

**RECORD OF THE MEETING
OF THE LEGISLATIVE COUNCIL
HELD IN STANLEY
ON 31 JANUARY 2003**

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HELD IN STANLEY ON 31ST JANUARY 2003

MR SPEAKER

(Mr Lionel Geoffrey Blake OBE)

MEMBERS (Ex-Officio)

The Honourable the Chief Executive
(Dr Michael Dennis Blanch)

The Honourable the Financial Secretary
(Mr Derek Frank Howatt)

Elected

The Honourable John Birmingham
(Elected Member for Stanley Constituency)

The Honourable Mrs Janet Lynda Cheek
(Elected Member for Stanley Constituency)

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

The Honourable Roger Anthony Edwards
(Elected Member for Camp Constituency)

The Honourable Stephen Charles Luxton
(Elected Member for Stanley Constituency)

The Honourable Philip Charles Miller BEM
(Elected Member for Camp Constituency)

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

PERSONS ENTITLED TO ATTEND

The Attorney General
(Mr David Geoffrey Lang CBE, QC)

CLERK OF COUNCILS: Claudette Anderson MBE

PRAYERS: Rev. Michael Watkins

APOLOGIES

The Honourable Mrs Norma Edwards
(Elected Member for Camp Constituency)

The Commander British Forces Falkland Islands
(Commodore Richard Jeffery Ibbotson, DSC MSc RN.)

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Record of the Meeting of the Legislative Council Held on Friday 31 January 2003

PRAYERS

Clerk of Councils

Confirmation of the record of the meeting of the Legislative Council held on ~~25th October 2002~~ *22nd November 2002*.

Mr Speaker

Honourable Members, is it your wish that I sign these minutes as being a true record of that meeting? Agreed.

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:

- The Retirement Pensions (Prescribed Rates) (Amendment) Regulations 2002
- Defence Contractors' Employees Tax Exemption (No 2) Order 2002
- Animal Health (Livestock Movement and Identification) (Provisional) Order 2002
- Abattoir (Miscellaneous Provisions) Order 2002
- Income Tax (Disclosure of Information) Order 2003
- Crozier Place, John Street and Reservoir Road No Waiting Regulations (Amendment) Order 2003

FIG (All Funds) Financial Statement and Audit Report, Financial Statements for the Insurance Fund, the Sinking Fund, the Pensions (Old Scheme) Fund and the Currency Fund for the year ended 30 June 2002 and the Retirement Pensions Equalisation Fund Financial Statements for the year ended 31 December 2001, laid on the Table pursuant to section 57 of the Finance and Audit Ordinance.

The Honourable Chief Executive

Mr President, I have great pleasure in laying the aforementioned papers on the Table.

Mr Speaker

Thank you.

Clerk of Councils

Questions for Oral answer.

Question number 01 of 2003 by the Honourable John Birmingham.

The Honourable John Birmingham

Can the Honourable Chief Executive please confirm that there is a policy of anonymity within the Civil Service when dealing with a complaint by a member of the public.

The Honourable Chief Executive

Mr Speaker, I thank the Honourable Member for that, the first question of the New Year. And I will answer as follows: The Civil Service is currently reviewing its general policy on handling complaints as part of our customer care initiative. We take the view of rather than being afraid of complaints, we should welcome them because they give us valuable customer feedback on where we might improve our services to the public. Members will note that the recently published complaints procedure of the Medical Services was not headed a "Complaints Procedure." It was headed "A Getting It Right Procedure."

Along that basis, complaints shouldn't be seen by staff as being a cause for apportioning blame or pointing fingers. Equally, on that basis, we would hope that members of the public who complain would be happy to be identified. And, indeed, except in a few cases of extreme sensitivity, we wouldn't want to encourage anonymous complaints. Knowing the origin of the complainant often enables us to get to the bottom of the problem in the spirit of honesty and openness.

So, to return to the Honourable Member's question, there is no policy of anonymity. But if requested we may preserve the anonymity of the complainant but that, in turn, may make it impossible for us to solve the problem.

The Honourable John Birmingham

I thank the Honourable Chief Executive for his full reply there and I am sure that will be very useful for members of the public listening. And, I would like to suggest to him, though – we discussed this the other day – that in a small community people – as we know from reading the local newspaper, the Penguin News, people very often do not wish their name to be put to not only letters but to complaints. But I am very impressed with the idea that rather than looking at complaints in a negative way, we look at it as a way of learning how to do things in a better way. Thank you.

Mr Speaker

Thank you. Does any other Honourable Member have a further supplementary?

Clerk of Councils

Question number 02 of 2003 by the Honourable John Birmingham

The Honourable John Birmingham

Mr. President, Honourable Members, I forgot this morning to bring my snack and flask because I have actually asked Roger Edwards for questions before and I know that some of his answers are less than brief. Hopefully, this one will be.

Will the Honourable Roger Edwards please inform the House of the number of man hours per working week the Public Works Department allocate to keeping the Stanley Cemetery in a neat and tidy condition.

The Honourable Roger Edwards

There is no set number of man-hours per working week allocated to maintaining the cemetery.

The Honourable John Birmingham

Well! What can I say? I thank the Honourable Member for his reply and I just wondered if he had any information as to the management of the Stanley Cemetery so as to keep it up to a neat and tidy manner? Here we go!

The Honourable Roger Edwards

Mr. Speaker, yes I have some supplementary information regarding the upkeep of the Cemetery and the grounds surrounding the Cemetery. Routine tasks are identified and are implemented as soon as required, or as required. Non recurring items are dealt with as soon as possible – weather conditions, occasional staff shortages, will obviously cause service levels to vary. In the

recent past there was a post of Cemetery Keeper within the Property and Municipal Section, with the post holder resident at Cemetery Cottage. This post has been consolidated within the Property and Municipal Services team and the post no longer exists as a separate identity.

My Honourable friend will be well aware that certain areas in and around the Cemetery are tendered out to contract and are presently being run by a local contractor. The area within the Cemetery itself is maintained by the Property and Municipal Section. It was thought better use of manpower to not have one dedicated Cemetery Keeper but to use men as and when it was necessary.

The Honourable John Birmingham

I thank the Honourable Roger Edwards for that information and I accept that it is a management decision as to as and when men go into the Cemetery. Thank you.

Mr Speaker

Thank you. Does any other Honourable Member have a further supplementary?

MOTIONS

Clerk of Councils

Motion No. 1 of 2003 by the Honourable Philip Miller

"It is moved that this House welcomes and endorses a proposal of Executive Council that the Pale Maiden (*Olsynium Filifolium*) should be adopted as the National Flower of the Falkland Islands and resolves and determines that it so be adopted."

This motion is proposed by the Honourable Philip Miller and seconded by the Honourable Mike Summers.

Mr Speaker

Councillor Miller, do you wish to speak to the Motion?

The Honourable Philip Miller

Mr Speaker, Honourable Members, as Chair of the month, it means that I have the honour of proposing this Motion. This issue came about as a result of a letter being sent to us from Mrs Marilyn Hamilton, whose late partner, Falkland Islander, Pat Alazia, had often spoken of this native bloom. On finding out that the Falkland Islands do not have a national flower, she promptly wrote to

Councillors suggesting that a flower native to the Falklands be adopted as the national flower. Members considered the suggestion and put the idea out for public consultation. As a result of receiving some 14 letters suggesting the Pale Maiden, brings us to the conclusion resulting in this motion today.

The Honourable Mike Summers

Mr Speaker, I am happy to second this motion that this delightful, popular and widely distributed flower becomes our National Flower.

Mr Speaker

Does any other Member wish to speak to the Motion? The Motion is carried.

Clerk of Councils

ORDERS OF THE DAY - BILLS

The Supplementary Appropriation 2002 – 2003 Bill 2003. This Bill requires a first reading.

The Honourable Financial Secretary

Mr Speaker, Honourable Members, the purpose of this Bill is to authorise the withdrawal from the Consolidated Fund of the additional sum of £872,320.00 to meet supplementary expenditure approved by the Standing Finance Committee for the current financial year. The Bill provides for the Contingencies Fund to be replenished to the extent of £701,320.00 in respect of any advances made. The reasons for the supplementary expenditure are as follows:

- Under the Operating Budget, £214,300.00 is allocated to cover the cost of emergency medical treatment in South America and for further routine referrals to the United Kingdom. This makes a revised budget of £384,000.00 for medical treatment overseas. Last year, we spent £524,000.00 on this part of the Health Services Budget.
- Under the Capital Budget, the following allocations are made: £23,000.00 for the purchase of a vehicle adapted for use by the disabled, £60,000.00 for the purchase of special equipment to aid the disabled, £28,720.00 to complete the Infant/Junior School extension at a revised project cost of £2.74 Million, £195,000.00 to meet on-going costs in connection with a contractual dispute, £170,300.00 for reinstating Phase 7 of the East Stanley Development at a revised project cost of £3.09 Million for both phases 6 and 7, £10,000.00 to remove the top sides of the Charles Cooper and finally, £171,000.00 to help fund the operation of the Abattoir

to 31 December 2003. This makes a total cost of £4.16 Million for building and operating the Abattoir to the end of 2003.

Mr. Speaker, I beg to move the Bill be read a first time.

Mr Speaker

The Motion is that the Bill be read a first time does any Honourable Members object to the Motion? The Bill will be read a first time.

Clerk of Councils

The Supplementary Appropriation 2002 – 2003 Bill 2003

The Honourable Financial Secretary

I beg to Move that the Bill be read a second time.

Mr Speaker

The Motion is that the Bill be read a second time does any Honourable Members wish to speak to the Motion? The Bill will be read a second time.

Clerk of Councils

The Supplementary Appropriation 2002 – 2003 Bill 2003.

Mr Speaker

Are there any amendments to the Bill as published? We shall go to the short track procedure.

The Bill will be read a third time and pass.

Clerk of Councils

The Supplementary Appropriation 2002 – 2003 Bill 2003

The Criminal Justice Bill 2002. This Bill has been Gazetted and we go to the second reading.

The Honourable Chief Executive

Mr Speaker, this Bill seeks to amend two Ordinances that this House passed in 2000, the Criminal Justice Ordinance and the Criminal Justice Evidence Ordinance. I will draw Members' attention to two key features of these

amendments. The first clarifies the admissibility of Computer Evidence, the giving of Computer Evidence, and establishes that it is admissible to use Computer Evidence and that the Courts should rule that in the absence of any evidence to the contrary, the Courts will presume that the Computer System was working properly. They have enormous faith.

The second change, which this brings forward, is opposite to the long tradition and the Legislative provision that wives will not be called upon to give evidence against their husbands, or compelled to give evidence against their husbands or vice versa. And, it amends that provision in certain circumstances. And, the circumstances are set out but broadly, they are as follows:

- Where, for instance, the husband stands accused with others, of an offence, the wife or vice versa, can be compelled to give evidence against those other people who are similarly charged with the same crimes.
- The Wife or Husband can be compelled to give evidence against a spouse in circumstances where offences have taken place against children under the age of 16, in particular, sexual offences, or where an assault has taken place on one spouse by another.

Mr Speaker, I beg to move the second reading of this Bill.

Mr Speaker

The Motion is that the Bill be read a second time.

Clerk of Councils

The Criminal Justice Bill 2002.

Mr Speaker

Do any Honourable Members wish to speak to the Motion? Are there any amendments to the Bill as published? We shall go to the short track procedure.

The Bill will be read a third time and pass.

Clerk of Councils

The Criminal Justice Bill 2002.

The Criminal Law Miscellaneous Provisions Bill 2002: This Bill has also been Gazetted and we go to the second reading.

The Honourable Chief Executive

This ordinance, Mr. Speaker, amends the Crimes Ordinance. And, Members will see in the Explanatory Memorandum, that there are three provisions. The first is to abolish the traditional Year and a Day Rule, which Members will recall provided that for the purpose of offences involving death and of suicide, an act or remission is conclusively presumed not to have caused a person's death if more than a year and a day has lapsed when the person dies. That matter of course has also been a subject of change in legislation in the United Kingdom some years ago.

- The second issue I draw to your attention is the amendment which abolishes the rebuttable proposition that a child aged 10 or over – by which you mean a child aged 10 to 14 – is incapable of committing an offence. This establishes that that is so. They can.
- And, the third proposition amends the Criminal Justice Ordinance by abolishing the right of an accused to make an unsworn statement in Court. These unsworn statements confuse jurors and are not open to cross-examination.

These three provisions are recommended. Mr. Speaker, I move the second reading of the Bill.

Mr Speaker

The Motion is that the Bill be read a second time. Do any Honourable Members wish to speak to the Motion? The Bill will be read a second time.

Clerk of Councils

The Criminal Law Miscellaneous Provisions Bill 2002

Mr Speaker

Are there any amendments to the Bill as published? Do any Honourable Members wish to speak to the Motion.

The Bill will be read a third time and pass.

Clerk of Councils

The Criminal Law Miscellaneous Provisions Bill 2002

The Conservation of Wildlife and Nature Amendment Bill 2002: This Bill has also been Gazetted and requires a second reading.

The Honourable Chief Executive

This Bill amends the Wildlife Ordinance of 1999 and seeks to clarify certain complexities that came from the original drafting of that Ordinance. The original Ordinance, as it stood, would have made it difficult for people, indeed illegal for people, to kill and capture Upland Geese, Mallard Ducks and Domestic Geese, which had become feral. This removes that potential offence, which was the original intention of Members when they passed the 1999 Act.

When Members passed the 1999 Bill, they also intended that outside the closed season in fishing, a rod and a line might be used outside the closed season if a person does not catch more than 6 trout in a day. That intention was not built into the original Ordinance. It is built into this. So, those are two changes.

A third provision, which is made here, follows from Members discussion in Committee and at EXCO of the requirements on the agreement of the Conservation of Albatross and Petrels in the Falkland Islands and makes illegal the collection for human consumption of any species of Albatross or Petrel egg as required by International Convention.

Mr. Speaker, I move the second reading of this Bill.

Mr Speaker

The Motion is that the Bill be read a second time. Do any Honourable Members wish to speak to the Motion? The Bill will be read a second time.

Clerk of Councils

The Conservation of Wildlife and Nature Amendment Bill 2002.

Mr Speaker

Are there any amendments to the Bill as published? I would suggest we take the short procedure.

Clerk of Councils

The Conservation of Wildlife and Nature Amendment Bill 2002.

The Licensing Amendment Bill 2003: This Bill has not been Gazetted and requires a first reading and is being presented under a certificate of urgency.

The Honourable Chief Executive

Mr Speaker, this Bill amends the Licensing Ordinance in order to facilitate the presence of Children at licensed club premises in Camp. It is brought to you under a certificate of urgency in order that that facility can be made available now in time for Camp Sports. The Bill, which is laid before you allows clubs to be able to apply to Licensing Justices for the exemption of their premises to allow children to be on the premises but only in Camp. It does not apply to clubs in town.

Mr Speaker, I move the first reading of this Bill.

The Honourable Financial Secretary

I second the Motion.

Mr Speaker

The Motion is that the Bill be read a first time.

Clerk of Councils

The Licensing Amendment Bill 2003

The Honourable Chief Executive

Mr Speaker I beg to move that the Bill be read a second time.

Mr Speaker

The Motion is that the Bill be read a second time. Does any Honourable Member wish to speak to the Motion? Councillor Edwards

The Honourable Roger Edwards

Mr Speaker, for the benefit of the people who are listening on the radio and those who manage these clubs in the Camp and the like, could the Attorney General or the Chief Executive please explain procedures for this. Camp Sports are not far off. Are we going to apply this Bill to all the clubs in the Camp or do they have to specifically request each and every club. Could that please be made clear for those listening on the radio?

Attorney General

In relation to any licensed premises in Camp, including clubs who wish to apply to allow children to be present, in the licensed part of the premises, they will need

to make application to the Court, the Summary Court of Licensing Justices, for permission. They should make application quite rapidly so as to be in time for the Camp Sports. It will be quite simple to make application by letter. They probably need to send a representative or have a representative present to make the application on their behalf when it's heard in Court. And, the Licensing Justices, I have no doubt, will consider each application on its merits. And, I cannot see any reason where it has been permitted in the past, it won't be permitted in the future to have children on Camp club premises and on Camp licensed premises.

The Honourable Roger Edwards

Mr Speaker, I thank the Attorney General for his very full answer.

Mr Speaker

The Motion is that the Bill be read a second time. I think perhaps we should go through the whole procedure in that it hasn't been published in the gazette that's if Honourable Members will accept.

Clerk of Councils

The Licensing Amendment Bill 2003

Mr Speaker

Council is in Committee.

Clerk of Councils

Clauses 1 to 3.

The Honourable Chief Executive

Mr Speaker I beg to move that clauses 1 to 3 stand part of the Bill.

Mr Speaker

The Motion is that Clauses 1 to 3 stand part of the Bill. Does any Honourable Member wish to speak to the Motion. Clauses 1 to 3 stand part of the Bill.

Clerk of Councils

There are no schedules.

Mr Speaker

We'll go to the third reading.

The Honourable Chief Executive.

I beg to move that the Bill be read a third time and do pass. The Motion is that the Bill be read a third time and pass.

Clerk of Councils

The Licensing Amendment Bill 2003

The Motion for Adjournment.

The Honourable Chief Executive.

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

Councillor Miller.

The Honourable Philip Miller

Mr Speaker, Honourable Members, on rising to support the Motion, there are a couple of things I'd like to say.

First, is a safety issue. The other day a colleague mentioned the fact that Dennis Middleton had to negotiate some pot-holes on the Monument Hill. In doing so, he put himself in some severe degree of danger from traffic. Dennis also told me when I saw him a few days ago that one of the problems he has around town is getting his chair on to the pavement so as to gain entry into buildings. Could I ask the Member from PWD to bring these issues to the attention of the PWD Committee for some consideration? Perhaps a barrier on the sea wall side of the walkway would help and access opposite Cable & Wireless may be one way of conquering the problem.

We have a person here in the House who is attending his last Legislative Council. Dr Mike Blanch is fast approaching the end of his contract with the Falkland Islands Government. On behalf of the Legislative Council, I would like to extend our warmest thanks for his expertise, experience, wealth of knowledge, good sense of humour and incredible patience in moulding the shape of our now present Government. Mike, you will be a hard act to follow. I also have the honour of presenting to you this Legislative Council tie.

Finally, I would like to wish yourself and Penny well for the future.

Mr Speaker, I support the Motion.

The Honourable Chief Executive.

Thank you. May I reply at the end, Mr Speaker?

Mr Speaker

You may.

Councillor Birmingham.

The Honourable John Birmingham

Mr. President, Honourable Members, the public will be aware that the St. Mary's Parish Council, or Committee, turned down the offer from FIG to purchase the land on St. Mary's Walk. That's their decision and I accept that decision. But I would publicly like to disassociate myself from the views expressed by the unknown letter writer in last week's Penguin News.

Now, some time ago, it would have been a couple of years ago, in this house Councillor Norma Edwards, when talking of the problems of not being able to get any work done, suggested that she might have to take the fencer to bed to get anything done at all. Now, I'm not suggesting that Norma Edwards is a "Slapper" but what I can confirm is that the other day at a meeting, she technically assaulted me. And, I have witnesses to prove this. Although, as she's not very well at the moment, I shan't pursue with my lawyers any more of this. What I would say, because I know you will be listening Norma, we do miss you and we hope that you gets better than you are at the minute.

Recently I have had a number of people ask me about the lift that was purchased for the Town Hall some years ago. And, I wonder if the Honourable Roger Edwards would be able to find out for me what ever happened to it. It's been suggested to me that a lift on the northern outside wall might be the easiest way of putting such a facility in the Town Hall. Although, I do know that there were plans in hand to put an internal shaft into the building.

The Honourable Member, to my right, Philip Miller, has brought up the situation regarding access on rough pavements around the town for wheelchairs. The Health and Services Committee have allowed myself and a few other interested parties to set up a small working group, including somebody from PWD, to go around the town with a map and mark out the places where we can make access easier and better, not only for the likes of Dennis, but also for other wheelchair users and people pushing prams.

Long before Birmingham came to these Islands, people have utilised the Stanley Common. And, the riding of motorcycles on the Common was accepted as just a way of life. It's useful for youngsters to be able to learn their skills close to town. And, as long as there's no silliness, there is absolutely no harm in it. It would appear that there is now an issue over the legality of riding vehicles, motorcycles on the Common and I hope that we are not going to go too far down the road of becoming too heavy handed over this. But for the sake of the public, the Attorney General is very sympathetic to this possible problem and has assured me and other Councillors that he is looking into ways of clearing it up.

Now, I don't actually remember seeing the headline "The Beast of Bromley" but there was talk some years ago prior to this Chief Executive coming here that he did have a very sharp set of teeth. And, it turned out that on occasion, he does have a set of teeth that are quite sharp. But most of the time I think he's been fair, fair minded, and handled things, as has already been said, in a very professional manner. And, I, for one, will be sorry to see him leave his post. And, I think that it's unfortunate that he is going at this particular time because we don't know what's going to happen in the next year or so economically. But anyway, he's going and I would like to wish him and his wife, Penny all the very best for the future.

And, on the subject of the new Chief Executive, when he came down here the sun was shining and all things were rosy. It will be interesting to see what his views are after a couple of months around and about the bazaars.

I notice in the Local newspaper today that there is a little bit of bitterness in the editorial. Well, we all like a bit of sport. But I noted that at Standing Finance Committee this morning, yet again, there were no members of the media at all. Standing Finance Committee is probably the most – second most important Committee that meets in public in the Islands. And, it can be difficult for members of the public to get to some of these committee meetings but that particular one is very important, and the public rely for their information on the media.

Mr Speaker, I support the Motion.

Mr Speaker

Councillor Summers.

The Honourable Mike Summers

Mr Speaker, Honourable Members, I will be relatively brief this morning. Just a couple of words, firstly about the Abattoir, which is now up and running. And, having got into not yet full production but relatively full production, it seems to be running well. It seems to be very encouraging that we are being offered prices for Falklands meat very substantially higher than we had expected. I think that

bodes well for the finances of the business. The amount of animals that we had expected to come to the Abattoir this year is holding up very well and that, too, I think, bodes well. There will be problems on the way. We know that because it happens with every project. But so far, things are looking relatively good. And, to pick up a note that one of my colleagues has used previously in respect of this project, I sincerely hope that those who have been hoping it will fail are completely wrong.

The Honourable John Birmingham

Hear, hear!

The Honourable Mike Summers

It's interesting, too, that there have been a couple of references to anonymity today in different respects. I was having a discussion recently with some folks about the desirability and the necessity of Falkland Islanders coming forward to run their own country. It's an important matter. Many of them don't, and that's regrettable, but yet complain about people who were not necessarily born here doing it. Well, I don't think you can do that. If you want to have a real say in running your own country, then you have to come forward and do it, not only in terms of public office, but also in terms of running departments in the Government and running your own business. And, I think there are many Departments of the Government currently run by people on contract that could be run by people locally with a little bit more verve and a little bit more self-confidence. Don't hide yourself away in the background and then criticise others for what, perhaps, you could have done yourself – perhaps even in a better way. I would like to encourage people of their own free will to come forward. We often talk in Council meetings of making sure that we appoint local people to local jobs. Yes, we should. But on the other side, please make yourself available for these sorts of tasks and I think we will all find that we end up happier people. I certainly hope so.

I am sad to hear that the Chief Executive is coming to the end of his time. Well, time here, anyway. But as has been said before, it's been a delight to work with him. His thoroughly professional attitude and good humour have been pleasant. It means that we could have a jolly good spat and then get on with the next piece of business. And, that's just how it should be. I have enjoyed working with him and have enjoyed having the company of Penny here in the Falklands as well. And, I wish you both well for the future.

Sir, I support the motion.

Mr Speaker

Councillor Cheek.

The Honourable Mrs Jan Cheek

Mr. Speaker, Honourable Members, I, too, wish to mention briefly the Abattoir because I wish to clarify my personal position on this, which is that I have supported the project and I continue to support the project. I do it because I believe it is an indirect subsidy to productive farms – people we should be encouraging. If, at some point in the future, it goes into profit, wonderful. But I don't anticipate that real soon.

It leads me into, one supporting the Honourable John Birmingham's remarks about the press. When we had our meeting on the Abattoir a few weeks ago, the press should have been knocking on the door demanding to be there. I think people will agree with me, who were at that meeting, that there were approximately two minutes at that meeting which may have been sensitive and which could have been saved for the end. The rest of the time, the press could and should have been there reporting on this very important issue involving very large sums of Government money. I'll say no more on that.

I'd like also to support my colleagues' remarks about our Chief Executive. As John Birmingham alluded to, we were warned that this man was too many guns for us and we really shouldn't appoint him. I'm glad to say that the majority of the Councillors of the day ignored that advice and appointed him. And, I certainly have never regretted that for one moment. We gained a Chief Executive for all too short a time of exceptional ability, a determination to carry through the tasks that he's given, and to do so with a complete lack of ego. He also brought great intelligence and perception to the job. We will miss you and Penny.

I support the Motion.

Mr Speaker

Councillor Cockwell

The Honourable Richard Cockwell

Mr Speaker, Honourable Members, on rising to support the Motion, I note that two other Members have talked about facilities for the disabled in town. Having actually, in the last two months, been doing some research into this, I can only agree with what they say. I believe that the Government facilities for the disabled are absolutely deplorable. From doors in the Secretariat which will throw you down the stairs if you are on crutches, to the fact that you can't get into the Post Office in a wheelchair – at least, I am totally unaware of how you can get into the Post Office in a wheelchair. I think the Government should really be looking at the private sector, who have actually been doing things for the disabled. I think

also that they are required to, under planning regulations and such like. And, Government, when they are doing alterations, do not seem to be bearing in mind the needs of the disabled. In the last two months, I have had a very personal involvement in that and for the next short time; hopefully, I will be back on two legs again. But I promise that I will not leave this alone. I believe that we have to look at providing adequate facilities for the disabled.

Regarding the Abattoir, I fully support what the Honourable Mike Summers said and my colleague Jan has said about the Abattoir. I have always supported it. I will continue to support it. And, I think the point, which needs to be made, is that even if we are having to subsidise it in order to keep it going, the overall income to the economy is, in a very much greater extent, than what we are subsidising it for. If that changes, obviously, we will have to look at it.

I, too, miss Norma sitting alongside me here and Norma all I can say is I hope you are feeling better than you sounded yesterday and I hope that you get well soon.

Lastly, I come to the sad occasion of Mike Blanch's leaving our administration. He's been an inspiration to work with. His enthusiasm, commitment, good humour, and his ability to have an argument with you then you just get on with your work here and there is no umbrage taken or anything else. It has been a pleasure to work with him in that way. I think the only thing, which some people found a bit daunting was the volume and speed of work, which piles out of his office. And, I think some people, in fact, even myself, have found the volume of paper sometimes quite terrifying. But I think we have managed to keep our heads above water. He's been a good friend to the Falklands and I hope we can consider ourselves personal friends as well. I wish both Mike and Penny bon voyage and I hope that you have a prosperous and comfortable future and I hope we will meet again in the future.

Sir, I beg to support the motion.

Mr Speaker

Councillor Edwards

The Honourable Roger Edwards

Mr. Speaker, in rising to support the Motion for Adjournment, there are one or two things I would like to mention.

The Financial Secretary this morning was speaking of the Supplementary Appropriation Bill, he spoke of the cost of the medical treatment overseas. That is just one of the many costly items that we, as a Government, have to support. And, this Council has said that under the priority based budget scheme, which

we have been discussing, Medical and Education would be the least touched. I think that is right and proper. But it does cost a lot of money. The cost of running Government has increased dramatically recently. And, I was delighted this morning that when I asked the Chairman of the Standing Finance Committee if we could look at the whole cost of Government and an analysis of this, I was delighted that he agreed and there is going to be a report prepared for March for Council to study and I welcome this.

On the case of money, yesterday, three separate individuals accused me of stopping their holiday credits. And, I would like, once again, to say we have stopped no one's holiday credits yet and I don't know if we will. Holiday credits was just one of a whole line of suggestions within the priority based budget. This will all be discussed in due course. But once again, for all those listening on the radio, I would like to say I nor any of my fellow Councillors have stopped your credits.

I thank Councillors Miller and Cockwell for their reminder of the problems that the disabled have in and around Stanley. And, I would be delighted to take that to the Public Works Committee to see if we are falling down on legislation, as we're suggesting, or ordinances. I don't believe that there is actually anything laid down within the Planning Ordinance and the like that we are falling down on. I don't think it's something that should be legislated for. It's something that should be done as a matter of course. So I would be delighted to take that to the Public Works Committee, chase it up and find out why we aren't doing it.

Councillor Birmingham mentioned the lift. I have heard something about this in the dim and distant past before I was ever elected to Council. And, I thought the whole thing was lost. It just disappeared. But I will take it up and I will let you know where it is and what the plans are.

I, too, would like to echo all the comments of my colleagues regarding the Chief Executive. He has given me sound advice. Others have spoken of having spats and getting on with things. I would remind him he's got four weeks yet. But I wish you well in the future to you and to your wife, Penny.

Sir, I support the Motion for Adjournment.

Mr Speaker

Councillor Luxton.

The Honourable Stephen Luxton

Mr Speaker, Honourable Members, recently I have also had representations made to me by some parents on the subject of children using motorbikes out on the Common. It may very well be technically illegal but the fact is it's one of those

little things in the Falklands that has been going on for many years and causes no harm at all. In fact, it stands those same children in good stead when they do eventually venture on to paved roads. We continually hear comments about youths of various ages wandering around the streets at a loss for something to do. And, to clamp down on those who find something to do, other than to drop litter on Jan's steps, doesn't make sense. Rather like the recent saga of the electronically propelled scooters, it's something I feel we don't need to regulate because it's really not causing anybody a problem. I have always been against the concept of regulation for its own sake, or regulation because that's what's done in somewhere or another. And, I will continue to hold that view. I firmly feel that more often than not we need to change the law to reflect what people want to do rather than change what people are doing to reflect the law.

Further on this matter, I discovered only shortly before this meeting that legal advice suggested that it is presently illegal to use any motor vehicle on the Common. At a stroke, this would seem to prohibit battlefield tours, cutting and carting peat, excursions to the Lighthouse, anybody required to venture off the road to look after their horses and any other reasonable activities practices by law abiding citizens. I haven't had a chance to look into this in any detail yet but if there is any truth in it, then clearly, it must be changed. I suspect it's probably an antiquated law and for that reason, I would just like to make it clear that I am not getting at the current legalist establishment or the people that are charged with enforcing it. Nevertheless, I think it is something that does need to be looked at.

As many people who know me will already be aware, I feel much the same about designating Camp Roads, which I think is entirely pointless, unnecessarily restrictive and, in any case, close to unenforceable. It's long been my belief that we should un-designate all roads apart from Stanley, MPA and the road in between. The main cause of vehicle accidents in this country is usually the bad connection between the seat and the steering wheel. That's the driver. And, imposing rules and regulations is unlikely to change that.

I was sitting on the throne this morning at about 05:30, pondering what to say today and the subject of daft excuses came into my head. We may sometimes wonder about some of the reasons given for this failure or that cost overrun but I think even the best here still have some way to go to catch up with the modern European excuse machine. From the TV blaring in the other room, I heard a comment issue forth which attributed the delays on the London Underground today to the fresh snow that has been in London. As I recall never noticing snow in a tube station before, there might be hope for us yet.

I'll finish today by also bidding farewell to the Chief Executive, as this is his last time in this House. We are facing a time of some uncertainty in our Islands. The enormous work that he and his team have put into the alternative budget shall particularly be singled out. However, it's only part of the very substantial contribution to the Falklands that Michael has made in his time here. I am sure

the future is in good hands with his successor. And, we look forward to welcoming Chris Simpkins in a month or so. But he will undoubtedly have a hard act to follow. I wish you and Penny all the best for your future.

Sir, I support the motion.

Mr Speaker

Financial Secretary

The Honourable Financial Secretary

Mr. Speaker, Honourable Members, on behalf of my colleagues in the public service, I would like to thank Mike for his fair and firm leadership and for his friendship over the past three years. I join with elected members in wishing both Mike and Penny well for the future.

I support the Motion.

Mr Speaker

The Honourable Chief Executive

As Honourable Members will know, I don't normally make speeches in this House. I prefer the advice of Benjamin Disraeli, to a new, young Member of Parliament, who asked him how often he should speak in the House. Benjamin Disraeli advised the new Member that he should speak very rarely, indeed, because it was better for Honourable Members to wonder why he did not speak than why he had.

And, I am reminded, too, now that the Honourable Councillor Edwards tells me that I have got four weeks left to go that I need to be very careful what I say. But I have to say it was extremely kind of Members to say all those things about me and I think they were very much undeserved but it has been very much a privilege for me to work with Elected Members and yourself, Mr Speaker, in this House.

This has been the first and only time in my life I have been referred to as Honourable. It's also the first time I have been referred to as the "Beast of Bromley." And, I very much enjoy working with Members on the increasingly complex business of Government. But it has been a sort of working friendship. It's been very much a delight to work with you. I think of you always as friends and we have an honesty here that is entirely two-way.

I think I need to pay compliment on the difficulties that you face on the very, very complex material that is thrown at you. The Honourable Councillor Cockwell

made the point about all this volume of stuff coming out of the office. I am absolutely guilty. It is completely true. How you manage it, how you get through it is a total mystery to me because I find it difficult enough. You guys are not full time but some of you probably imagine you are and probably work more than full time.

And, I think, as a group, you've had enormous challenges and you've always managed to take decisions, difficult decisions, as a group, on very complex matters. And, I think that the decisions that you have taken and all the things that I've seen have showed enormous foresight and enormous prudence. I think it's an extremely mature House here and it bodes well for the democracy in the Islands.

Government business has become more complex. I look at all these Bills that are moved today, which I struggled through with the Attorney General's help and I think it is probably 100 Bills that I moved in the past three years, probably a bit more. Which were my favourites? Well, there was the Dogs Fouling of Land Bill 2000, the Grass Fires Bill, the Animal and Food Miscellaneous Provisions Bill, which the Honourable Michael Summers ensured that I Chaired the Select Committee, I shall constantly thank him for that, and the most oddly termed one, The Interpretation and General Clauses Amendment Bill of 2002. The Members remember that. What did it do? It reintroduced Peat Cutting Monday. But my warmest memories are of the Statute Law Revision Bill of 2002. This is an absolute classic. It was mis-printed as the Statue Bill, if you remember. It was referred to as a Monumental Bill and you groaned at me about that. You remember what that did? It repealed all sorts of old laws – the War Charities Act of 1848, The Conspiracy Act of 1875 and, Heaven save us all even repealed the 1698 Piracy Act. Where else in the world could I become involved in that sort of business!

When I first came in January 2000, I resolved never to become an expert in inverted commas. I decided that there were lots of those around, except in one thing, perhaps, where I could be an expert and that was in the proper administration of the business of Government. But I have learnt an awful lot. I have learnt particularly about fisheries and about sheep – not a lot, I admit but a bit which no doubt will help me for the future. I think I was particularly privileged to be here in 2002. To be here during the 2002 celebrations which were admirably conducted but an enormous privilege to be here at that time and to be able to take part innumerable briefings to impart my enthusiasm on your behalf, your enthusiasm to visitors.

I thank the Financial Secretary. I have been very well supported by my colleagues in the civil service and civil servants throughout. And, they are committed to civil service to the public, they are intensely committed too the great majority of them are seized with the need to improve services to the public.

I have enjoyed working with businesses and I have enjoyed working with farmers particularly in the many road shows, which many of you have come out with me. People in Camp particularly, I think, for whom hope and I think the future is now looking brighter than for many years. I know that the future will pose some difficult questions for you and I do think, on the economy and the Constitution, I think you are well prepared to face those questions. I think this is an economy with huge resources. More than that, it has huge potential because it's driven by a people who will not be daunted by challenge. It's the spirit here that moves forward.

So, for me, the future Falklands will seem to be bright. I will follow it with very great interest and very great affection. And I wish well to my successor, Chris Simpkins, in whom you have an extremely able Head of Service Chief Executive.

So, I thank you Mr. Speaker and Honourable Members for your friendship and for the opportunity that you have given me and you have given Penny to play a small part in helping to shape that future.

Mr Speaker

Honourable Members, if you will allow me. May I join you in wishing the Chief Executive all good fortune, both he and Penny. We will miss you.

The House stands adjourned sine die.

conferred this 27th day of May 2003

L. G. Blake

Hon L.G. Blake

SPEAKER of the House.

