from other areas of spending.

This obligation reinforces the importance of driving economic growth and controlling costs, and our tax strategy which determines the level of Government income. Meanwhile we need to ensure that the Government (as employer) and employee representatives (including the Unions) work together collaboratively to reshape the pension arrangements to make them more sustainable for the long-term.

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

- Continued growth in overall income – but not spread evenly
- Crime levels generally reduced
- Unemployment being kept at a very low level

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

- Improved environmental awareness – investment in sewage treatment, work of Beach Buddies etc are strong positives.
- Worsening financial position of many residents, particular those employed in lower/middle tier jobs due to reduced earnings in real terms
- Public services now more stretched due to austerity measures
- Economic slow-down has translated into a sluggish housing market, making it difficult for people to realise their principal assets when they need to sell
- Increased power of on-line retailers has taken spending power out of the Manx economy with a detrimental impact on local high streets, retail employment and local businesses
- Perceived sense of unfairness about the austerity burden falling disproportionately on hard-working ordinary people.
- Poorer economic prospects for our young people, potentially leading to a sense of alienation
- Increased perceived sense of disillusion with Government and

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

“authorities” more widely.

The Island has successfully diversified over a number of years so its economy is much more broad-based than many other offshore financial centres, which provides a reasonable degree of resilience.

Rather than being too reliant on one sector I would say there is too much dependence on decisions which are made off-Island due to the ownership and effective control of key employers. These can have a substantial impact on the fortunes of the Island and the prospects of those who live and work here.

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

In today's global business world it is difficult to insulate the Island from this risk. However, government needs to ensure it is fully aware of it and has adequate engagement with the key employers in order to mitigate the risk.

Government also needs to ensure that it actively nurtures the sectors which are less exposed to this risk, both in terms of supporting existing island-based/controlled businesses and the approach it takes through the

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

Department of Economic Development to attract new ones. Over the medium term this will lead to a better structural balance to the economy.

Whilst not advocating a move to "Independence" in the constitutional sense I am in favour of more independence in the sense of the Isle of Man needing to stand up for itself to ensure its own interests are represented in the post-Brexit environment that now faces us. We cannot rely on the assumption that the UK will act in our best interests, however we need to recognise our small relative size in the global context and our position as a Crown Dependency.

If you are, in which areas?

As well as ensuring we work closely with UK decision makers to get the outcomes that work for the Island, we need more engagement and collaborative working with other smaller nations with whom we share common interests – including those we have seen as competitors in the past. This also needs to embrace other potential trading partners which may emerge as the post-Brexit arrangements are shaped – including both Europe and across the Commonwealth

We also need to ensure that we don't simply follow the UK's lead and adopt whatever legislative changes or policies that are introduced there. Things that may be good in the UK context may not be right in the Isle of Man

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

I believe that this issue is a distraction which will take focus away from the key issues which the Island faces. To be successful we need all our energies directing on the things which will really make a difference to the success of the Island. In my view any reform undertaken will not make a fundamental difference to our prospects, so I am not in favour of it within the term of the next government.

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

Not applicable

Who should have the responsibility of electing the Chief Minister?

Tynwald

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

I do not advocate nationalisation. However, I believe that the Government needs to work in an effective strategic manner with regard to key transport links to the Island, to ensure that the Island's

interests are properly protected.

Whilst it should not run the operations, Government needs to be much more closely involved to ensure the Island gets what it needs from its service providers. It cannot be left simply to the free market and the interests of private investors who are solely interested in their own financial gain.

I would advocate an early resolution of the current discussions with the Isle of Man Steam Packet Company to eliminate the current uncertainty and secure a more acceptable service. If left until the expiry of the current agreement the service will only deteriorate to the detriment of all involved. However, any new agreement needs to be achieved in a commercially astute manner which ensures that the Island achieves its fair share of the resulting benefits. The shareholders and financial investors in the Steam Packet Company cannot be allowed to take all the financial benefits (which will be of great value) that will accrue from a significantly extended contract. This needs to be dealt with in the negotiations. One way of doing this may be for the Government to take a significant shareholding interest as part of any new agreement.

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

Renewables are now an established part of fulfilling energy requirements whilst managing climate change. As an island we must play our part in achieving environmentally sustainable solutions.


We need to consider all approaches, big and small, not just limit our thinking to offshore energy projects. However, before proceeding, we must ensure that we understand the wider implications of each such project and that they are acceptable to the interests of the Island.

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

Yes

If you are, in which areas?

Restricted funds mean that as a general principle it doesn't make sense to provide financial support or subsidised services to those that don't need that support. However, there are circumstances where wider considerations (such as of the ease, practicality, workload or cost of administration etc) make it inappropriate to means test – as the cost of doing so would significantly reduce or even outweigh the resultant benefit, or the



spend would just be shifted to
bureaucracy.

In such cases I would advocate, as a
matter of common sense, that such
things were not means tested. However,
the general principle should be for
support spend to be targeted to those
who need it most – with a clear rationale
as to why such support is being provided.