



**RECORD OF THE MEETING
OF THE LEGISLATIVE COUNCIL
HELD IN STANLEY
ON FRIDAY 26 SEPTEMBER 2008**

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The Speaker
(HE The Governor, Alan Huckle)

MEMBERS (Ex-Officio)

The Honourable Chief Executive
(Dr Timothy Rupert Thorogood)

The Honourable the Financial Secretary
(Mr Keith Padgett)

Elected

The Honourable John Birmingham
(Elected Member for Stanley Constituency)

The Honourable John Richard Cockwell
(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

Acting Attorney General
(Rosalind Catriona Cheek)

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 Dr Andrea Patricia Clausen
(Elected Member for Stanley Constituency)

The Honourable Ian Hansen
(Elected Member for Camp Constituency)

The Attorney General
(David Francis William Pickup)

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**The Record of the meeting of Legislative Council
held on Friday 26 September 2008**

Prayers

Mr Speaker

I am deeply honoured again to preside over this meeting of Legislative Council. I thought my last occasion would be my first and only occasion but with Lewis Clifton being away I am taking the Chair in his stead. So, good morning everybody.

Clerk of Councils

The confirmation of the record of the meetings of Legislative Council held on the 25th of July and the 12th of September 2008.

Mr Speaker

All agreed?

Honourable Members

Yes

Clerk of Councils

Papers to be Laid on the Table by the Honourable the Chief Executive.

Copies of Subsidiary Legislation published in the Falkland Islands Gazette since the last sitting of the Legislative Council and Laid on the Table pursuant to section 34(1) of the Interpretation and General Clauses Ordinance 1977.

- Taxes (Amendment) Ordinance 2008 (Correction) Order 2008;
- Capital Equalisation Fund Order 2008;
- Children and Young Persons (Tobacco) Ordinance (Amendment) Order 2008;
- Fisheries (Conservation and Management) Ordinance (Replacement of Schedule) Order 2008.

The Honourable Chief Executive

Mr Speaker I have the pleasure of laying on the table the papers listed by the Clerk.

Clerk of Councils

Motion No 6/2008 to resolve that the Wearing of Seat Belts (Amendment) Regulations 2008 are approved by the Legislative Council. The Honourable Janet Robertson to move this Motion and the Honourable Richard Cockwell to second.

The Motion is That “THIS House, pursuant to section 36 of the Road Traffic Ordinance (Title 63.1), moves that the making of the Wearing of Seat Belts (Amendment) Regulations 2008 be approved.”

The Honourable Janet Robertson

Mr Speaker, Honourable Members, an anomaly has recently been identified in the law seeking to require adults to wear seatbelts. The relevant law was amended in May 2006, apparently with the intention of extending the law requiring persons to wear seatbelts beyond the usual application of other road traffic laws.

Unfortunately, errors in drafting the amending law meant that its effect was to remove any obligation on adults to wear seatbelts. That situation was clearly never the policy intention behind the 2006 amendment to the law.

The Wearing of Seatbelts Regulations 2008 has therefore been drafted as a matter of urgency and were made by the Governor yesterday on the 25th of September on the advice of Executive Council.

Those regulations have been published in the Gazette today, 26 September. The Road Traffic Ordinance stipulates that the regulations may not come into operation until they are approved by resolution of Legislative Council. The manner of the amendment of the law in 2006 also had the effect of creating uncertainty in relation to the extent of the requirement to wear seatbelts whilst on the MPA Road. In amending the law to correct the first anomaly, the opportunity has been taken to make certain that the law does require all persons to wear seatbelts on the road between Stanley and MPA. Identification of the anomaly in the law does potentially affect a very small number of past prosecutions for seatbelt offences. Executive Council has therefore invited the Governor to exercise his power to refer these cases to the Supreme Court for review under the Criminal Justice Amendment (Miscarriages of Justice) Ordinance 2006.

The Honourable Richard Cockwell

Mr Speaker, Honourable Members, on standing to second the Motion perhaps I might take this opportunity to explain to some of the people in the general public who do not believe that it is necessary to wear seatbelts on all occasions. It is my opinion and I think it is the opinion of most people that we need to make sure that people wear seatbelts to prevent serious loss of life and serious injury in the event of an accident in a motor vehicle. It has been demonstrated very clearly that the wearing of seatbelts actually achieves this end.

The reason why I believe and I think everybody else on Council believes that we should wear seatbelts on all occasions is that unless one does so there is always going to be the time that when you wear your seatbelt and when do you not. If everybody gets used to wearing seatbelts all the time, hopefully we will save any further tragic loss of life through motor accidents where people are not wearing seatbelts.

This anomaly has come to our attention and it is necessary to make sure that the legislation achieves what we are trying to aim for. I beg to second the Motion.

Mr Speaker

Does any Honourable Member wish to comment? Do you pass the Motion?

Aye.

Clerk of Council

Questions for oral answer.