**RECORD OF THE MEETING
OF THE LEGISLATIVE COUNCIL
HELD IN STANLEY
ON 27TH AND 28TH MAY 2003**

**RECORD OF THE MEETING OF THE LEGISLATIVE COUNCIL
HELD IN STANLEY ON 27TH and 28TH MAY 2003**

MR SPEAKER

(Mr Lionel Geoffrey Blake OBE)

MEMBERS (Ex-Officio)

The Honourable the Chief Executive
(Mr Christopher John Simpkins)

The Honourable the Financial Secretary
(Mr Derek Frank Howatt)

Elected

The Honourable John Birmingham
(Elected Member for Stanley Constituency)

The Honourable Mrs Janet Lynda Cheek
(Elected Member for Stanley Constituency)

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

The Honourable Mrs Norma Edwards
(Elected Member for Camp Constituency)

The Honourable Roger Anthony Edwards
(Elected Member for Camp Constituency)

The Honourable Stephen Charles Luxton
(Elected Member for Stanley Constituency)

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

PERSONS ENTITLED TO ATTEND

The Attorney General
(Mr David Geoffrey Lang CBE, QC)

The Commander British Forces Falkland Islands
(Brigadier James Henry Gordon MBE (Late RGJ))

CLERK OF COUNCILS: Claudette Anderson MBE

PRAYERS: Rev. Paul Sweeting

APOLOGIES

The Honourable Philip Charles Miller BEM
(Elected Member for Camp Constituency)

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**BUDGET MEETING OF THE LEGISLATIVE COUNCIL
HELD ON 27TH AND 28TH MAY 2003**

Clerk of Councils

The Speaker of the House.

Prayers

Clerk of Councils

Oaths of Allegiance

The Honourable Chief Executive and Commander British Forces.

Mr Speaker

Honourable Members I bid you good morning. Honourable Members His Excellency the Governor is waiting to give his Address to the Nation – is it your wish that he be asked to come in.

Agreement from all Members.

Clerk of Councils

His Excellency the Governor

Mr Speaker

Your Excellency, may I welcome you to the House on this your first session of Council and ask if you'd like to deliver your Address on the state of the Nation.

His Excellency the Governor

Thank you very much Mr Speaker.

ADDRESS TO THE LEGISLATIVE COUNCIL BY HIS EXCELLENCY THE GOVERNOR

Mr Speaker, Honourable Members of the Legislative Council, listeners to the Falkland Islands Broadcasting Station, Ladies and Gentlemen:

It is a great privilege to be making my first annual Address on the state of the Nation. Since I have only held office in the Falkland Islands for just under half of

the year in review, I am indebted to those who have provided me with advice about events during the months before my arrival.

I knew before I took up my post that the Falkland Islands enjoyed a reputation amongst those in the know as a dynamic, forward-looking and optimistic community. I now know from personal experience how accurate that assessment is. The Islands' achievements since the 1982 conflict are truly remarkable.

The commemoration last year of the events of 1982 and the liberation of the Islands was time to remember and express gratitude to those who sacrificed their lives and who helped the Falklands to regain their freedom. But it was also an occasion to reflect on what has been achieved since then and to present to the outside world a modern and up-to-date image of the Islands. The Prime Minister and other senior members of the British Government took the opportunity to reiterate Britain's unshakeable commitment to the Falkland Islanders' right to self-determination.

I should like to express my appreciation to all those involved in organising last year's commemorative events. I can only begin to imagine how much work was entailed. But my appreciation also goes to the Falklands community as a whole. The warmth, friendliness and hospitality of you, the Islanders, made a great impact on the veterans and others who visited for last year's events, and made it possible for many ghosts to be laid.

I should make a special mention of the visits by the Minister of State for the Armed Forces, Mr Adam Ingram, in June, and by His Royal Highness the Duke of York in November, at the same time as the pilgrimage by members of SAMA 82.

This is perhaps the moment to say something about the work of the Falkland Islands Government Office in London, who performed wonders in connection with last year's arrangements, and especially the SAMA pilgrimage. This was only part of the continuing work of the Representative, Sukey Cameron, and her team on behalf of the Islands. It is right to refer to them early in my address because this year is the twentieth anniversary of the establishment of FIGO. In the coming year they will continue their excellent work of representing the Falkland Islands at Westminster, in Whitehall, and at a very wide range of meetings and events throughout the United Kingdom. They also represent Falklands interests in Brussels, where the Falkland Islands has been elected onto the Executive Committee of the Overseas Countries and Territories Association, which works on behalf of the overseas territories of the EU Member States with the EU Commission.

The Falkland Islands Defence Force were also very heavily involved in last year's commemorative events. The FIDF played a pivotal role in the ceremonial

parades which were held in most challenging conditions. All members of the Force were proud of the part they played, and were honoured by their participation in the parade marking the presentation of the Freedom of the Falkland Islands to HM Armed Forces. That part of the ceremony in which the FIDF marched through the ranks of British Forces Falkland Islands symbolised the shared allegiance and excellent relationship that exists between FIDF and HM Forces.

Eleven officers and NCOs of the FIDF have benefited from training by the British Army's Small Arms School and have qualified in a range of key military skills during the year. There has been an excellent response to the recent recruiting campaign, with fifteen recruits now nearing completion of their initial training programme. These achievements will enable the FIDF to continue to train for its primary role of assisting with the defence of the Falkland Islands, while maintaining the capability to be deployed on fisheries protection duties at short notice.

I have referred to the excellent relationship between the FIDF and HM Forces. But that relationship goes much wider, and I should like to pay tribute to British Forces Falkland Islands past and present for their contribution to our community. It would be difficult to imagine a better civilian/military relationship. Commander British Forces, we appreciate you and your colleagues' presence here and all that you do for us.

There are many new faces in the Islands since my predecessor's address a year ago. Apart from myself, we have a new Chief Executive, Mr Chris Simpkins, who already has his feet well under the desk, a new General Manager of the Falkland Islands Development Corporation, Mr Julian Morris, and of course a new Commander British Forces who – such is the speed with which CBFs come and go – is already nearly half way through his tour of duty.

I know I speak for us all in referring again to the warmth, hospitality and friendliness of the Falkland Islanders. I am immensely grateful for the kindness which has been shown to me since my arrival, in Stanley and in Camp. I have already had the opportunity to do some travelling in Camp and have visited 14 farms to date, if I have done my arithmetic correctly. I plan to do a great deal more. My objective is to visit every farm in the Falklands before I leave here – a rash undertaking, perhaps, but I shall do my very best!

I must pay particular tribute to the previous Chief Executive, Dr Michael Blanch. Dr Blanch made an enormous contribution to the Islands during his three years in office. I believe that he will particularly be remembered for his work in modernising government and the Civil Service. There is very much work in progress, but Michael Blanch has laid some substantial foundations. I am delighted that, for a while at least, through his role with Stanley Services he is maintaining a continuing involvement with the Falklands.

Legislative Council's work this week will be focussed on next year's budget, so it is appropriate that I should turn next to the state of the Falkland Islands' economy.

I turn first to developments in the Falklands fishery, as the single most important element in the economy. There have been mixed fortunes. Unfavourably cold environmental conditions resulted in record low catches of both *Illex* and *Loligo* squid in 2002. This resulted in some refunds of fishery licence revenue. The good news is that the performance of the *Illex* fishery has been much better in 2003, with total catches exceeding 100,000 tonnes. There has been a good take-up of licences, which has helped return licence revenue to normal levels. But the biomass of *Illex* has reduced towards the end of the season, to the point where it has been deemed prudent to close the fishery at the end of May, some two weeks early. There will as a result be some refund of licence fees, but without much effect overall on income from licence revenue. Catches of *loligo* have been reasonable despite the much shortened season.

The year also started with two shipping disasters. In June the Korean longliner Han Dong 11 sank in the entrance to Berkeley Sound. Fortunately all 35 crew were picked up from the ship or liferafts by FIC and Sullivan Shipping Services launches. In July a Korean trawler, the Tunggal Jaya 18, caught fire in Berkeley Sound. The fire was fought for four days by the Falkland Islands Fire and Rescue Service. The fire was extinguished and the vessel eventually towed away.

The fact that there were no casualties in either incident, and no oil pollution in the second incident, owed much to the efforts of the launch crews and Fire and Rescue personnel. Additional assistance from British Forces Falkland Islands and FPV Dorada was provided at various times. Indeed thanks are due to British Forces Falkland Islands and in particular to 78 Squadron for the excellent service which they have continued to provide throughout the year with the evacuation of seriously ill or injured fishermen from their vessels.

The Dorada was used in the joint research programme with Argentina for the first time in September, as part of an expanded survey of Southern Blue Whiting stocks in Falkland and Argentine zones. Several Argentine scientists were embarked on the Dorada. Unfortunately progress on other fishery issues with Argentina has been slower than expected, but we hope that there will be a productive exchange at the next meeting of the South Atlantic Fisheries Commission, now planned for the end of June.

During the course of the year a Working Group under Councillor Cockwell's chairmanship has undertaken a major review of fisheries policy. This has culminated in the production of three reports, covering the development of marine farming and aquaculture, the development of the port and port

infrastructure, and a review of the licensing and fisheries management system. The central proposal in the last of these reports is to move from the current system of relatively short term licences to the establishment of long term transferable property rights in the fishery. Executive Council has agreed the principle. Councillor Cockwell and his Working Group will be continuing work on the detailed implementation of this important new policy. New fisheries legislation could be in place by early 2004. The objective of these developments is to expand the benefits to the Islands' economy which flow from fishing and related activity.

Agriculture is another key element of the Islands' economy. The recent rise in the wool price has improved the position of the industry after a long and very difficult period of depressed prices. The global outlook for wool for the next 12 to 18 months appears firm, with production from the major wool producing countries forecast to be lower than normal. The Agriculture Department has worked closely with farmers over the last year on business skills development in the "Way Forward" project. Farmers using wool price benchmarking to guide their wool marketing have increased incomes by up to £4000 per annum. Participating farmers now believe they have greater control over how their wool clips are sold. The Agriculture Department has also supervised the core sampling of about one third of the annual wool clip (twenty times the number of bales sampled two years ago). The information which farmers have been able to gain from this analysis has helped farmers to obtain the highest price possible for their product.

Meanwhile preliminary reports suggest that the number of sheep in the Islands has decreased because of seasonal conditions during the 2002 winter and the previous summer. This clearly places an imperative on achieving the maximum price possible for the wool produced.

The abattoir secured EU certification in December. This makes the opportunity for farmers to develop meat enterprises that complement wool production a reality. The first sample shipment of meat to the UK has now been delivered. During the next financial year the Agriculture Department will continue to work with relevant stakeholders on the development of the sheep meat and beef industries.

The Falkland Islands Development Corporation continued its work to promote the diversification and development of the Islands' economy. The organic certification scheme has continued to grow and eight farms now have this status. More than sixty wind power systems have been installed throughout the Islands through the energy grant scheme. Tourism has had a successful year, despite a difficult global environment, with some 68 cruise ship visits during the 2002/3 season, eight up on the previous year. The prospects for next year are encouraging, and we can look forward to visits by the QE2 and "The World". With some 30,000 cruise ship passengers visiting the Islands there are

enormous opportunities for the economy of which we have yet to take full advantage. There is plenty of room here for creative and imaginative thinking, and for the development of our skills in customer service.

Passenger volumes on the Lan Chile flight have continued to grow – by some 17% over the last year – and negotiations for a second weekly flight during the next summer season are in train.

A new strategy for tourism has led to the establishment of Falkland Islands Tourism, with strong private sector involvement, as an independent body no longer operating under the FIDC's umbrella.

Mineral Resources represent another important element of the Islands' economy, actual and potential. Ten open door production licences covering a large proportion of the undrilled South Falkland Basin were awarded to the Australian led Falklands Hydrocarbon Consortium last July. If the results of the three-year exploration phase are positive, the Consortium will plan a drilling programme. Meanwhile Desire Petroleum, Argos Evergreen and Talisman Energy continue to operate licences in the North Falkland Basin.

An excellent marketing relationship has been forged during the year between government personnel, including consultants from British Geological Survey, and licensees. A number of companies are now poised to become active in the Falkland Islands once global conditions for hydrocarbon exploration in frontier areas improve.

A second seabed survey by the Southampton Oceanographic Centre in conjunction with the Falkland Islands Government, utilising the British Antarctic Survey vessel *James Clarke Ross*, was completed in April. The data now acquired over two seasons should make it possible to put together a sizeable continental shelf claim under the United Nations Convention on the Law of the Sea. The advice of Dr Phil Richards of the British Geological Survey has been invaluable in this connection.

Onshore mineral exploration has seen some interesting developments this year. If the analysis of the trenching exercise on East Falkland carried out by the Minerals Joint Venture in January and February is positive, more exploration for gold sources may follow. However, modern mining legislation will be a sine qua non, and is being prepared along with appropriate environmental legislation for public and Executive Council consideration.

Taxation may not be a popular subject, but is crucial for any economy. The taxation system has undergone significant modernisation this year, with the introduction of independent taxation for married women, which has removed an enduring and outmoded element of discrimination from the Islands. Also during the past year, the Taxation Office has completed the process of bringing a

substantial backlog of work up to date, and is now concentrating on developing its professional service to customers.

Far reaching proposals for the simplification of the tax system have been published, and have undergone a programme of comprehensive public consultation. Work on this will be taken forward in the coming months. The objective is a personal tax regime straightforward enough to be easily understood by the majority of people.

The Falkland Islands offer an exceptionally high quality of life. One of the institutions we have to thank for that is the Royal Falkland Islands Police. I am pleased to take this opportunity on behalf of everybody in the Islands to express our gratitude for all the Police do to make our lives safer and easier. Thankfully, crime is low in the Falklands. Indeed, over the last year there has been a further small reduction in crime figures and the detection rate has improved to a remarkable 98%. The Force continues to strive to become more community focussed. To this end they have introduced their own customer charter, and have taken steps to consult the public on policing matters. The DARE programme is an important part of this strategy in promoting drugs awareness, and is going from strength to strength, in co-operation with the Health, Education and Social Welfare Departments.

I have already made some reference to the work of the Fire and Rescue Service. The Service has been through major staffing changes during the last few years, but has dealt successfully with a range of incidents during the year, including the major ship fire in Berkeley Sound to which I have already referred. The Service has continued with its fire safety programme and visits to farms during the year, as well as its internal training programme. The firefighters are to be congratulated on their successful fundraising efforts.

The Health and Social Services Department also make a major contribution to the quality of Falkland Islands life. Plans are well advanced for the Nursing Home extension to the King Edward Memorial Hospital, as well as for additional sheltered housing units. These are long awaited and welcome developments in improving the care available to older residents. The Social Work Department and Community Nurses have worked with elderly members of the community and individuals with special needs to form the Acorns Group, which meets regularly in the Day Centre at the hospital.

Following the Chief Medical Officer's report "Health of the Nation" in 1999, steady progress has been made with the completion of the strategies on oral health, smoking and alcohol, and, even more importantly, turning the strategies into action. The remaining two groups, the first dealing with mental health and the second the Teen Health Forum, are hard at work and should be completing their deliberations later in the year.

There has been tremendous progress with improving the hospital infrastructure. A state of the art X-ray system using digital film has been installed. There has been excellent progress with the conversion of part of the upper floor into an extended laboratory to undertake enhanced tasks associated with food safety. And in a busy year the engineers have also installed a modern energy management system which has achieved a reduction of a third in heating oil consumption. There may be lessons here for other government departments.

There has been a steady increase in the amount of care provided by the Health and Social Services Department. More patients than ever before have been sent overseas for advanced diagnostic tests and treatment. A growing number of patients has been sent to Chile for these purposes, offering a quicker, more efficient and more cost-effective service for a number of illnesses. The number of aeromedical evacuations, mainly of foreign fishermen and tourists, has also grown substantially, requiring effective co-ordination among a number of government departments. The fact that these urgent humanitarian flights happen so smoothly speaks volumes for the values and compassion of our community.

Education is the bedrock of our community. The opening of the Infant Junior School extension by HRH The Duke of York in November last year has provided the Islands' younger pupils and their teachers with a splendid modern facility of which any school anywhere would be proud. It is therefore heartening that the inspection of the Infant Junior School, the Community School and Camp Education which took place in November and December last year produced such satisfactory results. Naturally enough, some concerns were raised, particularly in the very difficult area of Camp Education, but there were few surprises. In the coming year particular attention will be given to improving the curriculum on offer and extending more able pupils; putting into place a foundation stage curriculum for younger children; developing systems for using assessment data; the role of senior teachers; developing teaching and learning policies; and differentiation and support for pupils with special educational needs.

Staff and pupils should be congratulated on the last set of GCSE results, with two local pupils achieving high grades and others gaining very satisfactory points totals which will allow them to study in the UK in the 2003/4 academic year.

Pupils from both schools gained recognition for personal and group achievements during 2002. Congratulations are due especially for the Community School's first prize in the Times Educational Supplement's Newsday 2002 competition for the production of an excellent "20 Years On" edition of their newspaper "Focus".

This has been a busy year for the environmental agenda. The Falkland Islands Development Plan made good progress. The Stanley Town Plan Locational Issues report was presented for public consultation, including a public meeting in the Town Hall. The Draft Structure Plan and Town Plan have both been

considered by Government Departments and Councillors and will be available for public consultation later in 2003.

During 2002, 173 applications for Planning Permission and/or Building Permits were considered. Detailed approvals were given for 20 new dwellings. 10 new dwellings were constructed during 2002.

The Department made a successful bid for FCO project support to help drive forward the Falkland Islands Environmental Charter and to act as a pilot for progressing similar charters in other UK Overseas Territories. A two year post has been established which will produce a Conservation Strategy and Biodiversity Action Plan for the Islands.

The Department is advancing proposals for the establishment of three National Parks at Hill Cove Mountains, Hill Cove Forest and Wickham Heights. Draft management plans have been prepared by Falklands Conservation and considered by Executive Council prior to a period of public consultation.

In August 2002 the Falkland Islands Government gave its support to the UK's ratification of the Agreement on the Conservation of Albatrosses and Petrels. This requires mitigation measures to be in place to prevent bycatch of seabirds by longliners, to promote active habitat management, and to put an end to the licencing of albatross eggging.

The Falkland Islands Government Air Service has continued to provide an indispensable service to the community and the developing tourist industry. We must never take this splendid and very professional service for granted. The controversial issue of flying on public holidays was addressed, and following extensive discussions between the Administration and FIGAS arrangements to fly on a number of annual holidays were implemented in late November. The usage of the service on these days will be carefully monitored over a three-year period to establish the true value of the exercise.

It is gratifying that external audits continue to confirm the consistently high standards of the maintenance and operational aspects of FIGAS. The service will strive to maintain the validity of these accolades.

There were some 3467 movements at Stanley Airport in 2002 and 7105 people used the airport during the year. An important objective for the Civil Aviation Department in the short, medium and long term is the repair of the Stanley Airport runway.

The working relationship between the Civil Aviation Department and the military authorities at MPA continues to develop. Co-ordination of communications on international flights, aeronautical information and airspace management has improved.

A new company called Air Safety Support International has been formed to carry out the UK's responsibilities for oversight of civil aviation regulation in the Overseas Territories. The establishment of an effective working relationship with the new company will be a major preoccupation for the department over the next year.

Following a review of the Coastal Shipping Service, a new contract is in the process of being put in place and will come into operation from 1 July this year.

Work has proceeded on Camp roads, with some 47 kilometres constructed during the year. The new road to Port Stephens in West Falkland is expected to be completed ahead of schedule by the middle of next year.

This is only one of the most visible aspects of the very wide range of work carried out by the Public Works Department during the year, much of which continues unnoticed but is "vital to life" – for example, the supply of electricity and clean water. The partnering arrangement with Morrisons (Falklands) Ltd, now known as AWG Construction Services (Falklands) Ltd has continued. Works undertaken during the last year include infrastructure for 29 housing plots at East Stanley, the FIDF ammunition bunker, sea truck ramps and alterations within the FICS. Also under way is work on the sheltered housing project on Villiers Street and construction of the final phase of the East Stanley housing infrastructure project.

Work has proceeded on waste management policy and proposals for the management of asbestos based materials. An electrical review is shortly to be undertaken covering development of three important areas of the electricity supply: renewal of the existing generating plant, a possible high voltage link with Mount Pleasant, and an assessment of the integration of wind power into the Stanley electrical system.

Within the Property and Municipal Section, a more proactive approach to maintenance work has been the main focus for the past year, with the implementation of a scheduled maintenance programme for key tasks. It is intended that plumbing and related maintenance work will be outsourced during the 2003/4 financial year.

It has been a busy year for Customs and Immigration, with a marked increase in the number of visiting cruise ships in a year when the Department has suffered from staff shortages. A significant event during the year was the conviction of two individuals for possession of unlawful drugs following an operation conducted in cooperation with a Royal Air Force drugs search dog team. Two ocean-going fishing vessels were added to the Falkland Islands Shipping Register, bringing the total number of vessels registered in the Falklands to 30.

The invasion of overseas press in connection with last year's commemorations and the events themselves meant an exceptionally full year for the Falkland Islands Broadcasting Station. The station now has a firm foundation from a programming and news output and has covered many major local events during the year.

Archives and the Museum have worked closely together during the year on the presentation of Falklands history. The highlight for the Archives was the generous donation by the Hon. Alexandra Shackleton of an important painting of Keppel Island by William Parker Snow. Diaries and other records dating back over a hundred years were given by two farms on East and West Falkland.

Mrs Leona Roberts has taken over as the new Museum manager. New leaflets and posters have been produced during the year, together with the construction of a Museum Website. A Museum Kids Club is being set up. The Museum shop achieved a threefold increase in sales last summer season and has plans to better this next season. Projects for the coming year include the restoration of the Governor's taxi and continued work on Nutt Cartmell Cottage.

The Post Office handled around 1 million items of mail during the year, and in excess of £1 million of cash in connection with the sale of electricity meter cards and payment of pensions and family allowances. The Philatelic Bureau exported some 6,500 packages to customers around the world and provided philatelic and postal services on board 17 cruise ships.

This has, as always, been a very full year for the Attorney General and his staff, with a substantial programme of legislation and an important, time-consuming and costly arbitration in progress. There is a particularly heavy programme of legislation over the coming year, including a Mining Bill, a new Fisheries (Conservation and Management) Bill, a Marine Farming Bill, and a Planning (Amendment) Bill, together with a review of sentencing options which is likely to result in a Bill being brought before Legislative Council later this year.

The Registry too has had a busy year. A particular concern relates to the preservation of documents, with serious deterioration being suffered by Crown Grants books and other registers. Urgent work is required to address this problem.

The Courts continue to provide an independent and effective safeguard of the rights of all those living and working in the Falkland Islands. There have been 84 days of sittings in criminal matters and 36 days in civil and family cases throughout the year. In addition 11 deaths were reported to the Coroner and inquests were held in four of those cases.

It is essential that we maintain, support and develop a strong and independent judicial system, which is the hallmark of a mature society. It contributes to the

protection of our safe way of life, provides a framework within which investment in the Islands can continue, and is a shield to all citizens against the potential excesses of the State.

The work of the Secretariat, with its key role in promoting good governance in the Falkland Islands, lies at the heart of government. The new Management Code, the result of many hours of work and consultation throughout the public service, is near completion and should be formally introduced later this year. It is an impressive document. The Falklands is the first of the UK's Overseas Territories to modernise the rules and regulations governing the management of its public servants. I am confident that it will serve as a model for other territories, and my fellow Governors have already shown interest in the work which has been undertaken here.

The Secretariat has already demonstrated its commitment to self-improvement with its success earlier this year, together with a number of other government departments, in achieving the Investor in People award.

The new Chief Executive is carrying out an evaluation of the business processes of Government. His intention is that over the next twelve months there should be a thorough review of decision-making processes, leading to the design and introduction of a uniform annual business planning process and a range of other initiatives which are aimed at developing a culture of continuous improvement in the performance of government.

Budgetary planning is a key part of this process. The Treasury has carried the burden over the last year of the Priority Based Budget exercise. It has been a tough but necessary process in order to prepare government for the contingency of a collapse in income from the fishery. Fortunately the doomsday scenario has not been realised. But there is no room for complacency, and the events of last year are a warning of the risks involved in dependency on a single source of income.

The Treasury has also made a start with modernising audit arrangements, following the appointment of Mr Peter Copp as the new Principal Auditor, with a view to improving standards of financial management and governance.

I turn finally to the Legislature, the core of the Islands' democratic infrastructure. Legislative Council has sat on six occasions in the last year and has passed 29 Bills. Select Committee has met six times, mostly to take forward the review of the Constitution. Executive Council has had 11 meetings, and has considered more than 300 papers, together with a great deal of other business.

I am very conscious that last year's events placed a particularly heavy burden on Councillors and their staff. By all accounts everybody rose to the challenge impressively, and I know that your visitors, ranging from HRH the Duke of York to

the Ground Force Team and Jim Davidson, were deeply impressed. I should like to say a particular word of thanks to Claudette Anderson, and to congratulate her on the award of the MBE.

Councillors played a key role in representing the Falkland Islands overseas, in both the Commonwealth Parliamentary Association and a range of other bodies. This is important work, and essential for maintaining and further enhancing the Islands' international profile. It was also good to welcome a number of British Members of Parliament to the Falklands.

In February next year the Falkland Islands will host the British Isles and Mediterranean Regional Conference of the Commonwealth Parliamentary Association, at which we are expecting some 40 guests from overseas.

Before I took up my post as Governor, a friend of mine in the UK questioned whether I would have enough to do here. My summary of Government's activity over the last year provides a pretty clear answer to that question. Even so, I am conscious of how much I have left out and I apologise to anyone who feels that their particular work has not been given the attention it deserves. But I did not want to detain my audience too long! This may be a small community in numbers, but the range of activity is astonishing. Government does here much the same as it does in any other country – including indeed a number of things which Governments do not do elsewhere. I think we should be grateful to the public service for doing it so well. Small may be beautiful, but it does not necessarily mean life is simpler!

In closing, Mr Speaker, I should like to thank a number of important people. First, my staff at Government House, for everything they have done to make my life easier since my arrival nearly 6 months ago. I should like to pay a special tribute to my Deputy, Russ Jarvis, and his wife Joan. Their six and a half year tour here must be something of a record. I know that they have enjoyed the Falkland Islands immensely. I shall greatly miss their wisdom and support following their departure in July. I extend to both Russ and Joan very best wishes in their new post in Montserrat.

I should also like to say a very warm thank you to all members of Executive and Legislative Councils – for all the help and patience which you have shown towards me as I have been learning the job here, but even more for everything that you have contributed to the Falkland Islands over the last year. And finally, my thanks to the people of the Falkland Islands, who make these Islands really special. Government is run for your benefit. I hope all of you will continue to tell us – whether me, the Chief Executive, other senior officials, or, most especially, your elected Councillors – what you think of it.

Mr Speaker

Thank you your Excellency, I would invite you, if you would like to remain whilst Honourable members propose a Motion of thanks to you for your speech. I would like to say before they do that, I think it most appropriate that you are here today demonstrating our sovereignty in the week when the Argentine has just installed a president with only 20% of the voting public voting for them. So I think it is a very appropriate day for us to have you here with us.

Clerk of Councils

The Motion of thanks to His Excellency the Governor on his address to the Nation.

MOTION OF THANKS

The Honourable John Birmingham

Your Excellency the Governor, Honourable Members in rising to support the Motion but knowing that some of my colleagues would wish to comment at length I however will be brief. I would like to mention a couple of things from your speech if I may. One is tourism, which is an industry, which is still in its infancy at present. It is true there is a great deal that can be achieved to attract more visitors as you say sir, the creation of the new Falkland Islands Tourism Organisation can only work if all that are involved in the tourism industry help to make it work. They really must work together.

You also mentioned the works done on the continental shelf, I would like to make a public thanks to Dr Phil Richards of the British Geological Survey and also Dr Nigel Fannin of the BGS who is retiring shortly. Anybody who would know Dr Nigel Fannin that would remember that he has been from the very beginning of exploration around the islands heavy involved and although he may not be very public he has done a great deal of work for the Falklands.

Sir, you mentioned the heating system in the hospital, the engineers have done a very good job, they brought down people from the United Kingdom who have installed a modern energy management system and, I really do hope, that other departments will learn the lessons that the hospital has just put into practice. We do have a lot of government offices around the town, all in all the fuel bill for the Falkland Islands Government is substantial.

Sir, we are just about to register another ship on the Falkland Islands registry – as you say this will bring the total to thirty. We must be aware that that figure is quite a few ships to keep tabs on and I wouldn't like the number of ships to get so large that we didn't know where any of our ships were at a particular time, but I'm sure that the Fisheries Department are well aware of that and I do know that they

are always on the lookout for any, shall we say, less than perfect ways of doing the job of fishing around the oceans.

Sir, you mentioned the Post office. Now I use the Post Office, everybody uses the Post office but I must say we seem to have arrived now that we have a postcode we must have arrived, although I can't remember the postcode - I'm sure many others can't.

Sir, you said about the Courts and if I may I read this "It contributes to the protection of our safe way of life, provides a framework within which investment in the Islands can continue, and is a shield to all citizens against the potential excesses of the State" - I don't know any excesses that have occurred in the past; I certainly hope we won't see any in the future and long may that be so.

Last year as you well mentioned was a very busy year. I'd also like to say thank you to Claudette and the staff in Gilbert House for all the very very hard work that they did and various people in the Secretariat. I would also like to congratulate Claudette for her gong and I know she is going to pick it up from Buckingham Palace in the not too distance future.

To finish may I also add my thanks to your deputy Russ Jarvis and his wife Joan and their son Andrew who have been here over six and a half years and have slid into the community very well and I also wish them the best in their new post in Montserrat. Sir, I support the Motion.

The Honourable Roger Edwards

Your Excellency, Mr Speaker, Honourable Members in rising to support the Motion I would like to thank His Excellency the Governor for a most robust, generally upbeat and a wide ranging speech on the state of the Nation. I don't intend to speak about the individual departments - there are too many to cover, but I think they were covered well. In his closing remarks and the comments of his friend reminded me of a cocktail party where there some very impressive American persons and one little old lady asked one of them "and what do you do sir" he said "mam I teach American history" and she " and what do you do in the afternoon" so that I think is very much the story you can go back and tell your friend.

This is our budget week and as you pointed out in your speech, the squid, the fish did return, they didn't swim elsewhere and so we are able to approach the budget process in a much more positive way than what we thought we might. I would also like to mention the continued close co-operation with the military - I think this is very important for the future of these islands and I would like to thank them for transporting my wife and I into Stanley yesterday at very short notice and in the appalling weather conditions that we were experiencing over West Falklands yesterday. If I may sir, I'd like to take the opportunity of welcoming our

new Chief Executive Chris Simpkins to the Chamber and the Commander British Forces Brigadier Jamie Gordon. Sir, I support the Motion.

The Honourable Mike Summers

Mr Speaker, Your Excellency, Honourable Members in rising to support the Motion of thanks I would like to welcome His Excellency the Governor to our Chamber for the first time and also to welcome Chris Simpkins – the Chief Executive and Jamie Gordon – the Commander British Forces and their respective wives, who all make a useful contribution to our society and thank you for that.

I would like to echo your words about Russ Jarvis, he has been a solid citizen over the years and I think has provided very valuable service not only to you and your predecessors at Government House but the community as a whole - we thank him for that.

You mentioned in your review of departments on a number of occasions that it has been a busy year. It has been a busy year for everybody yet again – that seems to be the way of it. I think we have made steady progress despite the financial uncertainties and I think that is a testament to the professional way the staff of the Government have gone about their business. Sir, I would like to thank all of those both in the public service and in the private sector who have contributed to the growth and maintenance of our country in the last year whether in the creation of wealth through fishing, through agriculture, through tourism or in the care and development of the society Health and Medical Services, Development, Education services or in the provision of other essential services. All of the services of the Government are I hope essential, otherwise we shouldn't be providing them.

I would like to thank the individuals who have worked hard and conscientiously; it is invidious to name any but I think most of us know who those people are who work hard and we thank them very much. For those who felt they were not stretched we will strive to provide continuing opportunity and greater incentives in the coming years. I would also like to thank those voluntary groups – the Trusts and the non-governmental organisations who also provide essential services and are essential to the body and the balance of the community and the entrepreneurs and the businessmen who make up the balance of our economy.

The two big issues always for us, for me at least are the economy and foreign affairs. In the past year we have and in the future years strive to maintain a steady economic environment with a prudent balance between expenditure on services, investments and development and contributions to reserves – that must continue to be our aim. In foreign affairs it's been relatively quiet, I guess due to the situation in Argentina but we do still need urgently to move forward with high seas protection, work has been done on that in the last year or so and I thank the

Fisheries Department and the Foreign and Commonwealth Office for their efforts towards that. We must continue to strive.

There is as one of my colleagues mentioned wisely in the newspaper recently an opportunity now for Argentina to take a new and responsible approach to our relationship in the South Atlantic – we have not seen much as I have said in the last year – perhaps that is understandable but it is time to move forward and for them to pay heed to the United Nations basic right to self-determination that we seek. We have also in the last year continued to maintain an excellent relationship with Her Majesty's Government in the United Kingdom – both through you, Sir and your predecessors, through our direct contact with members of the Foreign and Commonwealth office and through our direct contacts with Members of Parliament. That is very valuable to our community. We understand and accept our responsibilities to Her Majesty's Government for the discharge of Good Governance and we are also very conscious of the entreaty in the White Paper that we should be self governing to the maximum extent possible. We have, I hope, during the past year, and will continue, through the constitutional review and the creation of an efficient government, to strive for internal self-government to the maximum extent possible. Sir, I support the Motion.

The Honourable Jan Cheek

Mr Speaker, Your Excellency, Honourable Members, I thank you for your address and I'd like to join you in congratulating FIGO on past and continuing work in representing the Islands and promoting knowledge of them. I have had many opportunities in the last few years to see how busy they are and to thank them for all their work on our behalf. I'd like to link those with recognition of the part played by the Clerk of Councils, her assistant and Councillors' Assistant Maria Strange. Their routine work is essential to the smooth running of Government over and above what they do day to day for Councillors and the Council as a whole. They do a huge amount of work co-ordinating the programmes of many of our visitors and ensuring that they leave feeling that they've had an extraordinary visit. Many go on to become life long friends of the Falklands and supporters of our right to self-determination, those staff play a large part in that.

This is the budget meeting so it is appropriate to speak a little of the economy, which has withstood a few shocks in the last year. I hope that has concentrated minds on the very real fragility of our main source of income. I've emphasised this in most of my speeches in Council for many years; I'm closer to it and perhaps more aware of it because my interests in the fishery are well known.

Councillors have agreed that all should discuss the new policy we are looking at because in this place the interest of the Falkland Islands and fishing companies clearly coincide anything we can do to enhance the security of the fishing business and hence the stability of the whole economy will benefit everyone. It is

fact that little more than a tenth of the value of the annual catch in our waters is taken in fees and taxes in the islands – it doesn't require a great deal of imagination to see that the current policy, appropriate at its time in the development of the fishery, has now reached a point where perhaps things are beginning to stagnate a little and it inhibits people from taking the kind of risks needed to develop the industry further. Until we have alternative sources of income on a comparable scale the fishery is going to take an increasing importance in the daily lives of everyone – it pays for most of our services.

I endorse your praise for the work of all those involved in the emergency services, those who work unsocial hours all year round providing the other essential services for us and for those with perception and open mind. There are a great many successes to see – it is a pity we sometimes attack failings with such great relish.

One area where we now continue to be victims of our own success is Education – more and more students qualify every year for further and higher education thus requiring a larger and larger slice of our budget. We have to manage this very closely in the future. It should be remembered though that academic success is not the only measure of achievement, other achievements in music, sports and service in the community highlight the breadth of education offered. We want our students to become responsible citizens and lead happy and fulfilling lives. The value of good career guidance is increasingly important as students are faced with a bewildering choice of new opportunities. They must keep their options open for as long as possible and work with the department to make best use of the opportunities because we are going to need all their skills in the future. You use the line "small is beautiful", indeed it can be but sometimes I'm aware that in certain areas we are stretched to the limit in developing and maintaining the Islands. Many civil servants perform daily small miracles to keep the government machine going; as my colleague has said they know who they are and I congratulate all of them.

I'd like to welcome the newcomers, Commander British Forces and of course all the forces he represents here: we're eternally grateful for the work they do. I'd like to welcome the new Chief Executive, he has an incredibly difficult job, but I think we have all been impressed by how he has attacked it from the beginning.

I'd like to join in the farewells that people have made, I had the opportunity to meet Nigel Fannin early on and I knew through the work of my late husband just what a large part Nigel Fannin played in giving very sound advice at the beginning of the development of the Oil industry – we have a long way to go, but I'm sure he set us on the track. We are all grateful to Russ Jarvis for his steady work over many years and several Governors.

Finally I note you talk about the state of the Nation – it is nice to see that you put a capital letter. Whenever I'm overseas, I always emphasise that we are a

country because that is how I think of the Falkland Islands. The word "colony" became a dirty word and is now long gone. The word "dependent territory" was no longer appropriate. Overseas territory is good, it is an advance; but people should remember we are a country and we have a right to self determination. I support the Motion.

