



**RECORD OF THE MEETING
OF THE LEGISLATIVE COUNCIL
HELD IN STANLEY
ON 27TH FEBRUARY 2004**

**RECORD OF THE MEETING OF THE LEGISLATIVE COUNCIL
HELD IN STANLEY ON 27TH FEBRUARY 2004**

MR SPEAKER

(Mr Lionel Geoffrey Blake OBE)

MEMBERS (Ex-Officio)

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 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

APOLOGIES DUE TO BEING OVERSEAS

The Honourable the Chief Executive
(Mr Christopher John Simpkins)

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

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

CONTENTS

Prayers	1
Papers to be Laid on the Table	1
ORDERS OF THE DAY: BILLS	
The Conservation of Wildlife and Nature (Amendment) Bill 2004	3
The Immigration (Amendment) Bill 2004	4
MOTION FOR ADJOURNMENT	
The Honourable John Birmingham	5
The Honourable Ian Hansen	6
The Honourable Stephen Luxton	7
The Honourable Jan Cheek	8
The Honourable Richard Cockwell	10
The Honourable Mike Summers	11
The Honourable Financial Secretary	12
Mr Speaker	13

**Record of the Meeting of the Legislative Council Held on
Friday 27 February 2004**

PRAYERS

Mr Speaker

Good Morning Members. I'm afraid we are without the Chief Executive, Councillor Roger Edwards, who has just gone overseas and Councillor Norma Edwards who is away on sick leave, therefore the Financial Secretary will be introducing the Bills

Clerk of Councils

The confirmation of the record of the meeting of the Legislative Council held on the 19 December 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

Papers to be laid on the Table by the Honourable Financial Secretary.

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.

- Car-parks Regulations Order 2003
- Ross Road Temporary Clear-way (Amendment) Regulations Order 2003
- Defence Contractors and Employees Tax Exemption Order 2003
- Taxes: Benefits in Kind Rules 2003
- Payment on Account of Tax (Amendment) Regulations 2003
- Payment on Account of Tax (Amendment) Regulations 2004
- Taxes: Benefits in Kind (Amendment) Rules 2004
- Dis-application of Enactments (No. 1) Order 2000, Amendment Order 2004
- Road Traffic Provisional Regulations Order (Amendment) Order 2004

The Honourable Financial Secretary

Mr Speaker, I beg to lay on the table the papers named by the Clerk.

Clerk of Councils

Motion to Approve the Taxes Benefits in Kind (Amendment) Rules 2004.
"That the Taxes Benefits in Kind Amendment Rules 2004 be approved in the form this day tabled in this Council."

The Honourable Financial Secretary

Mr Speaker, these Amending Rules are made up of section 8.1.c of the Taxes Ordinance 1997, which brings into force the charge to tax non-tax benefits enjoyed by employees and members of their families by reason of the employees' employment, where those benefits are prescribed by the rules. The Taxes Benefit in Kind Rules 2003 came into force on the 01 January 2004. And, these rules, approved by Executive Council on 29 January 2004 amend those 2003 rules.

The rules alter the annual values prescribed by the 2003 rules in respect of accommodation, board, heating and electricity provided for the benefit of employees and their families by reason of their employment. The rules give effect to the recommendations of the meeting of Legislative Council of 19 December 2003, at which the 2003 rules were approved.

The rules change the reference to "lighting" in the 2003 rules to "electricity," which is more accurate in describing the benefit being brought within the charge. And, to clarify that the provision of board is included as a prescribed benefit.

The amounts chargeable in respect of accommodation, board and heating and electricity are changed from an annual amount to a daily amount, with a maximum for any one year subject to an increase in respect of family members.

The rules also ensure that the provision of heating and electricity benefits will be a prescribed charge, irrespective of whether accommodation is also being provided.

The new annual values are shown in Table "B." Special provision for Domestic Servants has been removed so that the charges apply to employees without distinction, with the exception of those employed in Agriculture or Horticulture are exempt from any charge under these headings.

I beg to move the confirmation of the Taxes Benefits in Kind Amendment Rules 2004.

The Honourable Mike Summers

Mr Speaker, I am happy to second that Motion.

Mr Speaker

Does any Honourable Member wish to speak to the Motion? Does any Honourable Member object to the Motion?

The Motion is carried.

Clerk of Councils

Orders of the Day, Bills

The Conservation of Wildlife and Nature (Amendment) Bill 2004. This Bill has been published in the Gazette and therefore does not require a first reading.

The Honourable Financial Secretary

Mr Speaker, this Bill seeks to provide full protection to Albatross and Petrel breeding sites and to amend ambiguity in the existing law with respect to Black-Browed Albatross and Petrel eggs, such that the licensed collection of eggs for human consumption is no longer permitted. With this legislative change, the Falkland Islands will be able to ratify the agreement on the conservation of Albatross and Petrels as agreed by Executive Council in August 2002.

I beg to move the second reading of the Bill.

The Honourable Mike Summers

I second the motion.

Mr Speaker

The Conservation of Wildlife and Nature (Amendment) Bill 2004. Does any Member object to the Motion? The Bill will be read a second time.

Clerk of Councils

The Conservation of Wildlife and Nature Amendment Bill 2004.

Mr Speaker

Are there any amendments to the Bill as published? In that case we can go to the short track procedure. Does any Honourable Member wish to speak?

The Bill will be read a third time and do pass.

Clerk of Councils

The Conservation of Wildlife and Nature (Amendment) Bill 2004.

The Immigration (Amendment) Bill 2004. This Bill has also been published in the Gazette and does not require a first reading.

The Honourable Financial Secretary

Mr Speaker, this Bill seeks to clarify the law as to when work permits are required under Section 17 of the Immigration Ordinance. In particular, it will require employees supplied by an employment agency to another business, to hold work permits specific to such employment. In cases where a person provides services of any kind without remuneration to any charity or other similar body approved by the Governor, a work permit is not required unless those services are supplied through an employment agency. The Bill also seeks to clarify that there is no need for a further work permit where an employee is required by his employer to accept, with out further remuneration, appointment as a Director of a Company, where the employer has the right to make that appointment.

I beg to move the second reading of the Bill.

The Honourable John Birmingham

I second the Bill

Mr Speaker

The Motion is that the Bill be read a second time. Any objections, No objections the Bill will be read a second time.

Clerk of Councils

The Immigration (Amendment Bill) 2004.

Mr Speaker

Are there any amendments to the Bill as published? Does any Honourable Member wish to speak? In that case we can go to the short track procedure.

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

Clerk of Councils

The Immigration (Amendment) Bill 2004.

The Motion for Adjournment.

The Honourable Financial Secretary

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

Mr Speaker

Honourable Members, the Motion is the House stands adjourned *Sine Die* does any Member wish to speak to the Motion?

The Honourable John Birmingham

Mr Speaker, Honourable Members, in rising to speak to the Motion for Adjournment, I would like to welcome from St. Helena, to this House, Councillor Stedson Francis. I hope that his visit has been worthwhile and I wish him well on his journey home.

There are local issues being discussed at the moment as well as issues that have some international depth to them. At the moment, a local issue is the problems that have been well-aired within the Medical Department. I would just like to say there are issues there, there are some problems there but that the Medical Department in the Falkland Islands does, in my view, a wonderful service to the community. It's staffed by some, mostly, in fact, if not all, very hard working personnel, both contractors and locally employed people. And, I think that sometimes when there are problems, we can easily forget just what a good service we have. And, I would like to publicly thank the members of the Medical Department for all their hard work and their continued hard work.

I would also like to say, speaking on behalf of the Council, if I may, that it's been decided that the Post of Manager at the Hospital will remain, certainly for the foreseeable future. I just do not see a time when we would go back to a Doctor looking after the Administration as well. There's just too much to do now. That issue really should be put to bed.

We go from one to another. I'd like to make a plea on behalf of pedestrians. Everybody who drives along Davis Street can surely not ignore the fact that as you leave the area known as Lookout Industrial Estate, from there to the Airport Road there is no pavement. Very often you see children, mothers pushing prams, along that section of Davis Street and, really, I shall be finding out whether there is a plan within PWD to put in place a pavement. I know the road itself is just going to be re-surfaced. And, I shall be asking to see whether some kind of a footpath will be in place sooner rather than later.

The Commonwealth visitors last week seemed to all go away happy and cheerful. And, the week itself, from my point of view, was very interesting and informative. And, I would like also to thank the people involved in the organising of that week. I think it went well. It went very much up without a slip-up (alcohol licenses to one side). I think the week will be seen as a success. Thank you to all of those who were involved in that.

Now, I will say a word on the voluntary sector within the Islands. I think sometimes it's taken for-granted that some of these, certainly youth organisations just toodle along. But the fact is that the youth organisations, the

Scouts, Guides, Sea Cadets, all are run by volunteers who give up a lot of time. And, I think that we should recognise that. There is a lot of activity in these Islands that depends on a core group of individuals. I think we shouldn't forget that.

Thinking of the voluntary organisations, the May Ball is coming up shortly. Actually, it's coming up in May. But the people who do organise the May Ball, I'd like to ask if they could reconsider their strict rule on only allowing youngsters who are 15 on that day to go in. The School year has changed and I wonder if they'd like to consider so that you would allow the year group of 15 year olds to go on to the May Ball. You do get a lot of youngsters who fall by the wayside by a matter of a few days. And, they are very strict about it.

Unlike some of the colleagues here this morning, I am not going to go on and on. So, I'll finish, I would just like to remind the Argentine Foreign Minister that his remarks that the Islanders are of no consequence I would like to remind him, if he is listening I doubt it but he shall probably read these words that I feel that I count. I feel that every individual in these Islands counts. And, that perhaps he should bear in mind that we do have the support of the vast majority of Members of Parliament and THEY count. I should like to ask him if he's like to think more before he starts dismissing the Falkland Islanders.

Mr Speaker, I support the Motion.

The Honourable Ian Hansen

Mr Speaker, Honourable Members, I think it's very likely that the few issues I'd like to address them as brief closing speech for Adjournment may well be along the lines of my fellow Councillors. I think they are at least important enough to dwell over.

The situation regarding charter flights obviously has a high profile at this time. My view regarding the whole issue of flights and the general uncertainties surrounding their future is that the possible impact is not just the forthcoming tourist season but our resources as a whole. My views are fairly straightforward. I believe we must try to negotiate the guarantee and permanent resumption of charter flights and a second LanChile flight but not at the cost of conceding more than we gain. I would prefer to see things stay as they are now rather than enter a quick-fix deal, which may look good initially but in reality, leaves us with no hope of negotiating anything for the future. I think it's a fair comment that this Council regards the current Argentine Government as unresponsive and unrealistic in their attitude towards the Falklands. So, we are almost certainly in for a period of sustained pressure from them. That pressure I feel we cannot cave in to.

