



**RECORD OF THE MEETING
OF THE LEGISLATIVE COUNCIL
HELD IN STANLEY
ON FRIDAY 25 JULY 2008**

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Mr Speaker
(HE The Governor, Alan Huckle)

MEMBERS (Ex-Officio)

The Honourable the Financial Secretary
(Mr Keith Padgett)

Elected

The Honourable John Birmingham
(Elected Member for Stanley Constituency)

The Honourable Dr Andrea Patricia Clausen
(Elected Member for Stanley Constituency)

The Honourable Mike Rendell
(Elected Member for Camp Constituency)

The Honourable Janet Robertson
(Elected Member for Stanley Constituency)

The Honourable Richard James Stevens
(Elected Member for Camp Constituency)

The Honourable Michael Victor Summers OBE
(Elected Member for Stanley Constituency)

PERSONS ENTITLED TO ATTEND

The Attorney General
(David Francis William Pickup)

The Commander British Forces South Atlantic Islands
(Air Commodore Gordon Moulds MBE RAF)

CLERK: Claudette Anderson-Prior MBE

PRAYERS: Reverend Richard Hines

APOLOGIES

THE SPEAKER OF THE HOUSE
(Mr Darwin Lewis Clifton OBE)

The Honourable Chief Executive
(Dr Timothy Rupert Thorogood)

The Honourable John Richard Cockwell
(Elected Member for Stanley Constituency)

The Honourable Ian Hansen
(Elected Member for Camp Constituency)

CONTENTS

Prayers	6
Confirmation of the Record of Legislative Council Meeting held on 28 and 30 May 2008	6
Questions for Oral Answer	
Question number 07 of 2008 by the Honourable John Birmingham	6
Will the Honourable Janet Robertson please inform this House if and when the KEMH are going to request funding to install electric doors at the hospital main entrance.	
Question number 08 of 2008 by the Honourable John Birmingham	7
Can the Honourable Richard Stevens inform this House of the number of pupils excluded both short-term and permanently from the FICS over the current academic year to the present and what provisions have been made with regard to their education?	
Question number 09 of 2008 by the Honourable John Birmingham	8
Can the Honourable Mike Rendell please explain to this House the function of the ASSI and its role in the Falkland Islands	
MOTIONS	
Motion Number 4 of 2008 by the Honourable Mike Summers OBE	11
THIS House, pursuant to section 9 of the Children and Young Persons (Tobacco) Ordinance 2007, moves that the making of the Children and Young Persons (Tobacco) Ordinance (Amendment) Order 2008 is approved	
MOTION FOR ADJOURNMENT	
The Honourable Dr Andrea Clausen	12
The Honourable Mike Rendell	14
The Honourable Richard Stevens	15
The Honourable Mike Summers OBE	16
The Honourable John Birmingham	18
The Honourable Janet Robertson	20
Commander British Forces	23

The Honourable Financial Secretary	24
Mr Speaker	24

**The Record of the meeting of Legislative Council
held on Friday 25 July 2008**

Prayers

Clerk of Councils

The confirmation of the record of the meeting of Legislative Council held on 28 and 30 May 2008

Mr Speaker

Honourable Members I have before me a record of the last meeting, is it your wish that I sign them as a true and accurate account of the business?

Agreed

Clerk of Councils

Questions for Oral Response.

Question number 7 of 2008 by the Honourable John Birmingham

The Honourable John Birmingham

Mr Speaker, Honourable Members, will the Honourable Janet Robertson please inform this House if and when the KEMH are going to request funding to install electric doors at the hospital main entrance.

The Honourable Janet Robertson

Mr Speaker Honourable Members I can confirm that there is no funding in the KEMH Capital Works programme for the purchase and instalment of automatic doors. Whilst an amount of money was approved for the financial year 2007/08 for the general upgrade of the reception area, including lighting, seating and decoration, this did not include any works required for the instalment of automatic doors. Not all these works were completed in 07/08 but will be in the current financial year.

It is my understanding that the instalment of electric doors in the hospital is part of the aspiration to provide better access and facilities for the disabled in a number of government buildings and further, that this falls within the sphere of the Public Works capital requirements rather than the medical services budget. However, further clarification is required from the Director of Public Works on his return as there does not appear to be overall agreement on the original arrangement made for the funding of the doors. In addition, it is also my understanding that there is currently no provision in the PWD capital works budget for the disabled access works mentioned.

Irrespective of funding issues, work has been on-going with regard to the hospital doors. The PWD Design Engineer recently submitted plans to the Director of Health which include reconfiguring the doors at the main entrance so that both doors are at

90° angles to one another in order to prevent excess draught entering the building when the doors are opened. It is envisaged that the automatic doors would be installed at the same time as this work is done once design and funding issues have been agreed.

The Honourable John Birmingham

Mr Chairman, Honourable Members, I would like to thank the Honourable Janet Robertson for her answer. I would just like to clarify it is the Falkland Islands Government Capital Budget and not just PWD's.

The Honourable Janet Robertson

Sorry, I just wanted to make a distinction because a certain number of funds were made specifically for Capital Works in the Hospital and I wish to distinguish the two.

The Honourable John Birmingham

Thank you for that. I would also like to make the point that the Public Works Department are there to service the wishes of its customers which will also include departments, therefore, departments put forward bids for capital projects.

Clerk of Councils

Question number 8 of 2008 by the Honourable John Birmingham.