The Honourable Richard Cockwell

Mr Speaker, Your Excellency, Honourable Members, in rising to support the Motion, I'm very aware of the fact that the previous speakers have mentioned many of the issues which I would like to mention and I hesitate to reiterate what they have said. However, possibly I should just mention one or two things. I was pleased to have your reiteration of the Falkland Islanders right to determine their own future and I look forward to the time when a modern and enlightened Argentina also recognises that right. I think we have to work towards that continuously as I believe that will happen – it is going to be some time yet.

You mentioned the very successful events in commemorating the twentieth anniversary of liberation of the Falklands last year but I was disappointed that no mention was made of the sterling work of the Legislature department. The success of the events during that year were mainly due to the sterling work and meticulous planning by the members of the staff of that department and I think we really should recognise that – I certainly do.

Regarding Fisheries Policy review it is time that we moved on, the previous policy did us very well for a time, but we do need a new policy, which allows the industry to develop in a way which the present policy, does not allow. I'm very pleased to be the Chair of the committee which is actually looking towards a new policy. I should reassure everybody sir, that although I recognise that we have a time at the moment – the time is that we should complete this review by December of this year, it is much more important that we get the policy right than meet a deadline, so if I'm aware of the fact that we are at risk of rushing something at the expense of accuracy I will certainly request that we have more time.

Finally, I cannot finish without mentioning my appreciation of the work of Her Majesty's Forces, without their support we would find it difficult to develop in the way that we did and quite difficult to manage many of the issues that they help us out on. I'm also extremely pleased that the contribution of the Falkland Islands Defence Force is an intricate part of the defence of our Islands. Sir, I support the Motion.

The Honourable Norma Edwards

Your Excellency, Mr Speaker, Honourable Members in rising to support the Motion I would just like to touch on a few things probably already spoken of by

my colleagues but I would like to add my welcome to the Chief Executive, the new Commander British Forces and his wife and of course to our new Governor and welcome to this new Council.

You mentioned Sir; the military presence, we are all extremely grateful and always will be for the military presence and I hope we can continue to have the friendly relations that we always have had with them and I'm sure that we will. We welcome them in the Camp when they come around on their patrols and it's good to see them.

The FIGO office you mentioned is twenty years old and we have been extremely lucky, I think, in the people who have been our representatives at the FIGO office in London. They always do us proud and I'm really grateful for all the help that they give us when we have to go to the UK.

The fisheries revenue is indeed fragile revenue that we have and I'm pleased that we are still in the process of going down the alternative budget route, however, we have to bear in mind always as my colleague Jan Cheek has said we have to watch carefully what the fisheries revenue does and be aware that it could disappear at the drop of a hat. This brings me to the property rights in fisheries which we have been talking about recently and I hope will aid the local fishing community to establish a better fishery for the Falklands and therefore more income for the Falklands in the future. But, as Councillor Cockwell said, we have to be extremely cautious that we are doing the right thing and not rush into any quick decisions on how we handle the new fisheries policy and fisheries rights – these are Falklands assets and should be treated as such and carefully thought about before we dispose of them.

I would like to think that the nursing home element of the hospital will be complete by next year, I had hoped that I would stand at this budget and say how nice it was to have that element installed in the hospital. We have managed to reorganise the top floor of the hospital for the laboratory, we still haven't managed to find a better environment for our elderly patients and I hope too that the sheltered accommodation goes ahead in leaps and bounds and we don't lose sight of the fact that this is just a small part of the problem, that we will need to identify another site for more sheltered accommodation in the not too distant future.

I would like to congratulate our students too, for once again winning the Times News Day Competition; it really is very refreshing to know that we have such able students in our midst. They are our future and hopefully they will continue to think about the Falklands when they do leave to do further education and eventually come home to the community.

You also mentioned the number of houses being built in Stanley. No matter how many plots are made available, it always seems as though we need more and

that I think is a healthy state to be in, it shows that people are looking towards their future, the numbers are increasing and again, I would say that we badly need to identify more land for future development in the not too distant future.

FIGAS is one of the feathers in our local cap, I think, and they provide excellent service and have done for many, many years, and I would like to think, that in the future, we can say as well as having all local pilots we will have all local nurses as well. In any sector where we can provide the services ourselves we should be looking to encourage our youngsters to do just that.

The Philatelic Bureau, I think should be congratulated this year on increasing their sales and the post office, I hope, will not suffer too much by the change in the hours, we haven't heard from people particularly one or two people have said no we don't want this to happen, but this is a trial period and I would stress to people if you do really, really object to the change in the Post Office hours please get in touch and let us know.

Finally, Sir, I would like to add my best wishes to Russ and Joan Jarvis for the future and all the best for Montserrat, I hope it is not too hot for you. Thank you sir.

The Honourable Stephen Luxton

Your Excellency, Mr Speaker, Honourable Members in rising to support the Motion of thanks I would just like to mention a few issues relating to some of my portfolios.

Mineral Resources is the first. I've said in the past that I believe this industry will hold the key for securing the economic future of the Islands. There remain a number of different possibilities both on and offshore. Interest in the islands is still quite significant despite problems in the Middle East and the fact that any sort of uncertainty like affect tends to the interest of new exploration ventures. The fact is the probability of a find of some sort here is very much harder than it was in 1998, because so many of the technical questions have been answered. I believe we should continue to give every encouragement to anybody interested in pursuing in work in this field, even on the occasion when they find nothing. Any work that takes place in the Islands puts money through the economy.

I think it would also be an appropriate moment to expand on you comments about Dr Phil Richards of BGS. Phil's advice has been second to none and he has put in an enormous amount of work on our behalf through BGS technical advisers. I think it would be fair to say we could not ask for a better person to be representing our interest – a task which he does admirably and I think the results the interest shown by exploration companies speak for themselves. The public perception of oil is perhaps that there is nothing happening any more. The

information that we can release into the public domain is unfortunately limited considerably by commercial confidentiality that is definitely not the case.

Transport is of course another of my portfolios and there are changes afoot in this one, the coastal shipping contract is finally nearing its conclusion after a frustrating protracted process and I think the possibilities that lie ahead are promising for the development of the service. It is important to reinforce the fact that change when change is made is done because it is believed to be in the best interest of the community as a whole.

The road programme pushes on a pace, we are now actually at the stage where the end of new build work is actually in sight and four to five years down the line. The success of this as far as the Camp communities are concerned is perhaps best shown by the fact that those remaining who do not have a road and making very strong representations about the fact. The quality of work is a tribute to PWD road gangs and some of the private contractors should also be justifiably proud of their achievements. The next stage of course is the link from East to West and an outline design of a facility to accommodate this has been around for many years. We are now looking at bringing the design phases to this forward to enable it to be properly costed and inserted into Capital Estimates as a definite item. Up until now it has been a chicken and egg situation with no detailed design and costing being done because it was not fixed in the programme and the inability to fix it in the programme because there was no accurately identified cost. What happens as far as actual construction is concerned will of course very much depend on our income in future years, but it is not something we should lose sight of. The Camp community is smaller now than ever before and our community is called the Falkland Islands because it lives throughout the Falkland Islands not just in Stanley and not just on East Falklands. Sir, I support the Motion.

Commander British Forces

Mr Speaker, Your Excellency, Honourable Councillors, in supporting the Motion I'd just like to pick up on a couple of points. First of all to thank Your Excellency and Councillors on your kind words on the role of British Forces Falkland Islands, to thank Councillors for their warm welcome to me and my wife this morning. To thank you all for the honour the people of the Falkland Islands bestowed upon us last year. The commitment of Her Majesty's Government to the defence of the Falkland Islands remains unchanged and I am proud to have the privilege to be a part of that.

Indeed it is always a pleasure to rescue Honourable Councillors who have been pinned down on West Falklands by the weather. However, the bill is in the post, but since I did not put the new postcode on the envelope, I dare say it won't get through.

You have a very good and professional defence force in the Falklands Defence Force, I value their presence whenever they come to join us on exercise and they serve you very proudly.

His Excellency mentioned a number of projects where we can and should co-operate to our mutual benefit and I look forward to progressing these projects in the rest of this year.

Finally, the last five months have gone only too quickly, my family have thoroughly enjoyed our five months so far in the Falkland Islands, not least because of the welcome extended by the Islanders wherever we go. My tour however, is only twelve months, my successor will be more fortunate as it is planned that their tour will be extended for eighteen months and they will have longer to enjoy their time here and you'll have longer continuity in post. I support the Motion.

The Honourable Financial Secretary

Your Excellency, Mr Speaker, Honourable Members I welcome my colleague the Chief Executive and the Commander British Forces to their first meeting of this House. We can look forward to Chris attending many more, but it is unfortunate that individual Commanders aren't able to attend as many.

I have had the pleasure of working very closely with Russ Jarvis on various issues over the years and I wish both Russ and Joan well for the future. I support the Motion of thanks.

The Honourable Chief Executive

Your Excellency, Mr Speaker, Honourable Members, on behalf of the public service I welcome the address as a celebration of the achievements of the Falkland Islands, its people and elected representatives who work so hard on their behalf. The Public Service is committed to the improvement of its performance and we shall strive to provide the quality of service which Islanders are entitled to demand.

I should like also to take this opportunity to express my gratitude to the warmth and welcome that has been extended to my wife and me over the last three months. It has indeed been quite astonishing.

I have the privilege to occupy a fascinating and demanding post and I look forward to serving the country in the coming months and years and to play my part in facing the inevitable challenges and taking advantage of the opportunities ahead. I can also Sir, with your indulgence offer a further word of explanation regarding the opening hours of the Post Office, the difficulty of which the Honourable Mrs Edwards' experience in travelling to Stanley yesterday have

obviously prevented her from catching up with the decisions of the Executive Council. I take this opportunity then to advise Legislative Council that there will be no change to the opening hours of the Post Office in accordance with the decision reached by Executive Council yesterday. Sir, I support the Motion.

The Honourable Norma Edwards

My apologies for that Mr Speaker, the Chief Executive is exactly right, I haven't had a report from the Executive Council and I was being presumptuous.

Mr Speaker

Your Excellency, I take it the Motion is carried.

His Excellency leaves the Chambers

Clerk of Councils

Confirmation of the record of the meeting of the Legislative Council held on the 31 January 2003.

Mr Speaker

Honourable Members, is it your wish that I sign these minutes as being a true record of that meeting? Agreed.

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:

- Rate of Statutory Interest on Debts Order 2003
- Road Traffic (Increase of Fine) Order 2003
- Maintenance Orders (Reciprocal Enforcements) Regulations (Amendment) Order 2003
- 25 Eliza Crescent Direction 2003
- Fines (Alteration) Order 2003
- Fishery Products (Hygiene) (Designated Vessels) Order 2003
- Building (Amendment) Regulations 2003
- Registration of Charities (Exemption) Order 2003
- Fishing Licenses (Applications and Fees) Regulations Order 2003
- Ross Road (Temporary Clearway) Regulations Order 2003

- Ross Road (Temporary Clearway) Regulations Order (Extension of operation) Regulations Order 2003

The Honourable Chief Executive

Mr President, I have great pleasure in laying the aforementioned papers on the Table.

Clerk of Councils

Questions for Oral Answer.

Question number 03/03 by The Honourable Richard Cockwell

The Honourable Richard Cockwell

Mr Speaker, can the Honourable Roger Edwards in his capacity as Chairman of the Public Works Committee please advise what the progress is with the erection and commissioning of the new Ammunition bunker for the Falkland Islands Defence Force.

Is the project on time and within budget?

The Honourable Roger Edwards

Mr Speaker, the building is complete. Works remaining comprise the lightning protection system; the electricity cable trench, snagging and general clean up.

The project will be completed later than originally planned but we are confident that it will be within a month.

Regarding budget, the estimate for completion of the remaining works is under review as it exceeds the original estimate. In particular this applies to the lightning protection system, which was not fully designed at the time of the original estimate. Some redesign may be necessary, although options are limited. For these reasons it is not possible to give a firm completion date. The Public Works Department is actively seeking to achieve a balance between cost and time and to see these works completed soon. As I said we are confident it will be within a month.

It is envisaged that no additional funding will be required as the shortfall should be vired from other projects which have come in under budget.

The Honourable Richard Cockwell

Mr Speaker, I thank the Honourable Member for his reply. However, in my capacity as the Councillor for FIDF, I visited this site earlier on in this month, this is what prompted the question. I was alarmed to see that the building although it would appear to be complete, two of the new doors would not shut and were swinging in the breeze and also the rain was entering into the building through apparently improperly installed regulators. My supplementary question sir is, is the Honourable Member aware of these issues. I understand now that the doors have actually had a piece of wood to stop them swinging in the breeze, but is the Honourable Member aware of these issues and is he satisfied that the building is up to standard and has been properly supervised.

The Honourable Roger Edwards

Mr Speaker, I was not specifically aware that the doors were swinging in the breeze. There is a problem with water ingress into the bunker and that is being dealt with as part of the normal snagging process – part of the handover. The main delay is caused by the very complex lightning conducting system which is a requirement of the MOD that has been placed on this new bunker, so that was partly due to the causing of the overrun in time. PWD staff have been in regular communication with OCFIDF and he has not expressed any particular concerns although he would like of course to see it completed as soon as possible.

The Honourable Richard Cockwell

Mr Speaker, I could go on with further questions on this subject, but I think it would be better if I thank the Honourable Member and sat down.

Clerk of Councils

Question number 04/03 by The Honourable John Birmingham

The Honourable John Birmingham

Mr Speaker, Honourable Members, can the Honourable Roger Edwards please inform me of any plans to improve the access for wheelchairs and pushchairs into FIG buildings and along the footpaths in central Stanley?

The Honourable Roger Edwards

Mr Speaker, a survey of some areas requiring attention was concluded in March this year. It identified improving the footpath to the rear of Government House gardens, continuation of an access through the Community School car park to Reservoir Road, constructing additional footpath on the east side of Reservoir

Road between Ross Road and Thatcher Drive, and the formation of drop kerbs at various locations. A substantial part of these works are underway or have been completed.

Other works include a ramp and platform with a railing at the entrance to the Post Office together with modification of the entrance doors. Design of the ramp is about 75% complete. Appropriate doors will require careful selection, and there will be a leadtime on obtaining these.

Finally other works were identified as desirable in the Town Hall, including the provision of a lift, formation of a ramp to the change in level on the first floor, and provision of a toilet for use by disabled persons. These modifications are not in the minor works category and will have to be fitted into the general refurbishment of this building which is not programmed for a couple of years.

The Honourable John Birmingham

I thank the Honourable Roger Edwards for the very full reply. May I note that I do see the works progress along the footpaths and very well they are coming along.

Clerk of Councils

Question number 05/03 by The Honourable John Birmingham

The Honourable John Birmingham

Mr Speaker, Honourable Members, following the shortage of water two seasons ago, will the Honourable Roger Edwards tell this House if there are any moves to improve the holding capacity at Moody Brook Reservoir.

The Honourable Roger Edwards

Mr Speaker, there are no moves planned to improve the holding capacity of the existing Moody Brook Reservoir.

There is however funding in the Capital Budget of £15,000 for an option study and design of an alternative water supply scheme for Stanley.

Options currently listed for investigation include:

1. Extraction from another source; most likely the Murrell River;
2. Formation of additional storage capacity at a higher level in Moody Valley;
3. Formation of additional storage capacity near the existing impound

The option study and design are to be undertaken during the 2003/04 Financial Year.

The timing for construction of the works identified by the option study has yet to be set within the Capital Programme.

The Honourable John Birmingham

Is the Honourable Member aware that during that very dry period two years ago, even though we were not doing very well for water, at the Moody Brook catchment area as it stands at the moment water was still pouring over the top. Would he agree with me that there is still room for improvement in that area before spending lots and lots of money playing further afield.

The Honourable Roger Edwards

There wasn't an actual shortage of water in 2001/02; we didn't actually impose any sanctions or restrictions on the use of hose pipes or what have you, although the available supply was just in balance with demand for approximately 6 weeks.

The ground below and around the existing impound is peat overlying stone run. A concern is that extension of the impound could expose a free draining section of stone run and all stored water would then be lost. Levels in the area are such that raising the level of the impound is not a practical solution.

Total annual flow from Moody Brook exceeds demand by a considerable amount. However the storage capacity is relatively small and during drier periods the combined residual flow and impounded stock is now barely sufficient.

In terms of when the works need to be completed, current analysis predicts that the situation experienced two years ago will occur once every five years. Graphs indicate that we are indeed getting drier.

The Honourable John Birmingham

I'd like to thank the Honourable Member for that very full answer to my supplementary – do I take it that after all that that there is talk of improving the holding capacity at Moody Brook, but higher up the valley.

The Honourable Roger Edwards

Mr Speaker, it would be a different storage in town, not another one further up, but it would be a different storage in town.

Clerk of Councils

ORDERS OF THE DAY - BILLS

The Appropriation Bill 2003, this Bill requires a first reading.

Clerk of Councils

A Bill for an Ordinance to provide for the service of the Financial Year commencing 1 July 2003 and ending on 30 June 2004.

Financial Secretary

Mr Speaker, Honourable Members the purpose of this Bill is to authorise the withdrawal of £42,412,290 from the consolidated fund for the service of the financial year beginning 1 July 2003. The schedule to the Bill summarises the appropriation under three headings: £32.9 million is allocated to the operating budget, which represents estimated expenditure net of internal charges of £1.3 million and capital charges of 3.3 million. £4.8 million is allocated to the capital budget, which represents estimated expenditure net of internal charges of £1/2 million. £4.7 million is allocated to fund transfers and transfer payments.

The draft estimates for 2003/04 reflect the budget policy approved by Executive Council. This followed a budget process which has already been exhaustive. Honourable members have examined priority-based and Islands Plan based budget submissions from managers in detail in two separate meetings of the Standing Finance Committee and amendments have been incorporated at each stage. The opportunity has therefore been taken to condense the budget figures into a summary format in one document. The document includes extracts from the annual accounts for information and a copy of the Appropriation Bill for ease of reference.

At this stage I should draw attention to the budget strategy for 2003/04:

The main aim of the strategy was to generate a surplus of £2 million and produce a consolidated fund balance of 2½ times annual operating expenditure, excluding capital charges. In order to achieve this it was necessary to plan to restrict expenditure in two main areas by:

1. Limiting operating expenditure to around £37 million by continuing to absorb inflation through efficiency savings with the aid of the priority based budget process, and
2. Limiting the capital spend over the next 3 years to £15 million.

This strategy will need to be repeated next year to get the consolidated fund balance as close as possible to the Islands Plan target of 3 times annual operating expenditure, excluding capital charges, by 30 June 2005.

As usual, before dealing with the detail of the 2003/2004 budget, I will briefly review the current financial year. The draft estimates show that the out-turn at 30 June 2003 is expected to result in a budget deficit of £2.7 million compared to a surplus of £2.3 million forecast a year ago. The reason for this £5 million variance is due to supplementary appropriations approved during the year amounting to £5.2 million. This includes £2.6 million for carryovers of underspends in 2001/02, mainly for ongoing capital schemes.

At this time last year it was forecast that the balance of the consolidated fund at 30 June 2002 would amount to £81.8 million. Due mainly to the underspends on capital schemes I just mentioned, the actual balance of the consolidated fund as at 30 June 2002 amounted to £84.8 million, an improvement of £3 million.

At 30 June 2003 it is estimated that the balance of the consolidated fund will amount to £82.1 million. This is close to the budget strategy target of 2 ½ years worth of operating expenditure, excluding capital charges, and is an appropriate point to start the report on the 2003/2004 budget.

Total revenue for 2003/2004 is forecast at £49.6 million and the submissions for total expenditure are inserted at £47.6 million to produce an estimated budget surplus of £2 million.

Operating revenue is inserted in the draft estimates at £48.8 million which is £1.6 million higher than the revised estimate for this financial year. This is judged to be a realistic forecast provided economic stability can be sustained. Dependence on the major contribution of £24 million from the sale of fisheries licences remains a concern. We were reminded of the fragile nature of the fishery last season when the lowest ever Illex catch rates were recorded. This was reflected in the revenue from the sale of fisheries licences in 2001/2002 which amounted to only £21.3 million compared to £27.5 million in the previous financial year. Fortunately this year's catch rates have returned to an acceptable level and, based on this, the forecast of fisheries licencing revenue for next year is £24 million. This is £2.7 million more than last year's actual. Another major source of revenue, which shows a significant reduction compared to previous years, is investment income where £3.9 million is inserted in the draft estimates. This reflects the lower returns expected from prevailing depressed interest rates and financial markets. Three years ago income from investments amounted to £5.5 million.

The draft estimates of operating expenditure total £37.5 million. This is £600,000 higher than the revised estimate for the current financial year. However, it should be noted that a provision for pay awards amounting to £400,000 has been included. In addition, the health services budget now includes a realistic figure of £400,000 for medical treatment overseas. There have also been significant increases of £256,000 in further education fees and £386,000 in charter fees for fisheries protection. A provision of £200,000 has been allocated

to the islands plan reserve so that growth initiatives can continue to be supported as and when they are developed throughout the year. This is considerably lower than the allocations agreed in the last few years, reflecting the budget additions already approved and the need to maintain a £2million overall budget surplus. Obviously all these additions have had a mitigating effect on the savings which would otherwise have resulted from the priority based budget exercise. Notwithstanding these additions, reductions totalling £474,000 have been made from the islands plan based budget as originally submitted.

Fund transfers of £800,000 and transfer payments of £3.9 million are included in the draft estimates. Fund transfers have reduced by £150,000 from the current year as a result of the decision to reduce the subsidy to the retirement pension fund. Transfer payments have increased by £95,000 in total. This is made up of changes in several areas as agreed at the budget meeting of the Standing Finance Committee in March.

The proposed capital expenditure for 2003/04 is £5.3 million. At this stage, no account has been taken of any carry over of underspends from this year. For the purpose of calculating the consolidated fund balance and the appropriation required, it has been assumed that the total budget will be spent in the current year. This is to prevent the appropriation of an uncertain amount that would probably need to be adjusted later anyway. It is intended to submit a supplementary appropriation bill for the actual amount of carryover required as soon as possible after the year-end.

In support of the budget strategy executive council has approved a policy of spending a maximum of £15 million net of capital receipts over a three-year period for capital purposes. It should be noted that greater effort has been dedicated to establishing the 2003/04 estimate than to subsequent years. The projections are made for financial planning purposes only. Further work is required to firm up the projections within the £15 million ceiling. Currently, the net capital programme for the next three years totals £13.8 million.

When I report back from Select Committee I will provide an overview on what the capital programme for next year contains and what, if any, changes have been made.

At this juncture I must point out that there are possible cost pressures from contingent liabilities for which no financial provision has been made in the estimates. For instance, provision has been included for a study on the management and removal of asbestos but we are unable to anticipate what funding might be required as a result of that study. This could be a significant expenditure item. Furthermore, no financial provision is included in the estimates for the contingent liabilities set out in the statement to the annual accounts. In the event any of these liabilities materialise it will be necessary to reconsider

expenditure priorities. Conversely and more comforting is the potential additional income which might accrue from the sale of shares in Stanley Services Ltd and the allocation of monies from the EU for project or budgetary support. As the incidence of receipt is uncertain this income has not been taken into account. This precludes an unnecessarily optimistic view of government finances from being formulated. There are also initiatives identified in the islands plan for which no specific funding is allocated beyond the £200,000 islands plan reserve provision. For example, the redevelopment of core communities in camp and the development of a deep water port will require funding in excess of this provision in order to achieve their objectives. Alternative sources of financing beyond the sources I just mentioned are therefore a prerequisite.

Turning now to revenue measures:

- It is proposed to increase customs import duty on tobacco products by 10%, in line with the health of the nation strategy. These increases would, for example, add an extra 16p on a packet of 20 cigarettes and an extra 50p on a 50 gramme pouch of tobacco. **This would raise additional revenue of £29,000.
- No increase was applied to the customs import duty rate on alcoholic beverages last year. An increase of 3% is now proposed in line with inflation. This would raise an additional £11,000. These increases would, for example, add an extra 1p on a litre of beer and an extra 26p on a litre of spirits.
- It is proposed that harbour dues be increased by 3% in respect of all vessels over 15 tons with effect from 1 January 2004. Additional revenue from this source is estimated at £40,000.
- It is proposed that customs services and clearance fees be increased from 1 July 2003 using the approved formula based on full cost recovery.
- To keep pace with inflation it is proposed that annual vehicle licence fees should be increased by 5% with effect from 1 July 2003 as follows:
 - Motor cycles from £33 to £35
 - Light vehicles such as land rovers, **cars and agricultural tractors from £77 to £80
 - Heavy vehicles, that is vehicles exceeding 3,400 kilos, from £121 to £127
 - Heavy vehicle trailers from £27.50 to £29.
- In view of the fact that government housing rents are lower than in the private sector, the policy in recent years has been to increase rents by more than the rate of inflation. A review was carried out last year and all properties were assessed, using a points-based system, to determine their relative rental values. Overall rents were increased by a maximum of 10% but the increases

were staggered, depending upon current rent levels compared with assessed relative rental values. It is recommended that this process be continued and that points-based rents be increased by 5%, with a maximum of 10% for those properties significantly below the points-based level, with effect from 1 July 2003. It should be noted that this increase will not immediately apply to sheltered housing, which is already subject to a staged increase.

- water charges

The policy previously approved was that water charges be set to recover the cost of water production and that all commercial properties should be charged on a metered basis from 1 July 2001 at this stage. No further adjustments to charges are proposed since the costs are essentially covered by revenue. In November 1998 Executive Council approved in principle the metering of domestic properties and requested the director of public works to report in due course on its practicality and a programme for implementation. The study has now been completed. Based on figures provided by the Public Works Department, it is estimated that this would involve a capital cost of £619,000. In addition, annual recurrent costs would amount to £68,000. This annual cost equates to over £60 per property, that is 35% of the current charge of £175 for domestic users. In conclusion, although metering of water supplies would be more equitable, it is doubtful whether it can be financially justified. Unless there are significant reductions in water usage, and commercial water usage has changed little since meters were installed, a significant increase in water charges would result. It is therefore proposed that the current system of fixed annual charges for domestic users should continue.

- The budget for electricity supply for 2002/03 was set to make a surplus of £58,000. Even when depreciation is taken into account, the service is self-financing. The tariff for the current year continued at 13p per unit assuming that fuel (which is the predominant factor in determining the eventual cost of electricity production) would cost an average of 24.5p per litre. The current price to the power station is 27p per litre and there has been a slight increase in the number of units of electricity sold. Therefore the gross profit resulting from electricity production is likely to be slightly reduced from that originally estimated. Assuming that the fuel price remains stable, there is no need to increase the current tariff for electricity, as the service should still break even. A 3p increase in fuel costs approximates to a 1p increase in the tariff. It is therefore recommended that the current tariff of 13p is unchanged unless the annual average price of fuel rises above 29p per litre.
- Postage rates were last revised from 1 July 2002 and a special Christmas card postage rate was introduced last year. The postmaster intends to review rates once every two years and a review will not be forthcoming this year. No changes are therefore currently recommended.

- In the absence of a private sector initiative, due to the small economies of scale, the undertaking service continues to be performed by the PWD. The cost per funeral is estimated at £800. The charge per funeral was last increased from £450 to £500 with effect from 1 July 2001. To continue the move to full cost recovery it is proposed that the charge be increased to £550 with effect from 1 July 2003.
- There are no proposals to adjust rates of income or corporate tax or income tax allowances as those rates form part of the comprehensive review of the taxation policy framework which has recently been out for public consultation. Executive Council agreed that any revision needs to await the outcome of that review.
- Embarkation tax was originally introduced at a rate of £10 per passenger with effect from 1 January 2000. The rate was increased to £20 with effect from 1 March 2002 to recover the additional costs of airport security. It is therefore recommended that this charge remains unaltered.
- Passenger tax has been levied at £10 per passenger for 3 years. An increase is not proposed at this time. However, in the event that it becomes necessary to fund port security measures, it is recommended that this levy is increased in order to recover those costs. This would follow the principle applied in respect of embarkation tax.

I now turn to specific benefit proposals:

It is proposed that the weekly rates of retirement pension contributions and benefits be increased as follows with effect from 1 January 2004:

Employer contribution from £8.50 to £9.50
 Employee contribution from £8.50 to £9.50
 Self-employed contribution from £17 to £19
 Voluntary resident contribution from £17 to £19
 Voluntary overseas contribution from £21.40 to £22.40
 Standard rate of pension from £100 to £102
 Married couples supplement from £56.00 to £57

- The contributions are paid into the retirement pensions equalisation fund and pensions are paid out of this fund. These proposed increased rates of contribution are insufficient to maintain the value of the fund. Provision of £450,000 per annum is currently made in the estimates for transfer to the fund to make up the funding shortfall. It is proposed that this subsidy should be reduced to £300,000 in the knowledge that this would require a compensating increase in the contribution rates as proposed.

- It is also proposed that the earnings threshold for the camp contribution assistance scheme should be reduced from £15,000 to £8,320 per annum with effect from 1 January 2004. This would bring the threshold down to the same level as used for assisted contributions generally, but without the application of the other criteria. It is considered that income opportunities to the camp community have improved since the scheme was introduced with effect from 1 January 2001. The revised threshold would be more reasonable and equitable and it should still be adequate to provide assistance to those contributors living and working in camp who need it. It is estimated that this would enable the budget for the camp scheme to be reduced from £188,000 to £100,000.
- As a result of the proposed increase in retirement pensions the maximum ex gratia pension would increase from £90 to £92 in order for it to remain at the agreed 90% value of a retirement pension. It is proposed that a Christmas bonus should continue to be paid to all resident pensioners at the equivalent rate of one week's pension.
- As public service pensions increases under the old final salary schemes in recent years have exceeded inflation, and having regard to continuing low inflation, no further increase is proposed.
- The system and scope of social payments are currently under review. As a result the consideration of the introduction of a living allowance is the subject of a separate policy paper which is currently out for public consultation. Subject to that consultation and further consideration, it is anticipated that the living allowance will replace the means tested benefits currently in place. In the event a decision is delayed or the introduction is not approved, it is proposed that existing means tested and non-means tested welfare allowances should be increased by approximately 3 to 5% with effect from 1 July 2003.
- A winter fuel allowance of £150.00 per annum was introduced for pensioners in 2001. The rate of allowance was based on a kerosene price of 34p per litre delivered and 50% of the cost of heating a home during the three winter months. The allowance was increased to £200 for the 2002 winter to effectively assist with a further month's supply of fuel. Although the kerosene price is currently 33p per litre it is proposed that the winter fuel allowance should not be reduced pro-rata and that it should remain at £200 for the 2003 winter.
- The fostering allowance was increased from £10 to £20 per day in 1999 and it is proposed that it should remain at £20.
- The child allowance is currently £53.50 per month per child. It was last increased from £52 with effect from 1 January 2003. No further increase is

recommended at this time. The annual cost of the child allowance is estimated at £345,000.

It is intended that the draft estimates of revenue and expenditure should reflect, in monetary terms, the strategy and policies of government as determined by Executive Council in support of the Islands Plan.

I am pleased to be in a position to present a well balanced budget. As mentioned previously, this follows a tremendous effort and the most thorough process that I have had the pleasure to be involved in. The outcome demonstrates the commitment by all those managers and Honourable Members involved to ensure the continued financial well being of the islands. With trends of decreasing revenue in real terms and the pressure of ever increasing expenditure, the need to undertake more rigorous budget processes are obvious. The priority based budget exercise used this year has provided a sound foundation for updating options at each service level within available revenue resources for subsequent years.

The former Chief Executive, Mike Blanch, who initiated and drove the priority based budget process forward provided a sound piece of advice to managers: "think the unthinkable". Some managers did just that and now they know how I think all of the time!

Without my deputy, Keith Padgett, who took on board the management of the process, I would not be in a position to be able to present the budget today. Even I have lost track of the number of reports and papers Keith has churned out since he kick-started the process in August last year. Many thanks to Keith for all that hard work. I am sure he enjoyed it really.

I am also grateful to Heads of Department and other managers for putting so much effort into the budget process this year and to Treasury staff for all their assistance. Many thanks to each and everyone of you.

Mr Speaker, this concludes my budget presentation and I beg to move the first reading of the bill.

Mr Speaker

The Motion is that the Bill be read for the first time. Any objections to the Motion? The Bill will be read a first time.

Clerk of Councils

A Bill for an Ordinance to provide for the service of the Financial Year commencing 1 July 2003 and ending on 30 June 2004.

The Honourable Financial Secretary

I beg to move that the Bill be read the second time.

Mr Speaker

The Motion is that the Bill be read for the first time. Does any Honourable Member wish to speak to the Motion? The Bill will be read a second time.

Clerk of Councils

A Bill for an Ordinance to provide for the service of the Financial Year commencing 1 July 2003 and ending on 30 June 2004.

The Honourable Chief Executive

Mr Speaker, Honourable Members I beg to move that the Bill and the Draft Estimates be referred to a Select Committee of the House and that the Honourable MV Summers be appointed Chairman of that committee.

Mr Speaker

The Motion is that the Bill be referred to Selected Committee of the House and that the Honourable MV Summers be appointed Chairman of that committee. Does any Honourable Member object. The Motion will be referred to a Select Committee of the House and that the Honourable Councillors Summers be appointed Chairman.

Clerk of Councils

The Finance Bill 2003. This Bill is being presented under a Certificate of Urgency and requires a first reading.

Financial Secretary

Mr Speaker, Honourable Members

The purpose of this Bill is to give effect to the adjustments in various fees, dues, contributions and benefits, regulated by Ordinance, which I proposed in my budget presentation as follows:

In clause 2 increase in vehicle licence fees

In clause 3 increase in customs services fees

In clause 4 increase in retirement pensions and contributions

In clause 5 reduction in the earnings limit under the camp retirement pensions contributions assistance scheme

And in clause 6 increase in harbour dues

I beg to move that the Bill be read a first time.

Mr Speaker

The Motion is that the Bill be read a first time. Any objection to the Motion? No objection, the Bill be read a first time.

Clerk of Councils

A Bill for an Ordinance to amend various laws so as to increase fees, charges, contributions and benefits.

The Honourable Financial Secretary

I beg to Move that the Bill be read a second time.

Mr Speaker

The Motion is that the Bill be read a second time. Does any Honourable Member wish to speak to the Motion? The Bill will be read a second time.

Clerk of Councils

A Bill for an Ordinance to amend various laws so as to increase fees, charges, contributions and benefits.

The Honourable Chief Executive

Mr Speaker, I beg to move that the Bill be referred to the Select Committee on the Estimates.

Mr Speaker

The Motion is that the Bill be referred to the Select Committee on the Estimates. Is there any objection to the Motion? The Bill is now referred to the Select Committee on the Estimates. The Council is adjourned until 2.15pm on Wednesday 28th May 2003.

COUNCIL RESUMED ON WEDNESDAY 28TH MAY 2003

Mr Speaker

Honourable Members, good afternoon, please be seated.

Clerk of Councils

The Appropriation Bill 2003.

Mr Speaker

Would the Honourable Financial Secretary like to report back on the happenings of the Select Committee?

The Honourable the Financial Secretary

This report covers both the Appropriation Bill and the Finance Bill referred to the Select Committee on the estimates yesterday morning.

Following the detailed and lengthy considerations at the special budget meetings of the Standing Finance Committee the proceedings of the Select Committee were completed in just under 2 hours yesterday afternoon.

This was the second budget session of this Council. With the help of the experienced old hands and firm but fair chairmanship a most satisfactory result was obtained.

Several minor adjustments were made to operating expenditure resulting in a small net increase of £36,000. I ought to mention that the operating budget of £37.6 million includes a significant non-cash expenditure item of £3.3 million for capital charges. A compensating entry appears under revenue. The bottom line is therefore unaffected. The purpose of including capital charges is part of the move to resource accounting where the true operating costs of departments will become more complete. This means that the costs associated with the depreciation of assets is no longer ignored. The non-cash capital charges like internal charges are excluded from the Appropriation as they do not require to be withdrawn from the consolidated fund.

Under the operating budget the committee approved the allocation of £400,000 for the proposed pay award for the civil service. The Islands Plan reserve was confirmed at £200,000.

The capital budget was increased by £432,000 from £5.3 million to £5.7 million. The Committee confirmed that future capital spending should be limited to a maximum of £15 million in any three year period.

The budget for transfer payments was increased by £400,000 from £3.9 million to £4.3 million.

Under fund transfers the Committee confirmed the reduction of £150,000 in the subsidy to the retirement pensions equalisation fund in the knowledge that contribution income would increase by an equivalent amount.

As there is now greater certainty in obtaining £2 million of funding support from the European Development Fund, it was considered appropriate to take this into account over three years, with the receipt of £700,000 anticipated for 2003/04. Other capital receipts amounting to £160,000 were identified and inserted.