Secondly, sir, the issue of interdepartmental unrest and the Chief Executive's open letter to the Civil Service. I actually don't intend to comment at any great length on the well-documented problems. I believe there are those here far better informed than I to do that, other than to say that it is an unsatisfactory

situation. Everything possible should be done to solve it. Yet, is it as bad as it is portrayed? It was refreshing to speak to staff at the Agriculture Department the other day and find them bemused and seemingly unaware of this huge problem which is facing Government Departments. For example, I had the opportunity to visit Burnside (Farm) last week for some AI trials conducted by the Department and FLH. And, the Senior Agricultural Advisor was there and he happened to comment to me that the trials couldn't have been achieved without the help of the Goose Green Manager and his workforce. Sometimes this was beyond the call of duty. This fact that the administration, ground staff, and those that the Department sent out for support, i.e., the farmers, are all co-operating, seems indicative to me of a well-run Government Department. There is no need to go into anonymous letter writing and sniping and just actually get on with the job they are paid to do. Now, I use this Department purely as an example. I mean, the point is if any one, or two, or more Government Departments can set this type of example, then we should be learning from them and putting this in practice across the board.

To end on a more positive and upbeat note, sir, I would also like to mention the CPA Regional Conference. From a personal point of view, I feel I was honoured to be there in attendance. I felt I learned an awful lot and made new friends, all of whom are very supportive of the Falklands. One or two people said to me, what a waste of money! But I would say to that, that the public relations and the high profile achieved for our Islands over that week was immeasurable and priceless.

Finally, I would also like to welcome Stedson Francis and it's been a pleasure to know him and speak with him.

Sir, I beg to support the Motion.

The Honourable Stephen Luxton

Mr Speaker, Honourable Members, I'll start by answering the Honourable John Birmingham's query about pavements on Davis Street. It is my understanding that there will be an element of pavement construction on that section of Davis Street in due course. I don't know the full details but I understand it is the case.

I would also like to echo the comments that have been made both during and since the CPA Conference about the excellent organisation. Claudy, Cherie and Richard (Cockwell), with help from others, put a massive amount of work into it over the last year and particularly the last couple of months. The result, with a little help from the weather, is that we have some 40-odd influential parliamentarians that have set off across the world, spreading the word about how the Falklands is more British than Britain itself, the weather is warm and welcoming, the people even more so. I think it's hard to put a value on that. We have no doubt made a few friends in high places. Some sceptics may wonder what the point of it all is but there is no doubt in my mind that we will never find ourselves back in the pre-war situation when few had heard of the

Islands and fewer cared. This looks sort of a logistical nightmare and it doesn't pass uneventfully with an awful lot of planning. And, I think the Legislature Ladies have been rather like the proverbial Swan lately all serenity and peace on the surface without a tremendous amount of activity thrashing around underneath to make everything go forward successfully. I'd like to congratulate them on a very successful event.

The second bit of praise I want to make is to the Road Gangs, particularly, on this occasion, Mike McKay's blokes. I don't think anybody thought possible the amount of work that's been done so far this season. Not only has Walker Creek been finished by Christmas as required, so has Newhaven and I understand a short bit of bypass at Goose Green is well underway. It's not often we find capital projects coming in well ahead of schedule and well under-budget. So, I think it deserves hearty praise. Further afield, the other teams are also working well. It's the sort of thing that for many people in the Islands is out of sight, out of mind. But it does seem to be one area of construction where local management and talent shines through.

Perhaps inevitably, the third item I am going to speak about is the Argies. We spent a huge amount of time talking about the current situation recently, both among ourselves, with the FCO, and, indeed, some of us with many private citizens here. It's one of those areas where there's a delicate balance between keeping friends informed and showing your hand to the enemy. I hope people here will understand this and trust us to get on with it in the safe knowledge that we will only move from the current status quo if, in our judgement, it's in a positive direction for the Falkland Islands, and then, only after talking to the people here. At the moment, I can quite categorically state that there is no kind of agreement on any issues. I personally have some doubt that there will be any kind of progress for the duration of the current Argentine regime. They seem very nearly as unreasonable as the bunch that kicked me out of my own country 22 years ago. As ever, for the avoidance of any doubt out there, any kind of discussion on sovereignty is absolutely, totally, unconditionally out of the question.

Mr Speaker, I support the Motion.

The Honourable Jan Cheek

Mr Speaker, Honourable Members, first, I will associate myself with the remarks of the Honourable John Birmingham. And, I would like to reassure the public that they will continue to receive a highly professional service that they have come to expect from the Medical Department. There has been a problem involving several individuals. There are working groups currently working to solve those problems. In the meantime, I think we can all rely on the professionalism of the individuals involved to get on with the job.

I, too, would like to recognise the hard work of all who made the recent CPA Regional Conference such a success, in particular, our Clerk, Claudette

Anderson, her multi-skilled assistant, Cherie Clifford, and, of course, the Honourable Richard Cockwell, who chaired it with such good humour.

For me, and I think for many people at that, one of the highlights of the opening ceremony was the singing of the school choir, which showed us how music teaching in the Falklands has developed in recent years, thanks to the enormous hard work and virtually sole effort of the Music Teacher, Shirley Adams-Leach. A special thank-you to her.

For me, the best part of the Conference proper, apart from the rather formal discussions, was the opportunity to compare notes with experienced parliamentarians from territories with similar issues to deal with. We can learn much from these people and perhaps not have to re-invent the wheel so often on issues, which seem to be common to many small countries, whether they have a population like ours or a population of 60,000 or 100,000. Very many of the problems are similar. We can learn from how others have solved those problems.

Turning to my other main portfolio, Education, I want to congratulate the student who recently achieved an excellent set of GCSE results. Congratulations to their teachers, the parents, whose positive and active support undoubtedly contributes to the students' success. It is proof, for anyone who needed it, that the parting shot of a disgruntled staff member should not be given much credence. Throughout the Education Department, we have highly professional, competent staff, working hard to maintain and continue raising the standard of Education within the Islands. The lesson is, of course, don't believe everything you read in papers.

That success I mentioned brings extra costs, in that more and more of our students may qualify for further and higher education. We have an anomaly here in the talk of efficiency savings, that the more efficient the Education Department is, the more costs it incurs. This demonstrates the impossibility of enforcing percentage cost cuts across the board when it's completely illogical to do so. Because to do so, would prevent some of those people who have earned the necessary qualifications from going on to further studies which, in turn are an investment for the future of the Islands.

Moving finally to the other very big issue: that of the current threat to the Islands by Argentina. It's a pity that while we had the letter from the relatives of the Argentine war dead, who do appear to want to see their loved ones commemorated in a humane and dignified way, that their Government is attempting to make political capital out of that Memorial. It's difficult to understand how, in the 21st Century, a developed country can be led by people who appear to consider it acceptable to threaten a small neighbour. Only far-sighted and speedy action can remedy recent wrongs and put on track the potential development of a modern, good neighbourly relationship. Surely, such a relationship should be our goal and would be a clear demonstration of honest intent by Argentina. We are working hard with the

British Government to break the current standing. And, I can reassure the public that our wishes are being fully respected by the British Government.

I support the Motion.

The Honourable Richard Cockwell

Mr Speaker, Honourable Members, I, too, would like to recognise the Honourable Stedson Francis from St. Helena. It's a pleasure to welcome you here and I hope that it's been a valuable visit.

Whilst standing to support the Motion for Adjournment, I feel that I should also mention the Argentine situation. However, previous speakers have stated things that I would only reiterate. I would like to point out that we have to recognise and we have to expect Argentina to recognise our right to determine our own future and, our wish to live in peace in the Falkland Islands without hostility from our neighbours. That is the bottom line and that is where we have to go. Hopefully, the Argentine Government sooner or later will have to recognise that issue.

Naturally, I have to mention the CPA Conference. It was a huge honour and a pleasure for the Falkland Islands to host the 35th Regional Conference. I believe it was successful but I was rather close to it so, actually, I am viewing it through rose-tinted glasses. But everybody was so polite that possibly my glasses were correct. But I really have to give thanks to Claudette and Cherie, who, without their massive hard work it wouldn't have happened. The suggestion of a swan, I think it was even more energy than that, I am sure that it was. But the amount of work that went on that was unseen was absolutely extraordinary. Whenever you went to see them, there was always some little thing being done, which culminated in a very successful conference and I really cannot be too vociferous in my praise. My contribution was just to go along with it and be towed along as a raft behind the two swans.

I would like to make a list of all the people we should thank, however, there are just too many of them. But I think I really must mention the choir and Shirley Adams-Leach. For those who weren't at the occasion, I can assure them that there was many a tear being wiped away during the choir's singing. It was quite an emotional event for many people. And, there was one organisation who, during the programme, I omitted to thank and that was the FIDF. I would like to thank Major Biggs and his staff for organising for us to be able to use their hall and in particular, the Members of FIDF who actually helped during the final evening. They worked very hard and they were wonderful ambassadors for the Falkland Islands. Our guests were very appreciative of what they did. Also, I would like to thank the individual hosts, who, one evening took away our guests and fed them the local fare and introduced them to people around the Islands. They certainly got the opportunity to see people who weren't parliamentarians. And, I think every guest that I spoke to said that it was a very successful event, being able to visit people in their homes. They really appreciated it and they said that it

would really be taken on as something, which happens at other events. And, to everybody who met our guests during that week, I say thank-you. Your pride in your country is plain to see. And, I believe that pride is justified.

I beg to support the Motion.

The Honourable Mike Summers

Mr Speaker, Honourable Members, a few remarks to make. In respect of flights and Argentina, I mentioned at the public meeting the other day and I think it is perhaps worth mentioning in a wider dissemination that we have two sides in this dispute and we both have differing objectives. Our object here is to restore the chartered flights if we can, it is to get a second LanChile flight if we can, but it is above all not to submit to aggression and bullying from the other side. To do so would set a precedent, which would undoubtedly encourage them to do it in other areas. So, as they sit down to wonder about what their strategy as we get nearer to some further discussions at ambassadorial level they might like to think that more aggression is likely to make things worse. We know from their side that they would like to have Argentine chartered flights, we know that from their side they would like to have visits to the memorial inauguration, we know that they would like a scheduled flight. That is completely out of the question, we have said so I believe they understand it. The other issues are up for discussion. There will only be an inauguration of the memorial if there is an agreement between the parties and there won't be an agreement between the parties if there is more aggression and bad faith and the sort of press reports that have been coming out in Argentina. It will cause people here not to trust the other side and I think, that it was well put by the ambassador in Buenos Aires some months ago when he said to the Argentine Government, "this is an issue of trust, if you want to be able to get on with the people in the Falkland Islands they have to be able to trust you." Well, at the moment I have to say that is quite difficult. We have agreed that there should be some further discussions to see if there can be a sensible and friendly resolution, if there is that will be good for us all, if there is not, then we will live with it.

A few words just to echo what Councillor John Birmingham was saying about The Health and Medical Services department. After the management of the Fishery it is the department that requires the greatest input of resources from our Government and we all support that. Those resources are both in the form of cash and in particular the importance of staff resources that we have there. The Health and Medical Services department has under its management a huge number of very expensive assets. That's fine. The responsibility of doctors is to deal with clinical matters to diagnose difficulties, diseases and make them better for us. They know that they are the best that there are, that's why we employ them, that's their real skill. Managers have a different role and the managers at the hospital have a responsibility to us in parallel to the doctors to provide a good, efficient medical service. The doctors, at least most of them, I know, will recognise that their real skill is in healing people and that the Managers' real skill is in managing the resources

and assets on our behalf to make sure that we have an efficient organisation. As far as echoing what Councillor John Birmingham has said, I would appeal to those people who are nagging away at the Director of Health and Medical Services to understand that he has a job to do, not an easy job, he has a lot of choices to make and he is doing it to the very best of his ability with our support and many of the decisions he has been blamed for are in fact decisions that we have made. If people don't like the way that the resources are allocated between particular functions then come and discuss it with us, don't snipe at the manager.