The Honourable John Birmingham

Mr Chairman, Honourable Members, can Honourable Richard Stevens inform this House of the number of pupils excluded both short-term and permanently from the Falkland Islands Community School over the current academic year to the present and what provisions have been made with regard to their education?

The Honourable Richard Stevens

Mr Speaker, Honourable Members, during the academic year 2007/08 a total of five students have been excluded from the school for periods ranging from one and a half days to permanent exclusion. All five students who have been excluded or suspended from the school for short or more extended periods have been provided with appropriate school work. Where the presenting problems are complex in close partnership with Social Services individualised solutions have been sought depending on the specific circumstances relating to the child and the level of parental support available. I would like to say that all the exclusions, and you are probably aware of this, relate to unacceptable, disruptive behaviour which detrimentally affects the interests of the other students. The school works very hard to try and embrace these difficulties and works with these students so that they can continue their careers within the school. The Headteacher and the Interim Support Advisor are working to develop a reward and sanction approach which uses positive reinforcement to secure appropriate behaviour from these individuals.

The Honourable John Birmingham

Mr Speaker, Honourable Members, I would like to thank the Honourable Richard Stevens for his answer.

Clerk of Councils

Question number 9 of 2008 by the Honourable John Birmingham

The Honourable John Birmingham

Mr Speaker, Honourable Members, can the Honourable Mike Rendell please explain to this House the function of the Air Safety Support International (ASSI) and its role in the Falkland Islands?

The Honourable Mike Rendell

Mr Speaker, Honourable Members, before I start I would just to give you due warning that there are a lot of acronyms to be stated during this reply.

In July 2000 the UK and its Overseas Territories (OTs) were audited by the International Civil Aviation Authority (ICAO) and the audit found that the UK was somewhat lacking in relation to its regulations of the OTs Aviation Industry. As a result of this report and after consulting the OTs the UK Government created Air Safety Support International (ASSI) as a not for profit, wholly owned Subsidiary Company of the UK Civil Aviation Authority (CAA) established under a direction from the UK Department of Transport.

ASSI is responsible for supporting the OTs existing in the safety regulation of all aspects of Civil Aviation including the licensing of personnel on a certification of aircraft, airlines, airports and Air Traffic Control. The key aim for the company is to ensure that all territories provide civil aviation with regulation to the standards and recommended practices of ICAO.

Within the Falkland Islands it has become apparent that whilst the aviation industry has worked relatively well and safely for a number of years. There were some shortcomings in respect of modern standards. It was also apparent that the Falkland Islands Civil Aviation Department (FICAD) did not entirely have the relevant expertise to deal with all the standards required by the ICAO or the UK's CAA.

The Governor of the Falkland Islands under the powers of a direction and the Air Navigation Overseas Territories Order is given the power and responsibility to regulate certain activities and it is the Overseas Territories Aviation Requirements, commonly known as OTARS, which are the Governor's published detailed means of compliance with the law.

OTARS are designated by the Governor to either the Director of Civil Aviation (DCA) to regulate, or where the DCA does not have the resources to undertake the task, to ASSI.

In the Falkland Islands, the designation of annexes is as follows:

To ASSI: Operation and Airworthiness of aircraft, Aeronautical Telecommunications, and environmental protection.

To DCA: Personnel Licensing, aircraft accident and incident investigation, air traffic services and

Conditionally to the DCA: Meteorological services, aeronautical charts, aircraft nationality and registration marks, search and rescue, aerodromes, aeronautical information services and lastly, safe transport of dangerous goods by air

The OTARS conditionally designated to DCA are subject to the DCA or FICAD personnel attaining the relevant expertise to regulate them. Eventually it would be hoped that as the FICAD's brings the relevant expertise and competency the DCA will be designated as the regulator for all annexes and ASSI would then only audit their capability in line with an ICAO audit of the UK as a whole.

FICAD was inspected by an ASSI team in June this year as part of an on-going process of assessing competency and the designation table has well changed as a result of this audit.

Lastly, it should be noted that the next ICAO audit for the UK and OTs is due in early 2009 and presumably Her Majesty's Government will wish to ensure that aviation services in OTs have moved ahead in the nine years since the last audit.

The Honourable John Birmingham

Mr Speaker, Honourable Members, value for money that most definitely was. Would it be fair to suggest that that reply would be available to members of the public if they so wished?

The Honourable Mike Rendell

I confirm that that would be the case.

The Honourable John Birmingham

Thank you very much. Would the Honourable Member agree with me if I suggested that what is happening is an increase in regulation, which just seems to come along with the 21st Century and that the Falkland Islands are actually part of a club and the club is the United Kingdom Overseas Territories. And, as such, we can't act as independently as some people think we can?

The Honourable Mike Rendell

I would agree with that sentiment.

The Honourable Janet Robertson

I was wondering if the Honourable Mike Rendell, following on from the question from my colleague, would clarify what would happen if we simply disregarded the requirement of ASSI?

The Honourable Mike Rendell

I have to tell you that I am not absolutely sure what would happen if we disregarded these regulations under which we operate.

The Honourable Janet Robertson

Would you consider it likely that we would have no licence to operate?

The Honourable Mike Rendell

I think that's very likely but I am sorry; I don't know the specifics or the mechanics of how it would happen.