Question Number 10 of 2008 by The Honourable Mike Summers OBE

The Honourable Mike Summers OBE

Mr Speaker, Honourable Members, would the Honourable Mike Rendell please give an update on progress with the procurement and installation of the new camp telephone and broadband service, and advise when it is anticipated that the proposed new C&W users group will first meet?

The Honourable Mike Rendell

Mr Speaker, Honourable Members, procurement of equipment for the new telephone and broadband service is proceeding according to plan and on time, except for some of the generators, which have been affected by unforeseen shipping delays. The generators are currently in Montevideo and the latest estimated arrival date is 21st of October after the *Elizabeth Boye* finishes dry-dock. SAAS are currently trying to arrange an alternative connection that could mean a small number of the generators may arrive earlier. This may result in a minor delay in connectivity at just one site.

The installation programme is proceeding well and it is anticipated that all Camp subscribers will be connected to the new system by 27 March 2009 the planned project completion date.

There have been problems regarding warranties with the wind turbine bases and delays in the arrival of the MSAN Vender engineer. In both cases these problems have been satisfactorily resolved and, as regards to the latter, integration of 100% of the new MSANs should be completed by the end of 2008. And, for those that are not au fait with the terminology, MSAN is a multi-service access node and is one of the key hubs situated all the way around the Islands. They are a very important part of the whole network.

Civil works at Bombilla, Channel Hill and Cook Hill were put on hold until the spring due to access and weight restrictions. However, work will start on Channel Hill in the next week. The end date for completion of the new Back-hall Network will now be the end of November. However, this should not affect the over-all end dates.

Fitzroy was connected up to the new system in March and Mullet Creek, Camber House and Stanley Dairy have just been connected, too. Positive feedback has been obtained on our new broadband service. Murrell Farm and Bluff Cove will be

connected in the next two weeks. Planned connectivity in the next two months include nine from Fitzroy Ridge and thirty Goose Green subscribers at the end of September or early October. It is also planned that a further twenty-four subscribers at Port Howard, thirty-four at Fox Bay and five from the Mt Kent MSAN are to be connected before the end of October.

To date, FIG has contributed £1,213,178 towards the project cost, which represents eighty-three percent of its total commitment. That excludes the £470,000 which FIG is responsible for in relation to roads.

As a general observation, thirty-seven percent of the total project cost is spent on overseas equipment, fourteen percent on third-party professional services and forty-nine percent on Falkland Islands Suppliers.

In regard to the second question, it is anticipated that the new telecommunications user group will meet on the 17th of October.

The Honourable Mike Summers OBE

Mr Speaker I thank the Honourable Member for that answer which, I think, very adequately describes the progress on the project. If you just re-assure us, please, that the additional cost arising from errors in the civil works on the bases and from apparent failures of turbine blades are not to the Government's cost?

The Honourable Mike Rendell

I can confirm that. I don't think there is any more need to go into any more detail but I confirm that that is the case.

The Honourable Mike Summers OBE

Thank you.

Clerk of Councils

Question Number 11 of 2008 by The Honourable Mike Summers OBE

The Honourable Mike Summers OBE

Would the Honourable Richard Cockwell please advise the House when the new Port Development Manager will arrive in the Falklands, and what is the expected timeframe for recommendations to the Government on the feasibility and the location of a new port?

The Honourable Richard Cockwell

Mr Speaker, Honourable members, I am very pleased to reply to this question but as the questioner will already realise there has been a press release on this issue. However, to just go into detail, following interviews in London on the 17th of July Ken Johnson was appointed to the post of Port Programme Manager. Following

contractual discussions and a long, previously planned, period of family leave, it has now been arranged that Mr Johnson will visit the Islands in mid October and start work in November.

One of his first tasks will be to provide an achievable project plan for developing and agreeing the feasibility and location of the new port. Subject to the project plan and given the amount of previous work it should be possible to obtain the final agreement for the port during 2009.

Mr Speaker, I have gone on record, with my responsibility of this portfolio, to make every effort that this will happen during the first quarter of 2009, at least in as far as the location of the port, not all the rest of it. But until we decide on a location it is going to be very difficult to produce a full project plan, I believe it is necessary for us to actually do so.

The Honourable Mike Summers OBE

Thank you Honourable Richard Cockwell. May I ask you whether you have any idea at the present time of the amount of additional investigative work that will be necessary to determine the preferred location?

The Honourable Richard Cockwell

Mr Speaker, I personally am not aware of exactly what the requirement will be. There will be further requirements. However, I believe that all the other circumstances involved in the siting of the new port will actually, in the end, give us virtually one option. I think we just need to work through all the other options. Wherever it is proposed to go, there is still going to have to be further investigation into certain things, like the silt, turbulence caused by the erection of breakwaters, and such like, which will have to be developed once the site is actually chosen. But I believe the actual siting of the port, from where I am sitting, appears to be the first decision we have got to make and then go further into investigation.