We were all delighted at the success of the CPA meeting, it is almost certainly the largest conference we have ever organised here in the Falklands and a great deal of credit goes to all those who did it and thanks have been given, I won't repeat them again. I simply would like to pay tribute to the role of Mr Speaker who I thought accepted any number of gifts with great grace.

The real message, I guess, from the CPA was working together. There are a number of ways in which the countries have identified that we can work together to help each other. That, I would hope, is the sort of message that can float around the public service just now, given the current disruptions. Working together is a much more pleasurable thing than fighting each other. It achieves a great deal more than scrapping with each other, so think about that next time you're thinking about writing a rude letter to the newspaper or simply saying something rude about somebody who you think is not doing what you would like them to do. They're probably doing what they do to the best of their ability and for the very best of reasons. Try to understand that first and try to work together.

My final contribution on this is something that has just occurred to me the other day after we were having a discussion on the Constitution, there has been some stuff about freedom of speech recently. The Constitution as it stands and as it continues to stand after the review has a first chapter which protects the fundamental rights and freedoms of individuals and that is important. It doesn't actually protect the fundamental rights of a community and I think it is important just to reflect that yes, you have fundamental rights as an individual, just reflect that in exercising those rights (your personal rights) that you are actually making a contribution to the community and not detracting from it.

Mr Speaker, I support the Motion.

The Honourable Financial Secretary

Mr Speaker, Honourable Members, on behalf of the Chief Executive and other public service colleagues I would just like to record our appreciation of all the hard work of Elected Members which helped to make the CPA Regional Conference a great success. I see that I have been afforded three bottles of water at this meeting, with budget time coming closer it is comforting that there appears to be some scope for further savings.

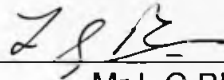
I wish to support the Motion for Adjournment.

Mr Speaker

Honourable Members, I have to make a non-comment, but can I join you in thanking our Clerk and her staff for such an admirable event as the Conference that we enjoyed last week.

The House stands adjourned Sine Die.

Confirmed this 25th day of May 2004.



Mr L G Blake OBE
Speaker of the House



**RECORD OF THE BUDGET MEETINGS
OF THE LEGISLATIVE COUNCIL
HELD IN STANLEY
ON 25TH AND 26TH MAY 2004**

**RECORD OF THE BUDGET MEETINGS OF THE LEGISLATIVE COUNCIL
HELD IN STANLEY ON 25TH AND 26TH MAY 2004**

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)

The Commander British Forces Falkland Islands
(Air Commodore Richard Howard Lacey, MA, CBE, RAF)

CLERK OF COUNCILS: Claudette Anderson MBE

PRAYERS: Reverend Paul Sweeting

CONTENTS

Prayers	1
His Excellency the Governor - Address to the Nation	1
MOTION OF THANKS	
The Honourable Chief Executive	23
The Honourable John Birmingham	24
The Honourable Stephen Luxton	24
The Honourable Norma Edwards	25
The Honourable Jan Cheek	26
The Honourable Richard Cockwell	28
The Honourable Roger Edwards	31
The Honourable Ian Hansen	32
The Honourable Mike Summers	33
Commander British Forces	35
The Honourable Financial Secretary	36
The Honourable Chief Executive	36
Papers to be Laid on the Table	37
QUESTIONS FOR ORAL ANSWERS	
01/04 By The Honourable John Birmingham	38
Any plans to extend the footpaths at East End Davis Street and if the unmade path from Eliza Cove Crescent past Sullivan Shipping on to Davis Street will be properly surfaced	
02/04 By The Honourable John Birmingham	39
If regular safety checks are being carried out on all FIG buildings by the Fire Service	
03/04 By The Honourable Stephen Luxton	40
Cost of the Post Office wheelchair ramp.	
MOTIONS	
No 2 of 2004 By The Honourable Jan Cheek	41
To Approve the Wearing of Seatbelts (Amendment) Regulations 2004	

ORDERS OF THE DAY: BILLS

The Appropriation Bill 2004	42
The Finance Bill 2004	52
The Appropriation Bill 2004 – Report from the Select Committee	55

MOTIONS

No 1 of 2004 By The Honourable Financial Secretary	64
Customs Duties Payable in respect of Tobacco products	

BILLS

The Supplementary Appropriation (2003/2004) Bill 2004	64
The Falkland Islands Pension Scheme (Amendment) Bill 2004	68
The Public Health (Amendment) Bill 2004	68
The Customs (Amendment) Bill 2004	69
The Highways (weight Limits) Bill 2004	70
The Committees (Access to Information) (Amendment) Bill 2004	72

MOTION FOR ADJOURNMENT

The Honourable John Birmingham	73
The Honourable Stephen Luxton	75
The Honourable Norma Edwards	77
The Honourable Jan Cheek	78
The Honourable Richard Cockwell	79
The Honourable Roger Edwards	79
The Honourable Ian Hansen	81
The Honourable Mike Summers	82
Commander British Forces	83
The Honourable Financial Secretary	84
The Honourable Chief Executive	84

**BUDGET MEETING OF THE LEGISLATIVE COUNCIL
HELD ON 25TH AND 26TH MAY 2004**

Prayers

Mr Speaker

Honourable Members, good morning, His Excellency Governor is outside. Is it your wish that we ask him to come in and give his annual address to the Falklands? (Agreement)

Clerk of Councils

His Excellency the Governor

Mr Speaker

Your Excellency would you like to present your address to the Council here assembled.

His Excellency the Governor

I should be honoured to do so. Thank you very much Mr Speaker.

ADDRESS TO THE LEGISLATIVE COUNCIL BY HIS EXCELLENCY THE GOVERNOR

Mr Speaker, Honourable Members of the Legislative Council, Commander British Forces, Listeners to the Falkland Islands Broadcasting Station, Ladies and Gentlemen:

I can hardly believe that twelve months have passed since I gave my first annual address to Legislative Council on the state of the Nation. Time seems to pass so quickly in the Falkland Islands, that I am convinced the clocks go round faster here than they do elsewhere in the world. Yet as I look back over the last year we seem to have packed far more than a year's worth of activity into those twelve months.

We have had the good fortune to welcome several distinguished visitors to the Islands during the year. I was delighted that Bill Rammell, Parliamentary Under Secretary of State for Foreign and Commonwealth Affairs, whose wide ranging responsibilities include the Overseas Territories, was able to come here in November last year. I am particularly pleased that the Falklands was the first Overseas Territory to be visited by the Minister. Bill Rammell made some good friends in the Falklands during his visit, and we have been grateful for his support

since. I am pleased too that Lord Bach, Minister for Defence Procurement in the Ministry of Defence, included a brief stopover in the Falklands en route to Chile at the end of March.

Other distinguished visitors included three members of the House of Lords – Lords Parry Mitchell and Ron Oxburgh, and Baroness Walmsley – on their way back from the Antarctic, together with, John Lawton, the Chief Executive of the Natural Environment Research Council and Chris Rapley, the Director of the British Antarctic Survey. Three British Members of Parliament, Tom Cox, James Paice and Ben Chapman were amongst the participants in the regional seminar of the Commonwealth Parliamentary Association which took place here in February. I shall have more to say about this later on. I also had the pleasure of receiving three bishops in the Islands over the last 6 months – two from the Anglican Church and one from the Roman Catholic Church.

In the “nonofficial” category, we welcomed Sir Ranulph Fiennes on his remarkable and successful bid to run 7 marathons in 7 days in 7 different continents. John Ridgeway, his wife and crew as they sailed around the world as part of the “Save the Albatross” campaign, and Ellen McArthur, the doyenne of the young generation of yachtsmen and women.

All of which is a reminder that the Falkland Islands are far from being off the beaten track, and that if you wait long enough the rest of the world comes here sooner or later!

And then there are the goodbyes. Sadly, we have had to bid farewell during the year to several people who have played an important role in our community. Peter Johnston made a quiet but distinguished contribution to the development of agriculture in the Islands, and I know from my own discussions with farmers here how much he was appreciated. Mike Forrest handed over one of the toughest jobs in government – Director of Public Works – after many years at the helm of the Department. I am glad to say that Mike remains a part of this community, and we look forward to continuing to benefit from his wisdom and experience. Philip Miller resigned for personal reasons from Legislative Council, but I know that Philip retains an active interest in politics and the wider Falklands community. Brigadier Jamie Gordon moved on to Northern Ireland after completing his year as Commander British Forces.

I welcome their successors to their new responsibilities respectively, Phyllis Rendell, Manfred Keenleyside, Ian Hansen and Air Commodore Dick Lacey.

Our legal community is losing two of its senior members. Graham Cripps and his wife Margaret left the Falklands at the end of last week after 3 years as Principal Crown Counsel. I should like to take this opportunity to pay tribute to the distinguished and essential work done by the Attorney General's Chambers in providing the legal underpinning to the work of Government and Legislature.

Graham made a substantial contribution to that work and to the Islands while he was here. I wish him, Margaret and their family every future success.

Our outgoing Senior Magistrate, Nick Sanders, has played an active role in the Falklands community, seen and unseen, in both his official and unofficial capacities. I congratulate Nick on his appointment as a District Judge in the UK, and wish him, Alex and their family all the best for the future. I look forward to welcoming Graham and Nick's successors to the Falklands in the next few months.

Before I turn to my detailed review of the work of the Falkland Islands Government over the last year, I should like to make some more general remarks. Two sets of circumstances – the failure of the Illex squid fishery and the deterioration in the relationship with Argentina have coincided to make this year, and possibly several years to come, especially challenging for the Islands, and most of all for your elected representatives. The almost total failure of the Illex squid to appear in Falklands waters this year has made this the worst year in the history of the Illex fishery. It is impossible to say yet whether this is the beginning of a trend or whether the fishery is just going through a difficult period in the cycle. The scientific advice is that the cause is the oceanographic and climatic factors, which have prevailed this year to make conditions for the fishery unusually adverse.

The very substantial reduction in the Government's income which this will cause means that this budget session of Legislative Council will have to take some tough decisions about Government spending over the next few years. Fortunately Government has been able to build up a substantial reserve over a period of years, which makes it possible to address the budgetary shortfall in a measured way. In other words there is no cause for panic. Nevertheless, it is going to be a difficult budget session. It is understandable that almost everybody in the community will have particular interests which they will want to protect, and will be putting pressure on Councillors not to cut this or that Government activity. There is nothing wrong with that in our democratic society. But I would encourage the wider public to be understanding of the very difficult task which elected members face this year. Nobody likes having to cut spending. It is never popular. The electorate rapidly takes for granted the provision of new or improved services, and complains when they are put under threat. But there are areas where public provision has been especially generous here in the Falklands and where current spending is unsustainable. It is certainly true that in a number of areas local provision has been substantially more generous than the UK equivalent. Councillors have a duty to face up to these realities, to prioritise, and to take unpopular decisions when, as now, circumstances make it necessary.