The Committee started with a budget surplus of £2.054 million and finished up with a surplus of £2.045 million, a variation of only £8,500. The overall budget surplus target of £2 million was therefore achieved.

The approved budget of £5.8 million for capital expenditure includes allocations for the following major schemes:

- £1 million for continuing the building of camp roads both on East and West Falklands. Following a report by the Transport Advisory Committee, Executive Council agreed that the road construction on West Falklands should be accelerated. This is to be achieved by moving plant from east to west at a cost of £40,000 and by diverting part of the PWDs direct labour resources from east to west, all within the £1 million budget provision.
- £125,000 to continue the programme of upgrading camp jetties and ramps.
- £540,000 to continue the building of sheltered housing which is due to be started shortly.
- £100,000 for continuing the backlog of maintenance works on public buildings.
- £470,000 for the repair and rebuilding of Stanley roads and services
- £250,000 for community school improvements
- £150,000 for town hall modifications
- £100,000 to improve facilities at FIGAS

- £120,000 to refurbish Racecourse road flats
- £125,000 for improvements in waste management and disposal

It is considered that this mix of major capital construction schemes together with the other more minor works will keep the in-house labour teams fully occupied and take up any slack in the private sector contracting business.

As well as construction schemes, the capital budget includes the following major investments:

- £240,000 for the fifth and final instalment to write-off zero interest agricultural mortgages.
- £300,000 to finance the zero interest mortgage loans which form part of the joint government/standard chartered bank housing assistance programme.
- £500,000 for a second loan to Peter Symonds College in Winchester in respect of an advance payment of fees. This will secure 69 places for Falkland Islands students over a maximum 7 year period at the current fee level of £7,245 per student.
- £340,000 for the purchase of plant for PWD and £100,000 for the purchase of vehicles.
- £200,000 to continue the defence of a contractual dispute, and
- £250,000 for the purchase of medical equipment

The approved budget of £4.3 million for transfer payments includes the following allocations:

- £150,000 for building a further two houses at Mount Pleasant.
- £600,000 for the holiday credit scheme.
- £517,000 grant in aid to FIDC in order to support its budget of £1.6 million.
- £276,000 to support other agencies and trusts.
- £365,000 for family allowances.
- £1.4 million for direct and indirect support to the camp community in the form of assistance with retirement pension contributions, energy grants,

shipping services, agricultural incentive and labour schemes, grassland and fencing improvements.

- £250,000 for a capital subsidy for the abattoir to enable the cold store and incinerator to be upgraded.
- £350,000 for an operating subsidy for the abattoir.

The Committee recognised that these last two subsidies were essential in the early stages of the development of a viable meat industry for the Islands. All this money is to be distributed to help the economy develop and grow.

Turning now to the revenue proposals made in my presentation, the select committee approved the following:

- An increase in customs import duty on alcoholic beverages and tobacco products. A motion is on the order paper to confirm this.
- An increase in vehicle licence fees, harbour dues and customs services fees as provided under the finance bill.
- An increase in house rents and in the charge for funerals.

The Select Committee agreed that there should be no change at present to the following revenue charges:

- Income and corporation tax rates and allowances,
- Embarkation tax,
- Passenger tax,
- Water charges,
- Electricity tariff, and
- Postal rates.

The proposed increases in retirement pension benefits and contributions, ex gratia pensions and the Christmas bonus were all approved. The proposed reduction in the earnings limit for the assistance scheme for camp contributions was also approved.

The Committee approved the proposed increases in welfare allowances.

The Committee agreed that public service pensions payable under the old final salary schemes should remain at current levels.

The Committee also agreed that the following benefits should continue at current rates:

- Fostering allowance
- Child allowance and
- Winter fuel allowance

I trust we are all pleased with the outcome of the budget process this year as a healthy surplus has been forecast. The estimates, once approved, and in support of the Islands plan, form a series of promises, in financial terms, to the general public. The job of the public service is to deliver those promises and obtain best value for money for the benefit of all residents. As usual, Honourable Members will be able to monitor progress through the monthly meetings of Standing Finance Committee.

A paper summarising the adjustments made to the draft estimates at Select Committee was presented to Executive Council earlier this afternoon. I can now report that the Executive Council recommends to Legislative Council the amendments to the Appropriation Bill necessary to accommodate those adjustments.

I would like to thank all officers and Honourable Members who took part in the budget process. In particular I thank my PA Helga for keeping my papers in order and for her secretarial support, and once again to my deputy Keith for all his support and hard work.

This concludes my report of the proceedings of the Select Committee on the estimates.

Mr Speaker

The Motion is that report be accepted.

The Honourable Mike Summers

I'll second that.

Mr Speaker

Council is in Committee.

Clerk of Councils

Clauses 1 and 2.

The Honourable Financial Secretary

I beg to move that Clause 1 stands part of the Bill but consideration of Clause 2 be left until consideration of the Schedule has been considered.

Mr Speaker

The Motion is that clause 1 stands part of the Bill. Any objection? Clause 1 stands part of the Bill.

Clerk of Councils

Schedule

The Honourable Financial Secretary

I beg to move that the Schedule stands part of the Bill with the amendments circulated to Honourable Members under the cover of Executive Council paper 153/03.

Mr Speaker

The Motion is that the Schedule stands part of the Bill as amended – any objection? The schedule stands part of the Bill.

Clerk of Councils

Clause 2.

The Honourable Financial Secretary

I beg to move that clause 2 as amended stands part of the Bill with the following amendments:

Delete the words and figures "£42,412,290" and insert "£43,280,790"

Mr Speaker

Honourable Members the Motion is that Clause 2 stands part of the Bill as amended – is the any objection to the Motion?

Council resumes.

The Honourable Financial Secretary

I beg to move that the Bill be read a third time and do pass.

Mr Speaker

Honourable Members the Motion is that the Appropriation Bill be read a third time and do pass – any objection?

The Bill will be read a third time and pass.

Clerk of Councils

A Bill for an Ordinance to provide for the service of the Financial Year commencing 1 July 2003 and ending on 30 June 2004.

The Finance Bill 2003 remaining stages.

The Honourable Financial Secretary

Mr Speaker, Honourable Members I covered the proceeding of the Select Committee on this Bill in my report on the Appropriation Bill Draft Estimates.

It is confirmed that the Select Committee approved all the provisions of the Finance Bill all increases I proposed in vehicle licence fees, custom services fees, harbour dues, retirement pension benefits and contributions and for the reduction I proposed in the earnings limit under the Camp Retirements Pensions Contributions assistance scheme. That concludes my report.

The Honourable Mike Summers

I second it.

Mr Speaker

Council is in Committee.

Clerk of Councils

Clauses 1 to 6

The Honourable Financial Secretary

I beg to move that clauses 1 to 6 stand part of the Bill.

Mr Speaker

The Motion is that clauses 1 to 6 stand part of the Bill – does any Honourable Member object?

Clauses 1 to 6 stand part of the Bill.

Clerk of Councils

There is no schedule.

The Honourable Financial Secretary

I beg to move that the Bill be read a third time and do pass.

Mr Speaker

The Motion is that the Bill be read a third time and do pass – any objection?

The Bill will be read a third time and pass.

Clerk of Councils

A Bill for an Ordinance to amend various laws so as to increase fees, charges, contributions and benefits.

Motion number 4 of 2003 by the Honourable Financial Secretary

“That this House MOVES that it be resolved that from midnight tonight Customs duties payable in respect of alcoholic beverages and tobacco products under the provisions of the Customs Ordinance are increased as follows:

On beer from 22p to 23p per litre
On wine from 58p to 60p per litre
On fortified wines from 69p to 71p per litre
On spirituous beverages from £4.70 to £4.84 per litre
On spirits from £8.57 to £8.83 per litre

On cigars from £151.04 to £166.14 per kilo
On cigarettes from £109.25 to £120.18 per kilo
On tobacco from £99.27 to £109.20 per kilo

The Honourable Chief Executive

So seconded sir.

Mr Speaker

The Motion is that it be resolved that the Customs duties be amended as reported by the Clerk – does any Honourable Member wish to speak to the Motion?

The Honourable Norma Edwards

Yes, Mr Speaker, just to have my usual moan about knocking the smokers in the pocket. I don't think that this is the way to tackle an addiction and I don't think it cures an addiction by pricing them into stopping smoking, I think you have to get

at the mind. We were told in the past when we have increased these fees that this money would be spent on encouraging people to stop smoking – I don't know if that has actually happened in the past but I would suggest that this increase we are accepting today be put to that use so that people get medical help rather than just robbing them – it is a nice easy tax to get.

Mr Speaker

Any other Honourable Member wish to speak to the Motion?

The Honourable Jan Cheek

I feel bound to speak as Chairman of Health and Medical Services Committee to say that there is a lot of medical help available – advice, various therapies and various drugs to help people give up their nicotine habit.

The Honourable Norma Edwards

Can I just say sir, when I was chairman of the Health and Medical Services Committee, I did my talk objecting to the increase in cigarette duty and I still feel that it would be more useful to put this money towards the Health Service to perhaps bring out somebody who can help the mind set – in other words how about doing what I did which was go to a hypnotist. It does work for some people – not everybody but for some people it does and that might be something to think of. We are told constantly that smokers cost the medical services so much money so we can presume if we carry on in this fashion we won't be able cut the medical services budget by an awful lot of money before too many years are out.

The Honourable Financial Secretary

I can confirm that the money is spent from the Medical Services budget on combating smoking and that the revenue that is received from the import duty on tobacco does go some way towards financing that.

Mr Speaker

Does any Honourable Member object to the Motion? I therefore take it that the Motion can be carried six votes to one.

Clerk of Councils

The Supplementary Appropriation 2002/2003 No 2 Bill

The Honourable Financial Secretary

Mr Speaker, Honourable Members this is the second Bill of its kind presented in this calendar year but is the fourth one in this financial year. In addition to the sums of £46,953,470 already appropriated. The purpose of this Bill is to authorise the withdrawal from a consolidated fund of sum of £623,970 for the service of the current financial year. The Bill provides for the contingency fund to be replenished in respect of any advances made.

Under the Operating budget an additional £451,470 is provided, this includes £93,300 for Health and Social Services to cover to urgent aeromedic evacuations and rehabilitation costs overseas. £32,610 for the Education Department to cover increase in overseas school fees, electricity and heating charges and insurance premiums. £7,000 is allocated to meet the great demands for customs import duty. £6,060 to the Fisheries department for laboratory and oceanographic equipment where matching funding is being provided under a contract. £10,000 to the Attorney General's Chambers for legal and financial advice in connection with progressing future arrangements for Stanley Services Ltd and £300,000 is allocated to match the amount due for personal and corporation tax refunds.

Under the Capital budget the following allocations totalling £172,500 are made. £17,000 to assist with the modification of a house for a disabled resident. £5,500 for the installation of a fire alarm system at the properties occupied by the YMCA. £150,000 to meet ongoing defence costs in connection with a contractual dispute.

In all cases the Standing Finance Committee are satisfied that the supplementary expenditure was necessary and that savings were not available for virement. This follows a new drive on greater budget discipline where applications for supplementary expenditure will be rejected unless it can be demonstrated that the circumstances were unforeseen, saving for virement cannot be identified either at department or corporate level or the expenditure cannot be postponed without detriment to the public service. I beg to move the second reading of the Bill.

Mr Speaker

The Motion is that the Bill be read a second time – does any Honourable Member wish to speak to the Motion?

Financial Secretary are there any amendments to the Bill?

The Honourable Financial Secretary

There are no amendments.

Mr Speaker

The Bill will be read a second time.

Clerk of Councils

The Supplementary Appropriation 2002/2003 No 2 Bill

Mr Speaker

The Motion is that the Supplementary Appropriation 2002/2003 No 2 Bill be read a third time and do pass any objections? The Bill will be passed.

Clerk of Councils

The Supplementary Appropriation 2002/2003 No 2 Bill

The Customs Bill 2003

The Honourable Chief Executive

Mr Speaker, the 1943 Customs Ordinance has been amended on numerous occasions and requires very substantial amendment in order to cater for current needs. This Bill therefore consolidates the current Ordinance and its many amendments and repeals all current provisions. The Bill is in twelve parts and will come into effect on a date published by a notice in the Gazette.

Provision is made in part two for the administration of the ordinance including for example the appointment of the Collector of Customs and the Deputy Collector of Customs and for the disclosure of information by maintaining confidentiality in certain circumstances for commercial reasons.

Part three of the Bill deals with custom control areas for example ports and airports. It gives Customs Officers free access to every part of the ship at the port or an aircraft at an airfield and confers to detain a ship or aircraft in defined circumstances.

The Bill contains provisions relating to the control of importation by way of illustration clause 36 contains the general prohibition on delivery or removal of imported goods until any customs duty has been paid. Provision is also made for alternative methods of payment of duty including standing deposits which would be maintained within the Treasury so as to enable the immediate release of dutiable goods.

Clause 42 of the Bill provides for the forfeiture of goods which are improperly imported and Clause 43 makes the import of goods without payment of or the

importation of prohibitive goods a criminal offence in respect of which substantial fines and prison sentences could be imposed.

Part five of the Bill deals with the control of exportation of the goods including by pipeline and part six deals with the control of coast wise traffic. It makes practical arrangements to facilitate coastal shipping within the Falkland Islands and the treatment of mixed cargo – that is to say cargo originating in the Falkland Islands and not subject to importation restrictions and also cargo originating outside the Falkland islands which is subject to such restrictions. There are provisions relating to customs control with particular reference to the exportation of explosives and the maintenance of records relating to the importation and exportation of goods.

Clauses relating the importation of goods, customs duties and calculation of such duties are contained in parts nine and part ten is concerned with the imposition of duties and various reliefs and exemptions. In particular clause 113 gives Legislative Council the power by resolution to impose vary or revoke import or export duties of any kind and excise duties of any kind of goods manufactured or produced within the Falkland Islands. However, clause 113(2) of the Bill restricts the excise of that general power to prevent without the consent of the secretary of State the imposition of differential rates of duties in respect of the same category of goods applicable by relation to their place origin or manufacturer. This is a requirement of international obligation.

Clause 114 to 120 provides exemptions and relief from duties in certain circumstances. The Bill make provision in part 11 for the detention of persons, the forfeiture of goods and ships and other matters ancillary to legal proceedings. Clause 133 provides the power of arrest of any customs officer, police officer or member of Her Majesty's Armed Forces where there are reasonable grounds to suspect the person of having committed an offence under the Ordinance within twelve years from the date of the commission of the offence.

Finally Mr Speaker the schedule to the Bill amends the Prohibited Goods Ordinance. Mr Speaker, I beg to move the second reading of the Customs Bill 2003.

Mr Speaker

The motion is that the Customs Bill 2003 be read a second time – does any Honourable Member wish to speak?

The Honourable Mike Summers

Mr Speaker, Honourable Members I have two issues to raise, one I think relatively minor and the other. Question for the Attorney General of general application – the first minor matter is in clause 30 part 2 sub item (a) of the Bill

which refers to the importation of fresh fish. I wondered whether the Attorney General in fact had intended that that should also include frozen fish and whether he would advise us on that.

The second more general matter is that this is an important Bill because it amends and modernises the Customs law and it is essential that we have a robust and strong Customs Ordinance in place, but I wonder if the Attorney General could tell us for our benefit and the benefit of the public what protection there is for citizens against over zealous activities by Customs Officers.

Attorney General

Thank you Mr Speaker. Dealing with the questions in the order which the Honourable Member raised them, I would wish to ask the House to move at the Committee stage of the Bill, an amendment to section 30 subsection 2 paragraph (a) so that the words in "(or fish frozen when fresh)" should be inserted after the words "fresh fish". The object of the provision is to exempt from duty fish caught or transported into the Falkland Islands by locally flagged vessels. I had intended that it should include fish, which was frozen onboard fishing vessels, and also fish transported on reefers, which are registered here and I think that the amendment will make sure that that is the case.

The second point, which the Honourable Member raises, is that of protection for citizens. It is part of the general law of the Falkland Islands and one which has been exercised in relation to Custom Officers' powers and indeed I understand that the Senior Magistrate is due to deliver judgement in one such matter tomorrow, that all public officers are accountable to the Courts for the proper exercise of their powers. This is part of the common law tradition and it applies just as much in the Falkland Islands as it does in England and in other countries of the Commonwealth. The manner generally in which such powers can be questioned in legal proceeding brought by the citizen, are in proceedings for judicial review. That is proceedings brought before the Courts to question whether the officers powers have been properly exercised which is one category or whether natural justice rules have been followed. I can assure the House that the power of judicial review exists and the right to apply to the court for judicial review exists in relation to every exercise by a customs officer of his powers under this Bill. Thank you Mr Speaker.

Mr Speaker

Councillor Summers.

The Honourable Mike Summers

Thank you that is fine.

Mr Speaker

Does any other Honourable Member wish to speak to the Motion? The Motion is that the Bill be read second time.

Clerk of Councils

The Customs Bill 2003.

Mr Speaker

In view of the amendment I suggest that we do the longer procedure.

The Honourable Chief Executive

Mr Speaker I beg to move that clauses 1 – 163 stand part of the Bill.

Attorney General

Mr Speaker, may I invite an Honourable Member to move an amendment to Clause 30 sub clause 2-paragraph (a) so as to insert in brackets the words "(or fish frozen when fresh)" in that paragraph immediately after the words "fresh fish". Perhaps the Honourable Councillor Summers would be kind enough to do so since he drew attention to the point.

The Honourable Mike Summers

I so move.

The Honourable Richard Cockwell

Mr Speaker, I would like to enquire of the Attorney General if this does not actually put us in risk of accumulation of product because fish frozen when fresh could have been purchased from another country and it is not the intention of the Bill – is that not correct?

Attorney General

Mr Speaker, the intention of the section is to exempt in all circumstances such fish taken or brought aboard a Falkland Islands flagged vessel. It only exempts such fish if it was desired to impose customs duties on other fish that could be done it doesn't exempt from customs duties it exempts a person bringing in that fish from making an entry of those goods on importation. If we did not have that

provision, every time a Falkland Islands flagged vessel came into port in the Falkland Islands, it would have to make a declaration of importation in relation to the fish it was carrying on board – even the fish which it had caught in the Falkland Islands zone. This would be an unnecessary requirement in any case because we have ways of getting the information as to the amount of fish as Honourable Members know by the returns which have to be made to the Director of Fisheries. It is not related so much to the payment of customs duties although it is in effect is more related to avoiding what I'm sure Honourable Members would wish to avoid which is unnecessary bureaucratic hassle.

The Honourable Richard Cockwell

I thank the Attorney General for that very strong reply to my question and I take the point, I can see what you mean but I am a little bit concerned about the possibility; however, I accept what you are saying.

Mr Speaker

The Motion is that clauses 1 to 163 stand part of the Bill with Clause 30(2)subsection (a) as amended. Can someone second the Motion?

The Honourable Richard Cockwell

In view of the fact that I made a complaint, I will second the Bill sir.

Mr Speaker

The Motion is that Clauses 1 to 163 stand part of the Bill - does any Honourable Member object to the Motion. Clauses 1 to 163 stand part of the Bill.

Clerk of Councils

Schedule

The Honourable Chief Executive

Mr Speaker I beg to move that the Schedule stand part of the Bill.

Mr Speaker

The Motion is that the Schedule stands part of the Bill – does any Honourable Member wish to object to the Motion? The Schedule stands part of the Bill.

Council resumes.

The Honourable Chief Executive

Mr Speaker I beg to move that the Bill be read a third time and do pass.

Mr Speaker

The Motion is that the Bill be read a third time and pass.

Clerk of Councils

The Customs Bill 2003.

The Museum and National Trust (Amendment) Bill 2003

The Honourable Chief Executive

Mr Speaker, this Bill provides for the person holding the position of Museum manager to become a signatory on cheques and other bills of exchange drawn by or on behalf of the Trust.

The Bill also increases the threshold sum over which cheques and bills of exchange must be signed by more than one authorised signatory. I beg to move the second reading of the Bill.

Mr Speaker

The Motion is that the Museum and National Trust (Amendment) Bill 2003 be read a second time – does any Honourable Member wish to speak to the Motion? Chief Executive, are there any amendments to any of the Clauses?

He Honourable Chief Executive

No sir.

Mr Speaker

In that case I suggest that we can short track this Bill. The Bill will be read a third time.

Clerk of Councils

The Museum and National Trust (Amendment) Bill 2003

The Licensing (Amendment) No 2 Bill

The Honourable Chief Executive

Mr Speaker, this very short Bill removes the provision contained in section 74(1) of the Licensing Ordinance 1994 which permits an offender who is a subject of a court order preventing entry onto Licenced premises to gain such entry with the consent of the Licensee or his servant or agent. The Bill therefore has an effect of making an order by the Court pursuant to section 74(1) of the Licensing Ordinance 1994 absolute. I beg to move the second reading of the Bill.

Mr Speaker

The Motion is that the Licensing (Amendment) No 2 Bill 2003 be read a second time – does any Honourable Member wish to speak to the Motion? I would therefore suggest that we move straight to the third reading of the Bill.

Clerk of Councils

The Licensing (Amendment) No 2 Bill 2003

The Misuse of Drugs (Penalties Alteration) Bill 2003

The Honourable Chief Executive

Mr Speaker this Bill has the effect of increasing the maximum penalties for various offences under the Misuse of Drugs Ordinance. I beg to move the second reading of the Bill.

Mr Speaker

The Motion is that the Misuse of Drugs (Penalties Alteration) Bill 2003 be read a second time – does any Honourable Member wish to speak to the Motion? I suggest the Bill be read a third time and do pass.

Clerk of Councils

The Misuse of Drugs (Penalties Alteration) Bill 2003

The Criminal Procedure and Investigations Bill 2003

The Honourable Chief Executive

Mr Speaker, the purpose of this Bill is to reform the law on pre-trial disclosure in criminal trials. Part one of the Bill provides interpretations and definitions. The effect of parts two and three is to reform the law in relation to prosecution and defence disclosure as recommended in England by the Royal Commission on Criminal Justice in its report published in July 1993. The common law would be

replaced so as to provide a reasonable balance between the duties of the prosecution and the defence. Parts four and five of the Bill seek to encourage the comprehensive preparation of criminal cases and the better conduct of such criminal trials. The Bill would if enacted come into force on the 1st day of the second month following its publication in the Gazette, but before the provisions of the Bill can come into force, it is necessary under Clause 25 to make an order introducing a Code of Practice for the guidance of the Police. Mr Speaker, I beg to move the second reading of the Bill.

Mr Speaker

The Motion is that the Criminal Procedure and Investigations Bill 2003 be read a second time. Does any Honourable Member wish to speak to the Motion? Do we have any amendments to the Clauses? In that case I would recommend that the Bill be read a third time and do pass.

Clerk of Councils

The Criminal Procedure and Investigations Bill 2003

The Education (Amendment) Bill 2003

The Honourable Chief Executive

Mr Speaker this very short Bill makes minor changes to the Education Ordinance consequent upon a change to commencement of the academic year, which is due to take place on the 1st September 2003. I beg to move the second reading of the Bill.

Mr Speaker

The Motion is that the Education (Amendment) Bill 2003 be read a second time – does any Honourable Member wish to speak to the Motion? I suggest we go straight to the third reading.

Clerk of Councils

The Education (Amendment) Bill 2003

The Road Traffic (Amendment) Bill 2003

The Honourable Chief Executive

Mr Speaker this Bill amends the Road Traffic Ordinance so as to permit certain places, which may be specified in an Order made by the Governor and which would be otherwise places to which the Road Traffic Ordinance applies, to be

excluded from the operation of the Ordinance either wholly or to a limited extent. I beg to move the second reading of the Bill.

Mr Speaker

The Motion is that the Road Traffic (Amendment) Bill 2003 be read a second time – does any Honourable Member wish to speak to the Motion? Chief Executive are there any amendments to the clauses? In that case I suggest that the Bill be read a third time and do pass.

Clerk of Councils

The Road Traffic (Amendment) Bill 2003

THE MOTION FOR ADJOURNMENT.

The Honourable Chief Executive

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

Mr Speaker

The Motion is that the House stands adjourned *Sine Die*.

The Honourable John Birmingham

Mr. Speaker, Honourable Members, may I first start by apologising to Brigadier Gordon and the Chief Executive, also not least the Governor, for not welcoming them to this House. It's been five months since the last meeting and I just forgot.

Welcome.

Councillors have been eased through this budget by the well-organised way that the paperwork has been handled. The Financial Secretary, Derek Howatt and his Deputy, Keith Padgett and their staff, not least Helga Burroughs, have made sure that over the last few months, information has been flowing down the road to Gilbert House.

The Heads of Department have been very co-operative and it seems a world away from the way we used to do it, with Heads of Department coming into the Liberation Room, some looking like they were going to the inquisition. And, after all, nobody expects the Spanish Inquisition.

I don't mind, and I don't believe that there will be many growls about the outcome of this budget, except possibly by the fag heads. And, their defender has already said a few words and might well say some more before the afternoon is out.

To me the main objective was to maintain service levels. We are lucky enough to have very good public services in these Islands. And, that has been achieved with little fuss but a lot of teamwork.

Complacency is a key word. And, as was said here yesterday, we had a close call last year with income from the fisheries. It is right then, that other sources of income have to be pursued. There has been a lot of discussion about the abattoir and the costs mounting up. Most of those costs are imposed on us from Brussels. And, no matter how much we growl about them, if we want the Abattoir to be certificated, then the money has to be spent. Here is an opportunity for the farming sector to move away from the one crop. The abattoir may fail but it will most certainly fail if the support isn't there within the farming community.

Now, Planning is an emotive subject but Planning Control is even more so. Councillor Cockwell is Chair of the Planning Committee along with Councillor Norma Edwards and they are trying, I know, to put some local common sense into the way some of the regulations are being interpreted. It would appear that one of the hold-ups of the opening of the new Charity Shop has been the insistence that the west wall, that was mistakenly clad in wood, be changed to metal cladding. This is because of a so-called fire risk. It backs on to a garden and I just cannot see what the big deal is. It's this kind of apparent pettiness that is causing a great deal of concern. Last year, there was a proposed trip to the Jason Islands to inspect some footings. But it didn't happen, I might add.

Going back to construction, and the construction of houses, my house is 160 years old this year. And, that's even older than some around this room. It's made of wood and, I suggest, that with the use of peat as a main source of fuel, now a fraction of what it was not so long ago, and with modern wiring, wooden houses have never been safer. I ask Councillor Cockwell to put these thoughts through to his Committee.

And, on the subject of pettiness, I make it plain that I support the Stanley Police and have a lot of respect for those officers who are committed to serving the community and, who at times have a very difficult job to perform. But the term frivolous prosecution is being spoken about at the moment. I can't believe it was in the public interest to prosecute a visitor who made an error of judgement at the Globe Corner, when there were no injuries and both parties agreed on payment. And, also the length of time taken to decide to prosecute. Was it really in the public interest to prosecute a local man who had a very minor nudge whilst parking. These are only two examples of some that have gone before the Courts in these last few months. I am fully aware of how the system works but I am pleased to know that the Attorney General has taken on board this very real public concern.

The trial for the Ross Road Clearway has been extended until next March. I'm still not convinced that there was a problem to solve in the first place. But I am willing to see it carry on, providing we just haven't pushed cars on to side roads and other streets. I just hope we are not creating a problem elsewhere. But what is needed is more feedback from the public.

We nearly had a bit of a minor traffic problem around this building, the Town Hall, today. I believe the Governor lost his way and drove into the car park using the wrong entrance. Let us hope that in his three years in the Islands, that is the only way he loses.

The Honourable Stephen Luxton

Watch he doesn't get prosecuted.

The Honourable John Birmingham

Today's Challenge Day. And, I know it's a challenge just to get out of bed in the morning. It's a good idea and if it promotes more use of the Leisure Centre then, go for it. Today, the Junior School did the Conga. And, I am certainly not suggesting that others in this room do the Conga with me this afternoon. But I shall be playing Buffs Tennis tonight – and I did say Buffs. I just wonder what my fellow Councillors will be doing before the end of the day.

Mr. Speaker, I support the Motion.

The Honourable Roger Edwards

Mr Speaker, this is my second budget and, like Councillor Birmingham, I, too, would like to thank the Financial Secretary, his deputy, Keith Padgett and the rest of the staff, who have managed to produce a budget with a £2 Million difference between Revenue and Expenditure. Experience and history, however, has shown that we will probably be over-spent by the end of the Financial Year. I would encourage everyone to obtain and read a copy of the estimates of revenue and expenditure, in particular, the pages showing the revenue and expenditure over the past 20 years or so. They can see the alarming increase in the costs since 1996 in particular.

The Financial Secretary said yesterday (that) we must maintain rigorous budgetary processes. Yes. We must.

I am delighted to say that we have been able to maintain the £1million annual input into the budget for Camp Roads. And, the move to the West of some of the direct labour force, since the roads on the East are nearing completion, so that we can have an early completion of road building on the West. And, present planning indicates this may be in 2007.

While discussing roads, and some of the complaints I've heard regarding the MPA Road; shortly, they will be conducting a trial on that road whereby they will be using tillite, which is a much softer stone than the present hard, Pony's Pass Quarry gravel. We hope it is a success.

I am also delighted that we were able, in this budget, to maintain the system of Holiday Credits, whereby everyone in the Islands benefits from the income from fish.

My predecessor mentioned the Abattoir. I too, will raise the subject of the Abattoir. It continues to require large sums of money in both infrastructure and subsidy. And, with declining sheep numbers over the past eight years, whether it ever will be at full capacity or break even, must be in doubt. I do not believe the blame for failure should be put on farmers but perhaps, over-ambition in the first place. We have a meeting on the 11th of July between the Standing Finance Committee and the Development Board and all other interested parties, at which the public are able to attend. I would welcome them there at that meeting. But I would also beg that members of the Camp Community let the Chief Executive and the others know their views during the forthcoming Road Shows. Without you letting them know your feelings, there is only one voice in the wilderness.

Speaking to members of the public, and particularly those in the Camp, I would also welcome their views on the proposed National Parks. So far, most people that I have spoken to seem to think that it is nonsense. Please let the Road Show know your feelings.

On another subject, the extension to the Hospital for a care for the elderly ward, the planning process has been underway for some time. The money has been in place for some time and the money has already been passed over from last year to this. I beg that this should be completed earlier rather than later.

Mr Speaker, costs are escalating. This Financial Year, we are looking to spend something like £5.4million within the Medical Department. Education costs us another £4.6million. But we, as Councillors, are committed to maintain these services at their present high level. We do have other outstanding items not yet included in this year's budget – East Stanley Development Phase 8, and, perhaps having to replace the runway at Stanley Airport.

To raise the additional revenue that is required, I am not in favour of taxing the civilian contractors at MPA. Corporation Tax by the Companies – they have already signed up for many years under the Dual Taxation Arrangement. But if we tax the individual contractor, this is bound to put up the costs. And, I believe that any additional cost for the defence of these Islands is wrong. We should be helping the defence of these Islands the best way we can.

I, too, forgot to say good-bye when we were speaking and that is to Russ Jarvis and his wife after six and a half years. And, I wish them both well in Montserrat.

Mr Speaker, I support the Motion for Adjournment.

The Honourable Mike Summers

Mr Speaker, Honourable Members, I won't dwell on the budget, I don't think, other than to express a degree of satisfaction that we've managed to achieve the target of a surplus of £2million before the year starts. I don't honestly feel that it's an adequate target. I think we should be doing a little better than that. We will have to be very rigorous over the forthcoming year about the issue of no growth. We cannot allow growth in the expenditure budget. There isn't any scope, I'm afraid for growth in the public service, so we will be in future years seeking to reduce expenditure. That doesn't mean we are seeking to reduce services, I will come back to that in a minute.

But it is and remains the responsibility of all budget holders, Heads of Department and other people in departments to do the very best that they can with public money, not to spend it if it's not necessary to spend it and to provide the best value that you possibly can. I know that many, many people do that. Some, perhaps, could try harder and we would urge them to do that. It's in everybody's benefit. The aim surely has to be, as I said yesterday, to achieve balance between expenditure on the services that the public requires and we wish to be able to provide for them; for investments in personal infrastructure and economic development, which are essential for going forward, otherwise, we simply stagnate, and for contributions to the reserves. The reserve is slightly less than 2.5 times current expenditure. We do have an ambition to get that up somewhere near three times current expenditure and we have to work on our strategy for doing that.

If I could pass my thanks to Derek Howatt, who hasn't thanked himself for the work that he's done in preparation for the budget. He's thanked everybody else. So, thank you to him, for his guidance. It's my 7th budget and it's certainly been the most intensive and it's been one of the best organised. Thank you and all your staff for that.

On other matters, some more important than others, perhaps; the Clearway, as my colleagues have said, has been extended until the end of March. I do fall in that category of people who are not entirely convinced that we need to do anything. But if we need to do something, this is the least worst solution. We will see how it works during the summer season when there are lots of tourists about and then make a decision towards the end of March/April next year, whether we continue it or not. And, I believe the intention may be to have a debate in the House on the issue. And, I think that will be fascinating.

Just to update members of the public on what's happening with the Constitution, we haven't heard much for a while. There is, in fact, a workshop planned for next week, at which all Members will be present, to look at the Structure of Government, how we run the Government, whether we are doing it in the most efficient manner and whether we are providing the best form of governance for the Falklands at the present time. We hope that out of that meeting will come some final suggestions for amendments to the Constitution or not. And then, we can move forward with some proposals to the Foreign Office.

Much has been talked about in recent days and weeks about the Fisheries Review, so I won't touch on that other than to say that it is moving forward, I think, in a positive manner. We look forward now to the further deliberations of the sub group and to getting that done.

Running parallel with that very important piece of work has been amendments to the tax system. And, we have a special Executive Council in July to consider recommendations from the Taxation Advisory Committee. I don't think it would be out of order for me to say at this time that the Advisory Committee, itself, will not be making any proposals to implement personal taxation on contractors at Mount Pleasant. At the end of the day, of course, that is a decision for Executive Council and not the Advisory Committee. So, that decision awaits the meeting in July. But the Committee, itself, is not going to make that proposal.

I cannot but speak about the new meat industry in the Falklands. I remember vividly, still, the period from 1989, when I first arrived at FIDC, right through the '90s and even up until relatively recently, being a relatively lone voice in supporting the development of a tourism industry. They were saying that it would never work, that we couldn't do it and that people won't come here. Well, now, actually, we do have a tourism industry. It is working, it is making money and it's providing good employment for a number of people.

To start up a new industry is a long process to start up a new agricultural-based industry is a long, long process. And, we know and understand, we knew and understood when we started out on this project that there were some inherent risks, and that it might be expensive and it wouldn't all go right just on the first day. But we've got to work at it. We've got to provide the scope and the opportunity for farmers to have an alternative source of income. Not to do so would be folly. We've seen the results of that folly in recent years. And, I equally well remember in the late '80s and early '90s, it was one of my first tasks here, looking at Agriculture and saying that it is madness to depend on a single source of income from Agricultural sources. So, we will give the development of the meat industry our support over the coming years. We will deal with problems as they arise and I hope we will solve them. I look forward in a number of years to being able to stand up somewhere, whether it's here or somewhere else, and saying, "I told you so."

Just before I close, my colleague John Birmingham and I will be off to New York shortly to the C24 to represent the Falklands in that forum. We will be encouraging both the new Argentine Government and the Members of the Committee of the C24 to take a fresh approach and a new look at what goes on, both in terms of Falklands/Argentine relations and what goes on in C24. We are not a Colony. There shouldn't be composite motions from supporters of Argentina proposing decolonisation of the Falklands. We will have to move on from that. And, it will be our task, at least in this particular instance, to try to put some force behind that. And, I do urge, once again, the new Argentine Government to be more forward thinking about its approach and attitude towards the Falklands. Recognise that we are a country. We exist. I'm sorry if you don't like it but here we are. And, we do have the right to self-determination as all peoples do. So, it's time they took a fresh approach and moved forward and recognised the reality of the situation.

Sir, I support the Motion.

The Honourable Jan Cheek

Mr. Speaker, Honourable Members, as my colleagues have said, the budget this time has been a lengthy process involving many days' work by Councillors, many more by Treasury Staff and other Government Officers. With several years of tight budgeting the greatest problems are being experienced by those departments. And, there are a few who already had tight budgets, by those that are large employers of people providing public services, in other words, when they have to cut, it almost always comes down to cutting people. They may well do in the future, and those who genuinely cannot predict now what calls there may be on their budgets in the next few months.

People try to make a reasonable guess, for example, on the number of medical evacuations we may have to carry out in a year. It's impossible, obviously, to predict those exactly. Nevertheless, all of them undertook the task with the will that helped us produce a reasonable budget, maintaining services.