The Honourable Janet Robertson

Could the Honourable Member perhaps let us know whether what the full remit Port Development Officer will be and whether he will only be able to concentrate solely on the port or perhaps there might be other areas that he could look into? I am thinking particularly of jetties, which have been an issue in Stanley Harbour and have been discussed for a number of years with no satisfactory solution arising, will part of his remit could include this aspect or not?

The Honourable Richard Cockwell

Mr Speaker, I haven't actually seen his final remit, however, my opinion is that his main job is to actually decide and project-manage the development of the port. However, hopefully he will have some time to actually spend on the matters that you raised because we do need some expertise, I agree we do need that expertise. However, I don't want to see him diverted from the original purpose of employing

him to investigate these things and hopefully, he will have spare time but the major objective is to actually to mastermind the port development.

The Honourable John Birmingham

Mr Speaker, Honourable members, two parts to my question do I recall that the Honourable Member is guaranteeing by March we will have a location organised and is he aware that the new port person would also be looking into the what is known as the dockyard project?

The Honourable Richard Cockwell

Mr Speaker, I never guaranteed anything. I said it is my wish that we are actually able to do it. My intention is that we should be able to do it. If we can't do it, the Honourable Member will know from a lot of his own projects you can't actually dictate when a decision is going to be made because there are other people other than myself and the Port Development Officer so there are a lot of unknowns in here. I understand that it has been mentioned that he may look at the dockyard project. However, I think we have to wait until he gets here and we mustn't overload him with all sorts of projects and take his attention away from his main objective.

Clerk of Councils

Question Number 12 of 2008 by The Honourable Mike Summers OBE

The Honourable Mike Summers OBE

Could the Hon John Birmingham please advise how many Government houses are currently not occupied and the average time between tenants in Government houses, and does he have any estimates of how many privately owned properties are currently empty and what incentives might be provided to get these properties into occupation?

The Honourable John Birmingham

Mr Speaker, Honourable Members, Yes, the easy ones first, at the moment there are eight vacant properties. I have a substantial answer to this question but I shall shorten it as much as I can.

The average vacancy for contracted properties (that is properties that are let just for contracted staff who are working for the Falkland Islands Government) is 57 days. The average for those properties that residents rent out is 5.2 days. Sheltered accommodation the average there where the properties are vacant is 55 days.

On the subject of private accommodation and the renting thereof, the Taxation department advise that on a private property that is being rented out there is a basic rule that any costs incurred wholly or exclusively for the purpose of renting the property, that being repairs, maintenance, mortgage interest, etc insurances can be claimed. If the property is built by the owner then rented depreciation can be claimed on the building using a 10% straight line method. However, if the owner bought the property from somebody else then rented it out, depreciation cannot be claimed. This

was brought in to encourage people to build houses privately and rent them out. It hasn't really had the desired effect and is something that is going to be looked at during the tax policy review, which is due to take place very soon.

Legal costs of setting up a lease cannot be claimed as these are classed as capital costs and no depreciation can be claimed on those costs. So, they are lost, I'm afraid. There are no taxes charged on property owners who have properties but don't rent them at present.

Regarding the numbers of private houses that are empty within Stanley I am afraid we don't have that information.

The Honourable Mike Summers OBE

Mr Speaker, Honourable Members, thank you Councillor Birmingham for that information. It is unfortunate perhaps that we can't have an estimate of how many properties are empty in Stanley but I do appreciate your position in not being able to provide that. It's not something in which you keep a record but I think it is a common observation, not only amongst members of the Government but members of the public that there are a substantial number of privately owned properties around Stanley that are unoccupied, which detract obviously therefore from the amount of property available as it were and, it's unfortunate therefore that these can't be brought into occupation. I wonder if the Honourable Member would agree that we should be thinking about as many incentives as we can to get all these properties back into occupation to alleviate the housing shortage that does still exist.

The Honourable John Birmingham

Mr Speaker, Honourable Members, I agree.

Clerk of Councils

Question Number 13 of 2008 by the Honourable Janet Robertson

The Honourable Janet Robertson

Could the Honourable John Birmingham advise this house if the heat exchange system at the swimming pool and KEMH is operating successfully, and in particular could he specify how the efficiency brought about through the use of wind generated power might be affecting the systems?

The Honourable John Birmingham

Mr Speaker, Honourable members, the heat recovery systems for the swimming pool and the KEMH are completely separate. One system installed in 2006 which recovers heat from the generator engine exhaust gasses and is distributed to the KEMH and the Falkland Islands Community School. This system is not working at the moment due to a defect which has caused problems with the heat exchange units, which is being actively addressed. In fact, there are two engineers here this week looking into ways of rectifying the problem.

The other system installed in 1989 recovers engine jacket water heat and is then distributed to the swimming pool.

The addition of phase 1 of the wind farm reduces the amount of heat available from that in recent years but is still more than would have been available in the first 10 years of the system being operational.