The failure of the Illex fishery has coincided with a difficult period in the Falklands' relationship with Argentina. The Kirchner Government, elected into office last year, appears to have concluded that putting pressure on Falkland

Islanders will contribute to their objective of bringing the Islands to the negotiating table to discuss sovereignty. Hence their decision to refuse authorisations for charter flights bringing cruise ship passengers to the Falklands, and the incursion by the Argentine naval vessel Almirante Irizar into the Falklands fishing zone. My message to the Argentine Government is very clear. Such tactics are entirely counterproductive. Falkland Islanders are determined to maintain their right to self determination. The commitment of the British Government to uphold that right is unshakeable. That commitment is demonstrated by the presence here of significant British Forces, recently redesignated British Forces South Atlantic Islands, for which Islanders continue to be extremely grateful. Let me be clear that sovereignty is not and will not be on the agenda. But Falkland Islanders are ready to engage in constructive, pragmatic and practical cooperation with Argentina. Both parties stand to benefit from such a relationship. They have done so in the past. But recent events have not made that any easier. Progress requires a stable, predictable and reliable Argentine partner equally committed to mutually beneficial cooperation.

It is easy enough to allow these factors to engender an atmosphere of doom and gloom in our community. We should not allow them to do so. I invite you to stand back for a moment from current events and to reflect on the extraordinary achievements of this tiny but dynamic society over the last decade and more. The steady improvement in the quality of life in the Falklands has been remarkable. Despite the difficulties, the prospects for the future diversification and growth of the Falklands economy are real. Success will depend on Islanders' continued ability to innovate and on their commitment to hard work, and there will be obstacles to overcome, many of them not of Islanders' making. But I am an unashamed optimist about the future of the Falklands, and of your ability to demonstrate that my optimism is well founded.

I turn now to my review of Government activity over the last 12 months.

FISHERIES DEPARTMENT

As I have already described, developments in the fisheries sector have been overshadowed by the devastatingly poor Illex season. Catches of Illex in Falkland zones were virtually non-existent. The total catch at the time the season closed two months early was only about one percent of the long term average catch. This has resulted in very significant refunds of license fees. We can only hope that the situation in the Illex fishery returns to normal in 2005, and that that, together with the refund policy, encourages fishing companies to return.

The poor catch rates have contributed to a quiet year for fisheries protection. However, it has not been without excitement. In August the 'Dorada' together with a South African vessel assisted the Australians with the apprehension of the

longliner 'Viarsa 1'. The incident highlighted cooperation amongst CCAMLR parties.

While scientific effort has been expended on the problems in the Illex fishery, a variety of other projects have continued. In particular responsibility for the assessment of the Loligo fishery passed from Imperial College to FIG during the course of the year. Dr. David Middleton, who has done much to develop a local stock assessment capability, leaves the Fisheries Department later this year after 5 years in post. We wish him well for the future.

Progress has continued on the new fisheries policy, which should place the fisheries sector on a more rational economic footing.

A somewhat different maritime issue has been the development of port security measures to combat terrorism. Even in areas like the Falklands where the threat is negligible it is necessary to comply with the requirements set by the International Maritime Organisation. Measures need to be in place for the next cruise ship season.

DEPARTMENT OF AGRICULTURE

Agriculture continues to be a core activity in the Falklands. A ten year business plan for agriculture was published in mid 2003 under the directorship of Peter Johnston and in consultation with stakeholders. The plan has enabled FIG to introduce significant cost savings by appointing Phyl Rendell as joint Director of Minerals and Agriculture, following Peter Johnston's departure. A new Senior Agricultural Advisor post has been created, and three contract posts have been restructured. They are now filled by two Stanley based Officers responsible for animal husbandry, reproduction, wool production and grazing management.

A review of the pasture improvement programme, now in its sixth year, was completed. Following wide consultation with farmers, recommendations for the continuation of this ten year project have been presented to the Falkland Islands Development Board and Councillors. They include a broader emphasis on use of funds over the project's remaining four years to introduce sustainable improvements to farm productivity and, perhaps more importantly, farm profitability. A similar review has been conducted on a four year business development initiative promoted by the department, with encouraging results for farmers.

Considerable progress has been made this year with embryo transfers and artificial insemination for both cattle and sheep. Technicians skilled in genetics have visited the Islands from America, New Zealand and Australia to instruct departmental staff and farmers in reproduction techniques. Results were always expected to be uncertain, but ram sales and Rural Business Association shows

have demonstrated the wide range and high quality of breeds now available for farm selection. The programmes are aimed at increasing the value of both wool and meat exports. If the "new" genetics prove to be hardy enough to flourish in the Falkland Islands environment, they should offer significant financial opportunity to the farming community, and also generally to the Falkland Islands economy as a whole.

The Veterinary Section of the department, in addition to animal welfare work Island wide, has made a growing contribution to the economy through inspection of Falklands registered fishing vessels and their catch, and inspection of the Sand Bay abattoir, in order to retain certification for export to the EU for fish and meat products.

The Department is committed to working with the farming industry next year through key projects to deliver the agreed tenyear goals of improving profitability on farms.

DEPARTMENT OF MINERAL RESOURCES

The Department of Mineral Resources has had an active year. Interest in exploration for hydrocarbons in frontier areas increased in the second half of 2003 because of unrest in the Middle East and consistently high oil prices. The Falkland Islands is benefiting from this interest. Enquiries from oil companies have been significant, particularly following attendance by the Minerals Department at an oil convention in Barcelona in September. Contact with companies was consolidated in April when FIG and British Geological Survey consultants attended the annual AAPG Convention in Dallas, Texas.

Desire Petroleum are to be congratulated on funding an 800 km² 3D seismic survey this year. Results available in September will assist in pinpointing drilling targets in their acreage in the North Falkland Basin. Spectrum Energy, a British geophysical survey company which conducted surveys in the northern offshore areas in the 1990's, has also been committed to encouraging continued exploration. They have, at their expense, reprocessed data using new techniques and have been actively marketing these data to oil companies.

The Falklands Hydrocarbon Consortium, led by Global Petroleum and with partners Hardman Resources and the Falkland Islands Company, has completed reprocessing and interpretation of South Falkland Basin data, and has worked closely with the Department in recent months in preparing a further work programme. It is anticipated that the group will undertake a 2D seismic survey over their licensed acreage within the next year.

The prospect for further investment in exploration for hydrocarbons later this year looks positive as interest in the area increases.

Onshore exploration for minerals has progressed significantly this year with a new company, Falkland Minerals Limited, being registered in Stanley. The company comprises previous licence holders and new investors, RAB Capital, a London based company. An aeromagnetic survey was flown over the Islands during April and May and the results will assist the operator, Global Petroleum, in designing a shallow drilling programme to start next summer. Meanwhile, draft mining legislation is to be considered by Councillors later this year in parallel with environmental legislation.

FALKLAND ISLANDS DEVELOPMENT CORPORATION

The Falkland Islands Development Corporation has continued to provide a key role in assisting and advising Falkland Island businesses. Tourism is a vital sector of the economy, and early in the year broad commercial agreement was reached with Lan Chile as to how a 2nd flight could be achieved. Unfortunately, this was overtaken by the deteriorating relationship with Argentina and is currently on hold. Both Pebble Island and Port Howard lodge have successfully moved from FIDC's management into the private sector.

FIDC was pleased to assist Byron Holdings refinance both of the fisheries protection vessels that it now owns. This not only helps ensure the protection of the fishery, but also has attracted off islands' finance into the Falklands maritime sector.

The continued development of Sand Bay abattoir has taken up much of FIDC's resources. Progress has been made and the business has transferred to the recently formed Falkland Islands Meat Company Ltd, a company run by farmers. This business has doubled turnover to £500,000 and weekly productivity has increased by the same factor, with the season shortened from five to three months. Much remains to be done, however.

The provision of asset and risk finance is a core FIDC service. A model has been developed to help determine farm valuations. A review has shown that during the period 1996-2002, 96.5% has been recovered out of £5.5m lent to Falkland Island businesses. This reflects the strength of Falkland Islands businesses and was further supported by the Falkland Island Business Survey. However, the Falkland Islands remains a fragile economic environment, very heavily dependent on the fishing industry.

24hour renewable energy systems have continued to be installed, with 85% of Camp now generating energy this way. A new scheme for part time Camp users has been introduced.

Looking forward, FIDC is seeking increasingly to work with industry to help individual sectors achieve their own goals. Accordingly, FIDC has sought input from industry trade bodies on its 2004/05 budget submission. FIDC has reduced

its budget in line with FIG requirements but is seeking to preserve project funding, as this frequently provides the 'seed corn' for future developments.

EDUCATION DEPARTMENT

Education is the key to the future of Falklands Society, and it has been a year of significant achievement for the Education Department. Two Falklands students gained 1st class honours degrees in July and a third student has recently gained a high distinction in her degree course at an Australian University.

GCSE results from the November exams were very satisfactory and it was good to see local Falklands students achieving either top grades or grades higher than their teachers had predicted.

Parents' concerns about the shortened academic year in the first half of 2003 have been calmed by these successes. Teachers and children reported that the changes to the academic year were almost imperceptible. This does not, however, suggest that it was easy. The Headteachers, staff and students are to be congratulated on the planning and cooperation which enabled such an important strategic change to happen.

Local people cannot have failed to notice the substantial changes at the Stanley Leisure Centre since the appointment of a new Manager in September 2003. New daytime and holiday activities have been developed, using the inherent skills of the staff and tapping into the previously unused skills of local people. In addition, the Library, following a review, is now providing a wider range of activities and services, especially to younger children and elderly people.

The Infant Junior School's Golden Tapestry, prepared by staff and pupils for HM The Queen's Golden Jubilee, has received international acclaim. It was the only tapestry chosen from hundreds across the Commonwealth to feature in the Teacher section of the Times Educational Supplement. The tapestry depicts the Falklands countryside and wildlife, and it will finally be displayed as part of a huge tapestry at the Commonwealth Games in Melbourne in 2006.

The main successes of the year are due to the teachers, support staff, pupils, adult learners, and overseas students, without whom the curricular and extracurricular activities could not happen. The Department's new strategy in schools, of intervening immediately in cases where a pupil is not achieving his or her expected level, is beginning to pay off and results are good.

Finally, special mention must be made of Lorraine McGill, the Head of Stanley House Hostel, who for 21 years has devoted her time and effort to the youngsters from Camp in her care. Lorraine retired at the end of April; no one could have given the children of the Falkland Islands more affection, discipline and 'parental' care than she has, over a very long period of time. She will be

missed and the Education staff, parents, and pupils past and present, wish her every happiness in her well deserved retirement.

HEALTH & SOCIAL SERVICES DEPARTMENT

Turning now to our Health & Social Services, I note with pleasure that after some three years of discussion, the Memorandum of Understanding between the Ministry of Defence and King Edward VII Memorial Hospital has now finally been concluded and the financial relationships placed on a proper and permanent basis.

I am also pleased that the long awaited plans for the creation of an Elderly Care Ward within the Hospital have been approved, that funding has been allocated, and that we can expect to see construction start in the last quarter of 2004.