The Honourable Mike Summers OBE

Mr Speaker, Thank you. I might help my colleague by suggesting that if the Executive Council and the Government refused to implement the instructions they would be implemented by the Governor on the order of the United Kingdom Government.

Can I ask my colleague, can he inform the House who currently pays for the costs for ASSI and is it anticipated that we will have to pick up those costs in due course?

The Honourable Mike Rendell

These costs are paid for by the UK Government. There are no costs to the Falkland Islands as it stands. But the costs that ASSI receive to run their operation are not from the Falkland Islands but from other OTs, particularly from the West Indies. The costs are quite considerable and there has been discussion that in due course that cost will be passed on to the OTs themselves.

The Honourable Mike Summers OBE

Could the Honourable Member confirm that ASSI was originally set up as a temporary organisation?

The Honourable Mike Rendell

I can confirm that. It was initially set up – it was a very temporary organisation and what appears to have happened is that they have realised that the length and breadth of the responsibilities taken on are such that the time that's going to be taken to deal with them it would appear have an almost permanent responsibility and will deal with all the annexes in some OTs that their position is, to say the least, untenable.

Clerk of Councils

Motions

Motion number 4 of 2008 to resolve that the Children and Young Persons (Tobacco) Ordinance (Amendment) Order 2008 is approved by the Legislative Council.

The Honourable Michael Summers OBE to move and the Honourable Dr Andrea Clausen to second the following Motion.

“THIS House, pursuant to section 9 of the Children and Young Persons (Tobacco) Ordinance 2007, moves that the making of the Children and Young Persons (Tobacco) Ordinance (Amendment) Order 2008 is approved.”

The Honourable Mike Summers OBE

Mr Speaker, Honourable Members I very much hope that this is the last provision for the bringing into force of this particular piece of legislation. It makes provision for the progressive increase of the age at which young people may start smoking from 16 to 17 and 17 up to 18 in due course. I beg to move the Motion.

The Honourable Dr Andrea Clausen

Mr Speaker, Honourable Members I have already spoken at quite some length on this subject as this has been to the House on more than one occasion in recent months, so I will just second the Motion.

The Honourable Mike Rendell

Mr Speaker, Honourable Members I would just like to reiterate to the general public that although it does appear that this whole process of bringing in the precautions and the restrictions on smoking with young people has taken quite a long time, that this is been a very necessary process and it is important to make sure that everything is in place and properly discussed and worked through before it comes to fruition. I understand that there are people who feel that we are taking too long to go about this process but I do believe that this is the right way to do it.

Mr Speaker

Do I therefore take that all approve of the Motion? Aye. The Motion is therefore carried.

Clerk of Councils

The Motion for Adjournment.

The Honourable Financial Secretary

Mr Speaker I beg to move that this House stands adjourned *Sine Die*.

The Honourable Mike Summers OBE

Mr Speaker, just before we speak to the Motion for adjournment can I take this opportunity of the usual pleasurable duty of presenting to the new Members of the Legislative Council, the Legislative Council ties. Keith Padgett who is the new Financial Secretary with whom we have worked with for some time but look forward to working with for a considerable period in the future and Your Excellency the Governor, this may be the only time you preside in Legislative Council.

The Honourable Dr Andrea Clausen

Mr Speaker, Honourable Members, I would just like to touch on a few subjects today. First of all I would like to welcome Commander British Forces to Legislative Council and also Keith in his capacity as Financial Secretary. We are at the beginning of a new financial year so we have a long way to go until we get to the enjoyable end of a budget round next May.

I would just like to comment on Farmers' Week which took place earlier this month and to thank all of those involved in organising it because it was a very good event yet again. It's quite difficult for some of us to get to lots of things that are organised but I try to get to some. But doing a tot-up around the various meetings I attended, it is a shame that there are not more farmers present.

I think the same kind of people come year in and year out and they should be commended for that. They come to see what's on offer, what new ideas there are and to try and incorporate them into their businesses and that's good but it's a shame there aren't a few more.

I particularly attended the sessions on the Sand Bay Meat Plant mainly because I have oversight for it and also because it's such a controversial project. It was very good to see that the projected out turn for FIMCO during 2007/8 reflected yet another saving this time. Although we have not got the final figures but they look like they will be about £175,000 off the budgeted subsidy of £675,000 and that is always good to hear.

It was quite interesting when listening to accounts of a breakdown of the turn-over of the Sand Bay Meat Company where all the money goes. I am not in the habit of separating Stanley and Camp in fact I, have talked very strongly about us trying to be more together and it being Falklands Plc. However, it was very interesting to see that whilst 92% of the often maligned subsidy to FIMCO makes its way to Farmers, which is a vast improvement on the 15% which made its way into farmers' pockets in 2003, it can also be explained an 82% contribution to 55 Stanley businesses, which I think is a similar number of businesses and I think the suppliers range from year to year to FIMCO but they range between 40 and 60 year on year.

So it's very clearly a vehicle that assists many more people than those it was first intended to and, as a result, I very much look forward to a review of FIMCO as its overall role in the economy and not just in the agricultural sector.

Further to that I think I would also like to see that analysis extended to the other agricultural subsidies that currently exist and it was very interesting to hear colleagues involved in the Rural Development strategy talking about options to re-direct agricultural subsidies in order that they provide the best economic return during the meeting with the RBA at Farmers' Week. So I look forward to the outcomes of those deliberations.