During that first decade there would have been no heat available to the pool during the night as demand for electricity meant that changing down to smaller generating sets was possible. Both heat recovery systems are only connected to the four large sets as the smaller ones are being assessed as uneconomic. It is anticipated that there would be a reduction in heat but this is not a level lower than was experienced previously. There is a potential for boosting the swimming pool heat from excess wind-power in the future. The swimming pool system has always called for more heat than has been available but the suggestion of an oil-fired booster boiler has previously been rejected on the basis that the swimming pool should only be heated from energy recovered from the Power Station due to the potential for significant increases in operational costs.

Heating utilising electricity generated by the wind farm will comply with this philosophy.

The Honourable Janet Robertson

I thank the Honourable Member for his answer but could I just clarify then that as far as the swimming pool is concerned the public should not notice any variation or decrease in the average temperature of the pool as a result of having greater wind generated power?

The Honourable John Birmingham

My understanding is that it is so.

Clerk of Councils

Question Number 14 of 2008 by the Honourable Janet Robertson

The Honourable Janet Robertson

Could the Honourable Richard Cockwell inform this house how much a cubic metre of freight costs, including carriage on the Concordia Bay from Stanley, to each of the following destinations: Port Howard, Dunnose Head and Albermarle. Could he also inform us what the cost per head of freighting live cattle to the abattoir from each of these farms would be?

The Honourable Richard Cockwell

Mr Speaker, Workboat Services Limited is contracted to provide a ferry service between Newhaven and Port Howard using Concordia Bay. The charges made purely

relate to passengers and vehicles carried. All freight on this route is transported on private vehicles and FIG do not specify or control the freight charges.

Freight charges between Stanley and anywhere on West Falkland are set by the Private Sector and the Falkland Islands Government has no control on these charges.

The Honourable Janet Robertson

Thank you for that answer but is it not the case that we set the freight charges for containers?

The Honourable Richard Cockwell

I can only reiterate what I said before is that the freight charges from Stanley and anywhere on West Falkland are set by the private sector. This is other than the cost of crossing the Sound set by the private sector and FIG has no control over these prices. I understand that there is a charge for containers to Fox Bay offloaded at Fox Bay but that is the only place that I am aware of.

The Honourable Janet Robertson

Could you confirm what these charges between (Stanley) and Fox Bay are, please – if you are able to?

The Honourable Richard Cockwell

I don't have the figure at hand. No, I'm afraid I don't. I can inform the House later on but at this moment I'd better check that. However, there may be somebody else in this room who does have the figures.

The Honourable Mike Rendell

Mr Speaker, Honourable Members, I think I can confirm that the container rate between Stanley and Fox Bay is £350.00 per container.

The Honourable Richard Cockwell

That was the figure I had but I wasn't prepared to put my neck out because I would get the Honourable John Birmingham questioning me if I can guarantee it.

Clerk of Councils

Question Number 15 of 2008 by the Honourable John Birmingham

The Honourable John Birmingham

Mr Speaker, Honourable Members, will the Honourable Richard Stevens please explain by what process FI students in further and higher education and others on training courses overseas receive their grants and expenses?

The Honourable Richard Stevens

Mr Speaker, Honourable Members, further and higher education students receive grant payment in monthly instalments. Payment is made by a cheque which is issued by the Treasury. Payment is made to student bank accounts or directed to the student according to their wishes. Falkland Islands apprentices are paid in exactly the same way as further and higher education students. Private Sector apprentices continue to be paid by their employer whilst overseas the FIG contribution to wages continuing to be paid to the employer during that time. Overseas apprentices earn a wage from employment in the UK. This is organised by Chichester College.

Authorised additional and required expenses are reimbursed by the Treasury on production of receipt.

The Honourable John Birmingham

Mr Speaker, Honourable Members, I thank the Honourable Member for that answer. I am not quite sure –when you say the students are paid by cheque, is it that the cheque is sent from here by post by airmail?

The Honourable Richard Stevens

Mr Speaker, Honourable Members, the cheques are sorted from the Education Department on the 1st and 2nd of the month and they are sent to the Treasury for payment. As I understand it the payment of those cheques are then sent through the post to the UK.

The Honourable John Birmingham

Mr Speaker, Honourable Members, does the Honourable Member see any merit in visiting the way that students and others on training are actually paid? To me it seems, you may agree or disagree, that it seems to be a bit of a Victorian way of sending monies 8,000 miles in the year 2008?

The Honourable Richard Stevens

Mr Speaker, Honourable Members, I disagree, I think it is probably Medieval! and that we should look at ways of trying to get over some of the problems that sending a cheque through the post brings to students. But it's not quite as easy as one would expect. Many of the payments are different. A number of expenses are also not the same so it would be quite complex unless we can somehow round up the figures and make them not so variable. But I agree that many of the issues like a delay in the air-bridge or a problem in the British Post Office or even our own does bring issues to our students who have to pay their bills on a regular basis. So, we are in fact, or have been, looking at ways of doing electronic transfers. But again, there are costs and there are issues that at the moment aren't easily resolved. But we are currently

working at looking and seeing if in the future that we can bring these payments to a modern conclusion.