In a similar vein, I am delighted to see that the Sheltered Housing being built between Lois Cottage and Stanley Cottage is almost complete and that the Phase II Sheltered Housing is at an advanced stage of planning for construction in East Stanley between Lellman Way and Rowlands Rise.

These are all long term projects which are dear to the hearts of many in the Islands, and I am delighted that the Falkland Islands Government has been able to make progress with them.

In terms of delivery of services I must comment on the continuing developments in the Social Work Department, particularly in relation to the Acorns Group, a voluntary social and educational group. I should also mention the continued development of a probation service, assisting the courts in providing more community based sentencing as alternatives to imprisonment. Within the KEMH there has been a welcome improvement in mental health services, with the appointment of a Mental Welfare Officer. Nurses have increased their participation in the delivery of primary care and the delivery of care for those with chronic diseases. These are most welcome developments which show how nursing is developing in the Falkland Islands.

PUBLIC WORKS DEPARTMENT

The Public Works Department has seen a year of change and planning for further change.

A number of key personnel have moved on. I have already mentioned the departure of Mike Forrest, who as Director did much to shape the organisation over the last 8 years.

Capital projects such as the housing infrastructure in East Stanley and Sheltered Accommodation at Villiers Street have been completed under the Partnering

Agreement with AWG (Falklands). This agreement has itself been the subject of review and is to continue under modified terms.

A study by McLellan and Partners of the Electrical Supply infrastructure, covering wind power integration, possible linking to Mount Pleasant and replacement of conventional generating plant, has been completed and will be the subject of further consideration.

Camp Road construction has continued a pace, with completion of the Port Stephens and Newhaven links being particular milestones. 49 kilometres was constructed this season by enthusiastic teams of contractors and direct labour, despite relocation of one team from East to West Falkland.

This work has been well supported by the Plant & Vehicle team who notably effected stripdown and reassemble of several large plant items to facilitate shipment to West Falkland, as well as providing essential background support throughout the year.

The Materials section has also providing support to road and other construction works. Improvements to process lines at the Quarry have allowed increased recovery of usable stone. Long term benefits include decreased costs and increased reserves. Trials are being carried out with new capping materials that should give both short and long term benefits to road users.

Water supply, largely unnoticed unless it fails, has been well sustained with increasingly aged plant. This is however to be addressed in 2004/05 with a much needed upgrade planned.

Property and Municipal section have enabled or carried out a large quantity of planned and unplanned maintenance works, including high profile projects such as refurbishment of Sullivan House conservatory.

The Design Section has effected solutions for the usual range of schemes, from disabled access ramps to antiterrorist measures at the Public Jetty. A forward looking housing development scheme for north of Sapper Hill has been well received. The once stalled Care for the Elderly Ward project has been returned to viability.

The Contracts Section has worked with contractors to ensure that intended results, both physical and financial, were achieved on externally contracted works in a fair and equitable manner.

Looking forward, achieving desired outputs within reduced budgets is clearly a challenge for PWD, where there is a need to facilitate capital works and maintain essential services which have for the most part growing demands placed upon them.

ENVIRONMENTAL PLANNING DEPARTMENT

It has been a year of achievement for the Environmental Planning department. The Falkland Islands Development Plan was adopted in March 2004, having been finalised after a period of public consultation during the latter part of 2003. This is the first time the Islands have had an adopted Development Plan. It is now to be implemented, monitored annually and reviewed after five years.

During 2003, 237 applications for Planning Permission and/or Building Permit were considered (up from 173 in 2002). Detailed approvals were given for 31 new dwellings (up from 20 in 2002). 25 new dwellings were constructed (an increase of 15 over 2002).

The Planning (Amendment) Bill 2003 was agreed by Executive Council for public consultation. The Bill is important as, amongst other things, it introduces a framework for Environmental Impact Assessment, updates legislation relating to planning enforcement and delegates decision making to the Environmental Planning Officer on a range of planning applications, thereby reducing bureaucracy.

A Conservation Strategy is currently being prepared for the Islands. Work on establishing an up to date environmental baseline has started and a Draft Conservation Strategy, Policy Report and Biodiversity Action Plan are due to be available for public consultation by August 2004. A key aim is to help drive forward the Falkland Islands Environmental Charter commitments. The project will also act as a pilot for progressing similar charters in other UK Overseas Territories; it is substantially funded by the Foreign and Commonwealth Office.

FIG gave its support to ratification of the Agreement on the Conservation of Albatrosses and Petrels and Falklands legislation has been amended accordingly. This will ensure mitigation measures are in place to prevent by catch of seabirds by longliners, that active habitat management takes place, and the licensing of albatross eggging is no longer permissible. It also relates closely to the National Plans of Action for Seabirds, prepared by Falklands Conservation and agreed by Executive Council in March 2004. Significant financial support has been forthcoming from the FCO Environment Fund and FIG Environmental Studies Budget to implement the Plans.

CUSTOMS & IMMIGRATION DEPARTMENT

During the period under review, officers of the Customs & Immigration Department were jointly involved with officers of the Royal Falkland Islands Police Service in a number of criminal investigations. Seven persons were successfully prosecuted for customs & immigration related offences. Four of the offenders were deported and the remainder left the Islands.

Thirty one Permanent Residence Permits were granted during the period, 25 individuals were afforded Falkland Islands Status and 9 residents became British Overseas Citizens.

Customs Services and Harbour dues revenue has suffered this year as a result of the particularly poor Illex season. Revenue from other sources has, however, either been in line with or exceeded the original estimates. Total revenue to the Department this financial year is expected to be only some £200,000 short of the original estimate of £2,329,700.

The upward trend in the number of cruise vessel visits to the Islands during the austral summers continues, with 84 vessel visits recorded this year, sixteen up on the previous season. The total number of seaborne passengers who visited the Islands was 34,691, an increase of 7,230 on the previous year total. The corresponding additional revenue is approximately £70,000, thus bringing the revised Passenger Tax revenue estimate for this financial year to £300,000.

Objectives for the year ahead include the progressing of customer care improvements and revisions to procedures required by the introduction of new customs and registration of ships legislation.

TAXATION

Following the introduction of Independent Taxation on 1 January 2003 the Taxation system has seen further changes following the approval of the Tax Policy Review Group's proposals. These changes became law from 1 January 2004, following a wide programme of public consultation.

The main change is a reduction in the highest rates of tax to 25% for both companies and individuals, and an increase in the Personal Allowance from £6500 to £12000. These changes should encourage greater investment in the islands.

Having succeeded in reducing the backlog of work, mainly in respect of outstanding company accounts, the Tax Office introduced new measures to collect arrears of tax. Thanks to the dedication shown by the tax office staff, the amounts outstanding for years prior to 2003 have been reduced over the last 12 months from just over £3m to £600,000. Measures brought in to educate individuals; employers and businesses have helped to create a more compliant taxpaying community.

Liaison has been strengthened between the Taxation office and accountants, building on the links between both parties, helping to identify and anticipate problems and to improve the operation of the Falkland Islands tax system.

Work continues to ensure a self sufficient local skill base. Despite changes in personnel a strong nucleus of experienced and dedicated personnel is in place. Thanks to both internal and external training courses improvement in both office procedures and personal development continues.

TREASURY

The Treasury has been much preoccupied with preparation of a budget for 2004/05 which includes a balanced approach to downsizing public expenditure to take into account the serious consequences of the reduction in revenue from fisheries licence fees.

An audit risk management programme has been introduced as part of the modernisation of the audit function. This programme identifies the key areas of financial risk and therefore assists in prioritising resources on audit work.

The Department has modernised the corporate accounting system and the electronic linkage of departments to that system. This has improved the flow of financial management information and has eliminated duplication of effort in many areas.

The method of capital financing has been changed by the redesignation of the Sinking Fund as a Capital Equalisation Reserve. This change will assist capital planning by smoothing out expenditure over the long term and will eliminate the former carryover of underspends from one year to the next.

The strategy of the Treasury is to continue to maintain long term financial security for the Falkland Islands. To this end the main objectives for 2004/05 are to continue work in 3 key areas:

First, the preparation of plans to downsize the activities and expenditure of government so as to return to a balanced budget position as soon as practicable:

- Secondly, the introduction of Resource Accounting and Budgeting so that the business of Government can be recorded and reported in a more meaningful and informative manner;
- Thirdly, the modernisation of audit arrangements, which includes the development of a Code of Audit Practice, and more use of value for money and risk based audits.

ATTORNEY GENERAL'S CHAMBERS

During the year, Attorney General's Chambers have been heavily occupied in undertaking their day to day tasks of providing legal advice and assistance to the Governor, Honourable Members and to other Government Departments and undertaking prosecutions and advising the police. A number of major tasks have occupied a great deal of the time of members of the Department. These included the arbitration proceedings with Gordon Forbes, which have recently come to an end. The original amounts claimed by Gordon Forbes exceeded £3 million; the amount awarded by the arbitrator only amounted to a small fraction of that amount, part of which may be the subject of appeal to the Supreme Court. The Attorney General's Chambers were also involved in dealing with an important constitutional reference and with the complex agreements in relation to a proposed disposal of part of the Government's shareholding in Stanley Services Limited, the admission of a new shareholder and associated transactions.

A great deal of time has been spent by the Attorney General in the drafting of complex major legislation which it is hoped will be enacted during forthcoming months. There is an outstanding drafting programme still to be undertaken. This includes the replacement of the present Road Traffic Ordinance with a new Ordinance which will incorporate a number of amendments. Another Ordinance on which a start has already been made will amend the present law in relation to the sentencing powers of the Courts and other matters in relation to criminal justice, particularly in relation to children and young offenders. The present Employment law is presently under review and policy papers are likely to be presented to the Executive Council over the next few months addressing a wide range of employment law topics, including national minimum wage, working hours, whether the employment legislation should apply to the public service, and employees' rights when a new employer takes over part of their former employer's business.

Attorney General's Chambers expect that the forthcoming year will also be a very busy one.

COURTS

The Magistrate's Court has sat on 63 days in criminal matters and 32 days in civil and family cases throughout the year. In addition, 11 deaths were reported to the Coroner and inquests were held in 6 of those cases.

The Supreme Court heard two significant cases this year. One involved an appeal in the Gordon Forbes Arbitration. In the other case, the Court upheld a request for judicial review of a decision to refuse an application for Falkland Islands Status. In this latter case, the Courts also reviewed the complex relationship that exists between Executive Council and the Governor.

It continues to be essential for the future development of the Islands that we maintain, support and develop a strong and independent judicial system. Amendments to the terms of service of the incoming Senior Magistrate will be incorporated in the new office-holder's contract, which are designed to reinforce the Magistrate's independence of Government. I have commented in previous reports on the importance I attach to human rights in the Islands, as set out in the Constitution. The Courts provide an independent safeguard of those rights, not just to Falkland Islanders but to all those living and working in the Islands.

REGISTRY

The registry is part of the Justice Department and under overall control of the Attorney General's Chambers. It records and registers property and land sales throughout the year, whilst continuing to record Births, Deaths and Marriages. The department also prepares the Electoral Register and conducts all Elections (a By Election was conducted in November 2003)

The Registrar General is also the Registrar of Companies.