One other thing that came to my attention and actually listening to some of the exchanges between farmers and the presenters, was that quite often people receive a huge amount of advice and all of it appears good but quite often the recipients don't know which piece of advice to start with first and there's definitely not enough hours in the day to take it all onboard. I wonder if the Government farms have a role to play in this. I mean, at the end of the day, I believe that they should be the showcases to the wider agricultural industry in terms of what could be done to make a successful business by whatever means, not just necessarily wool and meat. So I think that presentations on how certain business strategies or pieces of agricultural advice are used to make a business profitable should be presented as part of Farmers' Week so that all can look and learn – both the good stories and the bad stories. I think it would all be very useful.

I would now just like to move on to and I am not usually in the habit of responding to things in the Penguin News but I thought I would take the opportunity today to make a few comments. There has been some very interesting advice offered to Government on budget issues over recent months through the letters pages of Penguin News. Whilst completely accepting criticism for not making enough progress with cutting expenditure during the recent budget session. Something that I hope to be rectified over the coming months and certainly at the next budget I can't help but notice that the advice in general, if taken on board, would probably manage to produce a far worse outcome. For example, taxes should be reduced, or at least not increased, fishing licences should be reduced, we should continue to subsidise at the level we do the number of services, medical and education should be protected and expectations of the public met whatever the cost and we should even introduce new subsidies for a British Organisation if required. Oh, and I mustn't forget that at the same time we should stop spending on any project that does not illustrate an acceptable level of return on investment or, in some ways stimulates economic growth, a marvellous way, I think, to bring us back into the economic climate of the 1970s.

What's more, I find it quite hard to take some of this advice when it comes from previous elected members, whose toughest decision what probably what to spend the new-found cash on in the 1980s and 1990s. So, I look forward to the next General Election when all of these people will have an opportunity to put themselves forward for election on these platforms for sound custody of Government finances and strong economic growth.

Whilst on the subject of elections, it was quite interesting having a conversation recently with someone overseas who is very much involved in business in the

Falkland Islands saying how terrible it was to see the level of personal attack that Elected Members are subjected to through pages of the written press. I joked that if you don't have a thick skin from the outset, you will never survive in politics in the Falkland Islands. I will always be very grateful to my employers at Falklands Conservation for providing me the opportunity to be experiencing regular attacks from members of the public during my time there. However, it leads me to think about the kind of and indeed the number of candidates who might consider putting themselves forward at the next election. I very much hope that people, in particular first timers, who have a lot to offer these Islands as its representatives will not be put off because they don't wish to be subjected to the sometimes unnecessary personal attacks that take place.

Just for the record, I have no problem dealing with the criticism, whether deserving or not. I have the skin of a rhinoceros and I raise this out of genuine concern about the impact that it might have on potential candidates in future elections.

Sir I support the Motion.

The Honourable Mike Rendell

Mr Speaker, Honourable Members, I want to talk about a few sort of chestnuts starting with the Islands Plan. The ongoing development of the Islands Plan for the next four years is a very significant improvement on the earlier versions of the Plan. I would remind some people that perhaps when we were elected I had grave reservations about the use of the Islands Plan as it was then but the final version as it is now should become a really meaningful working document which will focus ambitions and targets at least for those four years.

It has been put together following a great deal of consultation and analysis and we should be able to identify clear links which were not shown in previous versions. We can take a very simple but important example of linkage – FIGAS at the moment is looking at in due course operating out of two hub airports in West Falkland. But unless the road capping programme for West Falkland is linked and co-ordinated so that it is completed at a time when this hub operation is around to take place then the whole thing goes quite pear shaped and so you can't have one without the other.

So there are a number of examples where this is going to happen and I really. Really do think that this Islands Plan is going to be a really useful document to work from in years to come.

In the Islands Plan the mission statement for Camp is “We will seize opportunities to develop a diversified Camp economy and a socially vibrant and sustainable Camp population.” I would suggest that this mission is vitally important for the future of the whole of the Falkland Islands not just the Camp. Because without a vibrant Camp community it is very difficult to see how we could be judged positively by others as a thriving, balanced and sustainable country in our own right.

If the Camp is to achieve outcomes which includes meaningful diversification, then not only will it need the uplift of improved communications but also a well developed rural development strategy. RDS workshops so far have concentrated on bringing

together participants views' on the perceived strengths, challenges, opportunities and threats to the Camp and, as one would expect, they are pretty wide ranging.

One thought provoking observation that I have made is that a substantial number list both FIMCO and FIGAS against all four of those categories and another observation would be that organics, which according to the Department of Agriculture wool report last week, achieving a 15% premium attracted very little interest. So there's a lot of work to do there.

As the strategy develops, it will be most important to keep in mind our financial position and not to get carried away with unrealistic wish lists and, ringing my ear, still, following a break-out session at a recent RDS workshop in the Camp is the words "access to finances." Our ambitions will need inevitable to be tempered by the realities of our financial situation.

But, with some re-direction of existing resources, from FIDC for example, and my Honourable Colleague has mentioned comments that were made during Farmers' Week. By encouraging a mixture of public and private sector capital investment perhaps something new to think about and are being looked at and, by just making changes to existing policies there should be ample opportunities to achieve a successful and realistic Rural Development Strategy, which will certainly improve access of finances for appropriate projects.