The Honourable Richard Cockwell

In view of the fact that you are quoted as saying that the system is medieval, can we have your assurance that this matter is being dealt with at the utmost speed rather than just something that is going to happen in the future? Having had three children who have been through the system and in recent years university payments, the students find it extremely difficult to survive on their grants, particularly when things come late and they are expected to pay their rent and other bills at the beginning of the month. Can we not actually find as a matter of urgency a way of dealing with it? I don't want to see us talking about this in 12 months' time.

The Honourable Richard Stevens

Mr Speaker, Honourable members, yes perhaps Medieval was being slightly light-hearted. But it is an issue that we have been aware of for a little while and I know that the Honourable Dr Andrea Clausen has talked to the Treasury about this issue and I have certainly raised it within the Education Department and the Treasury, so I, like yourself, can't make guarantees because the Honourable John Birmingham would then get up and question me.

The Honourable Mike Summers OBE

Mr Speaker, Honourable Members, even when I was in higher education, now some decades ago, grant cheques were paid in advance and it didn't seem to be much of a difficulty. I wonder if the Financial Secretary might make some comment on this since it will be his regulations that cause the apparent difficulty.

The Honourable Financial Secretary

The main difficulty is the fact that we are not connected to the international banking system. If we were and could use internet banking, life would be so much simpler but I am afraid things are not as we would like them to be.

In terms of the payments that are made monthly to students, one of the particularly difficult areas is these payments vary quite dramatically. We always send the payments out to students at least three weeks before the due date but obviously we can't guarantee any postal delays or average delays or postal strikes or whatever might happen. But as the Honourable Richard Stevens says, it is something that has been looked at and we spoke about it earlier this week and hopefully we will be able to progress something on it in the near future.

The Honourable John Birmingham

I thank the Honourable Richard Stevens for his answer and I also thank the Financial Secretary for coming to Councillor Stevens' aid.

The Honourable Richard Stevens

Mr Speaker, Honourable Members, I would just like to point out that the Financial Secretary was backing me up rather than coming to my aid.

Clerk of Councils

Question Number 16 of 2008 by the Honourable John Birmingham

The Honourable John Birmingham

Mr Speaker, Honourable Members, as there are to be part time development officers appointed on both East and the West Falkland. Can the Honourable Richard Cockwell explain where the money is coming from and what duties will they be undertaking?

The Honourable Richard Cockwell

Mr Speaker, in their August meeting the Falkland Islands Development Corporation approved the Corporation's role in the Rural Development Strategy, which included budgetary provisions for the two posts in question. The funds for these posts were reallocated from unspent balances in closed FIDC projects. The duties of the Development Officers were reported to the FIDC Board as follows:

To organise the meetings and workshops identified in the project plan namely corporate meetings and community meetings.

The Honourable John Birmingham

I thank the Honourable Richard Cockwell for that answer. Does he have any idea how many hours per month these part time development officers will be working for?

The Honourable Richard Cockwell

I am afraid that I am not able to answer that question. However, their duties are to act as the main contact for the community, to work with the other officers to plan the workshop structure for each round of meetings, to attend and facilitate the workshops, facilitate and transfer of information between East and West Falklands and Stanley and the core group, collate information produced at the workshops, to disseminate this information to all community members and to field any questions that result from the information, to assist in the production of progress reports on the process, to undertake relevant research as required and to assist in the production of a strategy document. This is not something which will take a short time. There is a considerable amount of work involved and we do need people to actually undertake this sort of work if we are to take the Rural Development Strategy seriously.

The Honourable John Birmingham

Mr Speaker, Honourable Members, I thank the Honourable Richard Cockwell for coming back with that. He is right. It does sound like a substantial workload. I just

wonder whether two part-timers will be enough and has any thought been given to making them full time posts?

The Honourable Richard Cockwell

Mr Speaker, at this stage there has been no consideration on that issue.

Clerk of Councils

The Motion for Adjournment

The Honourable Chief Executive

Mr Speaker I beg to move that this House stands adjourned sine die

The Honourable Mike Summers OBE

Mr Speaker, Honourable Members, I propose to talk only on one issue this morning. It is the issue of the world financial situation and how it might affect the Falklands. I think we truly are in extraordinary times, you often hear people say such things but if you look at what's happening on the world financial markets hour by hour, day by day, we are in an extraordinary time and what's happening in the United States will have reverberations certainly across Europe and across the Far East and, I think, into all the developing world.

On that basis we asked the Financial Secretary to produce a report at relatively short notice about the position of the Falkland Islands Government's public funds in respect of what's going on and how secure they are. The purpose for my speaking about this, this morning is to provide some reassurance to the public about the position of our funds.