One point of concern is the preservation of registers and documents within the Registry. This is being addressed, with a view to finding a cost effective solution.

ROYAL FALKLAND ISLANDS POLICE

During 2003 the Royal Falkland Islands Police were involved in 279 enquiries, compared with 284 in 2002. The detection rate has been maintained at target level – some 94% this year compared with 98% in the previous year.

The Drugs Awareness Resistance Education (D.A.R.E) programme continues to grow and is very well accepted in schools by students, teachers and parents. A Restorative Justice programme has also been introduced into the schools and will be taken forward throughout the year.

The recently introduced Domestic Violence policy has been working well. There have already been several successful prosecutions. The Child Protection procedures are increasingly effective, and the working relationship between Police, Education, Health and Social Work departments is excellent. More training will be required on Child Protection matters to replace skills lost by officers leaving.

There has been a good working relationship between the police and EOD, including several successful joint operations. Assistance was requested when suspect packages were received at the post office and again when a 1000lb bomb was discovered at Stanley airport.

The Support Branch continues to play a crucial role in the smooth running of the Force and the Prison. There was a successful visit last year from the Overseas Territories Prisons Advisor, Mr Chris Gibbard. Mr Gibbard has prepared new plans for the prison that are more in line with Falkland Islands requirements.

FALKLAND ISLANDS FIRE & RESCUE SERVICE

The Fire Service has responded to 91 recorded incidents and assisted with many others as part of their normal working day, which includes extra fire cover at Stanley airport and annual farm visits.

The Airport Fire section has also had a busy year with British Antarctic Survey and other aircraft visiting the islands and also with the continued training of camp airstrip attendants.

Training continues to be a high priority. Four fulltime firefighters attended training in the UK. The retained firefighters continued with their normal training. Without their dedication the fire service could not operate.

The Fire Service deserve congratulations on their fund raising activities such as the fire engine pull and the wheelie bin clean.

FALKLAND ISLANDS DEFENCE FORCE

The Falkland Islands Defence Force has had a busy and rewarding year. In July 2003 responsibility for the maintenance of minefield fences was taken over by the Falkland Islands Government, with responsibility for overseeing the civilian contracts for these maintenance works being passed to the FIDF. This arrangement has been successful, with the contractors and FIDF, in consultation with the Joint Services EOD team, enjoying a constructive partnership in ensuring the upkeep of these vital safety assets.

The FIDF continues to use the professional services of a Permanent Staff Instructor seconded from MOD. The new Permanent Staff Instructor, a Royal Marine Warrant Officer, has settled in well and brings with him a wealth of experience and expertise that provides the FIDF with the vital material to upgrade its mode of operation in pace with modern military doctrine. The FIDF continues to train for its primary role in providing assistance in the defence of the Falkland Islands, while at the same time ensuring its preparedness to fulfil its subsidiary roles, including assistance with fisheries protection.

The Force continues to enjoy a good relationship with British Forces South Atlantic Islands, and continues to take part in the Cape Petrel and Purple Strike exercises. In January the FIDF hosted its Commando Challenge patrolling competition. This received excellent support and participation from MPA. FIDF are to be congratulated on beating the professionals and coming first in this

competition – a tribute no doubt to local knowledge, but also to the fitness, commitment and professionalism of the FIDF participants.

The latest recruitment drive has been successful and the FIDF now enjoys the services of another high quality group of volunteers.

The FIDF has an increasingly diverse role and its policy is to strive for continual improvement in training and operational effectiveness.

FALKLAND ISLANDS GOVERNMENT AIR SERVICE

December 2003 saw the 55th anniversary of Falkland Island Government Air Service. Routine movement of passengers and freight, and airborne surveillance of the islands' fisheries continues, as does the contract with Flight Precision Limited of Darlington for the regular calibration and checking of the navigation aids at Mount Pleasant.

In January, the maintenance section participated in a Human Factor training course, delivered by a visiting team from Trinity College, Dublin. Two members of staff have been trained to facilitate future training. The section also saw a change in leadership: Morgan Goss took over as Maintenance Manager on the departure of John Coutts. After 28 years with FIGAS, John will be missed.

A milestone was achieved on 15 April when Islander Bravo Delta, the oldest of the fleet of 6, reached a total airframe time of 10 thousand hours. It is estimated that Bravo Delta made over 27 thousand landings, and has carried over 25 thousand passengers and over 350 thousand kilograms of freight during its 17 years in operation.

FIGAS is pleased to be able to continue to provide a professional service that the community deserves; customer requirements continue to be diverse, and sometimes somewhat unorthodox! That demands on the service sometimes exceed operational capacity is taken by FIGAS, perhaps paradoxically, as a compliment!

CIVIL AVIATION

The Civil Aviation Department has continued to manage the changes required by the establishment of Air Safety Support International. The Chief Executive Officer and Board Members of the company visited in November, and the official assessment of the Department took place in January 2004. The results of the assessment will require considerable effort both by the Department and Falkland Islands Government to preserve the Falkland Islands' unique situation whilst satisfying the UK's requirements. The Overseas Territories Directors of Civil Aviation met in Gibraltar to discuss with Air Safety Support International the plans for future years.

Closer to home, the airport had less business than usual, with 2142 aircraft movements and 6282 passengers passing through. Cooperation continues with MPA and the integration of Civilian and Military aviation.

The Department has also assisted with three Air Accident Investigations, all relating to incidents in Antarctica.

POST OFFICE & PHILATELIC BUREAU

2003 was another busy year for the Post Office with a general increase in mail. In December mail processed in Stanley rose by 18% compared with the previous year. Thanks go to FIGAS, Customs, Public Works and the Military "Posties" for assistance in transporting mail.

Service levels to customers were maintained using existing resources, with the Post Office open on average 45 hours each week, with additional opening during the tourist season.

During 2003 philatelic export orders rose by 6%. This is very encouraging in what is a shrinking market. New contracts for both production and sales of Falkland Islands Stamps were negotiated during 2003 and these commenced in January 2004. The Postmaster is working closely with both parties to maximise benefit to the Falkland Islands from stamps.

Staff of the Post Office and Bureau also provide services onboard visiting tourist ships. This is a good PR opportunity for the Islands as it is often the first point of contact for visitors. Positive comments from visitors on our stamps, services and the Islands in general are encouraging.

ARCHIVES

As the Archives have become better known, visitors, enquiries, researchers and donations have all increased. This year saw the first visit of a group from a cruise ship and school visits have become an annual event.

Excellent progress has been made with cataloguing holdings. The baptism, marriage and burial registers of all three Stanley churches have now been entered on database as a conservation measure and an aid to family historians.

Computerisation of records continues to produce great savings in research time. There is still a conflict between responding to the many enquiries and completing the work of assessing and organising records, but the improvements in information access have been substantial.

The Archives have been involved in two major projects this year, the documentation of Falklands speech and the recording of Falklands music and dance. Publications are in preparation on both subjects.

FALKLAND ISLANDS GOVERNMENT OFFICE, LONDON

The Falkland Islands Government Office in London continues its work in maintaining the high profile of the Islands in the UK.

Photographic exhibitions have been held in Edinburgh and Hull and there were promotions of the Islands at the Royal Show, Political Party Conferences, the Overseas Countries & Territories Forum in Brussels and Destinations Travel Show. In addition to the traditional Annual Reception at Lincoln's Inn (now in its 30th year), smaller receptions and exhibitions have been held in the Showcase at Falkland House, including one to mark the 25th Anniversary of Falklands Conservation.

Political activity continues, with a number of briefings given to politicians throughout the year, and two meetings of the All Party Group. A dinner was held for the Falkland Islands Parliamentary Dining Club. On the European front, the Falklands were elected as Secretary of the Overseas Countries and Territories Association. Looking forward to the next financial year, a Parliamentary visit planned to the Islands for November.

FIGO continues to give a high level of service to medical patients transferred to the UK, to civilians travelling on the RAF route, and in recruitment of contract workers for the Islands.

FALKLAND ISLANDS BROADCASTING STATION

Staff training headed the Falkland Islands Broadcasting Station (F.I.B.S.) agenda in the 2003/04 year. The Assistant News Editor served an attachment with the BBC and a UK regional radio station. The Programme Controller is currently attending a BBC run customised training course, as well as picking up tips from the Calling the Falklands team.

Within the Islands the News Editor is benefiting from the experience of, and the training by, Sue Gyford, who is a professionally trained journalist on a one year contract with the Falkland Islands Government.

F.I.B.S. is also grateful to Sue for the high quality of reporting that she has introduced to the F.I.B.S. four times a day news direct bulletins – in particular the much increased use of sound bites.

F.I.B.S thanks all of its full time and freelance presenters who contribute so much to the sound of the station. Over recent years F.I.B.S. has evolved into an

almost wholly locally presented station. This can only enhance the Falkland Islanders' sense of their own identity.

THE SECRETARIAT

I turn now to a few highlights of the manifold activities undertaken by the Secretariat, under the leadership of the Chief Executive, Chris Simpkins.

The Chief Executive has championed the introduction of the European Foundation for Quality Management "excellence" model into Government, as a strategic tool to promote a uniform approach to business planning and efficiency improvements across all areas of Government.

The Select Committee on the Constitution has continued to meet periodically to discuss how the machinery of government could be improved, and the need for modification to the Constitution to enable such improvements to be introduced. A particular focus for attention has been the committee structure and the senior management structure of the civil service. New structures are being designed. Indeed some opportunities have already been taken, for example in Agriculture and Minerals that are aimed at improving cost effectiveness, accountability and scrutiny.

The Islands Plan is under reviewed to provide a more concise document with clearer strategic objectives for the Islands together with performance indicators against which progress can be monitored. The revised document provides a greater focus on what we want to see achieved for our society, economy and environment in the medium term, set against the nine major themes of the original Island Plan, rather than set out the objectives of individual departments. Departmental objectives will of course be included in departmental business plans.

The access to information system for committees continues to develop and new guidance has recently been issued to committee chairs and secretaries. To streamline the system further a new version of the Committees (Access to Information) Ordinance will be drafted by the Attorney General in coming months. The new Ordinance will incorporate and give statutory power to the existing Code of Practice on the freedom of access to information. It is not the intention to mirror the Freedom of Information Act of the UK, since this would have very complex and costly implications for FIG. Work is also underway to extend access through the Internet.

The Government Secretary and Principal Immigration Officer has, together with staff at the Customs and Immigration Department, continued to develop immigration forms and procedures both to clarify existing and to meet new requirements. Facilitating the speedy transfer of passengers of all categories

through MPA, without compromising the immigration system, is an ongoing objective.

This new post of External Development Officer has been filled by Jenny Smith, who returned to the Islands in November 2003 from a secondment at Falkland House. A key role of this post is to secure access to European funding for projects that will improve our economy. Examples include:

- developing a framework of guidance to EU funding programmes for the public and private sectors and assisting in the development of bids;
- working with colleagues in other Overseas Territories to develop bids for regional funding in such areas as Environment, Aquaculture and Education.