In the midst of all this, is the debate raised a couple of days ago at the Draft Constitution presentation here in Stanley, where there was some disquiet expressed regarding the measures inserted to safeguard the electoral interests of the Camp. No doubt there will be further discussion on this particular measure before the draft Constitution becomes a reality but I firmly believe that any changes to constituencies or the balances of representation should only be possible if it is in accord with the wishes of the whole electorate not just part of it. In this debate it should be borne in mind that this protection was proposed by the FCO delegates during the proceedings of the Select Committee on the Constitution because of their firm belief that the vulnerable minority should be adequately protected.

Mr Speaker I support the motion.

The Honourable Richard Stevens

Mr Speaker, Honourable members, firstly I would like to congratulate members of the Rifle Club that have won the Kolapore Cup at Bisley. Ken Aldridge, Derek Goodwin, Mark Dodd and Christian Berntsen have won this cup for the first time since 1957. I think Mark Dodd should get a special mention being one of the newest members of this historic club, one of the earliest, if not the earliest organisation. I believe that in 1957 when the shooters returned they were carried up the front road on chairs; a fantastic spectacle. I am not sure if that would be duplicated when they return this time. But hopefully everybody will give them the congratulations that they deserve.

I would just like to talk about our trip to Camp last weekend, unfortunately a visit that was meant to be over two days was whittled down to one due to bad weather and FIGAS operations. As we sort of sat out the first day and sat out the second morning

it did bring it home to me how different it is to live on the West Falklands and the outlying islands it was good for me to experience these delays something that I have witnessed in the past but it was (I don't know if the word is 'refreshing')but to experience these delays brought to mind that its not quite the same a living on the East, where you can just get in a vehicle and return home. Not just the weather but things that perhaps unless you are involved, you don't realise that water-logged airstrips about are a significant part of FIGAS Operations whether the strip is serviceable or not.

So the two days into one it was great to have the meetings and to discuss many things and probably we would have more time to discuss the ferry and the roads and people's concerns. But even so, we were still able to have some great chats.

Then, from being on FIGAS witnessing one of the main spine roads up from Fox Bay to Port Howard and obviously being able to see some of the softer pieces the new work that has been done and re-surfacing up by Port Howard was great and so all the Councillors involved will have first hand accounts of this as a topic which is very topical with our constituents on the West.

We had more time to debate other issues at the Lodge and at Councillor Mike Summers' house that evening and I remember quite clearly the topic going to who was the first dairyman at Port Howard and this debate went on until the early hours of the morning where it was felt that we should ring someone with a good memory that could help us with this information. The importance of it was riding on quite a lot of money. Anyway, I am not quite sure who it was now but we had great fun arguing about it.

Newhaven I would just like to mention the work there. I haven't been down in a while but I had the opportunity to chat to a lot of people that have been involved with the work and I would just like to say how impressed I am with the amount of dedication and hard work and determination that that there has been to make it happen and it's just one of those projects that will have historical significance perhaps something that will be down in folklore where people will talk about the individuals that took part in this work. In years to come people will say "yes I worked at Newhaven and I did some cementing work or I was on the machines that dug out all that material from the seabed".

I would like to welcome the new Commander British Forces and Keith to this table

Mr Speaker, Honourable members, I support the Motion for Adjournment.

The Honourable Mike Summers OBE

Mr Speaker, Honourable members, I envy my colleague with the skin of a rhinoceros. I am shy and sensitive myself and regularly wounded by what I regard is unfair comment in the Media but I suppose that's life.

It's interesting to hear my colleague musing about history and the importance of history and the fact that Bill Reece was the first dairyman at Port Howard is perhaps not that instructive to everybody. I was thinking earlier in the day about a little bit of

history. The first time that the Argentines tried to attack the fishing industry in the Falklands in a major way was in 1992 when they decided to licence Illex in their zone and went out big style to attract the Japanese away from Falklands licensing and indeed a number of other companies, including a lot of the Koreans. That resulted in a fair amount of concern about the level of revenue that was likely to accrue from licence fees in the ensuing years. The response to that by the government of the day, correct me in my view, was to have a look at the levels of Government expenditure and make some attempts to readjust them. Astonishingly, to my memory, a number of people thought this was ridiculous and was, in fact, affecting the economy of the Falklands in a very detrimental way. Fascinatingly, some of those very same people are now advocating cutting the Government's budget because we are spending too much money. I would be interested to hear from one of them one day soon whether they think that the effects of cutting public expenditure in 1992 are different from cutting public expenditure in 2008. I suspect they are very much the same. So, when we talk about the Government's budget and balancing the budget of course it's important but we must reflect the affect it will have on the overall economy and, it's the overall economy of the Falklands that matters most.

On the subject of the economy, I am happy to advise colleagues as we weren't clear this morning in Standing Finance Committee that the Chief Policy Officer expects to have the completed Gross Domestic Product (GDP) figures for us by mid September. I think this will help us a lot to inform our discussions going forward about how the economy is growing, not whether it's growing, how it's growing. I am firmly of the view and I am pretty sure that this will prove to be the case that the economy continues to grow.

You hear every moment of the day almost when you turn on the radio or the television about recession in the United States, recession in Europe, oil price problems and we are, all of us around the world haunted again by the prospect of quite substantial inflation. So we will have to be careful about the way we manage our resources. But I do just wish to stress once again that this economy is in good shape. We have a fishing industry that's prospering and I am certain will continue to do so if properly managed and well looked after. We have a tourism industry that's growing, we have an agricultural industry that's doing better than it's done for quite some time, we have a substantial level of reserves, we have no borrowing we have no poverty and we have no unemployment. Tell me that's a bad economy! I think you're wrong.