In the first instance all the reserves of the Falkland Islands Government are spread between a combination of shares in principally the UK Stock Market, Government Bonds and cash. It is highly unlikely that Government Bonds and cash are going to be affected by any of the crises that are currently occurring. Equity markets are, of course, volatile and the value of our shares goes up and down. However, there are other protections in place that means that the Government's reserves, reserve funds and all its funds are well protected.

One of the key issues in this is that our deposits are segregated from other deposits in the bank and they are ring-fenced. So, that means that funds provided to banks by the Falkland Islands Government for investment purposes are not the assets of the bank. They are held in trust, if you like and so if the bank were to go into liquidation, or have difficulties, those funds belong to us and could not be sequestered by the administrators. So that is an important issue.

We are administering our reserve funds through financially strong investment managers and neither of the investment managers HSBC or Newton's currently have any financial difficulty or any perceived longer-term financial difficulties.

There has been a reduction in our reserves of around £5million over the last few months as a result of a drop in the equity markets in the United Kingdom. However, that doesn't mean a cash loss – it is a valuation loss as the stock market falls. If and when the stock market rises again the value of those reserves will go back up. It is, of course, possible that they won't go back up, in which case, if we have to realise those funds in the longer term there will be cash losses. But £5million is a relatively small percentage of our total holding and therefore is not a matter of concern for the public.

The one other issue on which I think we do need to do just one other thing is that Falkland Islands Government obviously holds a lot of cash in the Standard Chartered Bank and so do members of the public either directly or using the Standard Chartered Bank to invest their funds elsewhere. Standing Finance Committee has this morning asked the Financial Secretary to get together with the local Manager of the Standard Chartered Bank to provide some kind of a statement about the security of the Standard Chartered Bank. I am not suggesting for a moment that there might be any danger to the Standard Chartered Bank but I think it is our duty as custodians of public funds and in our general responsibility of care for the community to provide the necessary assurance providing it can be given.

So, in terms of what I wanted to say this morning to the general public, the public investment of its reserves is generally speaking, not in danger in this extraordinary time. I don't say that there won't be a fall out from what's happening in the world's financial markets because we are never going to be insulated from that. But at least in terms of these initial issues we are not at risk.

Sir, I support the Motion.

The Honourable Mike Rendell

Mr Speaker, Honourable Members, I just got sort of some breaking news although I think it's been in the community for a little while and that is in my earlier reply to the Honourable Mike Summers regarding the Elizabeth Boye's movements, a message has come through from the SAAS saying that it's now going to be leaving Montevideo on the 29th September and arriving here on the 4th or 5th October. So, I think that will be welcome news to everybody not just in respect of the telecommunications project but in all sorts of other ways, too. I just thought it would be appropriate to mention it here and now whilst everyone's focused on it.

The Honourable Richard Stevens

Mr Speaker, Honourable Members, I would just like to talk about one issue as well and that's the Rural Development Strategy, which I was lucky enough to attend by default in a way at Fox Bay. It was quite a positive experience with two planes leaving Stanley full of people attending the strategy group with the newly appointed Development Officers that have already been spoken about and to arrive at Fox Bay to a very busy airstrip. It seemed to be busier there actually than it did at Stanley. There was a great turn-out from the two Fox Bays and Port Stephens and a positive way that we went about the business. I think it's easy to think that all these types of things have happened before. But from my way of thinking this is a way of getting

the initiatives into the community so it's not just driven by different Councils but it's driven from within the community, which in my opinion, is always the strongest way.

Anyway, the day for me was very positive. There was lots of interesting things being said and I'm just looking forward to us moving on. Whether there will be an end result that will bring something I'm sure there will be but whether it's the end we all would like I'm sure to a degree that those results will happen in time. But like a lot of things it will take a lot of work.

At the end of the workshop the bar opened and after a few drinks people were able to point out one's shortcomings a lot easier and we moved from discussing roads and phones and I was thinking perhaps we would probably move on to a few dog yarns, perhaps even peat and horses but I was surprised to be waylaid and talked about pay and conditions of Government. I did look round and wondered where the Chief Executive was to give me the back up from that level but very wisely he was by then at Port Howard I was surprised because having spoken about how pleased I was with the endeavours at Newhaven that I managed to upset other people in the community. What was pointed out to me, I think is very obvious when you think about it but I mean not obvious to us all the time when we go and switch our taps on or put the washing machine going or switch on a light just what goes on behind the scenes and I was told in no uncertain terms by a member of the Water Department how difficult that job is on a day by day year by year basis when a lot of the members of this group work in very difficult conditions in holes in the ground, working with water over ones knees or even deeper on a regular basis throughout the year whether it's a nice sunny day or freezing cold. The kind of commitment I am sure there are other jobs that are less arduous. I was able to discuss the Power and Electrical Department and the dedication of the team from that department who go out at any time of the day or night to sort out electrical issues. Again, when we switch on our lights at night and televisions we probably don't talk about this or think about this commitment.