Obviously, we are indebted to the Financial Secretary, his Deputy and Staff for the orderly way with which they present all the detail to us. However, unlike the Financial Secretary, we don't have our own secretaries to make sure we have all our papers in order when we arrive at meetings.

I'd like to move on because a couple of people have mentioned the Abattoir. Meat exporting has a chequered history in the Islands, starting with the tallow works, from then to the first export of meat by the original Falkland Islands Meat Company in 1883, through various other exercises including a canning operation, to the Ajax Bay disaster in the '50s, leading through to the 1986 report to FIDC by the Meat and Livestock Commission on the feasibility of exports. However, all that is history and I hope we've learned from it. And, I reiterate my view that we

are right to subsidise this as support for agricultural diversification. I want to see it succeed but I won't mislead anyone by suggesting that I think it will be profitable at any time in the near future. In the meantime, we await with interest, hopefully with the approval of the recipients of the first shipment of the meat and the accurate figures on real costs, which were promised at the joint meeting in July. I also look forward to the meeting, which I haven't heard about until my colleague on my left mentioned it in July on the new Taxation Policy. I am pleased that in the proposal it is planned that independent taxation of couples will become the norm. It's not that many years ago that I can remember when married women weren't even allowed to subscribe to the retirement pensions. This reflects the change in our society where now most married women work.

And, for that reason, I am disappointed on the slow progress on the provision of nursery care. I hope we can really get on with that in the next few months. And, I am grateful for the support of colleagues who think that is worth doing, in particular, the Honourable John Birmingham, who has been active in pursuing a little lateral thinking on the subject.

Going briefly back to the taxation review, I have had a number of people express concern regarding the taxation of civilians and civilian companies at MPA. What I would like to see before any decision is made out there as any implications in financial terms that it might have on our services we would be expected to provide on the cost sharing agreement. We need to look very hard at figures on those before we consider this, forgetting putting aside for the moment, all the other implications there might be on that.

Finally, I was contacted by the newspaper and interviewed by them last week on the question of the proposed student contracts. I would like to reiterate the points I made. These contracts will help us to monitor the progress of students and ensure that we keep track of their welfare. They are no threat to students who go with a will to work, nor are they a threat in any way to those who have genuine problems, whether medical or otherwise. There should be help available in the college or university support systems. But if that fails, and it can do sometimes in a very large institution, then we need to feel they can contact the department either directly or through their parents. All we ask is that they be honest and let us know early if they are experiencing problems so that help and advice can be offered. We can't afford to wait for reports, which are often half yearly and may be too late to allow timely help to be offered. Most of our students have a happy time abroad. We all suffer homesickness to some degree. All we're trying to do is offer them maximum support.

I support the motion.

The Honourable Richard Cockwell

Mr Speaker, Honourable Members, I, too, did not welcome the new members to the Legislature. It was because we had already had quite a few people welcoming them. And, I must say that the public who are listening to this broadcast tell me that they get tired of hearing the same thing over and over again. So, I thought I would leave it to this time of the meeting. And, I welcome the Chief Executive and Commander British Forces to the Legislative Council. And, I also wish Russ Jarvis and Joan bon voyage and look forward to hearing how they get on in Montserrat.

I won't speak long but I must congratulate them on the process of the budget this year. It's been a very tortuous one, starting off with the alternative budgets earlier in the year, expecting there might be a problem with Fisheries. Fortunately that is recovered so we didn't have to make the cuts that we feared we might have to make.

And, I agreed there was the Holiday Credit Scheme is actually able to remain because I believe that, that scheme creates an enthusiasm amongst the community, which would not be seen there. It must be dreadful if you cannot afford or are not able one way or the other to get overseas and just sit and look out over the fence. It's much better to go overseas and find out that the Falklands are a wonderful place and come back here and live here quite happily. And, I think it really is a very good scheme and a well thought out scheme many years ago.

The Honourable Roger Edwards mentioned the Hospital Extension and I, too, wish and hope that it will come to fruition this year. And, I look to the chairman of the Public Works Committee to make sure that that happens.

The Clearway, which has been approved by Executive Council to go on for a further year – I feel that before we make a firm decision on the Clearway, I think we should try alternatives just to make sure we are not missing something. I personally still feel that a one-way system would actually solve a lot of the problems. I remember the debate in this House two or three years ago. We were out voted but I still believe that we should try the one-way system. And, I believe there may well be Members who before voted against the one-way system might actually change their minds. I look forward to the debate with interest.

Finally, regarding the remarks by Councillor Birmingham on the Planning processes and the Building Regulations. I think I should make a statement as Chairman of the Planning and Building Committee. And, I would like to take this opportunity to assure Members that the Planning and Building Committee has asked the Environmental Planning Officer, two meetings ago actually, to make proposals as to how to relax some of the more draconian building regulations,

which had been discussed recently in many places. I think there are a lot of members of the public who feel that these regulations are too draconian and I must say I am sympathetic with them, as are many of the Members of the Committee. The Committee expects these proposals to come to the next meeting at the beginning of next month and that a paper will be submitted to EXCO in the middle of July with proposals to find ways of relaxing these, some of the Planning regulations.

Further to this, I personally hope that the Building Regulations might be examined by EXCO in the near future in the light of the experience that we've all had with the implementation of the Planning and Building ordinance to see if modifications are required. I believe that possibly in the enthusiasm in the first place to bring in planning regulations and the need, not the enthusiasm but the recognition that we needed planning regulations we put these in but the lack of experience has shown that some of these regulations are possibly a bit in excess of what we require in the Falkland Islands.

Sir, I support the Motion.

The Honourable Norma Edwards

Thank you Mr Speaker, in rising to support the Motion for Adjournment, may I add my thanks and admiration to the Treasury Staff in the way they handled the budget this year. I know just how much hard work has gone on there over the year when we thought we were going to have to have a much more stringent budget so they really had to work out two budgets this year. And, they've worked extremely hard.

I mentioned briefly yesterday, the proposed accommodation for the elderly members for the community presently admitted to the hospital ward. It was agreed some time ago to extend the ward at the east end of the hospital to enable separate units suitable for the elderly who are no longer able to look after themselves completely to be built. This was agreed when I was Chairing the Hospital Committee. And, it was agreed that these alterations should take place as quickly as possible. That was over two years ago. And, it disappoints me greatly that we seem to be no further forward on this front. I really do hope that by the next budget session this will have been completed. It seems if you are elderly and infirm, you are a lower priority than office reorganisation, patients waiting areas or the reorganisation of the whole of the top floor of the hospital for a laboratory. That all seemed to happen in a flash. And, our senior citizens, who deserve to have their own little room with a few bits of their own furniture and knickknacks about them, have to be looked after on the acute ward of the hospital, which is not suitable either for them or for the every day running of the hospital.

And, whilst I am on this particular band wagon, I hear it's all going to happen soon but there doesn't seem to be much advancement happening on the new sheltered accommodation front. I am assured, of course, that it will happen and I sincerely hope it does, bearing in mind that the first and last sheltered accommodation, which was built was in 1984/1985, nearly 20 years ago. And, we have an increasing population of elderly people. One is sitting on my left. We should be able to offer them reasonable, comfortable accommodation and the necessary care that they will need. I sincerely hope that we get on with these things, every year we talk about it and nothing much happens.

I, too, am very pleased that the West Road Programme is to be accelerated. And, I hope that the actual contracts are looked at. They seem to get bogged down in PWD Contracts, when there are able people on the West who would be able to take part in this road programme. They have the necessary heavy goods vehicle ability. They don't ever seem to get much of a chance. PWD has its rigid rules and regulations that it sticks to – 9 to 5 or 9 to 7 hours on the road every day and it really needs to be more flexible for working in the Camp and you want the Camp Community to take a part in this. And, I think it would be a shame if people were not allowed to take advantage of helping with the West Roads – or the East, to come to that.

The Ross Road Clearway, well, you need to go live in a Dorset backwater and then tell me you've got a problem on Ross Road. I really don't think that there really is a traffic problem. And, if it's got to be extended for another year, well, so be it. It seems to me, it's a bit like an EEC Referendum – if you don't get the right answer first time round, you just keep on and on until, in the end, people eventually agree with you. I won't because I just don't see the point of it. Then, it doesn't really bother me too much because I don't actually live in Stanley but I do feel for the people who have to put up with it.

My husband mentioned National Parks. There is a meeting on the 16th at Hill Cove about the proposed National Park for the West. And, I hope as many people from the West will join us there. That's the Environmental Planning Officer, myself and I don't know how many others that will be attending. We would welcome anybody who wishes to come.

Sir, I support the Motion for Adjournment.

The Honourable Stephen Luxton

Mr Speaker, Honourable Members, in rising to support the Motion, I'd like to talk about aeroplanes for the moment. I was standing around at one or other of the recent parade events – I think it might have been the Queen's Birthday – when a loud, noisy fly past by two Tornados prompted a comment from a lady standing next to me. It went something like, "It will raise some more complaints." On enquiring as to what she meant, I was somewhat astonished to find out a

particularly spirited pass by 1435 Flt over the town a few months ago prompted a record number of complaints. Something on the order of 60 was the figure mentioned. And, I confess I never got around to checking the accuracy of that. I don't know but I would imagine that most of you present in this room, and, indeed, a good number of our listeners on the radio, would remember the unique and distinctly unpleasant sound of a passing Pucara. I certainly do. I might have been only 9 but I remember them circling the settlement at Chartres a day or two before the infamous Major Dowling turned up to collect us for a chat and a free holiday. That particular noise isn't here any more and we'd do well to remember who to thank for the fact that it is now a distant memory. I think that it was in this House that the expression "the sound of freedom" was coined many years ago. And, I think it would be a jolly good idea if folks took a moment to remember why. I would just like to say, for the record, although I'd rather they didn't break too many windows the RAF are welcome to fly as low and as often over my house as they like.

Continuing on the aviation theme, I just had the dubious pleasure of passing through various United States airports enroute to and from the AAPG conference a couple of weeks ago. I think it's generally accepted that airport security in the States has gone from one extreme to the other after September the 11th. It was interesting to note the difference now, a year after my last visit. No longer is every single passenger searched and every single suitcase opened. And, although there are some big queues, airport security there has become slightly more sensible. So, it is with some surprise that I find out that passengers exiting the Islands on the LanChile flight are still all individually searched on departure. The risk here has to be extremely low anyway, as many of the passengers are well-known to security personnel. There are a very limited number of routes into the Islands. Added to that the fact that a would-be terrorist would have to smuggle explosives into the Islands as well. I think we could safely say it's a pretty small risk.

With that in mind, I wonder why we are still using our security strategy, which appears to me to be at a high level than even Continental United States. Clearly the level of security we are using is not a requirement applied by LanChile. Nothing like this is done on any of the other LanChile flights I was on recently. I wonder if maybe it is time to take a look at what we are doing and if it is really necessary, especially as we had to double the Departure Tax to cover the significant cost of it. I will be the first to admit that "Better safe than sorry" is the best policy in relation with anything to do with aviation safety. But it's important to remember that we also need to consider value for money and relate what we are doing here to what's going on elsewhere and the relative risks.

I mentioned the last time I was standing here that in my view some rules and regulations were starting to cause bother. Various people have already mentioned the Planning and Building regulations. It's become increasingly apparent, over the last year or so, that the extent to which some of those

regulations are being applied are impeding developments which most people would consider perfectly reasonable. And, perhaps more importantly, which the Council of the day probably never sought to influence when it passed the original Bill. I think we are overdue for a review of those regulations and I hope we can do away with some of the daft concepts in the process.

In my view, the requirement for regulation should be tempered by a good deal of common sense. That's a commodity most people would agree is probably readily available here. The fact is that most of the old houses are much better and much stronger built than the modern cardboard kit houses. I would know because I got one of those. I don't believe that nit-picking about the height of the drains or the type of cladding you can use in relation to the distance from your fence is helpful to anybody.

The Clearway trial seems to have been largely successful in most people's view. There are, of course, people who don't approve of it – mainly those affected by restrictions in parking around their home or work place. I think it is an understandable point of view. I think it's important to mention, in my estimate, probably 90% of people who expressed a view on the subject are in favour of it continuing. What is interesting is that the number of those people who have openly admitted that they were dead against it in the beginning. My personal view is that if it becomes permanent we need to look at better parking, such as the third parking lane on the front road. At the moment, we are giving with one hand and taking it away with the other. Nice as free-flowing traffic is, I have to say I didn't find a particular problem the way it was before. As I have said on a number of occasions, anybody who regularly wants to subject themselves to driving west against the flow of traffic at lunch time was welcome to do so. But they didn't have to do it because there were plenty of other routes through the town. Having unintentionally experienced the M-25 for several hours on a Friday evening once, I can't say the traffic situation in town would cause me any significant problems in comparison.

Just in closing, I would like to say that I also hope that Councillor Summers can stand in this House in a few years' time and say, "I told you so."

Mr Speaker, I support the Motion.

Commander British Forces

Mr Speaker in rising to support the Motion, can I reassure Councillor Birmingham and Councillor Cockwell that absolutely no offence was taken yesterday, in fact I was positively embarrassed by the welcome here. Can I say it is gratifying for all of us at MPA to know the esteem that you hold Her Majesty's Forces in. We are here to serve you. On low flying, I must confess that no-one has complained to me about any low flying – so that is good. However, you all know that I do have

a liaison officer here who lives in town, so if anyone feels they wish to complain his work number is 22293.

Lastly, I said yesterday in response to the Governor's talk there are a number of projects on which we can work more closely with the Government and take forward and look forward to taking that through for the rest of this year. I won't comment on the issue of taxation, and I'll reserve my comment on working on that with the Executive Council when it comes to that. Sir, I support the Motion.

The Honourable Financial Secretary

Mr Speaker, I thank Honourable Members for their kind words of appreciation to me and my staff on the budget process work. I should just add a point of clarification to one of the taxation issues raised by the Honourable Jan Cheek, that is if I've got it correct (her point correctly) independent taxation is not part of the current policy review, it is already with us and applies to income from 1 January this year. Independent taxation forms part of a series of measures approved last year, married women can therefore, look forward to completing a return for 2003 income early next year. Mr Speaker, I support the Motion for adjournment.

The Honourable Chief Executive

Mr Speaker, Honourable Members as many have remarked this has been the first occasion that I have had the privilege of participating in proceedings of Legislative Council. The preparation of the budget as well of course, and to some extent the passage of other important legislation. I am grateful on behalf of the public service for the generous remarks made about the very considerable efforts made in preparing a budget which achieved the Government current financial objectives. Of course that process has been led by my Honourable friend the Financial Secretary ably supported by his team, but it also true to say that all departmental managers have made enormous contributions to the process over the last nine months and I take this opportunity to extend thanks to them in acknowledgement of their efforts. Honourable Members have spoken about the need to be vigilant in the use of public expenditure; producing a budget is one thing, adhering to it is quite another. I am very used to trying to squeeze out more from less or perhaps the same it's certainly a challenge, but I am convinced that much can be done to address the apparent conflict between seemingly limitless demands for public services with static or reducing resources in real terms. Ultimately it is about increasing effort and being smarter as well perhaps as being disciplined in addressing/focusing upon selected priorities. I look forward to leading the public service in addressing these in the next twelve months. Finally, just a few words of personal thanks to address, an omission from my words yesterday. I will not identify them for they know who they are but there are many people within and outside Government who have made my

induction to the work of government almost entirely painless, I am hugely grateful to them all.

Mr Speaker

Honourable Members before I actually declare the Council adjourned, I do take this opportunity to welcome the new Members to the Table and I also take the opportunity to say that I shall be absent from the Colony from the 12th June until the end of July.

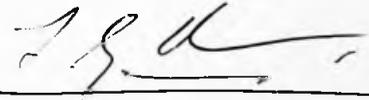
The Honourable Richard Cockwell

Point of order, Mr Speaker, it is not a Colony.

Mr Speaker

Absent from the Islands from the 12th June until the end of July, so if you are having Legco during that period you will need a spare Speaker. The House stands adjourned *Sine Die*.

Completed this 29th day of
August 2003


The Hon L.G. Blake OBE
SPEAKER OF THE HOUSE



**RECORD OF THE MEETING
OF THE LEGISLATIVE COUNCIL
HELD IN STANLEY
ON 29th AUGUST 2003**

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HELD IN STANLEY ON 29TH AUGUST 2003**

MR SPEAKER

(Mr Lionel Geoffrey Blake OBE)

MEMBERS (Ex-Officio)

The Honourable the Chief Executive
(Mr Christopher John Simpkins)

The Honourable the Financial Secretary
(Mr Derek Frank Howatt)

Elected

The Honourable Mrs Janet Lynda Cheek
(Elected Member for Stanley Constituency)

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

The Honourable Mrs Norma Edwards
(Elected Member for Camp Constituency)

The Honourable Roger Anthony Edwards
(Elected Member for Camp Constituency)

The Honourable Stephen Charles Luxton
(Elected Member for Stanley Constituency)

The Honourable Philip Charles Miller BEM
(Elected Member for Camp Constituency)

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

PERSONS ENTITLED TO ATTEND

The Attorney General
(Mr David Geoffrey Lang CBE, QC)

The Commander British Forces Falkland Islands
(Brigadier James Henry Gordon MBE (Late RGJ))

CLERK OF COUNCILS: Claudette Anderson MBE

PRAYERS: Monsignor McPartland

APOLOGIES

The Honourable John Birmingham
(Elected Member for Stanley Constituency)

Overseas

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Record of the Meeting of the Legislative Council Held on Friday 29 August 2003

PRAYERS

Clerk of Councils

Confirmation of the record of the meeting of the Legislative Council held on 27th and 28th May 2003.

Mr Speaker

Honourable Members, is it your wish that I sign these minutes as being a true record of that meeting? Agreed.

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:

- The Ross Road Temporary Clearway Regulations Order, Extension of Operation No2. Regulations Order, 2003.
- The Stanley Common Young Motorcyclists Order 2003

The Honourable Chief Executive

Mr President, I hereby lay the aforementioned papers on the Table.

Mr Speaker

Thank you.

Clerk of Councils

Questions for Oral answer.

Question No. 6/2003 by the Honourable Jan Cheek

The Honourable Jan Cheek

I will point out that I am asking this on behalf of Councillor John Birmingham, who is on the Tristar. Can the Honourable Roger Edwards please advise this House of the expected completion date of the Post Office access ramp?

The Honourable Roger Edwards

Mr Speaker, Honourable Members, it is not envisaged that the work will be completed before the end of the year. I go away from the actual answer supplied to me but it's not a problem with a ramp. It is a problem because they have now decided that at the top of the ramp, they have got to have an automatic door opening machine and hand rails and so on. This automatic door control mechanism has yet to be sourced, because it's yet to be sourced, then there is no indicated time for its delivery. So, it's not so much the problem with the ramp but it is a problem with the access to the Post Office having got to the top of the ramp.

The Honourable Jan Cheek

I thank the Honourable Member for his reply.

Clerk of Councils

Question No. 7/2003 by The Honourable Jan Cheek

The Honourable Jan Cheek

Would the Honourable Mike Summers please explain the rules applied to employees who are exempt from paying Retirement Pension Contributions and whether different rules are applied in Camp and Stanley?

The Honourable Mike Summers

Mr Speaker, Honourable Members, in accordance with Section 10(4) of the Retirement Pensions Ordinance, a person is not liable to make a contribution if their gross earnings do not exceed £160.00 per week. This condition is applicable to all resident contributors, with the earnings threshold being subject to annual review. This therefore means that if an individual is not liable to make a contribution, there will be a gap in their contribution record unless they fulfil any of the following criteria for obtaining contribution credits:

1. Ill Health
2. Actively seeking employment but so far unsuccessful
3. In receipt of Family Allowance
4. In receipt of an Attendance Allowance or following a Prescribed Course of Education or Training.

If an individual is eligible for contribution credits in one of the above categories, they will be made at the prescribed rates by the Government on their behalf for the specified weeks.

The foregoing conditions apply to all resident contributors but there are differences for contributors living; in Camp under Special Assistance Programme. This programme has been in operation since 01 January 2001 as a result of financial crisis in the Camp and was introduced for an initial period of three years, subject to annual review.

For a contributor to be eligible for assistance under this special programme they have to be:

1. Ordinarily resident and employed in Camp for at least 240 days during the calendar year
2. Ordinarily resident in Camp but temporarily absent.
3. Working in the Coastal Shipping Service, Fishery Protection or on a fishing vessel
4. Ordinarily resident in Camp but temporarily absent for medical reasons
5. Ordinarily resident in Camp but temporarily absent whilst following a prescribed course of education or training approved by FIG or FIDC.
6. Up until 31 December of this year, annual gross earnings must be less than £15,000.00 or £30,000.00 in the case of joint tax returns during the previous calendar year.

As a result of changes to both the Camp Assistance Programme and the Taxes Legislation, from 01 January 2004, that last criteria will be amended to £8,320.00 per person. The same as the £160.00 per week threshold for obtaining contribution credits.

The Honourable Jan Cheek

I thank the Honourable Member for his reply, which I hope has clarified matters for people in Camp, who were asking me the question.

Clerk of Councils

Question No. 8/2003 by the Honourable Norma Edwards

The Honourable Norma Edwards

Will the Honourable Roger Edwards please tell this house the total cost to date of the project of building a garage and laying up area for the repair and maintenance of West Falkland Road Vehicles, for example, the cost of labour, freight, materials, including the cost of shipping to Fox Bay, the materials for the foundations?

Are the works nearing completion and if not, what further expenditure is anticipated?

Answer by the Honourable Roger Edwards

Mr Speaker, Honourable members, the total cost of the building of the Garage and lay down areas at Doctor's Creek, Fox Bay was fractionally under the original estimate of £55,000.00. The works are substantially finished, with only very minor items outstanding. One outstanding item is the completion of the wiring and I believe, even as we speak, in this Chamber, people are out there now doing it. The cost of these outstanding works will be marginal. I do have a break-down of each and every item but it is a long list and I propose I don't go through it but supply the list to the Honourable Member in due course.

The Honourable Norma Edwards

Yes. Thank you for that reply. Perhaps the Honourable Gentleman could tell me, does this money come out of the Camp Roads Vote or is it from PWD Central Vote?

The Honourable Roger Edwards

Mr Speaker, I am sure some of the money will come out of the Roads Vote because there were PWD wages used by the Road Gang themselves in the constructing of

the lay down area, the plumbing, the wiring, the drainage and the actual hauling of the aggregate for the lay down area. Certainly, a proportion of that money will come out of the Roads Budget. Whether or not the total is, I am not aware but I can find out.

The Honourable Norma Edwards

Thank you Sir.

Mr Speaker

Any other Honourable Member? Councillor Summers.

The Honourable Mike Summers

Could the Honourable Roger Edwards tell me if he knows whether this particular shed is substantially different from the shed that has recently been built for FIGAS for a fuel store, which is reputedly costing about twice as much?

The Honourable Roger Edwards

Yes, it is completely different. This is a tin shed with steel frame. The initial price of the pre-fabricated building was some £19,000.00 with another £6,000.00 freight to bring it to the Islands. It's a Nissan hut type building, whereas the Petrol, Oil and Lubricant Store at FIGAS is a block building with roller doors, etc. So, they are completely different buildings.

The Honourable Financial Secretary

I would just like to clarify one point raised by the Honourable Mrs Edwards and that is that the cost would be charged to a separate project code and it was separately coded and so there would be no costs associated with the building of that workshop charged to Camp Roads.

The Honourable Norma Edwards

Thank you very much.

Clerk of Councils

ORDERS OF THE DAY – BILLS

The Immigration (Amendment) Bill 2003.

This Bill was published in the Gazette and Council went to the second reading.

The Honourable Chief Executive

Mr Speaker, this Bill makes amendments to the provisions in relation to grant of work permits. It enables the Principal Immigration Officer to require employers to advertise vacancies before he considers an application for a work permit. It will also require employers to satisfy the Principal Immigration Officer that Falkland Islands residents, having applied for the vacancy, are not suitable to fill it before a work permit will be issued. I beg to move the second reading of the bill.

Mr Speaker

The Motion is that the Bill be read a second time. Does any Honourable Member wishes to speak to the Motion.

The Honourable Mike Summers

Mr Speaker, I am sure that the large majority of Councillors and a large majority of the public will have thought that this was already the case. Would the Chief Executive explain whether we, in fact, have been doing this already and this simply regularises the position, or have we been mistaken all along.

The Honourable Chief Executive

Mr Speaker, yes, indeed that is the case. This does regularise a practice which has been applied for sometime but indeed provides clear powers for the Principal Immigration Officer.

Mr Speaker

Are there any amendments to the published version of the Bill, Chief Executive?

The Honourable Chief Executive

No Sir.

Mr Speaker

Does any Honourable Member wish to speak to the Bill or Clauses? I think we can go to the fast track. The Bill will be read a third time and do pass.

Clerk of Councils

The Immigration (Amendment) Bill 2003

The Building Control (Amendment) Bill 2003

This Bill also requires a second reading.

The Honourable Chief Executive

Mr Speaker, this Bill provides a process whereby a building or parts of a building, can be exempted from the control that is currently imposed by the Building Control Ordinance 1994. It will introduce a process for the relaxation of provisions of the Ordinance in certain circumstances. As such, it responds to expressions of concern, which had been made to the Government in recent months, regarding the necessity (as I say in some circumstance) for the full force of the building regulations to be applied. I beg to move the second reading of the Bill.

Mr Speaker

Honourable Members, the Motion is that the Bill be read a second time. Does any Honourable Member wish to speak to the Motion? Chief Executive are there any amendments? Honourable Members as there are no amendments and no

Honourable Member wish to speak I suggest that the Bill be read a third time and do pass.

Clerk of Councils

The Building Control (Amendment) Bill 2003

The Endangered Species Protection Bill 2003

This Bill requires a second reading.

The Honourable Chief Executive

Mr Speaker, the Endangered Species Protection Bill 2003 provides for the protection of endangered, endemic and indigenous species of animals and plants and regulates the trade in endangered species. I beg to move the second reading of the Bill.

Mr Speaker

Honourable Members, the Motion is that the Bill be read a second time. Does any Honourable Member wish to speak to the Motion? Chief Executive are there any amendments? As there are no amendments and no Honourable Member wish to speak I suggest that the Bill be read a third time and do pass.

Clerk of Councils

The Endangered Species Protection Bill 2003

The Companies Auditor's Bill 2003

The Bill requires a second reading.

The Honourable Chief Executive

Mr Speaker, this Bill modifies the application of the Company Act 1948 in the Falkland Islands, so as to enable partnerships and corporate bodies to be appointed as auditors as well as individual partners, as at present. It reflects the practice in the United Kingdom. I beg to move the second reading of the Bill.

Mr Speaker

Honourable Members, the Motion is that the Bill be read a second time. Does any Honourable Member wish to speak to the Motion? Chief Executive are there any amendments? As there are no amendments and no Honourable Member wishes to speak I suggest that the Bill be read a third time and do pass.

Clerk of Councils

The Companies Auditor's Bill 2003

The Supplementary Appropriation 2003/2004 Bill 2003

This Bill requires a first reading.

The Honourable Financial Secretary

Mr Speaker, Honourable Members, the purpose of this bill is to authorise the withdrawal of the additional sum of £2,938,220 from the Consolidated fund, to meet supplementary expenditure approved by the Standing Finance Committee this morning for the current financial year. Apart from £6,000 required to cover the estimated cost of holding a by-election, the supplementary funding represents carry-overs of under-spends from the previous financial year. The carry-overs, which I suggest are too numerous to mention individually, consist of commitments for which it is expected payment will need to be made in this financial year. There are nine Operating Budget items totalling £429,510.00, five Transfer Payment items totalling £269,480.00 and thirty-eight Capital Budget items, mainly in respect of construction projects, totalling £2,233,230. I can add that the carry-overs for construction projects were reviewed by the Public Works Committee on Monday of this week before being referred to the Standing Finance Committee for approval.

On the recommendation of Executive Council, the Standing Finance Committee agreed to increase the carry-over for the project to add a "Care of the Elderly" ward to the Hospital from the £10,000.00 requested to the full amount of the under-spend of £186,420.00. The Bill on the table reflects this amendment. The Executive Council paper on this Bill, where full details are shown, is available for issue to members of the public from the Councillors' Office.

It should be noted that the 2003/04 Budget was framed on the basis that there would be a need to carry over 2002/03 under-spends where commitments have been made.

I am pleased to be able to report that the actual surplus of revenue over expenditure for 2002/03 amount to £5.2 Million compared to the original estimate of £2.3 Million. This improvement of £2.9 Million therefore covers the Supplementary Expenditure requested.

I beg to move the first reading of the Bill.

The Honourable Mike Summers

I second the motion.

Mr Speaker

Honourable Members, the Motion is that the Bill be read a second time.

Clerk of Councils

The Supplementary Appropriation 2003/2004 Bill 2003

Mr Speaker

Does any Honourable Member wish to speak to the Motion? Can we move to the shortcut? As no Honourable Member wishes to speak to the Motion we can use the shortcut. The Motion is that the Bill be read a third time and do pass.

Clerk of Councils

The Supplementary Appropriation 2003/2004 Bill 2003

The Motion for Adjournment

The Honourable Chief Executive

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

Mr Speaker

Honourable Members the Motion is that the House stands adjourned *Sine Die*. Does any Honourable Member wish to speak to the Motion?

The Honourable Stephen Luxton

Mr Speaker, Honourable Members, in rising to support the motion, I'd like to start out by talking rubbish. I was reading an EXCO paper the other day and I was surprised to learn that it was FIDF policy to ensure that anywhere they go it is in a cleaner state than when they arrived by picking up any rubbish that they find. One of my pet hates is people driving around the countryside spewing out bottles and cans everywhere failing which seems a number of people in this country exhibit. It's pure laziness, nothing less, and I would very much like to see others following the FIDF's example. With that in mind, perhaps whoever it was that dumped an old Land Rover upside down on the flanks of Mt. William a year or so back would be good enough to dispose of it in a slightly less visually obtrusive manner than in the middle of the common.

Since the last session in this house, confirmation of the move of the PWD East Road Gang for West Falkland has taken place and preparations are well underway for this to take place. We have been very fortunate in that the weather was exceptionally kind during the time everything was being moved, which, I believe, will have minimised the damage to the East Road Network. It represents, in my view, the better balance of resources between the two Islands, given the outstanding work on each. I know not everybody's happy with it, of course, mainly on this side of the Sound but unfortunately that seems to be the poisoned chalice that is Transport Portfolio. You can't please all of the people all of the time. Sometimes it seems to me that you can't please any of them any of the time, but I am sure that's my jaded perception.

While still on the subject of roads, transport to the Murrell seems to be a problem without a solution at this time. I personally am acutely aware of the requirement and the relative inaccessibility of this farm despite its close proximity to Stanley. PWD will be producing a range of properly costed proposals for consideration by the Transport Advisory Committee in around two months from now. From that, I hope we will be able to put in motion some firm action on this issue. I personally remain committed to the view that this farm, like all others on mainly the East and West Falkland, should have a road. But in the mean time, other short-term transport assistance is being looked into.

Something caught my eye in the newspaper this morning. There were some questions for answer in the Penguin News and Cable and Wireless have been very cagey about the system they use for screening out viruses. I appreciate this is probably because it can't be guaranteed to be 100% effective. But actually it's unusual for Cable and Wireless to have ringing praise in this House but what they have in place actually works extremely well. I've had quite a number of viruses being killed off by it in the last couple of weeks since it has been reinstated. I think it is

something that they should be commended for because it's going a long way to stopping the less computer aware people in the community having a lot of problems. As I say, it can't be guaranteed to be 100% effective but it actually does seem to be working extremely well.

I'd like to finish by wishing Councillor Philip Miller well. This is his last session in this house for the moment, anyway. I thank him for his contributions over the last two years. We may not always agree on roads but I think we have a fair bit of common ground otherwise. It will be very interesting to watch the forthcoming by-election for his replacement from the inside without being involved with it.

Sir, I support the motion.

The Honourable Roger Edwards

Mr Speaker, Honourable Members, in rising to support the Motion for Adjournment I admit that I am always amazed at how quickly time goes by. It doesn't seem very long ago that we were welcoming the Commander British Forces, and it was only this last Wednesday that his successor was here on a familiarisation visit. Time shoots by so quickly.

Councillor Philip Miller, too, will shortly be leaving us and I wish him well for the future and thank him for the input and help he has given us in his two years in Council. You heard questions this morning, two of which concerned costs of projects. I am amazed, also, by the costs of projects. When this Council was elected, we were unanimous in the fact that we required more sheltered accommodation and a care for the elderly ward. This was the top of everyone's wish list. Money was budgeted for that. But we see now, that the costs of those projects are so astronomical that we have to sit down and discuss between the various departments how we get around this problem. We have asked the Chief Executive to get a meeting together between the interested parties at an early opportunity so that we can discuss these problems. I don't know whether there is such a thing as the Falklands Factor but we do hear it referred to and it is quite horrendous, the cost of the various projects we have.

I, too, welcome the move of the second road gang to the West. Like my colleague, Councillor Luxton, I, too, get complaints. It appears that if you have a road, then it is not being maintained sufficiently. If you don't have a road, then you want one yesterday. I know we cannot satisfy everybody but I do wish that people would look at the plan and realise we are doing our best to get what they want in all cases.

Sir, I support the motion.

The Honourable Norma Edwards

Mr Speaker, in rising to support the Motion for Adjournment, I would just also like to note the comments that have been made about the proposed old folks' ward or ward for the elderly or whatever you would like to call it. I find it sad that it still meanders on. I cannot believe that the costs that have been quoted are real, even remotely realistic. It's a shame that we have to go back time and again and reassess these things, which delays it more and more. However, I am hopeful that by the next time we are in this house there will be some firm decisions made and something will be going forward.

There has been talk again about nursery schools, pre-school education for our children. I am a supporter of that. I also feel quite strongly, actually, that there is

provision there, if people wanted to use it, in respect of the Parish Hall, which we helped to renovate with Government money. I am sure we could come to some arrangement on that front because we are buying a house and converting it for a nursery school, when we are desperately in need of housing in Stanley. However, that decision has been made but there is still room, if there is to be more than one school, to use the Parish option.

Cable and Wireless, yes, they do take a lot of flack at times, and I have not been short of giving it to them. But, one thing we have to bare in mind urgently during this next year is we are going have to look at the Camp Phone System before too much longer. It's becoming obsolete and it is said it won't last for another three years. We have heard that said about other systems. FIPASS is one that had a life of 11 years when it was first handed over to us. It's still there and still going strong. Maybe the Camp Phone System will last out but we have to be aware that we have to seriously find large sums of money to cope with the system if we want to supply a phone system to Camp in the foreseeable future.

Just to say to Councillor Miller, Good luck for the future. It's been nice having you on Council and I am sorry you can't stay any longer. Very best wishes and who knows, maybe we will see you back one day.

Also to make note of what I was told the other day that shocked me. I had been watching on the television the day before a horrendous report on the consumption of alcohol by 6 to 8 years old in the UK teams going out on the roads to pick them up in the evening. They were interviewing a doctor at Southampton Hospital who said they drunk themselves into oblivion and it's unbelievable that children are out on the roads and being allowed to do this kind of thing ever. Then somebody said to me that I should walk around Stanley at half past eleven at night and see the children. There are apparently more children wandering around Stanley streets at half past eleven at night than there are people in the pubs. This, too, horrified me. I hope it's not true. I haven't taken a walk around Stanley at half past eleven at night so I am not sure if it is true. If it is, then I would just say to those parents who let their children wander about like that, it's a very precious gift you have the gift of a child, look after them well and help them through their childhood and their teenage years.

Sir, with that, I would like to support the Motion for Adjournment.

The Honourable Richard Cockwell

Mr Speaker, Honourable Members, in rising to support the Motion, I, too, would like to concur with what has been said about Capital Projects. The Honourable Roger Edwards mentioned the Falklands Factor. I believe that the Falklands Factor is used as an excuse for bad organisation. Today, we have been discussing with the Chief Executive a review of the PMP, also the review of statement of requirements from each department to make sure that we are actually getting value for money. It seems extraordinary to me that identical projects in the private and the public sector can vary by anything up to 400 and 500%, which is absolutely ridiculous.

The fine weather, as mentioned by the Honourable Stephen Luxton, has been a great advantage to us this year and I am pleased to see that Public Works are already starting projects, which they normally wouldn't start until October. I think that is a very good indication that we may very well catch up with some of the backlog of various repairs and maintenance that needs doing within the town. Hopefully it will have the same effect on the road building process, where road building was started earlier than it has been done historically.

I would just like to mention the role of the Dorada in the arrest of the illegal fishermen in the South Atlantic. I think it was very good that we were able to help in this process. I think it does the Falkland Islands Fisheries Protection no harm whatsoever to be seen in such a high profile exercise. I don't want to see this going on all the time but I was very pleased to see that we were able to involve ourselves in the issue. It shows that we are not prepared to allow this sort of thing to go on.