HUMAN RESOURCES DEPARTMENT

The Human Resources Department had a productive year coordinating consultation on amendments to the Management Code. This received final approval from Executive Council on 20th November 2003. Much of this work was done by the Senior Personnel Officer, Judith Gilbert, who had been seconded from UK until August 2003. She has been replaced by Carolyn Montgomerie, who had been involved in the early stages of the preparation of the Management Code.

The Management Code procedures are being used at present and a programme of familiarisation training is currently being devised. In depth work has taken place with managers regarding the appropriate use of procedures.

This has been a busy year for recruitment. In the 10 months up to 30th April 2004, 76 local appointments were made and 44 members of staff were recruited from overseas from a number of countries including UK, Canada, New Zealand, Australia, Chile, Saudi Arabia, Germany and Russia.

The Computerised Human Resources Information System "CHRIS 21" was upgraded in September 2003 and the payrolls have continued to be run very effectively. Further development of this information system is planned so as to provide data useful for workforce profiling, succession planning, sickness monitoring, probationary reports, and training information.

The Director of Human Resources is leading the Corporate Improvement Team, looking at People Resources in line with the European Foundation for Quality Management model, with a view to improving productivity and output across departments.

In addition to arranging overseas training courses and placements for individuals, various training courses have been run locally throughout the year and have included management training, NVQs, European Computer Driving Licences,

First Aid and ICT. In February 2004 the line management of the Training section passed to the Education Department.

COMPUTER SECTION

The Computer Section has had another busy year meeting departments' IT needs.

Maintenance is always a priority, as is the need to be able to cope with demands for updated software and equipment to help meet objectives.

This year saw the completion of Phase III (Wireless Links) of the wide area network in a number of departments, including: Agriculture, Computer Section, Training suite, Social Work, FIDF, Customs, Megabid, Fisheries, FIGAS, Civil Aviation, FICS, Leisure Centre, Power Department, Water Section.

The conversion of existing DataEase databases to MS Access is still in progress and will continue over the next year. The Taxation, Pensions and Immigration databases are still in progress.

New Visual Basic databases have been completed for Leisure Centre and Environmental Planning. A database which will involve Fishops, Customs and Treasury is in progress.

All those who have been connected to the Wide Area Network now see the benefits of having the Internet, email to desktop 24 hours, and fast connection to the Treasury system, Dynamics. Eventually these departments will connect to the Human Resources system. All of this should help with efficiency and stop duplication of data.

LEGISLATURE

Legislative Council has sat on four occasions in the last year and has passed 11 Bills; there are more on the Order paper for later this week. The Executive Council has had 13 meetings and has considered more than 350 papers, plus numerous matters arising and items under any other business.

Councillors kept up with their commitments to the Commonwealth Parliamentary Association. Councillors Cockwell and Roger Edwards, along with the Clerk of Councils, attended the Executive, Small Countries and Plenary Conferences in Bangladesh in October. Councillor Cockwell has recently returned from the mid year Executive Committee meeting, which was held in Uganda this year.

The Falklands Branch of the CPA were hosts of the British Islands and Mediterranean Regional Conference, which was held here in February. I believe

this may have been the largest conference ever held in the Falkland Islands. Many months of hard work by the team from Gilbert House culminated in a very successful conference week. I should like to say a particular thank you to Claudette Anderson, Cherie Clifford and Maria Strange for their outstanding work on the Conference, and for everything that they have contributed to the smooth running of Gilbert House throughout the year.

Other meetings attended by Councillors overseas were the Labour and Conservative Party Conferences, Overseas Territories Consultative Council, the IAATO Conference in Christchurch and the Committee of 24 in New York.

This brings me to the close of my review of the year. But before I end, I should like to express my gratitude to a number of important people. First, to my staff at Government House, who have worked extremely hard throughout a busy year. Without them, it would be impossible for me to do my job. I should like to say a particular word of appreciation to Harriet Hall, who has so ably deputised for me during my absences from the Islands.

Thank you too to all of the people of the Falklands, especially those who have helped me in various ways during the year, and those, both in Stanley and in Camp, who have been generous with their hospitality, thus maintaining the Islands' well deserved reputation for warmth and kindness.

And finally, let me say that I have much enjoyed working with Councillors throughout the year. I am impressed by the heavy burden which you carry and by the commitment and dedication you bring to your responsibilities. You will have difficult decisions to take this week. I extend to you my best wishes and support as you go about your work in this budget session and throughout the coming year.

Mr Speaker

Your Excellency, the next item on the agenda is the Motion of Thanks. Would you like to take a seat and stay for that.

His Excellency Governor

Thank you, Mr Speaker.

The Honourable Chief Executive

Mr Speaker, Honourable Members I move a Motion of Thanks to His Excellency Governor for his comprehensive review of the many and diverse activities of the Government over the past year and the brief look forward to the challenging year ahead. His address I think serves to illustrate the dedicated efforts and achievements of public servants, Honourable Members and civil servants alike,

on behalf of those we serve and in order to maintain the high quality of life that those we serve and the community enjoys. I so move.

The Honourable John Birmingham

Your Excellency the Governor, Honourable Members, I'd like to say thank you to the Governor for his very wide ranging state of the Nation speech today. It is going to be a very busy week. One thing I would like to say before I sit down in is that I think it was three times the Governor mentioned that we do have difficult decisions to make this week. I noted that and I'm sure many other people did also. I support the Motion of thanks.

The Honourable Stephen Luxton

Your Excellency, Mr Speaker, Honourable Members, the last year has been dominated by two main things the money and the neighbours. The present Argentine Government has been described by some as having possibly the most aggressive policy towards us since 1982. That may be the case, but they will learn now as they did then that aggression is a fast way to get nowhere. Argentina, cannot, must not and will not succeed in opening the issue of sovereignty for discussion now or at any time. Your remarks are much appreciated and wholly reassuring at such times of tension. It would also be appropriate to give our thanks to Minister Bill Rammell for his unwavering support and considerable efforts on our behalf over the past few months.

Moving to our finances. I was pondering the other day how much things have changed since I joined this House two and a half years ago. At that time there was no hint of a financial uncertainty to follow within just a few short months. Some of the reductions we will be discussing this week will be unpalatable to many people. When times are hard, hard decisions have to be made. I can assure folk out there that decisions aren't taken lightly and neither do we enjoy making them, but somebody has to do it. The end result will not be perfect for everybody but such reductions are inevitably a matter of compromise and priorities. I hope by and large people will believe that we have taken the sensible approach to this first year of budget reductions treading the fine line between complacency on the one hand and panic on the other. However, nobody should be under any illusions that should the Illex perform the same disappearing trick next year that there will be a necessity for much more significant reductions.

Against that background and declaring my indirect interest, I think it is vital to treat as a priority any potential sources of revenue that may complement or even replace that from the fishing industry to protect our future, I think it is absolutely essential that we continue to promote our offshore oil industry to the maximum possible extent to try and encourage as much new interest and investment as possible. It is arguably the only thing that could entirely replace the Illex fishery and potentially many times over at that. There is considerable interest in our

potential offshore resources at the moment fuelled by a combination of record high oil prices, Middle East uncertainty and plain old fashioned hard work by the staff of the Mineral Resources Department and BGS. All of this has succeeded in attracting new business interest to the Islands in what is a very competitive market for attracting frontier offshore investment. I'm convinced that one day it will pay off and we will all be worrying about how many decades worth of oil we have left rather than whether we will have Illex next year or not. I hope that by the time we run out of oil, I shall either have retired or have been ejected from the House, as I'm not sure what we do after that. Sir, I support the Motion.

The Honourable Norma Edwards

Mr Speaker, in rising to support the Motion of thanks may I just thank the Governor for his very comprehensive review of all the departments. You mentioned Sir, the Argentine stance which of course we are always aware of constantly and it isn't very good at the moment (if that is the right word to use), never usually is. We are grateful for the British support that we have through the Foreign Office and I think we can't stress strongly enough how grateful we are that Britain continues to support our right to sovereignty.

Fisheries yes, we've had a bad year, hopefully it won't be bad next year with climatic changes and so on we have to prepare for the worst and you are right it isn't going to be easy to budget for the shortfalls in our economy. However, I, like you Sir, am an optimist and I don't think it is all gloom and despondence. We must be one of the few countries in the world without a national debt and with a considerable amount in the piggy bank, not enough to use for every day or to waste on everyday expenditure and we have to cut our budget according to our needs but we aren't broke like some poor countries. I think we have to be grateful for that and a look around the world wouldn't do us any harm. Sometimes, we tend to look inwards upon ourselves and see all the bad things and we are extremely lucky compared to other countries so I would say that to the population whilst also saying please bear with us, this isn't easy, it won't be easy to cut budgets at all and people do tend to get used to a standard that has been achieved over the years and they don't like changes. However, I'm afraid changes will inevitably happen and we will do our utmost to make those changes as painless as possible. That I can assure the general public.

It is nice to know that the pasture improvement will continue in the Agriculture Department, I know there was some concern in the farming community that was going to be one of the things that would be removed from the budget or realigned I think that is the best way to put it. Can I also add my thanks to the Veterinary department they are always there when you need them, they work extremely hard and have had a lot of extra work with the monitoring of the abattoir etc.

It is pleasing to know too that the ward for the elderly will continue or will begin this financial year hopefully. I hope somewhere in the 5½ million pounds medical

budget we can find another half physiotherapist, I don't think this should be outside our bounds to do something, I do think we can do with another half contrary to what the advice is.

PWD always take the knock, I think this time they deserve a few plaudits and one of them is the camp road programme. I think that has been excellent over the past year and all the camp roads that I have seen, admittedly they have all been on the West, I haven't seen all the improvements on the East yet. They have worked very hard and have done an extremely good job and I would like to congratulate those people.

Environmental issues are always a bit contentious. You mentioned that we are taking measures to bring our conservation concerns up to date with international requirements and let me assure people, because there are people in the Falklands who feel that we are being overtaken by outside concerns as far as environment goes and they feel that they have looked after the Falklands pretty well over the years. I would like to assure them that that isn't government's intention that we hive off all our environmental commitments to outside concerns that we will continue to support any kind of conservation that comes from within.

FIGAS: I would like just to echo your thoughts on FIGAS, they work very hard, they always provide a good service and I think it is remarkable that we have an air service which is now over fifty years old and never lost a passenger mislaid some sometimes, but not actually lost any.

You mentioned Sir, the Archives. Let me also add to that the work the archivist undertakes on behalf of the Historic Buildings Committee, which many people don't think is important, I do. I think it is important to look after what you have and to preserve those old things that need conserving. She does work extremely hard up there and has great difficulty I think, in fitting all her commitments into the day. I would just like to say thank you to Jane for all that she does do.

The access to information business, I am afraid I think we go way over the top on this. We must be the most open government in the world. There are very few secrets here and those secrets that are whittled out and I think we have gone way over the top with all the ways we are organising our committees meetings and so on. It really is a bit of bureaucracy gone completely mad lately, however it has all been agreed and we're all doing it so hopefully we get it right but I'm a bit of an old dinosaur and I liked it the old way. Sir, I support the Motion of Thanks.