So here I am saying I would like to thank everybody who works with commitment within our society but I look forward to Fox Bay or Goose Green or wherever where perhaps we can discuss someone else that I have missed out.

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

The Honourable Janet Robertson

Mr Speaker, Honourable Members, I don't really have too much to say but I was just going to pick up on some of the comments that the Honourable Richard Stevens made about the Rural Development Strategy. I, too, went to one of the workshops in the Chamber of Commerce and I was really quite thrilled by it I have to say but not everybody was. There is a certain amount of reservation about what the affect of the Rural Development strategy is, indeed the effectiveness of such a strategy what it will be. There was certainly a feeling from some people that this has all been done before. There have been proposals and ideas and policies put forward in the past and here we are going around the same circle again and I could sympathise with those ideas.

I mean it is true there are no new ideas and I was reminded of that recently when helping my daughter with her Alastair Cameron History project which she did on the

swimming pool. We came across an article written in the 1880s and I believe it was the Falkland Island Times written by Dean Brandon, who proposed building a swimming pool on the site where Standard Chartered Bank now is the old gymnasium as it was then, and using the heat exchange from the Blacksmith Shop to heat the water.

Just over 100 years later we achieved that. So again it reinforces the idea there probably are no new ideas. But they may not be new ideas but the circumstances to allow those ideas to take fruition do change and this applies to the Rural Development Strategy, it will apply, hopefully, to the National Economic Strategy as well. We might not be coming up with wonderful ideas, new ideas that no one has ever thought of before, but each time as years go on the circumstances change and we will be addressing Rural Development Strategy in the light of a full road network all around the Islands – in the light of a cross sound ferry, which we didn't have five years or ten years or fifteen years ago.

I would just like to encourage people to attend the workshop. Those who did attend the one in Stanley, I think, did get excited by it in the sense that they felt that there was a very good opportunity for them to put forward their ideas and their views on things. And also I think some of them realise that the point we have been trying to make that it's not just about assisting the brothers in the rural areas but that a successful rural development strategy will be a benefit to everyone. It will be a benefit to people in Stanley as well as successful rural development will give opportunities for people to make moves the other way and in the past people have come into Stanley through lack of opportunities in Camp. A successful Rural Development Strategy might allow that stream to reverse a little and those people who live, perhaps, in Stanley reluctantly for a perfectly good economic reason might, in the future, have opportunities to move back to Camp.

I really just wanted to emphasise that the whole strategy should be a benefit to everyone and I'd like everyone to approach it from that perspective.

Just quickly on the National Economic Strategy, a massive piece of work and I think that the success of the outcome will largely depend on our ability to consider and debate what might be rather strange and over-radical ideas. And, to a certain extent we've got to accept that we've got to consider first what we really want in the future or where are we going to and maybe at the end of the day we are going to have to make some decision about to what extent we are prepared to change or even want to change. It might be that in order to achieve some of our goals we would have to make fairly radical changes to the way we operate and our structures and we might not be prepared to do that. I think that at least though we must be prepared to contemplate all the varied suggestions the varied criticisms that have been put forward and take them head-on and that this is not just something that Government has to do but that this is a National Economic Strategy, it is in the interests of all of us, public and private and community to look at ourselves and challenge, perhaps, some of the things that we take as given.

The only other thing I was going to say is a really big congratulations to Andy Brownlee and Louise (Taylor) Birmingham for their amazing fete last weekend. It was really quite uplifting. I know the Governor was there to walk the last little bit, it

was a beautiful day they came in. It was probably about 60 or 70 people there at the end to accompany them on their last leg. They were foot-sore and weary but in amazing spirits and, I think they are perfect examples of what a community can do when it puts their mind to it, so congratulations to them and to everybody who assisted them and to all the donors as well because I think they have been very successful.

Sir, I support the Motion.

The Honourable Richard Cockwell

Mr Speaker, Honourable Members, you have appeared to have heard too much from me this morning already but however, I have noticed that the Councillor on my left has about four pages of winding up speech so I will be as brief as I can.

We were talking about port development earlier on this morning, there will be people in the community who say in this day of financial constraints, why do we need a port, why do we need to spend what will be a considerable amount of money on a port? I think we need to put this into perspective. At the moment, our major industry, fishing, most of the fish which leaves the Falklands is put into reefer vessels, which anchor in Berkley Sound, and these fish are taken away and containerised somewhere else and sent around the world. Internationally, these vessels are not being replaced. It's just not going to happen. Within 10 years it's going to be almost impossible to find a reefer vessel. So, we have to do something about that. We have to actually recognise that our fish have to leave the Falklands in containers.