Just to finish off, I, too, would like to say farewell to Councillor Miller from the Legislature. I have enjoyed working with him. In particular, I would like to congratulate him on his recent involvement in making sure that the facts about the Abattoir were disseminated right around the Camp. I thought that was an extremely useful exercise. I hope that in the future, you, will return to the legislature.

I beg to support the motion.

The Honourable Mike Summers

Mr Speaker, Honourable Members, I will be brief. I would like to wish Councillor Miller well in what he has planned for himself and with his family. I, too, have enjoyed his participation in Legislature and found benefit from his very practical approach on some issues. The banter was fun as well. I wish well to those who propose to stand for election in Camp. I hope we can hear some interesting and lively debate about current issues amongst the candidates in the weeks to come.

The other issue I wish to address is that I would like to personally disassociate myself from the remarks that were made by the recently visiting gentleman from the Foreign Office about a possible visit from the President of Argentina. I am pretty sure that my colleagues would wish to have done the same. I understand that he was making personal comment, and, I equally understand that he may have been either misquoted or partially quoted in the newspapers. But you don't see reports like that without there being some kind of substance in terms of what the gentleman said.

The approach of the current Argentine Government towards the Falkland Islands is not entirely satisfactory in that it seems to be their intention to disregard us as a Government. That's fine as long as there is nothing to talk about, but actually, there are some important issues to talk about high seas fishing issues in particular. I hope that when we do come to discuss those and, indeed issues of the Continental Shelf of the Falkland Islands, we will be fully represented in those discussions. I hope the monument is built relatively soon and I hope this is a successful project and whoever comes to open it will be a matter, I think, for careful handling and for us to determine. But I don't anticipate a visit from the President of Argentina.

I support the Motion.

The Honourable Jan Cheek

Mr Speaker, Honourable Members, I wish to support what the Honourable Mike Summers has just said on the subject of Argentina. I thought he was making something of an understatement when he said their approach was somewhat unsatisfactory. However, it's something we are going to have to live with until they have a Government which is sufficiently mature to recognise us as neighbours, rather than potential prey.

I am going to introduce a brief thank you here. I have made the same thank you in the past but you don't appreciate something fully until you have had it for a while. I am talking about BBC World Service on FM. We lost it for a few weeks a short time back and, there was a little network of people phoning each other several times a day asking if it was back on yet. Many of us are dedicated listeners of the BBC World Service it's so much easier listening on the FM service provided by Mario Zuvic than tuning into it on short-wave. So, again, thanks to them.

I share my colleague's disappointment regarding the delay which is now inevitable on the residential accommodation for the elderly. But I hope the working group to be set up by the Chief Executive will be able to get to grips very quickly with coming up with a realistic price for an essential facility.

I want to mention the Minimum Wage because I understand my advocacy of a minimum wage to be legislated for in the Islands has caused some consternation amongst one or two employers in Stanley. We need a minimum wage if, as a society, we are to develop as we would like to. We don't want to create an under-class of people living on pitiful wages. The worry that people had, I think, was that I would simply be looking at the wage paid and not the other benefits in kind supplied. But, I don't think that is how such a law would apply. I am sure it would take into account and probably create a realistic way of gauging the value of those benefits in kind accommodation and food, for example.

Something else we have to look at, I think, is working hours. Not to be rigid because everyone recognises different jobs have different requirements. There is a real concern that some people are working hours which would be unreasonable by any standards. That needs to be looked at the same time and I'm glad to see it's on the task list.

Just a brief mention of the child-care issue. Many of us have recognised the need for many years. There are so many working parents holding up a great many businesses and offices throughout the Islands. The question of employers' responsibility was raised. Government as a major employer perhaps does have a responsibility. One or two other employers have assisted their employees with child-care. There's no criticism to be implied or inferred of the child-minders and those who currently run the nurseries but I think all would welcome a development and some form of assistance, which we have not yet decided but some form of assistance should be available. I've said it before but I'll say it again those early years are crucial in a child's development and can affect that child's later response where it starts in full time education.

I'd like to add my good wishes to Councillor Miller. I hope you didn't find the learning curve too steep at the beginning when, as I experienced at the beginning of the previous Council, nothing is as simple as it looks from the outside. Everything is much more complex. Anyone, my very good wishes.

I support the Motion.

The Honourable Philip Miller

Mr Speaker, Honourable Members, first, may I thank my Honourable Colleagues for their kind words. Regrettably, it is, as everyone will know, my last Legislative Council meeting. With the need to be away from the Islands this year and possibly the year after, for two or three months, it would have been extremely unfair on the electorate and, of course, my colleagues here in the House. It was very difficult to keep in touch about the goings on in the Falklands. I felt less and less able to contribute to the

governance of the Islands, and, even less, represent the interests of the people who elected me. It is for that reason that I have made the difficult decision to tender my resignation from the Council. I have enjoyed perhaps not on every occasion my short time as a member of the Council. It has been, as Councillor Cheek says, a very steep learning curve. In fact, I don't think there is any steeper, but with its, very instructive and sometimes rewarding. At other times, as everyone can imagine, extremely frustrating.

As time and personal circumstances permit, maybe in two years' time, I will again offer myself for re-election to the Legislative Council. In the meantime, I will endeavour to remain involved in local affairs, Committees, etc. My time in office has undoubtedly been made easier with the staff at Gilbert House. I'd like to say a huge thank-you to Claudy, Maria and Cherie. During the past two years there have been a few controversial decisions that have cropped up. One being the change of the school year. I have to say that I did view the idea with a fair bit of scepticism, which, of course, was unfounded. The change has gone smoothly, according to plan and, more importantly, our young people have not suffered in any way.

Another major change that is imminent is the proposed amalgamation of the Director of Mineral Resources and the Director of Agriculture posts. That is just the management posts, not the departments. That should be made quite clear. I think it can work and wait with bated breath to see the outcome. If it is successful, we can perhaps see more amalgamations along similar lines in the future. It will, hopefully, contribute to some fairly hefty savings within FIG. I am sure everyone will support any savings that can be made. If, however, it proves that it is not working, I hope every effort is made to put it right. The farming community needs the Agriculture Department to run as smoothly as possible.

I was very disappointed obviously, with the decision to send the Lafonia road building team to the West this season. I am sure these could have been completed this year. Now it will have to wait for perhaps three or four seasons. But that is democracy for you. Like I said earlier, sometimes frustrating. I do welcome Councillor Luxton's plans to find a solution to the Murrell problem.

As I said in my election manifesto, our economy is based on fishing. We had a downturn last year. If it collapses completely, our economy will be in more than a little trouble.

We now have an abattoir that has been thwarted with teething troubles. It has recently had support from FIDB and SFC and it must be made to work. Were I not to resign from the Council, I most certainly would have given it my total support for the next two years. That is, to say, until the end of this present Council. I believe it will work, given time. It is up to the farming community to help to make it work. After all, they will be the beneficiaries. Declaring an interest, of course, every effort should be made to develop and diversify the farms, plus improvement in tourism, genetic improvement, to name three areas. Farmers themselves should ensure that public funds that have been spent on incentive schemes, etc. should not be wasted. FIG have supported the farming community with a lot of cash over the past decade. Please do not get complacent.

Tourism is another growing source of revenue to the Islands. Every effort should be made to improve our facilities. Of course, the second Lan Chile flight would make a huge difference to the number of visitors on the Islands.

The immigration policy, we mentioned. We do not seem to have made any headway during the past couple of years. The Falkland Islands desperately require a watertight policy, maybe along the lines of a points system and perhaps a cap on the amount of applications we have each year. The PRP privilege should perhaps be looked upon being removed from the system.

I think I have spoken for far longer than I normally do in this House, so on that note, I will say thank you and farewell to you, Mr Speaker and my Honourable Colleagues.

Mr Speaker, I support the Motion for Adjournment.

The Honourable Financial Secretary

Mr Speaker, Honourable Members, in rising to support the Motion for Adjournment, I, too, wish Councillor Miller all the best for the future. Looking back at the membership of the previous Councils, it probably won't be too long before a Miller returns to this Council.

The Honourable Chief Executive

Mr Speaker, Honourable Members, having the final word is a great privilege but one that should be exercised with great caution. I, too, shall be brief, but I would, on behalf of the Civil Service, like to take this opportunity to thank Councillor Miller for his support and to wish him well in his future endeavours. Few people appreciate the sacrifices which Elected Members make in order to perform their duties as elected representatives. Perhaps, more than many, Councillor Miller has found his duties particularly onerous. In thanking him for his support, I am confident that he will continue to be active, albeit perhaps in the background and no doubt continue to express his frustrations at times.

Thank you, Mr Speaker.

Mr Speaker

Honourable Members, before I adjourn the House, may I thank Councillor Miller for being in no way a nuisance and wish him good fortune in the future. Honourable Members, the House stands adjourned Sine Die.

Confirmed this 31st day of October 2003



Hon. LG Blake OBE
Speaker of the House



**RECORD OF THE MEETING
OF THE LEGISLATIVE COUNCIL
HELD IN STANLEY
ON 31ST OCTOBER 2003**

**RECORD OF THE MEETING OF THE LEGISLATIVE COUNCIL
HELD IN STANLEY ON 31ST OCTOBER 2003**

MR SPEAKER

(Mr Lionel Geoffrey Blake OBE)

MEMBERS (Ex-Officio)

The Honourable the Chief Executive
(Mr Christopher John Simpkins)

The Honourable the Financial Secretary
(Mr Derek Frank Howatt)

Elected

The Honourable John Birmingham
(Elected Member for Stanley Constituency)

The Honourable Mrs Janet Lynda Cheek
(Elected Member for Stanley Constituency)

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

The Honourable Mrs Norma Edwards
(Elected Member for Camp Constituency)

The Honourable Roger Anthony Edwards
(Elected Member for Camp Constituency)

The Honourable Stephen Charles Luxton
(Elected Member for Stanley Constituency)

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

PERSONS ENTITLED TO ATTEND

The Attorney General
(Mr David Geoffrey Lang CBE, QC)

The Commander British Forces Falkland Islands
(Brigadier James Henry Gordon MBE (Late RGJ))

CLERK OF COUNCILS: Claudette Anderson MBE

PRAYERS: Reverend Paul Sweeting

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**Record of the Meeting of the Legislative Council Held on
Friday 31 October 2003**

PRAYERS

Clerk of Councils

Confirmation of the record of the meeting of the Legislative Council held on 29th August 2003.

Mr Speaker

Honourable Members, is it your wish that I sign these minutes as being a true record of that meeting? Agreed.

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:

- The Merchant Shipping Registration of Ships Regulations made in 2001 but these have not previously been laid on the table in this house.
- The Building Amendment Regulations 2003 Correction Order 2003
- The Education Amendment Ordinance 2003 Correction Order 2003
- The Fishing Licenses Applications Fees Order 2003
- The Buildings (Camp) Designation Order 2003
- The Buildings (Stanley) Designation Order 2003
- The Code of Practice in Relation to Disclosure Order 2003
- Fishery Products Hygiene Revocation of Approval Order 2003

The Honourable Chief Executive

Mr President, I hereby lay the aforementioned papers on the Table.

Mr Speaker

Thank you.

Clerk of Councils

Questions for Oral answer.

Question Number 9 of 2003 by the Honourable John Birmingham.

The Honourable John Birmingham

Mr Speaker, Honourable Members, would the Honourable the Chief Executive explain the Falkland Islands Government policy on replacement of items of furniture such as tables, chairs in offices, schools and other FIG places of work?

The Honourable Chief Executive

Mr Speaker, Honourable Members, the Falkland Islands Government does not have a fixed policy or programme for the replacement of office furniture. Replacement of furniture, such as desks, chairs and tables is authorised within each department, within approved budgets.

Bids for what might be described as large-scale replacements would have to be made and approved as part of the annual budget preparation process. Alternatively, if unexpected replacements were required, Departments would need to identify compensatory savings in accordance with approved procedures.

The question posed by the Honourable Member has identified possible opportunities for cost savings if purchases were co-ordinated throughout Government. I will arrange for this to be examined.

The Honourable John Birmingham

Mr Speaker, I thank the Honourable Chief Executive for his answer.

Mr Speaker

Does any other Honourable Member have a question on this subject?

Clerk of Councils

Question number 10 of 2003 by the Honourable John Birmingham.

The Honourable John Birmingham

Mr Speaker, Honourable Members, could the Honourable Mike Summers update me on the Goose Green project? And, will improvements to the infrastructure continue?

The Honourable Mike Summers

Honourable Members, a great deal has happened at Goose Green in the year since the project was given the go-ahead. The settlement has regenerated with all properties checked for electrical safety. The purpose of 24-hour power has taken some time to achieve due to technical difficulties but I think we are very nearly there.

The summer water shortage problem has been improved with the reservoir now being raised and more efficient water management. This will be an on-going improvement. All houses have oil-fired boilers fitted with full central heating, with loft insulation provided for efficiency. Not all the insulation has yet been installed because some members of the community haven't got around to doing it. Double glazing for some properties has started. A life-long learning computer, Internet and public telephone facility is up and running.

All houses are occupied and there is a constant interest in any becoming vacant. Inquiries have been received from several people to purchase building plots. And, these are in the process of being made available, with the drawing up of legal documents being discussed, just about now. Requests for expressions of interest from the public in regard to building plots will be processed in the very near future.

The original funding of £200,000 is being frugally spent and is fully earmarked for the continuation of double glazing and other efficiency saving areas. There will need to be further funding to keep the project is momentum, particularly in the area of business start-up and growth, if continuation is to be achieved.

The Honourable John Birmingham

Mr Speaker, Honourable Members, I thank Councillor Summers for his very full answer. With your permission, Sir, I would like to explain that this question had gone in some time ago before the article appeared in the newspaper. So, there is some duplication of information to the public now.

Mr Speaker

Does any other Honourable Member have a question?

Clerk of Councils

Question number 11 of 2003 by the Honourable John Birmingham.

The Honourable John Birmingham

Mr Speaker, Honourable Members would the Honourable Mike Summers inform this House on the current status of the reindeer project?

The Honourable Mike Summers

Mr Chairman, Honourable Members, this project was conceived some time ago as a long-term, high risk project and was developed by FIDC and approved by FIDB. The initial plan was to translocate 140 reindeer, which would grow in 20 years to a herd of 8,000. It was envisaged that pay back would be between 10 and 18 years. It was envisaged that the reindeer would be sold as soon as possible to private farms. We will recall, however, that the number of reindeer was not achieved in the translocation.

Total FIDB approval was well over £166,000 and actual expenditure to date is £170,470. Expenditure still continues but at a small level. £2,000 this year on blood testing and £850 on supplementary feed. The testing has shown the reindeer free from foot and mouth, malignant catarrhal fever and many other diseases that I am sure you wouldn't wish me to read out to this house. Indeed, I may not be able to.

Approximately two and a half years on, the reindeer have been used in a limited way to promote tourism. And, it's difficult to determine what is the financial return. Currently, income and expenditure are running below original forecasts.

The national reindeer herd is located at Saladero. There are 15 females and 24 males, all in good condition. Most of the females are now pregnant and are due to give birth in November. The Department of Agriculture and FIDC are keen to see the national reindeer herd relocated to a private farm or farms to build up numbers for farming and tourism.

Looking longer term, moving the reindeer into private management should enable more vigorous development of farming, tourism or scientific purposes. At this stage, it's difficult to predict how effective this development will be. Expressions of interest in taking on the national reindeer herd were sought in September. Seven farms have expressed an interest. The farm taking on the reindeer will need to comply with a number of conditions, as they are formally still an asset of FIDC.

A draft agreement outlining these conditions has been drawn up and is being reviewed by the Attorney General's Office.

The Honourable John Birmingham

Mr Speaker, Honourable Members, I thank the Honourable Mike Summers for his very full reply. As you know, this is a project that was dear to my heart some time ago. And, I just wonder whether, with so many males to females, I wonder when the public could expect to see the first Bambi-burgers on sale?

The Honourable Mike Summers

Mr Chairman, I think that will depend entirely on what the new custodians of the reindeer intend to do with them. There will be a number of Bambis born in November as I previously mentioned. I hope they won't be slaughtered for burgers.

The Honourable Richard Cockwell

Mr Speaker, I just wonder whether the Honourable Mike Summers is aware of the fact there has already been a Bambi event. Three were born this week and I understand there are some more due today.

The Honourable John Birmingham

Congratulations.

Mr Speaker

If we go on long enough maybe we can add to the total.

Clerk of Councils

Question number 12 of 2003 by the Honourable Mike Summers.

The Honourable Mike Summers

Will the Honourable Jan Cheek please confirm that there are no further plans to change the recently agreed structure of the school year in term times and, in particular, that there are no plans to lengthen the midwinter holidays and reduce summer holidays?

The Honourable Jan Cheek

Mr Speaker, Honourable members, the official answer is that there are no plans to change the term and holiday dates. I can confirm that there has been no decision by the Board of Education to propose any changes. The length in timing of the terms and holidays was worked out about five years ago after consultation with the parents. At that time, many parents, especially those living in Camp, requested longer half-term dates, with one to cover Camp Sports Week.

The length and timing of the other holidays was largely dictated by the timing of Camp Sports. However, since this question was asked, I have been made aware of concerns expressed regarding the apparent whittling away of the long summer break. I've not had the opportunity to consult the Director of Education or members of the Board. But I believe there is some justification for that concern, as the break now appears to be only five weeks.

It's possible that with the change in demographics in Camp, with many pupils on East Falkland able to go home at weekends, we may need a review. I will raise the question at the next board meeting, with the proviso that any change would have to be a careful compromise with legal and academic requirements and parental wishes.

Further, it must be noted that if the summer break were to revert to six weeks in future years, then one week would be let off from their holidays.

The Honourable Mike Summers

Thank you for that reply.

Mr Speaker

Does any other Honourable Member have a question?

Clerk of Councils

Question number 13 of 2003 by The Honourable Mike Summers.

The Honourable Mike Summers

Can the Honourable Stephen Luxton please advise how many Government Houses are currently vacant, whether any of them have been vacant for extensive periods, what is the average void time for Government houses and whether repairs and renewals to Government houses between lettings enjoy any degree of priority in the maintenance programme?

The Honourable Stephen Luxton

Mr Speaker, Honourable Members, as of 20th October 2003, there were currently 14 houses vacant, seven for contract personnel and seven for local residents. One property, Cemetery Cottage, has been vacant for 15 months. And, two properties destined for contract personnel have been vacant for four months. The average void time is three weeks. This is adversely affected by the period of time houses allocated to contract personnel may be vacant, as there is often need to allocate the quarter quite well ahead of the arrival in order that a property will be available.

Use is, however, made of individuals willing to house sit, or take short-term lets to minimise this. Some of the older properties need some significant work doing requiring design input, which has to compete with more capital works. There's a high degree of priority given to repairs and renewals between lettings.

The level of priority is dependant on both the urgency for which a house is needed and the level and nature of other works current at the time of the house becoming vacant. There are also occasions when resources to undertake works are over-committed.

The current status of the fourteen currently vacant: two are being redecorated, nine have already been redecorated, two are awaiting Planning and Building permission due to the extensive works required and were vacated to permit this refurbishment, those are Police Cottages and one is the subject of a funding request to enable the extensive refurbishment works to proceed Planning and Building permission having recently been gained for these works. And, that's Cemetery Cottage.

The Honourable Mike Summers

I thank the Honourable Member for that extensive answer. Would he agree with me that only just submitting plans for the refurbishment of Cemetery Cottage after fourteen months of vacancy is an extraordinary long time when it is still clear to all of us that Housing is one of the key issues in our Capital Programme?

The Honourable Stephen Luxton

I would agree with that statement.

The Honourable John Birmingham

Mr Speaker, Honourable Members, I no longer sit on the Housing Committee and haven't done for some time but for your information, for the House information, Sir, I would like to suggest that the Housing Committee have no powers whatsoever on the actual repairs and maintenance of Government properties and it does fall within the remit of the Public Works Department.

Mr Speaker

Does any other Honourable Member wish to join this discussion?

Clerk of Councils

Question number 14 of 2003 by the Honourable Mr Stephen Luxton

The Honourable Stephen Luxton

Mr Speaker, Honourable Members, would the Honourable Mike Summers please provide details to this House of the total amount of money spent on the Port Howard Kitchen, who approved the expenditure, on what grounds the project was considered viable and whether a proper inventory is available for the equipment and utensils that were purchased for that project?

The Honourable Mike Summers

Mr Speaker, Honourable Members, the project was developed by the Department of Agriculture and FIDC, working with Port Howard Residents to create a processor and outlet for surplus horticultural products in West Falkland, and for the creation of other food products. The intention was to supply the local market, with the majority being blast frozen for quality and sold at a competitive price. This would have created an employment opportunity at Port Howard at the time when there was a request for assistance in the area. It would also have given a value to what is currently excess produce during periods of over production. Finally, it would have created another area of import substitution for provision of frozen vegetables to the Stanley Shops.

The total spent to date is £28,141 of which £19,871 has been spent on the equipment. FIDC does have a full inventory. The store building, within which the kitchen was to be established, had some work done to it, many of the tasks being a necessity for the maintenance of the FIDC asset. And, it would have been done whether the building was to be used as a kitchen or otherwise.

The expenditure for the project was approved by FIDB. Unfortunately, local interest to run the kitchen as initially intended has waned due to other commitments and choices by the people involved in the project at the time. A decision has therefore been made by the management of FIDC to put the equipment up for tender. This has not yet been considered by the FIDC Board.

The Honourable Stephen Luxton

Mr Speaker, Honourable Members, can the Honourable Mike Summers indicate whether the facilities at the Port Howard Kitchen have actually ever been used at all, or was the project actually completed before it was decided it was no longer viable?

The Honourable Mike Summers

Mr Speaker, the kitchen is not fully completed, although all the equipment is there and the work was completed on the building. The project ran into difficulties when the main user of the facility decided that they would no longer be located at Port Howard and wouldn't pursue the project. So, the work was never actually finally completed.

The Honourable Roger Edwards

Mr Speaker, Honourable Members, I would like to ask whether or not the Honourable Mike Summers is aware that when a resident of West Falkland approached FIDC to enquire whether they could purchase, I believe it was a freezer of the same price that was being quoted, as the cost to install in this kitchen, they were informed that, in fact, that was only the basic purchase price of the freezer? It didn't include freight, VAT and all the bits and pieces that were included in it. I wonder whether he was aware of this and whether it make any difference to the overall cost of the equipment in the setting up of this kitchen?

The Honourable Mike Summers

Mr Speaker, I am not aware of that, and having not had notice of the question, I would find it extremely difficult to comment.

Clerk of Councils

Question number 15 of 2003 by the Honourable Stephen Luxton

The Honourable Stephen Luxton

Mr Speaker, Honourable Members, would the Honourable Roger Edwards please provide this House with a break-down of all Capital projects completed to date under the construction partnership, giving for each project the original estimate, any cost increases due to subsequent contract variations at the request of the Falkland Islands Government, the final cost they have attained and how much the final out-turn was over or under budget as an amount and a percentage?

The Honourable John Birmingham

Mr Speaker, a point of order! Please. Would it be possible, knowing how some questions can sometimes make one think we should have brought a packed lunch – and I don't mean that by being silly. But the history of replies from the Honourable Roger Edwards tells me this could go on a fair bit. Would it be possible that the answer is published in written form?

Mr Speaker

I think, understanding the rules, as it is an oral question, we have to hear it.

The Honourable John Birmingham

All of it?

Mr Speaker

That is correct.

The Honourable Roger Edwards

Mr Speaker, Honourable Members, I will be as brief as possible. It's a very detailed question. I can report though for all the out-turn has been 15% higher than the estimate. This is, however, largely a result of the out-turn differences of the Infant/Junior School and the Falkland Islands Defence Force project. The Falkland Islands Defence Force Project was some 56% over the estimate and the Infant/Junior School out-turn was some 28% over project. When the effect of these two projects is factored out, then overall, it is rather less than 40% higher than the estimate.

It should be noted that although phase 6 of the East Stanley Development has shown an out-turn of 5% over estimate, it is anticipated that phase 7 will come in lower than estimate.

We have had a very detailed reply in the form of a list covering the names of projects, the estimate, variation orders, final estimate, out-turn variant, percentages and so on and I would suggest, to save time, I will publish this and give a copy of this to all members, if that is satisfactory to the Honourable Stephen Luxton.

The Honourable Stephen Luxton

Mr Speaker, Honourable Members, I thank the Honourable Roger Edwards for his answer and yes, that would be satisfactory if that information were published. Thank you.

Mr Speaker

Does any other Honourable Member wish to speak? Thank you.

DETAILED LIST OF PROJECTS QUESTION 15/2003

No	Name	Estimate	VO's	Final Est.	Outturn	Variance	% variance
3197	Glasgow Kent Road	£226,118	£8,914	£235,032	£176,909	-£58,123	-25%
3162	FICS – Shower unit	£19,344	£0	£22,000	£23,944	£1,944	9%
3104	Port Howard Jetty	£37,054	£0	£37,054	£20,525	-£16,529	-45%
3046	Moody Brook Dam	£33,118	£0	£33,118	£27,634	-£5,484	-17%
4113	Abattoir ByProducts	£209,790	£36,339	£246,129	£275,075	£28,946	12%
4864	East Stanley 6&7	£2,493,442	-£773,474	£1,719,968	£1,805,000	£85,032	5%
3102	Infant Junior School	£2,106,124	£63,151	£2,169,275	£2,777,012	£607,737	28%
3109	Public Toilets	£45,661	£3,000	£48,661	£51,610	£2,949	6%
3067	FIPASS Improvements	£95,000	£600	£95,600	£81,967	-£13,633	-14%
4873	Abattoir	£996,132	£214,780	£1,210,912	£1,400,396	£189,484	16%
3116	Visitor Centre	£339,012	£5,325	£344,337	£357,921	£13,584	4%
3229	FIDC Car Park	£95,986	£0	£95,986	£73,000	-£22,986	-24%
3263	East Stanley 5b	£391,065	£0	£391,065	£372,000	-£19,065	-5%
3089	FIDF	£816,834	£69,796	£886,630	£1,380,779	£494,149	56%
3092	East Stanley 5a	£588,064	£68,846	£656,910	£704,585	£47,675	7%
3214	Town Hall Car Park	£166,203	£49,643	£215,846	£192,164	-£23,682	-11%
3149	Fisheries Estate	£221,180	£28,089	£249,269	£242,143	-£7,126	-3%
	Total			£8,657,792	£9,962,664	£1,304,872	15%
	Total less Infant Junior School			£6,488,517	£7,185,652	£697,135	11%
	Total less IJS & FIDF			£5,601,887	£5,804,873	£202,986	4%
							1.04

Clerk of Councils

ORDERS OF THE DAY – BILLS

The Housing Assistance Guarantee Bill 2003. This Bill has been published in the Gazette and requires a second reading.

The Honourable Financial Secretary

Mr Speaker, Honourable Members, this Bill would enable the guarantee to be made by the Governor to the Standard Chartered Bank in respect of a Housing Assistance Loan where the borrower is unable to obtain a policy of life insurance for the purposes of mortgage protection. It also makes further provision coming into operation in the event of the guarantee being enforced.

The Attorney General has received comment from Mr Keith Biles, former Manager of Standard Chartered Bank in relation to the Bill. The comment relates to the definition of Life Assurance, which is defined in section 2 of the Bill.

Mr Biles has indicated that in his experience that proceeds for the policy are often applied by way of assignment of the policy rather than by its terms. In light of this, I shall propose an amendment to the Bill at the Committee stage.

I beg to move the second reading of the Bill.

Mr Speaker

The Motion is that the Bill be read a second time.

Clerk of Councils

The Housing Assistance Guarantee Bill 2003.

Mr Speaker

Does any Honourable member wish to speak to the Bill? I think in view of the fact that we have an amendment we cannot skip through onto the short track. So we'll go through the Bill as a complete Bill.

The Motion is that the Bill be read a second time. Does any Honourable Member wish to speak to the Motion? The Bill will be read a second time.

Clerk of Councils

The Housing Assistance Guarantee Bill 2003

Mr Speaker

Council is in Committee

Clerk of Councils

Clauses 1 to 8, Schedules 1 and 2.

The Honourable Financial Secretary

I beg to move that Clauses 1 to 8 and Schedules 1 and 2 stand part of the Bill with the following amendment to clause 2. The amendment to clause 2 is that under the definition of Life Assurance that the words after "policy" be inserted – the following words "or assignment to the bank" and the word "only" should be removed. So therefore that definition should read.

Mr Speaker

Can I clarify this, the word "policy" in that paragraph occurs twice, am I correct in think that it is the second policy that we are dealing with? Page 2 bottom of the page.

The Honourable Financial Secretary

Yes.

Mr Speaker

Thank you. Honourable Members are aware of that?

The Honourable Financial Secretary

I can read out the revised definition Sir. Under Clause 2 Life Assurance means " a policy of Life Assurance obtained by the borrower or one of the persons who constitutes the borrower the proceeds of which are by the terms of a policy or assignment to the bank to be applied in or towards redemption of the mortgage securing the Housing Assistance Loan in the event of the death of the person whose life is assured by the policy."

Mr Speaker

Does any Honourable Member wish to speak to the amendment?

The Motion is that Clauses 1 to 8 stand part of the Bill with the Schedules and that Clause 2 be amended as set out by the Financial Secretary. Clauses 1 to 8 and schedules 1 and 2 stand part of the Bill as amended.

The Motion is that the Bill be read a third time and pass.

Clerk of Councils

The Housing Assistance Guarantee Bill 2003.

The Insurance Bill 2003. This Bill has also been published in the Gazette and we go to the second reading.

The Honourable Chief Executive

Mr Speaker, Honourable Members, this bill enables any person who is committed to carry out a class or kind of insurance business in the United Kingdom to conduct that same business in the Falkland Islands, providing that permission is first granted by the Governor. Provision is also made for such permission to be rescinded. Consequential amendments are made to the Road Traffic Ordinance, and to the Employers' Liability Compulsory Insurance Ordinance 1996.

Mr Speaker, I beg to move the Second Reading of the Bill.

Mr Speaker

The Motion is that Bill be read a second time. Does any Honourable Member wish to speak to the Motion? The Bill will be read a second time.

Clerk of Councils

The Insurance Bill 2003.

Mr Speaker

Do we have any amendments to the Bill?

The Honourable Chief Executive

No Sir.

Mr Speaker

In which case I suggest we go to the fast track, which is that the Bill be read a third time and do pass.

Clerk of Councils

The Insurance Bill 2003.

Clerk of Councils

The Motions for Adjournment.

The Honourable John Birmingham

Mr Speaker, before I speak, I would like to come over and present the Commander British Forces with a Legislative Council tie.

Commander British Forces

Many thanks.

The Honourable John Birmingham

On behalf of all the Legislative Council and the people of the Falkland Islands, thank you for your time in the Islands. We wish you and Fiona well – and the children – not forgetting the dog.

Commander British Forces

Again, many thanks. I will say some words later.

The Honourable John Birmingham

Mr Speaker, Honourable Members. I missed the last Legislative Council meeting as I was on the Tristar – the one that was on time, I might add. And, it's sometimes difficult to find things to speak about in this House. So, you look through the paper and you hear people's complaints and moans. And, even sometimes members of the public.

Trips overseas by Councillors was mentioned not so long ago in the newspaper and indeed, on the street. And, I don't know if anybody's interested in Rugby but an Australian Radio Commentator, I think it was at the start of the World Cup, when talking about Argentina, the person next to him said where Argentina was and the Australian said it was near the Falkland Islands. I would suggest that one of the reasons that the Falkland Islands have a profile that's possibly higher than some say we should have, is because of the continued promoting by Councillors, by senior officials going overseas, not least by the Falkland Islands Government Office in London. And, we have to continue doing that. Because, if we don't go out there and project ourselves then, I'm afraid people will tend to forget who we are, where we are, and what we are about. As one of the least travellers, I certainly support and would continue to support Councillors going over to meetings and not least now that we have to get involved in the European Union. There will be more trips to Brussels and the like to keep a finger in that door.

Another recent topic is absenteeism within school – or the schools. I spoke out in the newspaper and was wary of what was being said. So, I visited the Department of Education Head Office and was shown some figures. And, I have to say, and having seen those figures, that I was still not convinced that there is a problem large enough to warrant a change in legislation. This has already been touched on this morning, I know. I just sometimes wonder and I've asked the Director of Education, for some figures on

non- overseas absenteeism. Those figures haven't arrived yet and I am sure they will. Sometimes you see a number of children, young people, wandering around and do question why they are out of school.

Next week there is a by-election, as we all know. There are only three candidates, which I'm surprised at because constantly we see letters in the newspaper and I get interesting phone calls from people who obviously have all the answers. And, I just wonder why there were only three but perhaps some are keeping their powder dry for two years on.

I would like to finish, Mr Speaker, by thanking the Medical Department, who, at the moment, seem to have the finger publicly pointed at them. The Medical Department have a large staff. That staff do a marvellous job. We have a very good Medical Service here. There are problems. There will always be problems. There are mistakes. There will always be mistakes. But, in the main, we do have a good service and I really would like to emphasise that.

Sir, I support the motion.

The Honourable Norma Edwards

Mr Speaker, Honourable Members, in rising to support the Motion for Adjournment, may I also add my very best wishes to CBFFI and his wife, Fiona, for the future. Thank you for all you have contributed to our Council during the time here and we wish you well for the future. We hope you enjoy your new job.

My Honourable Colleague on my left here has mentioned the hospital and I would endorse what he said. We do have a good Medical Service for the Islands and I wouldn't want anyone to think that we don't. However, I do feel that we do slip up in various areas and one of them is in the Physiotherapy Department. I don't think we give adequate cover to our patients – adequate physio cover and I would like to see this addressed rather more urgently. We are going to look at it, I believe it's in the next budget session but it's a long time to wait if you've got some nasty pain to get that fixed. The next budget session is next May. So, I would like to see perhaps if we couldn't increase our physiotherapy services for our patients. And, I am very pleased that the Hospital are not going to wait-list treatment for overseas patients. We've asked that they don't do that, that they continue sending people who need to go overseas, overseas, as and when.

The MPA Road, I have to say, the last Council we had maybe it wasn't the last one, maybe it was the Legco before that, we had complaints about the state of the MPA Road and it was at the back end of winter and there were potholes. I was very impressed the last time I went out to MPA. They must have worked tremendously hard the lads since the onset of the good weather and they've made a remarkable difference to the road. It really isn't too bad at all, considering the traffic it takes, I think.

Likewise, the West Roads. We had a very wet winter and I was very pleasantly surprised when I went last on the Port Stephens Road. It has held up pretty well and we

now have a second Road Gang on the West, which, there has been lots of noises about. I am pleased that we have and I am pleased that they are getting on with the job. Hopefully this will be a good summer and they will make tremendous progress. I am sure they will. I wish them well. They do work hard and they get very little thanks for it sometimes.

Sir, I don't think I have anything else to add at this particular time so I will support the Motion for Adjournment.

The Honourable Mike Summers

Mr Speaker, Honourable Members, I have just three issues I would like to deal with today. I would first like to pay tribute in this House to the work that the late Tony Agreiter did in this community. You will be aware that he sadly passed away recently. I had the good fortune of working with Tony in the YMCA Management Committee. And, I found him a very caring and common sense man. I know he's been away from the Islands now for a little while. And, he has probably already been missed by those people who normally would have seen him and worked with him but he led the prayers on occasions in this House and he did a great service in our community.

I would like to thank those people who represented the Falklands at the ABC recently in Argentina and particularly the common sense approach adopted by former Councillor, Tony Blake. We felt, for very good reasons, that we could not go to the ABC this year. But it is important, nevertheless, to have our views, Falkland Islanders' views, put forward in front of people who perhaps don't always understand them, don't understand the community, don't know who we are, don't know what we are up to. And, I think it was useful to have somebody like that there, to put them forward.

It's important that people in Argentina and elsewhere understand the need for and the depth of internal self government in the Falklands. Internal self-government is a key issue an absolutely key issue in the fight to self determination. And, it must be respected by all parties. It's important that it's respected overseas and it's important that it's respected here. So, I think we might see in future weeks some more discussion, certainly in relation to the Constitution and perhaps some other matters about the depth of internal self government here and the need to preserve and expand and protect it.

My further comment is to say good-bye to Jamie and Fiona. Thank you for your work here. It has been a pleasure to work with you both on the Councils and to talk with you in private. Some of those things have been most illuminating. It is distressing for me to see that Commanders British Forces are getting so much younger year by year. And, I hope your successor looks a little more older and haggard than you do.

The Honourable Norma Edwards

How do you think I feel?

The Honourable Mike Summers

Sir, I support the motion.