So, we do need to manage it properly we do need to manage it sensibly. Our reserves continue to be in excess of two and a half times recurrent expenditure. That gives us a bit of space and a bit of time to get things right. I think the decision of Executive Council yesterday and endorsed by Standing Finance Committee today not to introduce an employment tax at this stage is a wise and sensible decision. It means that we have the opportunity to undergo the tax review and make sure that the level of finances that we need to raise to fund public services are correctly raised in the right areas and from the right areas of the economy and then properly applied.

The important review that we are also going to undertake in terms of how we provide our medical services and how we fund them will be a crucial part of that overall package. So, these are important times and things are a little bit up in the air but we do have a strong economy and it is not necessary for people to worry unduly about it.

It's actually not that difficult to talk yourself into recession if you really try hard enough or at least talk yourself into depression.

A couple of words about the air-bridge I have spoken already on the radio about developments on the air-bridge and I am very concerned about where are getting to with this process. We are expecting the details of the new contract between the Ministry of Defence and its supplier shortly. I hope we have those details as soon as they are available because we are pressing up against some pretty tight deadlines for informing customers for next year's tourist season and indeed dealing with requirements for bookings by local people. So, we need that information as soon as possible. We need the schedules, we need the prices. If the prices continue at the level that they are and the duty fare is now the best part of £1500 which is well in excess of 10% of most people's wages in this country. If the average wage is around £15,000 which it probably is, most people will be below that. The Airbridge price is in excess of 10% of your annual income. I think that is unaffordable for most people and I think what we will need to do is to go back to the Foreign Office and the Ministry of Defence and talk at Ministerial level about the reality of the concept in the JPS that says that the Airbridge is primarily for the resupply of the defence commitments for the Falklands and we accept that but it is also there to assist the social and economic development of these Islands. If we ignore that and if we allow UK Plc to argue amongst themselves about who's going to pay for this and who's going to pay for that, it's not my problem, it's yours we will end up in a position where the economic and social development of the Falklands as a result is stunted so I think we have to be very cautious about that.

Mr Speaker, that's quite enough from me, very, very welcome, Gordon, back to Legislative Council and to Keith. We look forward to working with you for many happy a year.

I support the Motion.

The Honourable John Birmingham

Mr Speaker, Honourable Members, I am sorry I butted in there before the Honourable Member to my right but I will try and be as brief as some of the previous speakers.

Just a little bit of information I, too, have a skin problem but my skin's a little bit too thick but some information for the Honourable Andrea Clausen I do moisturise. I find it helps.

I would also like to pass on my congratulations and welcome back to Air Commodore Moulds for the seventh time I believe, with his wife, Belinda and also Keith to this House. Welcome.

It's the 60th anniversary of FIGAS this year and I will be speaking about that later on in the year. But there are going to be some changes to FIGAS operations as is well known and can I just ask that people give it a chance to see what will or what won't work in combination with the ferry operations, which are pretty well just about to start. I'm sure it will work. I look forward to, and as it's there, one of the Honourable

Members has already spoken about History and not only will the workforce who dug the hole and did all the concreting go down in history but also the decision makers will also go down in history. My information is that it will be operational quite soon and I would imagine that the Concordia Bay will sail into the little harbour to the tune of something like Radar Love or something like that

I have said to people recently that we suffer from Democracy on occasion in that there are eight individuals and to get anything done or stopped, you need to persuade four others to do that. I read a book once and finished it. It was about the Cold War (pre the Berlin wall coming down) and it was about two people who had been taken prisoner in the Second World War, two Germans taken to Siberia. And as the years progressed, these two became assimilated to the Russian way of life. They married Russians but one of them wanted to go back and see his family and eventually he was allowed to but because he had been under a strict regime for so many years he went all the way going west and west and moved into Germany but he wasn't sure where he was and so he was on the Autobahn and he went into this Café and he spotted this fellow who he thought looked like a lorry driver and went up to him as he was eating his sausage and he said to this man, "what do you think of the present government?" And this man came out with language which I daren't use in this House because I might be arrested. Once the man had quieted down he thought "yes know I am in West Germany now."

The point is that there have been a lot of letters and comment in the Penguin News recently but heaven forbid that there would be a stop put to that. I would say one thing about the Media and it is that sometimes they are quite happy to put in a nice headline, forgetting that professionalism would surely make you think that before I put the Headline in I would get my facts straight. I look forward to the Media Trust perhaps having a few thoughts on that.

It's a pity the Chief Executive isn't here because I was going to do this while he was here but I will send him a copy of this I came across something the other day. There are changes afoot. There is a review of the civil service and I have no problem with reviews but I thought this was quite interesting. It's not long.

In AD 66 some years before he committed suicide to avoid execution, Petronius Arbiter the official satirist to Nero uttered some words which still strike a chord in the 21st Century.

"We trained hard but it seemed that every time we were beginning to form up into teams we would be re-organised. I was to learn later in life that we tend to meet any new situation by re-organising and a wonderful method it can be for creating the illusion of progress while producing confusion, inefficiency and demoralisation."

I am not against change but I like evolution rather than revolution but maybe we should have a little bit of a think about how much change we need and how fast we need it.