This also gives our fishing companies who have ITQs a better chance at advancing their markets, taking their fish direct to the markets and actually improving their profits hopefully. And so we have to actually build a facility which will allow this to happen.

There is also the issue of cruise vessels and such like but the most important thing is to make sure that we do have the ability to support our major industry and not find that more and more of our costs are going overseas and so less money is actually kept in the Falklands and made by our companies. That is why I believe we need to do it and it is going to cost us money but if we don't do it it's going to cost us money as well and it's going to reduce our ability to develop our industries.

The Honourable Janet Robertson mentioned the Rural Strategy Group. I, too, welcome this. I think it's a very important issue. I, as I think everybody knows, have been actually promoting successfully and unsuccessfully development in Camp and I think it is something which we have to take forward. It is possible to run successful businesses in Camp. It is possible for people to live in Camp and particularly with broadband to run their businesses from Camp. I think we need to really focus on this because we are not here to develop just Stanley. We are here to develop the Falklands. The Falklands is our responsibility.

I was very sorry to hear and have to report that David Waugh, the person who was appointed to take over as the substantive General Manager of the Development Corporation has had to withdraw. It is a big blow to us. It is a big blow to him as

well because I know he was looking forward to coming down but circumstances did not allow it to happen. I am also pleased to hear that, subject to one or two points of agreement, that Tom Cosh, who is the interim Manager, is prepared to stay on for a longer period to give us time to find a new substantive manager. So I look forward to hopefully finding a new substantive manager in the near future.

And finally I was very impressed and interested to hear what the Honourable Janet Robertson said about the amazing fete of the walkers. They must have had amazing feet, I agree. Chair I beg to support the Motion.

The Honourable John Birmingham

Mr Speaker, Honourable Members, it may be four pages of scribble but I hope I will be as brief as the previous speaker, which is five minutes by my reckoning. It is usual to comment on the current issues and some Members have, all Members have, I won't be any different.

Yesterday there was a press release at lunchtime about the Economic Development Strategy. The FIG is going to undertake this. I support the idea but what's going to be released if it hasn't already been released is a document entitled "Focus Group Strategic Planning Framework." This is a document that's been put together by a section of FIG and, as far as I am concerned and this is my view I'd like to distance myself from some of the contents of that document.

There's a view around certain sectors that the Falklands are inconsistent with our approach to planning. One of the reasons, I would suggest, is that we have individuals at certain high levels who come here for a given period of time and try to move us in one particular way, only to disappear over the horizon and to be replaced by somebody else who will say "no – we shall go t' other way" and some of this has been going on for some years.

Two Legislative Councils ago I read a piece out and I brought the piece of paper back again. I was asked what does it all mean? I will read it again for those who weren't here – the gist of it – not all of it. This is from 2,000 years ago. "We trained hard but it seemed that every time we were getting to form up in 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 (the one that I like is) demoralisation." (Gaius Petronius – satirist to Nero '64 AD).

There is actually a fair bit of stress around at senior levels within the FIG. We had a public meeting here the other evening on the Mental Health Ordinance and stress was one of the topics spoken about. There is stress. There are only so many people within the system. There is an ever growing number of ideas being bandied around. And ideas are all to the good. We can all have ideas. I've been ballooning myself, but there are only so many people who can take those ideas and put meat on them and I would suggest that sometimes in fact, no now is the time to have a think before we start anything else. There is enough on the plate at the moment.

The Education Department will be getting a visit soon from the school inspector, the same one that came last year to have a look at FICS. As a Councillor but more importantly as a parent, I am looking forward to speaking with him and asking him a few questions.

I see in today's Penguin News there's a new part time post for the Falkland Islands Community School. There's been a lot of money put into the Falkland Islands Community School recently and I don't know whether we are going to be putting any more money in but what I do know is that reading the newspapers from the United Kingdom and elsewhere and looking at the results that come out of the school we are not that bad. There's a feeling and certainly was some months ago that in some way the school was a failing school and I heard that, the words a "failing school". I would suggest that we are far from it.

I was somewhere the other day, we are always somewhere the other day, it's a rather large family isn't it that somebody's and this person suggested to me that we all doomed well I don't believe that we doomed, and we will survive. But if you do go-carting round those ideas you are going to get a bit of a ribbing.

Mr Speaker, I support the Motion.

The Honourable Financial Secretary

Mr Speaker, Honourable Members, I had intended to speak this morning about the state of the stock market and FIG's investments but in view of the fact that the Honourable Mike Summers has already made assurances I will not repeat any of it. I would just add my endorsement and support to the sentiments that he expressed. The only thing I would add is that the report that went to this morning's Standing Finance Committee is a public report and if any member of the public wants a copy of that, all they need to do is contact my office.

Sir, I support the Motion.

The Honourable Chief Executive

Mr Speaker, I am not going to add anything to that. Thank you very much.

Mr Speaker

The House stands adjourned accordingly.

Confirmed this 14th day of November 2008

Speaker of the House