The Honourable Jan Cheek

Mr Speaker, Honourable Members, I would like to endorse the tribute paid by my Honourable Colleague, Mike Summers to Monsignor Tony Agreiter. He was an exceptionally intelligent and perceptive man and mixed well with not just his own congregation but people right across the community. As my Honourable colleague said, he was extremely caring.

Moving on to overseas travel by Councillors, I know it's an easy target for people who want to bash a Councillor or two. I would add to what the Honourable John Birmingham said. Having recently been to the Party conferences, something you are very much aware of now is that there is a whole generation grown up since the war in '82, some of whom have only the haziest idea where we are and what it's all about. We don't just meet MPs and important people at those conferences; we meet the whole rank and file of active Party members. And the support that we have from those people, which is conveyed to their representatives is well worth having. And, it's a cross-party thing, not just Labour or Conservative.

Medical costs and referrals have been mentioned and I'd like to make a public apology to one or two people I may have misled. Because of the decision we made at Health and Medical Services Committee, that referrals would not be delayed until the matter had been discussed with all Councillors, I blithely assumed that no referrals would be delayed. It's become apparent to me that one or two were. I hope this won't continue and I apologise to people I misled in the intervening period.

Mention has been made of absenteeism at school. I think that because of the way it was reported, the way the discussion at Education Board was reported, has been somewhat distorted. We have advice from the Attorney General that the current law is not enforceable in terms of a fine for parents who, for whatever reason, do not send their child to school. We would only want to use that law in a pretty extreme case and a pretty rare case. But it would be good to know that in that last resort the law was enforceable, hence the need to look at the possibility of change. I don't see wholesale prosecutions or anything of the kind but it's something which we should have. And, in an extreme case we would be able to enforce it.

Finally, I'd like to add to the good wishes to Commander British Forces, to Fiona, and his family and, of course, the dog. Very best wishes for the future and thank you for all your work while you were here.

I support the Motion.

The Honourable Richard Cockwell

Mr Speaker, Honourable Members one of the problems of standing up towards the latter end of these Motions for Adjournment is that most people have already said what you intend to say. I think I can concur with just about everything people have said before me. However, just one or two small points that I would like to raise, I wish to totally associate myself with the remarks regarding Tony Agreiter. I was fortunate that I was able to call him a friend, even though I wasn't part of his congregation. Someone else who passed away recently, who I think should be remembered in this House is Eileen Videl. She did sterling work for people in the Camp over many years. She was our lifeline and many of us view her passing with regret and I would like to pass on my condolences to the family.

We have a by-election coming up next week and I hope that people will see that they do vote. I think that people will recognise, if you don't vote you can't complain about what you get. We have some good candidates and let's hope that may the best person win.

Regarding the travel of Councillors, well obviously I think everybody knows at the moment, I am on the Executive of the Commonwealth Parliamentary Association and I travel at least twice a year on that Executive, which is paid for by the CPA. But I think one thing which people do need to know that we meet new people every time we go to these meetings. And, it is amazing the amount of people who really don't understand the situation in the Falklands. They either think that there are a lot of indigenous populations, South Americans who really should belong to Argentina, or that we do belong to Argentina, or that we are totally funded by Britain. And, it is very useful, I believe, to be able to explain to Parliamentarians that this is not the case. And, I think Falkland Islanders going and telling people around the world that this is the case cannot do us anything but good.

Just one thing. In my travels, I pass through a lot of Customs posts, immigration and such like, and I really don't want to complain about our procedures here but I would like to have them looked at. It seems to take an enormous amount of time to pass through immigration, particularly in entering the country. And we are trying to make the Falklands a place where people wish to come. And, the irritation of having to wait while what appears to be draconian detail is actually checked. And, I would like to ask the Honourable Roger Edwards, as Chairman of the Immigration Committee if they could review the necessity of these things. I'm not suggesting we shouldn't have all the records we require but do we need to go through the processes of checking two numbers for everybody Falkland Islanders and overseas people.

The other thing, which I know people have raised, before now, is the security on the way out. I am all for security but I can assure people I went through 13 or 14 different countries in my travels this time. I passed through checks and the only place where I was asked to take out my Government Computer and switch it on to show it wasn't a bomb was in the Falkland Islands. I think we need security but we need pragmatism in this and I think it would help to give people a slightly better feeling about the Falklands. It's just an irritant when we leave.

And finally, I would like to also pass on my best wishes to Jamie and Fiona I am sure you are going to a place which isn't nearly as pleasant as the Falklands but I do hope you enjoy yourselves.

Thank You.

The Honourable Roger Edwards

Mr Speaker, Honourable Members, in rising to support the Motion for Adjournment I would first like to publicly thank the Public Works Department and all those involved in getting the road work underway once again, in particular the gang that has moved out to West Falkland to the Roy Cove area. They had to move the whole camp the machines and everything else through Fox Bay. Fortunately, the weather conditions were such that they were able to proceed along the road. They have managed to erect their camp and, as of the beginning of last week, they had already completed one kilometre of road, which I think is a really good effort on their behalf. And, I would like to thank Councillor Norma Edwards for her comments concerning the MPA Road and the West Roads and I will pass that on to the people in the Public Works Department.

At the same time as I am talking of roads, the work in the Roy Cove area should be finished, just prior to Christmas 2004, when they will be moving south to start building the road towards Dunnose Head and Shallow Harbour. And, I have asked of the Transport Advisory Committee and of the Public Works Department that when they do that move that they try and improve the crossing of the Chartres River. There are several plans afoot and they must start now looking at which is the best option for them so that work can be done around Christmas 2004.

Councillor Birmingham reported that we punched above our weight when it comes to the Falklands image abroad and I think that's absolutely right. I am shortly to announce my ideas on promoting junior ambassadors. And, this will be discussed with our Representative in London, the Governor and Members later on next month when we all get together.

Immigration procedures, I will certainly take Councillor Cockwell's views and images of the immigration procedures. I think he must come in to a different airport than me because the last time I came in I was through in about 30 seconds flat.

The Election, we are not far away from the election now. I wish good luck to the candidates and I would urge everyone to go out and vote. No vote is a wasted vote and I don't believe people should complain if they haven't voted.

Commander British Forces, I would like to echo the remarks of my colleagues and bid you farewell and good luck for the future.

Sir, I support the Motion.

The Honourable Stephen Luxton

Mr Speaker, Honourable Members, I would like to start by echoing the farewells to the Commander British Forces. I wish him and his family all the best for the future.

I am tempted to give the Honourable Richard Cockwell an explanation of security at Mount Pleasant, which I received but I expect he will be getting a letter in the post in the near future.

I would also like to congratulate the road gang on a very successful move and I also was delighted to hear recently that they have already completed about a kilometre of road. The Chartres River crossing is something that is under active consideration. The Transport Advisory Committee recognises it is a problem and it will be dealt with at an appropriate time. Exactly what that time is I don't think has actually been set but we will, I'm sure, be discussing it in the next meeting.

I would like to mention the visit of the FCO Prisons Advisor, Chris Gibbard. I confess to having approached our initial meeting spoiling for a good argument but I was bowled over by the outstandingly sensible cost-effective proposal that he put forward. During a very short visit he dashed off a quick "back of an envelope" sketch of a new prison that will cost, in his opinion, no more than a quarter of a million pounds and would meet all the requirements. Compare that to the original estimate for a full police station and prison of over 12 times that amount and, even if the Falklands Factor doubles it to half a million, which wouldn't surprise me. I think it's at a level which Members are now able to take seriously. I only wish that all the advice that we got was as good as we got from Mr Gibbard.

Before I start being nasty to people, a quick word of praise is also in order for the highly professional operation undertaken to deal with the recent drama at Stanley Airport. It speaks volumes for the procedures that the EOD, Police and other agencies have in place that everything went like clockwork. I think a special mention is also deserved for the guys who did all the earthworks down there to protect some expensive assets. This was certainly above and beyond the call of duty for what was supposed to be a new construction contract. I am sure it also provided excellent training in dealing with the real thing for the EOD. If they want to have a crack at another 1,000 pounder, I happen to know roughly where they might find one, which has evaded capture on previous occasions.

I'd like to say a few words with my newly acquired Housing hat on. There are a small number of people, maybe half a dozen, who are persistent offenders in non-payment of rent. In some cases, they have been so for several years and they owe a significant amount of money. I would like to take this opportunity to warn publicly that at a recent meeting, the Housing Committee decided to take a much tougher line on Rent arrears for Government Rented properties. There are dozens of people on the waiting list for government housing, in fact, about 80 at the last count, some of whom have been there for years. It seems grossly unfair to me that all these people are going without housing while others that have the houses can't be bothered to pay the rent. The message is simple: "Pay up or you will be seeing an eviction order rather sooner than might

previously have been expected". For the avoidance of doubt, this is not, I repeat, not aimed at the person who might be a few days late now and then with their rent, nor at those who genuinely have income problems. For the genuinely hard up, there is a rent scheme available details of which can be got from the Treasury. Please don't be afraid to ask, it is there to help you. Likewise, if you've got a temporary problem with cash, or are between jobs, talk to the Treasury about it. The group we wish to target are a small minority that seem to think they have the right to live in a Government house and just not bother ever paying any rent. It would be perhaps a good time to commend the hard work and tenacity of the Treasury Officers involved with debt collection, who manage to weedle money out of all but a few of unwilling debtors.

Finally, I would like to say something about Coastal Shipping. As people will be aware, the hand-over period on the Coastal Shipping Contract and what followed was perhaps not as smooth as we would like. But I have to say; the situation to date has not been helped by persistent sniping by some people against the contractor. There have been a number of legitimate problems that have been brought to our attention. Most of them have been sorted out or some problems are being investigated. And, the contractor is doing their best to accommodate what everybody wants. As an example, Island Shipping specifically asked some time ago what people's requirements were for wool collection. I gather only around half of the farms replied. For those that didn't I would suggest that if you don't get exactly what you want, it's hardly the contractor's fault.

Sir, I support the Motion.

Commander British Forces

Mr Speaker, Honourable Members, first of all, can I thank Honourable Members for their very kind words and for this very unique tie, which I shall wear with pride when I depart these Islands and elsewhere.

I am not sure that actually Commanders are getting younger. Maybe it is that they just look younger. Perhaps it's Councillors getting older.

The Honourable Richard Cockwell

Point of order Mr Speaker!

Commander British Forces

It is with some sadness I find myself saying goodbye to the Legislative Council. As the end of my tour approaches, time has passed so quickly. My successor and those that follow him will be much luckier because they will get 18 months here rather than the year that I have been allowed.

I consider it a great honour and privilege, as well as great fun, to command British Forces Falkland Islands, even though it is now 21 years since the war ended. There are some real jobs to do in terms of carrying out the mission and making sure that we are prepared for whatever the future might bring.

Recently, Headquarters, my higher headquarters put us through a most thorough test of our capabilities, which was great training value as well. I am glad to say that we passed the test. Islanders can rest assured that we have the resources and the skills to defend British interests here in the South Atlantic.

In all of this, the Falkland Islands Defence Force has ably assisted us. They also take part, or have just done, in our regular exercise, Purple Strike series of exercises where the infantry component is put through its paces. And, I know Dr. Hart, your Economic Advisor, thoroughly enjoyed the extended walks that I threw into the exercise.

You have a very professional and enthusiastic force that has high standards. Indeed, the Director of Infantry, who has just visited here, and saw them on exercise, was impressed. However, these standards can never be taken for granted and much work is required to maintain them with what they do. In my view the regular Warrant Officer attached to that force is key to this.

I have been surprised and pleased by the regular interface that takes place between British Forces Falkland Islands and the Falkland Islands Government. Areas on tax, human rights issues, are areas where we can co-operate to our mutual benefit and where we should co-operate to reduce respective costs. As always, inevitably, there is pressure to reduce defence costs. It happens all over the world. It is important that we as British Forces Falkland Islands are seen to be lean and efficient and making the best use of resources available. And, this is something that my staff and I work hard on.

To this end, you undoubtedly do a lot for us. Contractors', employees', do not pay income tax, which helps to reduce the cost of defence of the Falkland Islands and you build two married quarters per year for us up at MPA.

But because we are there, we do a lot for you. For example, we effectively meet the cost of your commercial airport and we provide 24-hour search and rescue for Falkland Islands fishermen and those of foreign companies that pay for their fishing licences to fish in your waters.

The Falkland Islands economy has fallen in relative terms and hopefully as your Government's plans come to fruition, the fish remain in the sea, there may be the opportunity to exploit for oil and other natural resources. When it comes to pass, they will continue to grow.

And we are grateful for the part the Falkland Islands plays in shouldering some of the costs of the defence effort for the Falkland Islands. In fact, I know, this will continue to be so in the future.

I think I've spoken for long enough. I know Councillor Birmingham is actually very keen to go but I think I am allowed 45 minutes. I'm not going to use my full time, you will be glad to know but I did think about it.

My family and I have thoroughly enjoyed ourselves here in the Falkland Islands. Little did I think in 1987, when I was last here, that I would be returning as a commander. I hope our boys will remember some of their time here. They certainly thrived on the fresh air, the healthy food and all the adventures that are to be had.

I would like to end by saying thank-you to all of you on Legislative Council for being so supportive of the Forces here. It is good to be appreciated. And, to all the Islanders that we have come to know and who have been so kind to us and I hope we will remain friends in the future.

Mr Speaker, I support the Motion.

The Honourable Financial Secretary

Mr Speaker, Honourable Members, I also extend my best wishes to the Commander British Forces and his family for the future and thank them for their contribution to Falklands affairs over the past year.

I thank Councillor Luxton for his strong support on the treatment of house rent defaulters. The Treasury will continue to pursue with vigour the recovery of these debts as well as all other outstanding sums due to Government.

Thank you.

The Honourable Chief Executive

Mr Speaker, just briefly, rising last always makes it very difficult to say something original but I might have something. I do just wish to take the opportunity, of course, to add my very best wishes to Brigadier Gordon, to Fiona and to the boys for their future endeavours and for all their future adventures, not least in Northern Ireland. It's been a joy to work with him and to meet with him and his wife socially also.

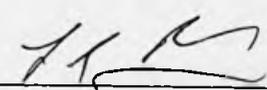
Sir, just finally, without wishing to imply that Members should repeat their speeches, I beg to move that this House stands adjourned Sine Die.

Mr Speaker

I apologise for that not letting you propose the Motion for Adjournment. May I also wish the Commander British Forces and his family good fortune and success in the future. I think it is noticeable that Military/Civilian relations have been particularly good and that is the result of the man at the top. And, I think he is to be thanked for that effort he has made.

The House stands adjourned.

Confirmed this 21st day of November 2003



Mr LG Blake OBE, Speaker of the House

Legislative Council
Held on 31st October 2003
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**RECORD OF THE MEETING
OF THE LEGISLATIVE COUNCIL
HELD IN STANLEY
ON 21st NOVEMBER 2003**

**RECORD OF THE MEETING OF THE LEGISLATIVE COUNCIL
HELD IN STANLEY ON 31ST OCTOBER 2003**

MR SPEAKER

(Mr Lionel Geoffrey Blake OBE)

MEMBERS (Ex-Officio)

The Honourable the Chief Executive
(Mr Christopher John Simpkins)

The Honourable the Financial Secretary
(Mr Derek Frank Howatt)

Elected

The Honourable John Birmingham
(Elected Member for Stanley Constituency)

The Honourable Mrs Janet Lynda Cheek
(Elected Member for Stanley Constituency)

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

The Honourable Mrs Norma Edwards
(Elected Member for Camp Constituency)

The Honourable Roger Anthony Edwards
(Elected Member for Camp Constituency)

The Honourable Ian Hansen
(Elected Member for Camp Constituency)

The Honourable Stephen Charles Luxton
(Elected Member for Stanley Constituency)

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

PERSONS ENTITLED TO ATTEND

The Attorney General
(Mr David Geoffrey Lang CBE, QC)

CLERK OF COUNCILS: Claudette Anderson MBE

PRAYERS: Reverend Paul Sweeting

APOLOGIES

The Commander British Forces Falkland Islands
(Brigadier James Henry Gordon MBE (Late RGJ))

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**Record of the Meeting of the Legislative Council Held on ...
Friday 21 November 2003**

PRAYERS

Mr Speaker

Honourable Members can I just ask you to stand for a moment in memory of the Consul and his assistant slaughtered in Turkey yesterday.

Silence.

Thank you

Clerk of Councils

The Oath of Allegiance, Councillor Ian Hansen.

(The Attorney General administered the Oath of Allegiance)

The Election of Elected Members to Executive Council

Mr Speaker

I appoint the Attorney General and Financial Secretary to be tellers.

First ballot is for a representative for the Stanley Constituency. I declare the Honourable Stephen Luxton to be the elected member to sit on Executive Council for Stanley.

The next ballot is for a representative for the Camp Constituency for Executive Council. I declare the Honourable Norma Edwards the representative from Camp to sit on Executive Council.

The next ballot is for a third member from either Camp or Stanley to sit on Executive Council. I declare the Honourable John Birmingham shall be the member to represent both Stanley and Camp on Executive Council. Therefore I announce that the following members will sit on Executive Council for the coming year.

The Honourable Stephen Luxton – Stanley

The Honourable Norma Edwards – Camp

The Honourable John Birmingham – representing both constituencies.

That is Executive Council for the coming year.

Clerk of Councils

Confirmation of the record of the meeting of the Legislative Council held on 31st October 2003.

Mr Speaker

Honourable Members is it your wish that I sign these minutes as a record of the meeting of the 31st October. Agreed.

Clerk of Councils

PAPERS TO BE LAID ON THE TABLE BY THE CHIEF EXECUTIVE

Copies of subsidiary Legislation published in the Falkland Islands Gazette since the last sitting of Legislative Council and laid on the table pursuant to Section 34.1 of the Interpretation and General Clauses Ordinance 1977 were then laid on the table.

- The Zoonoses Order 2003

The Honourable Chief Executive

Mr Speaker I hereby lay the aforementioned paper on the Table.

Clerk of Councils

The Motion for Adjournment.

The Honourable Chief Executive

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

Mr Speaker

Does any Honourable Member wish to speak to the Motion?

The Honourable Jan Cheek

Mr Speaker, Honourable Members, with your permission, I will read the text of a letter which it's proposed that we send to Sir Michael Jay, the Head of the British Civil Service.

"The Legislative Council and the people of the Falkland Islands were shocked and horrified by the atrocities in Istanbul yesterday. We send our sympathy and condolences to the families of colleagues of those who had been killed or wounded. Our thoughts are with them all at this sad time. Union flags in Stanley will be flying at half-mast as a mark of respect."

Secondly, I'd like to take this opportunity to welcome our new colleague, the Honourable Ian Hansen.

I support the motion.

The Honourable Mike Summers

Mr Speaker, Honourable Members, I just wish also to welcome the Honourable Ian Hansen to the Legislative Council and wish him well in his deliberations and to thank those other members of the public who stood for election. It's a valuable service you do.

I support the motion.

The Honourable Norma Edwards

Yes. Mr Speaker, I would also like to welcome the Honourable Ian Hansen. I hope he enjoys his time on Council. I'm sure he will. I would also like to extend my thanks to those people who took the trouble to stand as well. It's important that people do. I have to say it's nice to see some younger members of the public coming on to Council now. I think you must not quite be the baby, but it's a welcome change to see some younger faces.

Sir, I support the motion.

The Honourable John Birmingham

Mr President, Honourable Members, I would only like to rise and welcome the Honourable Ian Hansen to the Legislature and I also wish him a lot of luck for the next two years. I noticed he brought his pair of rubber gloves in so that when the blood does flow behind closed doors he won't get his hands too dirty.

I support the motion.

The Honourable Richard Cockwell

Mr Speaker, Honourable Members, yes, briefly, I would like to welcome the Honourable Ian Hansen to this House. Hopefully he won't find it any more daunting than I found it in my first few weeks but he will settle down and find himself as confident as the rest of us. Congratulations to you.

The Honourable Stephen Luxton

Mr Speaker, Honourable Members, I would just like to briefly add my welcome to the Honourable Ian Hansen to this House. I think, in view of the events yesterday, it's probably inappropriate to comment on any further issues, besides extending our condolences, as we have, to the bereaved following the events of yesterday. Sir, I support the motion.

The Honourable Ian Hansen

Mr Speaker, Honourable Members, I would like to thank you all for your kind welcome and I would like to take this opportunity to also thank those who elected me. I am looking forward to the two years in Council. I look forward to learning from my more experienced colleagues and listening to them. And, I look forward to contributing something to this Council. Sir, I support the motion.

The Honourable Chief Executive

Mr Speaker, Honourable Members, the horrific events in Istanbul yesterday serve to remind us of the continuing dangers of the world in which we live and the relative safety we enjoy in the Islands. On behalf of the Civil Service, I wish to record and extend our sympathy to the families and friends of those public servants who had made the ultimate sacrifice in the service of their country.

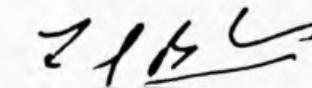
On a more positive note, again, on behalf of the Civil Service, I would like to welcome the Honourable Ian Hansen and to assure him of the support of the Civil Service in his arduous duties.

Mr Speaker

Honourable Members, before declaring the Council Adjourned, may I welcome our new Councillor, Councillor Ian Hansen. I had thought I was the baby of the House, maybe I am not.

I declare Council Adjourned Sine Die.

Confirmed this 19th day of December 2003.



LG Blake OBE
Speaker of the House



**RECORD OF THE MEETING
OF THE LEGISLATIVE COUNCIL
HELD IN STANLEY
ON 19TH DECEMBER 2003**

**RECORD OF THE MEETING OF THE LEGISLATIVE COUNCIL
HELD IN STANLEY ON 19TH DECEMBER 2003**

MR SPEAKER

(Mr Lionel Geoffrey Blake OBE)

MEMBERS (Ex-Officio)

The Honourable the Chief Executive
(Mr Christopher John Simpkins)

The Honourable the Financial Secretary
(Mr Derek Frank Howatt)

Elected

The Honourable John Birmingham
(Elected Member for Stanley Constituency)

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(Elected Member for Stanley Constituency)

The Honourable Mrs Norma Edwards
(Elected Member for Camp Constituency)

The Honourable Roger Anthony Edwards
(Elected Member for Camp Constituency)

The Honourable Ian Hansen
(Elected Member for Camp Constituency)

The Honourable Stephen Charles Luxton
(Elected Member for Stanley Constituency)

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

PERSONS ENTITLED TO ATTEND

The Attorney General
(Mr David Geoffrey Lang CBE, QC)

The Commander British Forces Falkland Islands
(Air Commodore Richard Howard Lacey, RAF)

CLERK OF COUNCILS: Claudette Anderson MBE

PRAYERS: Reverend Paul Sweeting

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**Record of the Meeting of the Legislative Council Held on
Friday 19 December 2003**

PRAYERS

Clerk of Councils

The Oath of Allegiance, Commander British Forces Falkland Islands (Air Commodore Richard Howard Lacey, RAF)

(The Attorney General administered the Oath of Allegiance)

Mr Speaker

Good Morning Members.

Clerk of Councils

The confirmation of the record of the meeting of the Legislative Council held on the 21st November 2003.

Mr Speaker

Honourable Members before signing the minutes is it your wish that I sign these as a correct record of our last meeting. (Agreed)

Clerk of Councils

Resolution to affirm the Taxes (Benefits in Kind) Rules 2003. This Motion is proposed by the Honourable Financial Secretary seconded by the Honourable Chief Executive and reads that: -

“This Legislative Council do approve the Taxes (Benefits in Kind) Rules 2003.”

Mr Speaker

Financial Secretary

The Honourable Financial Secretary

Mr Speaker, Honourable Members these rules are proposed to be made under section 8.1C of the Taxes Ordinance subject to the passing of the Taxes (Amendment) Bill 2003, which will be presented under item 5 of the Order Paper.

An earlier version of the Benefit in Kind Rules was published in the Gazette on the 27th November together with an explanation note following consideration by Executive Council on the 20th November. As requested by the Council the Rules were amended to reflect policy modifications in connection with the treatment of Travel Benefits. The amended version of the rules was approved by Executive Council yesterday but they also require the approval of the Legislative Council before they can be made by the Governor and come into force with effect from 1 January 2004.

In the main the rules are given effect to the recommendation relating to the Benefits in Kind in the Tax Policy Review. Please note that Benefits in Kind are non-cash benefits provided by employers to employees. The rules prescribe the benefits which falls to be taxed under the Ordinance, four different benefits are prescribed namely, the payment of travel expenses, use of vehicles, provision of loans and accommodation related benefits.

Annual values for the provision of accommodation related benefits are already prescribed under the existing Annual Values Rules 1997 so these new rules seek to prescribe three more benefits.

The annual value for non work related travel expenses is prescribed as the amount of the payment provision is made to exempt from the charge to tax the cost of travel paid by an employer on behalf of an employee who is based outside the Island before starting work here, however this exemption is restricted to the cost from and to the country of residence at the start and end of employment and one return journey of equivalent of value to any where in the world per calendar year.

The Annual Value for the use of a vehicle provided by an employer is prescribed at £40 per day subject to a maximum of £3,000. On a concessionary bases the use of a vehicle for travelling to and from work will not attract any value, where that vehicle is required to be used for work purposes, for example – on call.

The Annual Value for a provision of a loan by an employer is prescribed as the higher of any amount written off in a year in question and the amount of interest which would have been payable if it had been charges at based rate plus 3%.

The Annual Values for accommodation related benefits are prescribed under Tables A and B and the opportunity has been taken to increase the rates set in 1997 to a more realistic level. The exemption for agricultural and horticultural employees is maintained. There are certain exceptions from the charge of tax and these are set out under Rule 5. These provisions allow the Commissioner to exclude from the charge to Tax any accommodation benefit enjoyed by an employee who needs to live in that accommodation in order to perform

employment duties this will allow workers building roads in Camp at public expense to be exempted from that benefit.

There are also provisions under Rule 6 to reduce the annual value in certain cases, these provisions allow for the benefit to be reduced where an employee were not in the Falkland Islands for a full tax year. They also allow the Commissioner to determine any annual value of any benefit in a sum that he considers to be fair taking into consideration all of the circumstances of each case. Both the Annual Values Rules 1997 and the Taxes (Access) Benefits Rules 1994 are revoked by these Benefits in Kind Rules. It is important to note that the annual value of the benefits is not the amount of tax payable be required to pay. The value of any benefits will be added to other taxable income.

Allowable deductions as well as the proposed £12,000 personal allowance will then be given against an employee's taxable income to arrive at the chargeable income. Tax will then be charged through the two proposed tax rates of 20% and 25% depending upon the level of the employee's chargeable income. In cases where the annual value of the benefit in kind does not increased taxable income to a level above £12,000 no tax liability will arise. In all cases the potential tax payable is less than the actual costs of the benefits in kind. I beg to move the Taxes (Benefits in Kind) Rule 2003.

The Honourable Chief Executive

Mr Speaker, Honourable Members I second the Motion.

Mr Speaker

Honourable Members, the motion before the House is that the Taxes Benefit in Kind Rules 2003 be adopted. Does any Honourable Member wish to speak to the Motion?

The Honourable Roger Edwards

Mr Speaker, Honourable Members, it is the whole of the Tax Bill – I had more people ringing me up, stopping me in the street, stopping me out West and there were more complaints than ever. Some of the complaints are misunderstandings and refer to previous taxes and so on.

Mr Speaker

You are talking to the Rules, Benefits in Kind?

The Honourable Roger Edwards

I am talking to this. I am. That is the Taxes, Benefit in Kind Rules 2003.

Mr Speaker

Thank you.

The Honourable Roger Edwards

One thing that stands out above all else is the Benefits in Kind. We, as a Council, have spoken in the past about low-paid workers getting minimum wages and so on. If we look under Table "B" Board and accommodation there are two rates there for a domestic servant and any other person. For the domestic servant, the annual value afforded accommodation, which I presume includes heating, lighting and meals, £2,700 and any other person, the accommodation, food, meals, heating, lighting comes to a total of £7,140. So, that means a person only has to earn some £90 per week in addition to their allowances on this accommodation. £90 a week in this day and age, I think everyone will agree is a pretty low wage. And yet, anything over that, they would be paying tax on their earnings. I therefore propose an amendment to these figures. I do not believe a domestic servant and any other person living in with food and accommodation and so on provided should be separated. That is the first amendment. I think it should all be the one.

If we look at some of the figures, lighting, £540.00. Even with the high price of electricity we pay here in the Falkland Islands at 13 pence a unit, £540 equates to your bedside lamp with a 60 watt bulb in it burning 24 hours a day for 365 days for eight years. I think that's a little excessive.

Similarly, heating. I pay less heating in my whole house and this is probably a room we are referring to.

My proposal therefore, is that the rate should be the annual value so that the daily value should be £12.50 with a maximum annual value of £4,000.00. That is my proposal for an amendment to Table "B" Board and Accommodation, Mr Speaker.

Mr Speaker

Any other member wishes to speak to this amendment?

The Honourable John Birmingham

Mr Speaker, Honourable Members, I'd just like to express my support for the Honourable Member from the West on this issue.

The Honourable Ian Hansen

Mr Speaker, Honourable Members, I, too, would like to express my support for my colleague.

The Honourable Richard Cockwell

Mr. Speaker, Honourable Members, I have to say that I have serious concerns about the level of the assessment of people with board and accommodation. And, I believe that the figures that the Honourable Roger Edwards proposed are a much more reasonable level. I also cannot quite understand why we have a separate category of domestic servant to any other person who is receiving a benefit. I support the proposal.

The Honourable Mike Summers

Mr Speaker, I would like to speak to the motion as a whole as well as the amendment. I think it is regrettable that we found it necessary to introduce additional Benefits in Kind Rules. I think the public is entitled to know that it is a direct result of indications proposed from the Tax Office that people have been abusing the system. We don't do it just for fun, we don't do it just to collect additional money it is as a result of probably very few people in the community abusing the rules as they currently stand. Of course the complication, always, when you begin to introduce new rules is that you get further complications. You can, with the best will of all, set down a set of rules and hope they will work on a simple and common sense basis but then you find any numbers of exceptions. So, in passing this motion, if indeed we do, I very much hope then that the Taxation Office will take a message from Legislative Council that the handling of Benefits in Kind must be done sensibly, with a large degree of common sense and with a degree of understanding about how the community works but nevertheless achieve it's real purpose of catching those people who have been abusing the system that's brought this on everybody. So, that's regrettable.

We'd just like to clarify that the holiday credits have been specifically excluded from the Taxes Benefits in Kind Rules so they are not a taxable benefit so we won't have to worry about that. I have sympathy with what the Honourable Member has been saying about the values of accommodation and I am happy to accept the amendment. What we do need to do in due course when we come to discuss wage liabilities and the like, is to take this into account, and, can make sure, when setting the annual values, we are encouraging a different approach to the setting of wage levels so if some employers are, in fact, paying low wages on the basis that they provide free accommodation, then the annual values are set at such a level that you discourage this practice.

I support the Motion and the amendment.

The Honourable Norma Edwards

Sir, I would just like to add my voice to the other members and I support the amendment and the Motion.

The Honourable Financial Secretary

Mr Speaker, Honourable Members, I have been advised by the Attorney General that if any amendments are required to the Rules, they will have to go back. They can't be made before they come into force on 01 January 2004, as they would have to go back to Executive Council.

Just one other, item 2, I'm not actually clear as to what is being amended. What does the £4,000.00 replace? It replaces all the £7,140.00?

I should now just explain that the reason for the two categories was that the Domestic Servant was for people who are required to live in their work place with their employer. For example, that is the category that hotel staff, the value would be attracted, for example. But if this amendment is required then we won't be able to bring in these rules with effect from 1 January 2004. It would need to go back to Executive Council. And the existing Annual Values and Excess Benefit Rules will continue to apply.

Mr Speaker

Honourable Members, I think in that case, we have to actually put to the vote the acceptance or rejection of these rules.

The Honourable Mike Summers

Mr Speaker I seek a clarification. Whilst it's understandable that these rules may have to go back to Executive Council, is there nothing to prevent the Governor calling a very brief meeting of Executive Council for this purpose so the rules can come into effect from the 1st January?

Attorney General

Mr Speaker, my difficulty was not simply that of Executive Council. We are very close to the Christmas season. I have had difficulty arranging for publications regarding legislation in the Gazette, before Christmas. My fear is that we will not be able to achieve the publication of these rules in the Gazette, as they must be, if they are to come out before 1 January, if they are to come into force on 1 January. Clearly these rules cannot come into force on 2 January because it causes an awful lot of difficulty. It must come into effect with the Tax Year, which begins on 1 January. That's the particular difficulty I have in mind. Of course, an early meeting of Executive Council can be called.

Mr Speaker

Attorney General, can I kind of clarify one thing? If these rules are amended, or if an amendment is sought on these rules, assuming that Executive Council accepts that amendment, do the rules have to be published in the Gazette prior to coming to the Legislature?

Attorney General

No. They will have to be published in the Gazette prior to them coming into force that is on 1 January. Now, I am not saying definitely, and may I make that absolutely clear to Honourable Members, that they cannot be published in the Gazette before 1 January, merely that there may be considerable difficulty that I am not sure that I will be able to achieve publication before 1 January. I say that because I have had difficulty in arranging for the publication of other legislation early next week to come into force on 1 January. It's simply that, it may not be possible to bring them into force for the next tax year.

The Honourable Roger Edwards

Again, just a query with the Attorney General, if we did not bring in this amendment, that whole paper would have to go out, not just one particle in that paper, the whole paper is that correct?

Attorney General

That's the case in relation to the Taxes Benefits in Kind Rules. I hesitate to suggest a device which would help because I don't think it's really the way you should proceed but it is lawful.

Can I tell you what the device is? That you should approve the making of the rules today with the understanding that in January an amendment will be proposed in Executive Council and that the amendment would have effect by relation back to 1 January.

The Honourable Roger Edwards

That's exactly the proposal that I was going to put that if we accept this today we can look at the amendment in January and, if need be, I am sure that could be imposed retrospectively. So, we have come up with the same thing. One thing, also, on that amendment, and why I chose those figures, I was also going to talk to you about "Table A" the fact that it's £1,000.00 per room. Having thought about it for a bit, usually, if employees who are given houses they are on a damn sight higher wage than those who live in rooms so I did not object to Table A in the end.

Mr Speaker

Honourable Members, the Motion is that the Taxes Benefit in Kind Rules be accepted and that, I think that is the Motion.

Attorney General

Can I suggest a Motion Councillors might like to endorse that the House Approves the Rules on the understanding that the Government will seriously consider at the Executive Council Meeting in January the amendment to the Rules along the lines the House has indicated.

The Honourable Roger Edwards

I would accept that.

Mr Speaker

Do we need that in writing or do we just take it as said? Honourable Members, the Motion is that the Taxes Benefits in Kind Rules be accepted as outlined by the Attorney General. Are all Honourable Members in favour of that?

All Agreed.

Clerk of Councils

Orders of the Day: Bills

The Supplementary Appropriation Bill was placed on the Order Paper but has since been withdrawn so we will continue with the Taxes Amendment Bill 2003.

This Bill required a second reading

Mr Speaker

Honourable Members the Motion is that the Taxes Amendment Bill 2003 be read a second time. Are Honourable Members in favour?

The Honourable Financial Secretary

Mr Speaker, Honourable Members, this Bill seeks to make further changes to the Taxes Ordinance 1997, mainly to give effect to the recommendations in the Tax Policy Review, which were approved by Executive Council on 24th of July this year.

This is the second Bill forming part of the review process. To recap, the first Bill in this process, Now Legislative Council passed the Taxes Amendment Ordinance 2002, on 22 November 2002. It will be recalled that a significant provision of this Ordinance was the introduction of independent taxation for married men and women with effect from 01 January 2003 income.

By way of Background information, the Tax Policy Review was authorised by Executive Council at the end of 2001, as the need for a framework of guiding principles and the modernisation of the Tax System was recognised to serve the Falklands economy of today.

The Review first established a framework of six main guiding principles, namely, consistency, simplicity, fairness, transparency, efficiency and international competitiveness. It is on this framework that the rest of the policy review is based, with the aim of lowering rates and broadening the base.

As far as I can see from records available to me, this particular policy review was the most fundamental and comprehensive one that has ever been undertaken on the subject of taxation in the Falkland Islands. I am including the introduction of income tax in 1939, a major study in 1987 and the changes in 1994 on account of oil activity in that statement.

This Bill, together with an Explanatory Memorandum, was approved by Executive Council on 30 October and was published in the Gazette on the 19th of November. The Explanatory Memorandum explains in detail the reasons for the amendments, clause by clause, so I will not repeat all of that in this introduction. However, I will, as briefly and simply as I can, explain how the provisions of the Bill amend the 1997 Ordinance in order to give effect to the recommendations of the Review from 1 January 2004.