I would also like to put on record my opposition to performance related pay. I have no problem with Performance Management but I am very much against performance related pay in the situation that we have here. If you are selling beans or vehicles then

I can see it working but I don't believe it works very well in the situation we have here in the Falkland Islands.

The Constitution has been mentioned today. There will be a long, drawn out debate on constituencies, I am sure. But at some point there has to be a balance between protecting a particular group but also not making not letting it be that that group is over represented and is effectively stopping what the majority would like to happen.

I have already mentioned Newhaven. They have had mechanical problems but I would like to congratulate the people working on the ground out there. They have been working in some atrocious conditions but most of the problems have been mechanical and not of their doing.

Something dear to my heart I also have to speak about and that's the Golf Club. The Golf Club and I don't need to declare an interest because I am not a member but the Golf Club are putting together an idea to expand their services beyond Golf and I am hoping that in the near future they will be coming with some proposals to the Lands Committee, which may have an affect on other clubs the Football Club, the Cricket Club and racket sports. So there are some exciting times down at that end of Stanley.

We often hear about money wasted and there is money wasted. The biggest potential project in the Falklands for the future must surely be the new Port. And, before that's started there has to be and there will be an economic case put for that port to happen. But there needs to be some involvement by potential users of that. I don't think it's acceptable now that the Falkland Islands Government would be expected to pour millions into such a beast on some flimsy you build it we will use it argument.

I would also like to follow up with congratulations to the Bisley Team. I think that they have done exceptionally well and will have to maybe check out the weights before we carry them along the road in chairs.

Before I support the Motion, I would just like to make a point Mr Speaker, that there are actually some unemployed people in this town at the moment.

I support the Motion.

The Honourable Janet Robertson

Mr Speaker, Honourable Members, well, there has been quite a lot of discussion about the economy recently and actually it has been identified that this argument seems to go back and forth because of the lack of real statistics, which will allow us to make a true and proper assessment of growth, has actually become a major objective of the Islands Plan. Obviously a good thing because until then we do have very, very different views some probably wildly optimistic. I believe one person thought not a colleague I hasten to add, but one person thought we just on the basis of we are likely to strike oil we can spend the money we currently have, so from wildly optimistic to rather gloomy and concerns about a downward trend. But I suspect that the truth will be somewhere in the middle.

It is true, as Councillor Summers said, earlier that we have no public debt, we have relatively little unemployment and public expenditure is a critical factor in developing the economy. I am not an economist but I would suspect that there is a difference to be had in the types of expenditure. I think probably there is a difference between public expenditure on an asset, which will ultimately help to drive the economy itself like road building, for example and money expenditure on services such as education and health, which I will say are the bedrock of a civilised society and must have to be prioritised to a certain extent do not have the same short term return on investment. It's much more unquantifiable.

The choices we make, therefore, have to reflect a balance of expenditure to meet socially and politically required outcomes with long-term benefits such as good standards of health and education and the investments which will assist the economy to develop in a far shorter term.

This balance is not easy to achieved without the proper knowledge and understanding of that complex mix, which will allow both of those ambitions of a sustainable economic and social development to be achieved. I think this is the reason why it is I am heartily grateful that we have an economist in place so we can look forward to the analysis of some of the decisions we have been making and decisions we will continue to make.

There is a dramatic change in balance between public income and private income over the last 25 years and since the opening of the fisheries and this must make us review and consider how we continue to not only structure our government but how we continue to finance services and investments in the future and I sincerely hope this can be part of the work that's going to be on-going over the course of the next few years.

So we have been criticised, as Councillor Clausen said, for not addressing the issues of expenditure during the last budget round and whilst this criticism to a certain extent, is valid, I will reiterate what I said in the May round and that is that I would prefer ultimately to accept a deficit in one year on the basis that we will have good information, good advice, proper thought out analysed options put forward to us in the next year rather than trying to make up a figure simply in order to achieve a balanced budget. I think we need to be able to consider how we make our decisions and what affect this will have on the economy.

I know that if you read the letters of Penguin News you would get the feeling that actually if we just cancelled half of the Rural Development projects in Camp that this would solve all our problems but actually that is not true. Of course it's not true. If we don't support the Abattoir we will have to find some other means of encouraging diversification in Camp. If we cut the Ferry we would still somehow need to be supplying the west and the islands. It's not simply a case of cutting projects that we can't understand simply in order to finance other areas which we personally believe in. It has to be a balance as Councillor Clausen said. This is the Falkland Islands. It's not "Stanley and Camp."

I am not going to say anything about MSL or the Employment Tax. I made my feelings clear at Standing Finance Committee this morning. I do think that it was a

rather cynical decision and I still don't know who made this decision to change it from a medical services levy to an employment tax. I do think that we could have had further discussion about how we wanted that levy to be structured. We could have looked at thresholds for contribution we could have certainly looked and debated and discussed further, for example, the level of employers' contribution as I realise that could have an effect on the economy. But once it was decided it was an employment tax and that's it, then it was completely unsupportable in my view. So I am heartedly glad that EXCO has rejected this and I do hope that the cost-benefit analysis that will be taking place in the Health and Medical Services over the coming months will address precisely these issues on how we finance our health.