For personal taxpayers, provision is made for new rules to identify in value Benefits in Kind to be subject to tax.

Please note that clause 3 of the Bill will need to be amended slightly at the Committee Stage to enable the new rules approved by Executive Council yesterday and by this House today with the understanding that the Attorney General reported to be made by the Governor so they can come into effect from 1 January 2004.

The rates of income tax are changed from a three-tier system to a two-tier system. The first £12,000 of chargeable income will be taxed at 20% and the remainder at 25%. At present, the rates are 20% on the first £22,000 of chargeable income, 25% on the next £13,000 and 40% on the remainder. Most of the existing income tax reductions are removed. These allowances are: Earned Income Relief, Maintenance Payments, Mortgage Interest Relief, Dependant Relatives Allowance, Married Man's Allowance, Age Allowance,

Additional Allowance for Children and Life Assurance Premium Relief. The deductions allowed for Pensions Contributions are maintained.

The personal Allowance is increased by £5500 from £6500 to £12,000. This reflects one of the main simplification measures to replace all those allowances removed with one higher allowance. For Corporate taxpayers, there are changes in the Corporation Tax Rates. In future, there will be two rates. The first million pounds of chargeable income will be taxed at 20% and the remainder at 25%.

All the chargeable incomes of ring fence trades will attract tax of 25%.

At present, the Corporation tax rates are 25% up to £1million of chargeable income and 32.5% on chargeable income of £3million and over with a system of marginal relief in between.

Advance Corporation Tax, known as ACT, is being abolished. This will apply in relation to dividends paid on or after 01 January 2004. But ACT accumulated and not used before that date can be set off against Corporation tax liability after that date. Tax credits will no longer be available to Companies, although they remain for individuals and will, for the future, be equal to the amount of income tax at the basic rate due in respect to the gross value of the dividend. Unit provision is made for group relief to allow it to be claimed even where the group has a non-Falkland Islands resident company as one of its members.

For both un-incorporated and incorporated businesses, the rules for determining when expenditure is incurred. The purposes of depreciation allowances have been clarified. The rule states, that in general, expenditure will be treated as incurred as soon as there is an unconditional obligation to pay it. Initial Depreciation Allowances are abolished and Writing-down Allowances are changed.

New provision is made in relation to loss relief and the carry-back of losses. The current tax exemption for Defence Contractors is withdrawn but employees of those Contractors will continue to enjoy exemption from Income Tax for the time being.

The opportunity has been taken in this Bill to amend the ordinance to deal with matters which were not part of the review. These include clarifying the taxation of excess pension lump sums, providing the authority for the imposition of Civil Penalties by the POAT Regulations and expanding the definition of Earned Income.

Please note that Family Allowances are not brought into the tax net by this Bill. The first version of the Bill did remove the exemption for Family Allowances in accordance with a recommendation in the Review. But on reconsideration,

Executive Council agreed that Family Allowances should remain exempt from Tax.

In response to concerns raised during the consultation phase of the Review, the Executive Council also agreed that to ease the situation for pensioners, married couples receiving pension income of any type may elect jointly, in their tax returns for this to be treated as having been received equally between them. In this way, their individual personal allowances may be used to reduce their joint tax liability in any year.

It will be noted that no provision is included in the Bill to cover this pension sharing. Instead, this is covered by one of five extra statutory concessions approved by Executive Council yesterday. An Extra Statutory Concession is the relaxation in practice, which gives taxpayers a reduction in Tax Liability to which they are not entitled under the strict letter of the law. All these concessions together with explanations will be published in the Gazette.

Disregarding any additional revenue to be gained from the taxation of Defence Contractors, one of the objectives of the review was to be revenue neutral. A model loss of £240,000 based on 1999 personal income and representing around 10% of income tax revenue was reported in the context of the Review and was accepted by Executive Council as a reasonable margin.

As expected, such major changes to the tax structure, combined with the aim to be revenue-neutral, will result in winners and losers. However, I am pleased to report that around 56% of taxpayers will be better off, with around 20% who will pay more tax. The fact that more taxpayers will be better off is why a modelled loss is apparent. All this information and more were provided during the public consultation phase of the Review.

I take this opportunity to thank the members of the Review Working Group and our advisors for all their hard work leading up to the drafting of this and the previous bill. In particular, I pay tribute to Andy Finch, former Acting Commissioner of Taxation, who so ably and professionally managed the process on my behalf, and to Taxation Officer, Ken Eccles, for his expert assistance.

Finally, I must declare my interest in getting this Bill passed. My interest is that if I fail, I will need to sweeten our Tax Officer's disappointment by the provision of Mince Pies and other treats, this would be a personal expense, not one, which I would be able to claim as a tax deduction.

Mr Speaker, Honourable Members, I beg to move the second reading of the Bill.

The Honourable Chief Executive

Mr Speaker, Honourable Members, I wish to second the motion.

Mr Speaker

Honourable Members, the Motion is that the Taxes Amendment Ordinance 2003 be passed. Does anybody wish to speak to the Motion?

The Honourable John Birmingham

Mr Speaker, If I may speak to this Motion and just make a couple of points and that is I, along with many other taxpayers, happy tax payers I might add, would expect that the largest employer in the Falkland Islands, that being the Falkland Islands Government will comply with all the rules and regulations and time-scales that individual employers will have to comply with. I would just like to make that point for the minutes.

The Honourable Richard Cockwell

Mr Speaker, Honourable Members, I would just like to rise to support the motion but also point out that, I believe we will find, that in 12 months' time we may have to modify certain things in the lack of experience. However, the concept of this Bill and the way to simplify tax, we have to make sure that any alterations, which may come in the future, still stay within the concept that we have now, of a much simplified and understandable tax system.

I beg to support the Motion.

The Honourable Roger Edwards

Mr Speaker, I support the Bill. One particular item was mentioned by the Financial Secretary was that pensioners were exempt and may split their pension between two. I might point out I know this was introduced in the previous Taxes Ordinance change but the family man whose wife decides to stay home and look after the children doesn't get that benefit. She has to go back to work to be an income earner before she can claim to split the income with her husband. So you are actually forcing young mothers out to work so they can make best use of the tax benefit. The Financial Secretary shakes his head and I know he will correct me if I am wrong. The other thing is, it has nearly got 56% of the people better off, as I understand it. The model shows the worse off 20% are probably in the middle wage earner bracket, the very best off are those in the very high earning bracket. I find that very strange. But having an IQ lower than a worm's knee, I cannot think of any amendment to the Bill presently to correct that anomaly. I believe those who earn most should pay most. But, as I say, I cannot think of a way of doing it without changing and rejecting the whole Bill.

Mr Speaker

Councillor Edwards, I think you are wriggling.

The Honourable Mike Summers

Mr Speaker, Honourable Members, this has been a huge amount of work for those people involved in putting this together. And, it's been, on many occasions, a struggle to stick with the basic principles because, as I was saying earlier in respect of the Benefits in Kind Rules, the same sorts of things happen with the new Taxes Bill. Whenever you make a new set of rules, you will find a whole new set of issues arising out of them. And, you only tend to hear about people paying more tax. You very often don't hear about the ones that result in people paying less.

So, there may be occasions arising from this Bill where we find that a group of people, a sector of the community, is significantly worse off. I think, if that occurs, then we should have a look at it but we have been through very substantial public consultation in trying to identify all of those areas. What we are not interested in is individuals who think they might be worse off and presumably won't come and complain if they are better off. You can't make a set of tax rules that deal with absolutely every individual case.

In respect of Councillor R Edwards' observation about where the benefits fall, it's the populace view that the very best are better off. I don't think, actually that the evidence bears that out. The concept of the better off paying more is, in fact, supported by this Bill because the better off still only get £12,000 worth of exemptions and not the many, many thousands more that they were previously able to get through earned income relief and the use of life assurance funds and pension funds and the like. So, many of the very much better off will, in fact, find that they are paying just as much as they were before or even a little bit more. To deal with the reprehensible letter that appeared last week in the newspaper, accusing the Review Committee of feathering their own nests. I happen to know that Andy Finch, who the Financial Secretary has mentioned, didn't pay Falkland Islands Tax as he was a secondee and had no interest whatsoever in the outcome in personal terms. I know that at least two including myself and the other people on the committee will end up paying more tax. So it is an absurd accusation to make and it simply isn't true. In terms of this sort of populist view that only the better off are better off from this. It isn't true that the large majority of people who fall out of the tax net are, in fact that group of people who earn around about £10,000 to £14,000 a year. They will fall out of the tax net and the biggest reduction in numbers falls at the bottom end of the wage scale, from the community point of view, that has to be right.

Sir, I support the motion.

The Honourable Financial Secretary

Mr Speaker, Honourable Members, I would just like to confirm what Councillor Summers commented in relation to the fact that the middle and the higher earners will generally pay more tax. But the more you earn, the more you pay, but it still pays and that it will benefit the low earners because for a start the personal allowance is increased from £6500 to £12,000. That immediately will take a lot of the low paid people out of the tax net all together. Where they were paying income tax on excess of £6500 before, they will not start to pay tax until they earn in excess of £12,000. That's one of the points.

The other point that Councillor R Edwards raised was where one spouse stays at home and the other goes out to work and the tax situation in those cases. That is no different from the case today except that the allowance is greater. The current married man's allowance is £2450 which, at the moment, he can add to the £6500 and that totals less than £12,000. So, in those cases, they will be better off also.

Mr Speaker

Honourable Members, I take it there is no objection? The Bill will be read a second time.

Clerk of Councils

The Taxes Amendment Bill 2003

Mr Speaker

Council is in committee.

Clerk of Councils

Clauses 1 to 15.

The Honourable Financial Secretary

I beg to move that Clause 1 to 15 stand part of the Bill with several amendments. I have circulated a note about the amendments. I can take you through those amendments.

Mr Speaker

We shall go clause by clause?

The Honourable Financial Secretary

The clause that requires amending. Firstly we need to amend clause 3.2 of the Bill, we go page 3, it is the new section 2(a) that would be added to the Ordinance right at the end of that section 2(a) we need to insert the word "were approved by the Legislative Council before they are made or" between the word "they and are" on the last line. The end of the new section 2(a) would then read "shall be made by the Governor and shall not come into effect unless they were approved by the Legislative Council before they are made or are confirmed by the Legislative Council"

There are some minor typing errors, clause 9.3 of the Bill sub clause 3 of clause 9, paragraphs (d) and (e) of that sub clause should be (a) and (b) because there is no (a, b and c). In clause 12 on page 8 there are two sub clauses 5 and the second sub clause should be renumbered 6.

Sir, with those amendments, I beg to move that clause 1 to 15 stand part of the Bill.

Mr Speaker

Honourable Members subject to the amendments made by the Financial Secretary Clause 1 to 15 should stand part of the Bill. (Agreed)

Clauses 1 to 15 stand part of the Bill.

Council Resumes.

The Honourable Financial Secretary

I beg to move that the Bill be read a third time and do pass.

Mr Speaker

Honourable Members the Motion is that the Bill be read a third time and passed. No objection? The Bill will be read a third time and pass.

Clerk of Councils

The Taxes Amendment Bill 2003.

The Infectious Diseases Bill 2003.

The Bill required a second reading.

The Honourable Chief Executive

Mr Speaker, Honourable Members in moving this second reading of the Bill I wish to give notice that I will have some minor corrections to make at the Committee stage.

The Infectious Diseases Bill is based on some of the provisions of the UK Public Health Control of Disease Act 1984. If enacted, the Bill would modernise the powers available to the Government to deal with diseases, which are notifiable as defined by the bill and with other infectious diseases. It will provide a reporting process in an effort to ensure that the Chief Medical Officer is informed of patients suspected of suffering from a notifiable disease and powers to enable detention in hospital in certain circumstances.

The Bill also makes provision for the isolation of bodies of persons dying from specified infectious diseases and various miscellaneous provisions regarding, for example, the prevention of spread of disease, disinfection of premises and a delegation of powers invested in the Chief Medical Officer to other persons employed in the Department of Health and Medical Services.

Mr Speaker, provisions of this Bill are designed to provide the protection from infectious diseases, which a modern society is entitled to expect.

I beg to move the second reading of the Bill.

The Honourable Financial Secretary

I second the Motion

Mr Speaker

The Motion is that the Bill be read a second time. Is there any objection? The Bill will be read a second time.

Clerk of Councils

The Infectious Diseases Bill 2003.

Mr Speaker

Are there any Honourable Members who wishes to speak to the Motion?

The Honourable Norma Edwards

Mr Speaker, I support this Bill, of course, but I do feel it's odd, to say the least, that diseases such as AIDS, HIV and Syphilis, in particular, are not notifiable

diseases. I have listened to the Attorney General and understand perfectly well that this is not the case in the UK. There is provision within the Bill for the Attorney General to make exceptions and to take it on a case by case basis. However, I think it is wrong that they are not notifiable diseases, bearing in mind, for us in particular, where we live and the Continent which we live next to. We have very friendly relations with some people from that Continent and they have a very high incidence of AIDS, in Chile, for instance, and also a very reluctant strain, to cure, of Syphilis. I feel that those diseases should be notifiable in the Falkland Islands, whether they are or not in the UK. I know from personal experience, not my own personal experience, I add, I do know of a case in the UK where a person was admitted to have a child. I delivered the child and she had active Syphilis. We admitted her to Hospital to the infectious diseases part of the hospital and two days later, still highly infectious, she discharged herself and there was no comeback on that. Now, with all the comings and goings in the Falklands, I would like to see those two particular diseases, which I have mentioned, added to the list which is notifiable.

Thank you Mr Speaker.

Attorney General

Mr Speaker, there is no amendment specifically to any clause put by the Honourable Member. There is power in the Bill by regulations to add diseases, which are notifiable diseases. But my understanding from the Medical Department is that they would not, on Medical Grounds, and the treatment of these venereal diseases and other diseases wish to see them as notifiable diseases. If they should advise to the contrary then the matter can be done by regulations which add to the notifiable diseases in the Bill.

At the moment, I would be reluctant for members to accept the proposition of the Honourable Member and the Bill would have to be withdrawn today because the amendments are not the sort of amendments which could be incorporated in the Bill on the hoof. It would have to come before the House at another time. But my understanding is that the Medical people here are not advocating that these venereal diseases should be notifiable diseases and they are not so advocating for good medical reasons.

The Honourable Norma Edwards

Thank you Mr Speaker. I will check with the Medical Department what those good reasons are because I can't see any.

The Honourable John Birmingham

Mr Speaker, Honourable Members, would the Hon. Norma Edwards be content by, me as one of the members of the Medical Committee, suggesting at the next meeting that it is brought up and I'll report back to her?

The Honourable Norma Edwards

Yes. I will be very pleased with that. Thank you.

Mr Speaker

Council is in Committee.

Clerk of Councils

Clauses 1 to 30

Mr Speaker

Honourable Members the Motion is that Clauses 1 to 30 stand part of the Bill with such amendments.

The Honourable Chief Executive

Mr Speaker I beg to move that Clauses 1 to 30 stand part of the Bill and in so doing draw attention to amendments as follows:

Clause 3 on page 3 of the Bill. Sir, these have been distributed to Members this morning. There is a reference at clause 3 sub paragraph (a) that reference in the brackets should be deleted as there is no (b).

Secondly, turning the page to clause 5 at the foot of page four clause 5.1(b) reads insert the words "or in" so that clause 5.1(b) then read as follows "that in his own interest etc". The words after family in that line, the words "that he should be medically examined and" "and" should be deleted. The over onto the next page, page 5 at the top before the words "the public interest" inserts the words "or in". So that clause 5.1(b) then reads as follows "that in his own interest or in the interest of his family or in the public interest it is expedient that he should be medically examined."

Finally, over the page clause 5.4, at the top of page 6 after the reference to subsection 4(b) delete the roman numeral (ii), so that it just read "in subsection 4(b) then subsection 1(a)" etc.

Mr Speaker

Does that delete both the roman numeral (ii) or just first?

The Honourable Chief Executive

Just the first on the first line immediately after the figure and letter 4(b).

Mr Speaker

Are those amendments okay for Councillors?

Council Resumes.

The Honourable Chief Executive

Mr Speaker, Honourable Members I beg to move that the Bill will be read a third time and do pass.

Mr Speaker

Honourable Members the Motion is that the Bill be read a third time and pass. Does any Honourable Member object? The Bill will be read a third time and pass.

Clerk of Councils

The Infectious Diseases Bill 2003.

The Motion for adjournment.

The Honourable Chief Executive

Mr Speaker, Honourable Members I beg to move that this House stands adjourned Sine Die.

Mr Speaker

Honourable Members the Motion is that House stands adjourned Sine Die. Do any Honourable Members wish to speak to the Motion?

The Honourable John Birmingham

Mr Speaker, Honourable Members, In speaking to the motion, may I welcome Commander British Forces, Air Commodore Lacey and his good lady. Believe it

or not, the Falklands do get more sunshine than London on average. But sometimes averages can be deceiving.

There are a few things flowing around the community at the moment certainly in the Penguin News of which I haven't had a good look at today. Over this last few weeks, there are a number of letters to the newspaper, some of which are attacking individuals, others just generally attacking the Government. People are starting not to put their names to them. I have a lot of respect even though I might disagree with the content of a letter but I have a lot of respect for somebody who is having a bit of a go, certainly at Councillors that's one of the reasons we are there for. I would ask the editor of the Penguin News to consider whether she thinks this is the right way to go. I did have a quick look this morning. There's a letter there with "Name and Address Supplied" and it's just replying to a lady who put her name to a letter last week, it's to do with meat being served in one of the stores. If you go down the road of just no names on any letters so I just wondered if the Penguin News would actually want to have a think about their policy or perhaps the Media Trust. The freedom of expression in the Falklands, as far as I am concerned, is probably as good as you are going to get anywhere. In nine years as a Councillor, I have no knowledge, I have no experience of anybody who has been writing letters, attacking Councillors or the Government having a hard time. I've never been around the table where people might say that it was a letter and a half but if that person has come to Councillors for anything they have been treated in exactly the same way as anybody else. So, Councillor Edwards might find this hard to believe, but at one point I was known as a trouble maker in the past.

The Honourable Norma Edwards

I'd never have believed it.

The Honourable John Birmingham

It is hard to believe. As far as I am concerned, we do have freedom of expression here and I hope that in the new year people will feel that they are able to put their name to letters in the press.

There's been a possibility of BFBS, which is BFBS 2 TV, which is coming to the Islands to MPA, of that TV Station becoming available to civilians. Now, a couple of people have asked me why we can't have it. The reason I don't think we will be getting it is we just can't afford it. But I put out the question to the public over the radio here and that is if there were a large number of people who wanted a second TV Station, the question would be, would people be willing to pay for it through a licence? I look forward to a few letters in the Penguin News over that.

As I say, I had a quick breeze through the Penguin News it's always handy to have it out on a Friday before we meet. And, in the Editorial, I clicked on the

piece about Falkland Islanders being consulted over possible extension of flights to the Argentine Republic, and, that the British Government, the Minister has said in public on more than one occasion, the Falkland Islanders will be consulted and that nothing would happen without the consent of Falkland Islanders. I think there might be some confusion flowing around. My understanding is that the Council would make a decision. I don't think there is any question of any kind of a referendum. In 1998, I asked that we should talk about relations with Argentina and possibly have a referendum and two well known people in the community, one being the Governor (two Governors ago) and the other person being the Honourable Norma Edwards the following week in the Penguin News were absolutely against any kind of referendum and I would suggest that the reasons why both Councillor N Edwards and the Governor at that time were against a referendum is that on one hand they were scared that the majority of people might say one thing and, on the other hand, that they were scared that they might say something else. The difficulty with referendums is that everybody has to understand everything that's the situation is all about. So as far as I am aware, the Council will make the right decision as they see it for the benefit of the Falklands.

I think I have probably set the tone for the rest of the motions for adjournment and I would just like to wish everybody a Happy Christmas and a very prosperous New Year.

I support the motion.

The Honourable Norma Edwards

Yes Mr Speaker, in rising to support the Motion for Adjournment, I will add my best wishes to Commodore Lacey and his wife and hope you enjoy your time in the Falklands. I am pleased to hear that we will have you longer than previous CBFFIs.

Councillor Birmingham touched on Argentina and so on. I think we have had a lot of press from Argentina lately and a lot of rhetoric, which will go on no doubt. I think it's very sad that Argentina, who wants to be seen as a responsible, sensible, nation now, and has had democracy for a number of years, constantly snipes at the Falkland Islands and looks for any chance of rutting us up where they possibly can. I would just like to publicly reassure the people of the Falkland Islands that we have had very good support from the British Government over the years and since the 1999 Agreement. They only lately have reiterated that our wishes have to be taken into account, they have been very strong on that front. I am very grateful to the British Government for that and I think Argentina should understand that if they wish to comment or to talk on any front, they have to recognise the fact that we actually live here and they have to accept us as the people who decide the future of the Falkland Islands. I wasn't afraid of a

referendum, Councillor Birmingham, but I do think referendums at times can be engineered to say what the people that are proposing it want the public to say.

The Honourable John Birmingham

I understand.

The Honourable Norma Edwards

That was the reason I was against a referendum at that time, I knew what your devious, little mind was like.

The Honourable John Birmingham

O! Point of Order! Serious point of order!

The Honourable Norma Edwards

All right, I will withdraw the devious bit. And, the other thing, I would just like to say to the public is we have no intention at this point in time, and I can't see any point in time, certainly from my point of view, of direct commercial flights from Argentina being allowed into the Falkland Islands.

BFBS 2, Councillor Birmingham mentioned BFBS 2, I think it would be difficult to charge a licence fee because I seem to remember when we first had the services of BFBS. It is a charity and licences are difficult. Now, I don't know how we could get around that as a Government thing but we would have to consult with the Attorney General and the Financial Secretary on that front, but there is a possibility if people want it. It might mean that we could see something earlier in the Evening if we had BFBS 2 rather than wait until 1200 at night. But I think we are very lucky to be able to have BFBS 1. I am very grateful for it.

Sir, I support the motion for Adjournment and Merry Christmas to everybody.

The Honourable Stephen Luxton

Mr Speaker, Honourable Members, I would also like to begin by welcoming the new Commander to this House. I hope he will enjoy his time here and I look forward to working with him for the next 18 months or so.

I think there is only one issue I want to talk about today and that's the Neighbours from Hell, as you would expect, the old '82 expression, "Argie Bargie," surfaced in my mind last night. I haven't heard it for a while but that seems to fit what's going on. There seem to be rather too many Argies throwing rather too much Bargie at the moment. Frankly, I was slightly amazed by the comment made recently by one misguided official over there that he no more cared about what

we thought than he cared about 3,000 people living in Eaton. A remarkable attitude in the modern age, even for a people as intransigent and remote from reality as the Argentines. As for the fuss they made about the complete non-story that was the nuclear weapons that didn't come into our territorial waters, weren't used, didn't leak, didn't get lost, the less said about that, the better. It proves, however, that one aspect of the character remains consistent, that they haven't lost their talent for entirely misrepresenting presently unambiguous press statements.

I am even more amazed at the comments published in recent newspapers senior Argentine officials brazenly stating that they will be along for a grand state opening of the Memorial, they won't get their passports stamped, special arrangements will be made with the Foreign Office, etc., etc. Really, I think we will decide that. It is perhaps a fitting testimony to the attitude of the Government over there that they are already scrambling to turn what should be a dignified remembrance ceremony for the families, into a political "who-ha" of epic proportions, and, the Memorial isn't even out of Argentina yet.

Having read the Penguin News editorial this morning, I would like to reassure people here that there won't be any talks about sovereignty under any circumstances, that's final. There is the full backing and commitment of the UK Government reiterated only the other week by Minister Bill Rammell on his visit here. Our aim in any discussions that may follow is to secure progress on communications links that are in the best long-term interest of the Falkland Islands. But as asked in that Penguin News editorial, this morning, sovereignty does have the utmost priority. Without that, we have nothing. There is no progress on offer, so as far as I am concerned, we stay as we are now.

I would like to finish by wishing everybody in this House, throughout the Falklands, and indeed, our friends and supporters wherever they may be, a Merry Christmas and a very happy, prosperous and above all a British and Free New Year.

Mr. Speaker, I support the motion.

The Honourable Jan Cheek

Mr Speaker, Honourable Members, I would like to join in the welcome of the new Commander British Forces, Air Commodore Lacey and his family.

Following from what my Colleague, the Honourable John Birmingham said about some of the anonymous letters people hiding behind a cloak of anonymity. What I find most disturbing is when they are making attacks on Civil Servants, many of who aren't in a good position to defend themselves, making allegations that, in some cases are outrageous. Some would say, don't read the letters. But the fact is that some people do read those letters and would do anything rather than get

fact in the way of a good story. People are too eager to believe the worst of Civil Servants. My experience is we may have the odd problem with them but most of them are decent, hard working people trying to do a job, trying to do it well, trying to balance people's demands for services with the money and the resources they have available to provide those services. It's unfair and, I think, unworthy of us that they should be attacked in that way without a proper right of reply.

I hope, like my colleague, that the Editor of Penguin News would give serious thought to the value of allowing people to hide their identity when making these kinds of sometimes, unjustified attacks.

At this time of year, I always like to thank those who will be working through the holidays, providing our essential services. I hope that the public will be reasonable in their demands on those essential services. Not forgetting our volunteer forces, the volunteers of the FIDF and the Fire Brigade.

Moving to a recent local difficulty we have been having with our neighbours, and their threatening behaviour, we're adamant that we should not be pushed or bullied into any kind of silly compromise. However, people across the Islands, must be prepared for some inconvenience that goes with taking that firm stand. I, too, welcome the very robust line taken by the Foreign Office in accordance with our wishes and reiterate that we have been fully consulted and informed throughout recent weeks here and in London on that firm line that they are taking on our behalf.

I support the motion.

The Honourable Richard Cockwell

Mr Speaker, Honourable Members, as usual, by the time we get around here, most people have said things which I wish to talk about. However, there are one or two things that I would like to just add my pinch of salt to.

The first is the very difficult situation that we have in front of us regarding the charter flights into the Falkland Islands. We have, as other members have said, made a very firm stand on that, supported very strongly and in fact lead by the Foreign Office. I think, the sooner that Argentina realises that we will not be pushed or bullied into doing what they wish, the better. They must have realised that, over the years, we do not succumb to threats or deprivation of various things that they actually control. The sooner they drop that and come to know they are our next door neighbours and should be living together peacefully and quietly in our own countries as good next door neighbours, the better.

Members have mentioned the support of the Foreign Office here and the strong support that they have given us and the strong words they have used with Argentina. Can I also mention H. E. the Governor, who has been very strong and

very supportive on our side and has been putting the Falkland Islands' position very strongly not only to the Foreign Office but also to Buenos Aires and, I think we should thank him for that.

Moving on, perhaps I could actually mention something new, which I am surprised nobody's mentioned. I thought the Honourable John Birmingham might have brought it up. That is the one-way system and the clear-way.

Honourable John Birmingham laughs aloud

Mr Speaker

I note we are approaching the festive season, Honourable Members, but a little decorum, if I may?

The Honourable John Birmingham

Point of Order Mr Speaker I am just pointing out that there could be a two-way system, as was said at the public meeting by the Honourable Member.

The Honourable Richard Cockwell

Mr Speaker, as this is a broadcast affair, could you point out that I was not at fault on that occasion.

Mr Speaker

Councillor Cockwell, you may proceed.

The Honourable Richard Cockwell

Thank you very much, sir. It is interesting to note, that we are now being told that it is impossible to have a one-way system using John Street, despite the fact that there was a working group set up in 1999, with the Environmental Planning Officer, the Attorney General, the Chief Executive, and various other people, the Roads Engineer, who recommended that John Street should be part of a one-way system. I really do believe that they should actually have another look and not just decide that they don't like the ideas or find reasons not to do it.

Moving on, a congratulation to the PWD gangs who have been quietly getting on and tidying up the roads around Stanley. I know there's a long way to go but these guys have been just getting on with it. I think they have done a very good job in Ross Road West and also the small gang that has been repairing pavements. It's a pleasure to walk on the areas which they worked on. I think we actually should pass on some congratulations to them.

Just to be slightly different, instead of starting with this, I will finish with it, and welcome Air Commodore Richard Lacey and his wife to the Falklands. I am very pleased to see you here for 18 months. It's a pity it couldn't be longer because continuity is very important in these things.

Finally, may I wish everybody here and anybody who is listening, a very happy Christmas.

I beg to support the Motion.

The Honourable Roger Edwards

Mr. Speaker, in rising to support the Motion for Adjournment, I would just like to mention a few things. Most have already been covered and I won't repeat them. We have a robust line taken on the flights. But I was lobbied the other evening because, apparently, the flight now going via Ushuaia to the Falkland Islands is taking an extra 40 minutes to get here. So, I was asked to look into why that is because it's adding an additional 67 miles over that of the recognised airways and only 50 miles if they fly direct. There shouldn't be a 40 minute addition to the flight time. In investigating this, I came across a website that I thought I might be able to use because it has maps and things on it. It is very interesting that in the international map it has Argentina and the Falkland Islands (UK). Over the page on, I presume it is the Argentine Map, because it has Malvinas Islands. That is in contradiction. But when one reads the details of the Falkland Islands, its main trading partner is in the UK, main primary products, you will all be pleased to know, (this is for the Falkland Islands) the main primary products are livestock and oats. Main industries are: The Falkland Islands Trading Company and the main exports are coins, stamps, and wool. That was updated at the beginning of December 2003. So, no wonder they get things like the Falkland Islands and Malvinas wrong. I will make every effort to get back to these people who produce this document and put them right on a few things.

I personally think that it is reprehensible that people don't sign their names in the newspaper. I wouldn't even bother to respond to any of them, even if I was the person being criticised. Normally they are telling us the Councillors and those in authority here in the Falklands that we don't care for Human rights, Civil Liberties and the like.

But I would ask you all to cast your mind back to a week last Wednesday. I don't know if anyone saw the news of the European Union Constitution meetings in Italy. And, there was a quiet protest group there who were putting up posters against a European Union Constitution. They were arrested; they were interred and then deported. That's pretty good human rights civil liberties for our European Union.

I, too, would like to welcome Air Commodore Lacey and his wife and family to the Falklands. I hope they thoroughly enjoy it and I would urge them to ensure they get out and about and go and meet and see the Islands and what we have to offer.

In addition, I would like to wish all the people a very happy and prosperous, safe Christmas.

Thank you.

The Honourable Ian Hansen

Mr Speaker, Honourable Members, in rising to support the Motion for Adjournment, I have a couple issues I would like to touch upon that are topical. One, of course, has been mentioned comprehensively, flights and I would only reiterate what my colleagues have said on that subject.

As an elected representative for the Camp constituency, I always feel bound to mention the problems we have experienced of late with our coastal shipping service. Over the past few months, we have heard of teething problems, sniping, mischief making, and simple bad luck, all these have credibility. However, I believe we can't lose sight of the fact that during this period that there is a thin substantial section of the Farming community who are not receiving the service they should in a contractual obligation. I do hope that now, at the beginning of the wool shipping season, and, of course the imminent movement of livestock for the Abattoir, the forthcoming voyages go smoothly as I believe this last one has. It still does concern me slightly that there isn't a lot of room for adjustment during what is a very busy and important time.

Because of these problems, with the coastal shipping, FIGAS have been asked, indeed expected, to carry much more freight than usual, of course, this is during the very busy tourist season. I believe that FIGAS, as a whole, needs to be commended on the way it has handled this extra work.

The Honourable Norma Edwards

Hear! Hear!

The Honourable Ian Hansen

Over the last few months I have had cause to travel with FIGAS on a regular basis and, I can honestly say I never found the administration, the pilots or the ground staff any other than friendly co-operative and efficient. I believe they deserve a mention.

I will make this brief as we began with a marathon and I believe we should end with a short sprint. Finally, I welcome the Commander British Forces and I hope he and his wife enjoy their stay in the Islands and I do hope that I will not only see you here in Stanley but also out in the Camp.

I would also like to add my Christmas Greetings and best wishes to everybody in the Falklands.

Sir, I beg to support the Motion.

The Honourable Mike Summers

Mr Speaker, Honourable Members, it's almost dinner time so I must be brief. I have two issues, really. One is on Constitutional Development. We have decided in the last few days that as the Chair on the Committee on the Constitution, I will produce early in the New Year a brief report of where we are up to on Constitutional Development. I accept the comments of some that it has rather got lost in the mist and, it looks as though we may be doing some things peace-meal. We are not, we just have been concentrating on a particular area to try to get something sorted out. Early in the new year we will try and produce a review of at least those areas where we have decided either to do things or not to do things. Then, I hope by the end of next year, try to reach some conclusion. Otherwise, we are going to be running out of time in this Council.

My only other topic is, of course, Argentina and the flights issue. Given what has happened in the last few days, and given the Diplomatic contacts between the United Kingdom and Argentina, I think we have to expect that charter flights for the balance of this year will not proceed. I think, there's a very real prospect that they won't proceed in the following year, either. That's the price of our independence, I guess, and we can put up with that. There will be a need, at some point, when the Argentines return to reality, to sit down and discuss communications in general. In the discussions that Councillor Cheek and I had with the Minister in London last week, he fully expects us to sit and have discussions with the public here about the future of communications and for everybody to be involved in decisions about what we think we can and cannot do to achieve the sort of communications we require for scheduled flights, which will not be coming from Argentina at any price but also in support of the tourism industry. There has been a good deal of discussion about whether the whole charter business might, in fact, be opened up into an open skies policy for charters. It's an issue that we have to discuss at some point after the Argentines realise that bullying tactics aren't going to get them any discussions at all about sovereignty.

I would also like to welcome the Commander British Forces and his wife and family to the Falklands. It is a good thing that the term has been extended to eighteen months, or at least, at this stage it's a good thing. Welcome and I hope

we can work constructively together. I add my good wishes to everybody in the Falklands for a merry Christmas and a Happy New Year.

Commander British Forces

Mr Speaker, Honourable Members, I would like to thank the Honourable Members for the very warm welcome that I have received here and, indeed, if I may, extend that to everybody else that I have met so far. It is very gratifying to come to a place like this where one is made so welcome so early in one's time. I know that my wife and I are going to enjoy our 18 months here. That is evident already. We have already fallen in love with these Islands.

I am delighted to be here in the role in which I find myself, which I consider to be a great privilege. I am also honoured to be invited to play a role in your Executive and Legislative Councils. I look forward to discharging my responsibilities in that regard to the best of my abilities in the coming 18 months.

As I have said, I know I am going to enjoy it here. I am delighted to be here and I add my best wishes to all Islanders for a happy Christmas and a prosperous New Year.

The Honourable Financial Secretary

Mr Speaker, I take this opportunity to thank Honourable Members for the amount of time they have needed to spend on the heavy subject of taxation recently. Despite the simplification measures, the tax system might still be regarded as complex by some.

I recall seeing in an Inland Revenue Annual Report some time ago a quote on the first page that should be attributed to Albert Einstein, which read, "The hardest thing to understand is income tax." I thought Honourable Members might get some comfort in this.

I also extend a welcome to the Commodore and his family.

To make a saving on sending cards this year, I would also like to wish everyone a prosperous New Year.

I support the Motion for Adjournment.

The Honourable Chief Executive

Mr Speaker, Honourable Members, as I approach my first Christmas in these Islands I am observing the weather outside today and, indeed, perhaps towards the end of November, I am, of course, reminded that I come from the Northern Hemisphere. But I do fear that I am about to experience my first white Christmas

for several years. However, I look forward to much better weather perhaps over the Christmas period and the races on Boxing Day.

Could I take this opportunity to thank Members for their measured comments on the issue of anonymous criticism of Civil Servants. It's a subject, which actually strikes very close to our hearts and one, which I know colleagues, have found very difficult on occasions to contend with in the last few weeks. It's also a subject that I will be discussing very shortly with members of the Government Management Team. For I think we need to take a view in general on it. And, that we will be doing.

Could I also, on behalf of the Civil Service, extend a warm welcome to Air Commodore Lacey and his wife, Cate. In so doing, I assure you, Air Commodore, that the Civil Service is here to assist you in your demanding duties and we will do so to the best of our ability.

I am sure that the increased length of your tour will assist the development of even stronger links between our Military and Civil communities. I look forward to discussing this issue with you in due course.

And finally, Mr Speaker, I am pleased to observe that Air Commodore Lacey doesn't feel the need to attend meetings of the House dressed for battle.

Mr Speaker

Honourable Members before I declare this House adjourned, may I take this opportunity to welcome the Commander British Forces and may I thank you all for not running into tomorrow or Sunday to get the taxes rules through because I hope, Tri-star permitting, to be flying out before the end of next week.

My good wishes to you all and the House stands adjourned Sine Die.

Confirmed on this 27th day of February 2004



Mr L G Blake OBE
Speaker of the House