Just a couple of other things, the FIGAS review, I get mixed feelings from those I talk to as to whether it's going to work or not work, whether it's going to be cheaper or more expensive and I think there is a sort of level of uncertainty in terms of people don't actually know what to think to a certain extent how its going to affect us. Councillor Birmingham has mentioned the Ferry. I think that both of those coming on line make it harder to assess what the contribution to internal transport will be provided by both. There was also a question asked at Farmers' Week during the Councillors' meeting, a perfectly valid question was asked which was "How far away from an airport in terms of time or from a strip do people feel was acceptable?" I think there was some surprise on the part of Councillors that there was really little response to that. But I think part of that is because of the state of the roads and it is hard to put or define a time on it. What might take you an hour in summer could well take you an hour and forty minutes in winter, so therefore maybe we have to clarify that question.

Of course, Councillor Rendell mentioned the issue of capping. Absolutely we need to look ahead. We have got these objectives of two hubs on the west and we need to look ahead and see the capping programme on the west as part of the same objective for the ferry as well. All of them will rely on a decent set of roads.

Talking about decent roads, just one last thing I've been involved in a working group on driving safety the Road Safety Group. They will be making recommendations to the Police Committee on the 4th August but one of the things that came out of there was an issue that is been addressed by the Road Traffic Working Group and that is the issue of designation of roads. It was suggested by a Member at the meeting that actually the reason they weren't designated was due to lack of political leadership and if we wanted to do what we needed to do we could make a decision tomorrow and I believe the Governor in his discretion could just decide on any day of his choice to do this. I don't know if this is correct, this is what I have been told.

I don't actually apologise for taking so long to come to this decision. There will be a paper going to EXCO with a recommendation there is a majority view in the Road Traffic Working Group that roads should be designated so no doubt this will be put forward as a proposal to EXCO. I would just like to clarify that I think it would have been irresponsible of us to go ahead with this designation without considering the affect again that this designation would have on the people on the receiving end of it and I am talking about insurance on agricultural vehicles, licensing and road taxes. Those things needed to be considered and some possible solutions to those needed to be explored. Someone has mentioned to me that how could they be designated when the state of the roads is so awful, surely designation carries with it some responsibility

on the part of Government to ensure that roads are in a good, usable state. It does sound sensible but when you consider that there are many, many places on the east having probably have tax and licence and insurance on their vehicles before the road even reached their farm I should imagine and had to deal with poor roads for many, many years. So, whilst it's an inconvenience, we will have to find solutions to it like people on the east have.

I have nothing else really you will be pleased to know. I just want to welcome Commander British Forces and Keith. It's great to see you here.

Sir I support the Motion.

Commander British Forces

Mr Speaker, Honourable Members, thank you for the warm welcome. I am delighted to be back serving in the Falkland Islands. This is in fact my 10th tour and I was more than a willing volunteer. In fact I fought hard for the privilege to come back here, partly because of the challenging and diverse nature of the role but mainly due to the very special nature of the Islands themselves both in terms of their natural beauty and the warmth and generosity of the people.

During my first six weeks as Commander British Forces I am pleased to see that nothing has changed within Stanley or in Camp. The support the British Forces receive from the local community remains second to none. For that I thank you.

In his formal address to Legislative Council in May my predecessor made a number of key points that I would like to echo:

Firstly, Britain's military commitment to the Islands remains as it has been for the last 26 years and will continue to do so for as long as is necessary in accordance with Islanders' wishes. Clear signs of this commitment include HMS Clyde, the Falkland Islands Patrol Vessel, and a current and planned investment into MPA's infrastructure and, in the not too distant future, Typhoon will replace the Tornado F-3s in the Air Defence Role.

Further I look forward to working once again with the Falkland Islands Defence Force. They are one of the most professional reserve forces that I have come across.

I recognise the challenges you face are varied and significant including managing difficult regional relations, budgetary pressures, and economic development in areas such as hydrocarbons.

I do feel that my previous experience has inspired me to get up to speed quickly and will stand me in good stead for assisting you to meet your key challenges.

Let me assure you that during my tenure as Commander British Forces South Atlantic Islands I intend to assist you within all areas that are within my gift.

Mr Speaker, Thank you.

The Honourable Financial Secretary

Mr Speaker I don't intend to break with tradition by making an adjournment speech but I would like to say a few words. Firstly, thank you for the kind words of welcome from Honourable Members and also thank you for the privilege of allowing me to be a part of this House. I have worked with most of the people in this room for some time now and I think it will be fair to say that I've got pretty good working relationships with all of you. I look forward to developing them further on a different level.

Finally I would just like to say that I look forward to discharging the duties of Financial Secretary. I will execute them with honour and with pride.

Thank you.

Mr Speaker

Just before we adjourn the House if I may, a very few words. First of all I would like to say that it is an honour to serve this House even for such a brief time and I thank Honourable Members for their indulgence. I believe that it used to be that the Governor presided over meetings of Legislative Council and that for some time now; quite properly there has been a proper Speaker in this House.

I am only here today in the absence of the Speaker Mr Lewis Clifton. That situation will be rectified, I hope, very soon under the new Constitution, which, if that is agreed, it will provide for the House to appoint a deputy Speaker. So you will have to indulge me in this activity no more after the introduction of the Constitution.

I am, of course, very proud to be honoured with this tie, even if I feel that I will be a little bit of a fraud wearing it but nevertheless at dinners or such other entertainment or hospitality given by Legislative Council it will appear around my neck.

So, Honourable Members, this House stands adjourned accordingly. Thank you very much.