The Honourable Jan Cheek

Mr Speaker, Your Excellency, Honourable Members in rising to support the Motion of Thanks for the comprehensive review which we have just had I think I was most pleased to hear your remarks regarding our relationship with

Argentina. I think recent attitudes exhibited by senior members of the Argentine Government are a cause for serious concern among islanders. For a time we had cause for optimism when Argentina seemed to be pursuing recognition as a matured democracy, however, the recent intemperate pronouncements on Falklands issues have been a set back to our hopes that we coexist as good neighbours. Threats and harassment rarely achieve results and in the case of Falkland Islanders simply serve to firm our resolve and the certainty that we have a right to our country. We can only hope that reason and common sense will eventually prevail and allow greater cooperation with our neighbours.

Regarding the situation with the Illex stocks I hope firstly that with increased knowledge of the habits of squid we can predict more accurately what will happen in future years. Secondly, we can only hope that this is only a temporary set-back and not a continuing trend. We will have to make cut backs in the budgets but, I believe that we can do so in a way that will have as little impact as possible on the services to which we have become accustomed but there will be moments of pain and grief I'm afraid over the next day or so. I've always been acutely aware of the fragile nature of the fishery and I've frequently spoken in this House on the subject of my concerns. My personal interests is well known but as always I declare it here. I hope that as the new policy develops we can reduce FIG's dependence on Illex licence fees which at the moment are the greater part of our revenue as the industry can develop in other directions which should be made possible by greater security.

Moving onto Agriculture, as an interested and I hope objective observer on agricultural matters, I'm pleased that support for farmers in pasture improvement will continue especially for those farmers who are aiming to produce high quality animals through improved breeding. These farmers have made a huge commitment in terms of their own energy and resources and must be supported in consolidating this significant progress. The time has come to support success and not to prop up failure.

Moving on to my own portfolios, in Education I join you in taking great pleasure in congratulating all who were involved in the high standards that we have been achieving in recent years. Encouraging not just academic success but also a broad range of talents, which there are among our pupils, straight academic achievement is balanced by the wide range of subject and activities that we offer. It would be very disappointing not just to those on the Education Board and involved in education but to everyone if cuts in Education and Training budgets restrict the development of many practical and vocational courses that we are now offering and hoping to offer in the future. In particular, on Education I would like to join in your good wishes to Lorraine McGill, she dedicated a large part of her life to the care of boarders in Stanley House and we are all grateful for that.

My other principal portfolio, Health and Social Services. It is probably the most difficult area when it comes to budgeting. Anything affecting people's health and

wellbeing is particularly emotive. In addition at this time we face problems in recruiting staff in competition for a dwindling pool of available professionals as we know in the UK they're having to import many people from overseas and as our main area of recruitment we are experiencing particular difficulty there. I'd like to congratulate the hard working people at the hospital and in social services who continue to provide an excellent service to the community. It is admired and envied by many of our visitors, which emphasises how much we take for granted things which would be impossible in other sometimes larger communities.

Third portfolio, Police I believe they're working hard on community policing and in recent weeks have demonstrated admirable determination to maintain the quality and level of cover in spite of potential cuts in manpower.

Another thing you mentioned was the importance in maintaining police training in child protection. Whilst Social Services can do much to protect children we must be able to successfully prosecute offenders and complex procedures have to be sensitively and meticulously conducted to ensure that justice is done and seen to be done.

Finally, I just want to touch on constitutional reform which you also mentioned. We need to move quickly to allow the long discussed development of our democratic activities. Time is running out for this Council with just over a year left. Certain citizenship anomalies were always part of our consideration and recent events have highlighted another anomaly which allowed certain categories of resident to circumvent our constitutional procedures for granting status. In the interest of fairness to all this needs to be addressed particularly promptly. I support the Motion.

The Honourable Richard Cockwell

Mr Speaker, Your Excellency, Honourable Members, in rising to support the Motion I do not intend to mention everybody and all the departments that really are worthy of mention here, so I trust if people think that I have not mentioned them that they will forgive me. I believe that all departments this year have actually operated very well in the tightening up of their budgets which we have asked them to do over the past few years and unfortunately we're having to ask them to do the same this year, in fact we're asking for much greater stringency. Obviously the thing which overrides everything this year, forgetting the sovereignty issue for the moment, is the failure of the Illex squid. I think we should at this moment give credit to past Councillors for their prudence in ensuring that we do have this cushion of reserves which used again prudently by ourselves will help us on this occasion. We have difficult decisions to make in the next few days and the Honourable Stephen Luxton mentioned unpalatable decisions to some people I think they should be assured that it is unpalatable to us as well. We do not wish to make these decisions but we are going to have to make decisions which are not going to be popular. We must not give the

message to the private sector that all is doom and gloom and the Islands are going to the dogs. We must encourage development of new and enhanced sources of income, I think that is one of the things that we really have to do and there have been various mentions of it this morning, not only by you Sir, but also by other Members.

The Fisheries policy is obviously one of the ways in which we are hoping to work towards a system which will allow fishing companies more security and thus the ability to invest in the future. I know some people have their reservations about the policy but this is the aim that we are heading for and I think that it will achieve, I honestly do believe that this will achieve the ability, whether it will achieve investment is up to companies themselves, but it will give them the ability to invest in the future and I trust that they will do so.

I should mention the Development Plan because I obviously have been very closely involved in this during its formation and I should like to mention Tony Lancaster and how well I think he has done and what a useful plan that is. I think in future people will look back at that plan and find it is a very good matrix, it is very flexible, but it is a good matrix on which to make future plans.

I have to mention Agriculture being an ex farmer myself; I fully support the pasture improvement scheme. It is not just a pasture improvement scheme now, it is much more a plan to improve pasture related agriculture and I think it is a very useful scheme for farmers to take up. I do have to stress the plan is for development of people's income and the farmers who get involved in this plan particularly now will have to show that there will be some financial improvement for their businesses. It is not something where you've got a nice piece of pasture which looks very nice but it isn't actually increasing the income of your agriculture and agriculture in general.

I think the Abattoir has been very successful this year, obviously we've got a long way to go yet, and there is no question about that. FIMCO have taken over the running of it and I fully support them, they seem to be doing a great job, as I say it has worked well. One thing I would like to raise is the issue of the killing season which I do believe needs to be looked at because I fully support the shortening of the killing season, that has been very successful and we've saved some money. However, the season as it stands at the moment is not conducive to the production of fat lambs and I think that needs to be looked at.

Sir, you mentioned the retirement of Lorraine McGill and I can't let this opportunity to go past without my personal thanks to Lorraine, she acted as a parent for my three children over almost as long a period as I did if you actually take the time they were at school and when they were at home. It is amazing that she doesn't look as old as me. I do thank Lorraine very much for everything that she has done, she really should be congratulated for all the work she has

done in Stanley House, seen it through ups and downs and disasters and celebrations and everything else I do wish her well in her retirement.

While we're on that subject I would also like to pass my congratulations onto the young people, particularly the ones who have achieved scholastic achievements but the other ones who do go forward and take up jobs which are essential. Not everybody can be academic, not everybody wishes to be academic I'm not academic, but the jobs you do are worthwhile. Every job that someone does is worthwhile and it doesn't actually make you any the worse or denigrate you if you do not take on a scholastic occupation.

I should mention the FIDF, I fully support the organisation, I think they're a very professional body of young men and women (I beg your pardon). They should be congratulated on their achievement of the Commando Challenge, I know there was a lot of local knowledge but there was an enormous amount of preparation, hard work and commitment involved as well. I would like to mention the PSI being a Marine, I think this is a very good thing for the Falklands. The Falklands have been involved with Marines ever since their inception and with no reflection on previous PSIs I do believe that this has brought in a new element for that role having a Marine here advising the Falklands Defence Force on issues.

I would also like to raise the issue about the status of the FIDF with the MOD, particularly as I understand there have been slight problems regarding procurement of essential military supplies and obviously we need to have a look at that. I believe there is possibly a way of changing the status of the FIDF to take it more along the lines of the Gibraltar Regiment which may actually solve quite a few problems, but this needs to be looked into.

Two other departments I would like to mention, first the Post Office, the Post Office comes into a lot of criticism however, one day this year, I actually spent an afternoon helping them sort the mail. If anybody saw the hoops that they have to go through in order to sort one UK mail I think many of the people who hammer on the door and complain that their mail isn't sorted would really go home and be quite ashamed. They really do an amazing job and I couldn't believe what they had to do.

And, FIGO, as a Councillor I would like to thank FIGO. Whenever we go up to London on business the Office is always welcoming, they're very supportive and extremely helpful and I would find it very difficult to do my job without their help.

Finally, I would like to return to the difficulties that we have with Argentina. The pressure to discuss sovereignty, this is a nonsense, we know that the discussion of sovereignty means the transfer of sovereignty and I've said many times before, Falkland Islanders only wish to be left to live their own lives with a government of their own choosing. We do not wish or intend to be inveigled into

discussions on perceived historical anomalies based on the desire for enhanced territories. Sir, I beg to support the Motion.

The Honourable Roger Edwards

Mr Speaker, Your Excellency, in rising to support the Motion of Thanks to His Excellency the Governor on his speech to the Nation and to Council I would like to raise a few items, perhaps the first one is a housekeeping job. Richard the present PSI is a Royal Marine (Cllr Cockwell: I beg your pardon), Marines wear the other half of the globe on their cap badge.

Last night when I left Gilbert House about 4:30 p.m., getting dark we had a strong northwesterly wind blowing up the harbour, the flag at Gilbert House was blowing as though we had a wind from the East. I went and got Maria and said Maria look, the flag is blowing against the wind, is this perhaps an indication of what we will be doing this week, will we be blowing against views and thoughts of the Island, I hope not, but it was a phenomenon of Gilbert House

Argentine aggression has continued during this year and we have seen the reduction and the cancellation of the chartered flights which have hit the tourist business and will continue to. But I, like yourself Governor, would like to thank Mr Bill Rammell here in the Islands for his support and later when we went to see him in the Foreign Office his staff as well were extremely helpful and they were unswerving in their support to us here in the Islands and I would like that to be highlighted.

Our CPA meeting here was a success and I think someone, I'm not sure whether it was you Governor or someone else arranged the perfect weather for that whole week of meetings, it could not have been better and I think it was a great success and I spoke to not one person who attended that meeting who thought otherwise. They all thought it was very worthwhile and a great success, so well done to everyone involved.

The downturn in the fishing revenue will result in a difficult budget we all know that and some will feel the pinch. Rather than the usual complaints last night I had four telephone calls Council business: one farmer was extremely enthusiastic accepted we had problems and was most constructive and had very well thought out future plans. He was very optimistic for the future. The ten-year plan and its associated business plans should provide better use of the lower financial support but as it has already been mentioned by my colleagues, it is designed to help those who are going to work towards a successful future and I congratulate that farmer and others like him who have the vision for the future.

Our continued success in education is welcomed but that continued success in education at higher levels must surely be reflected in more and more Islanders taking over the jobs presently done by contractors. Education, Medical and the

Public Works Department are all areas where more local post holders are needed. I'm not getting at the contractors we need them and they do a good job, but with our possible dwindling income it could well be that we have to be selective in our support of further education so that it is more conducive to the Islanders taking over certain posts in the Islands.

Public Works Department, I too would like to thank Mike Forrest, he gave me a great deal of help and guidance in my introduction as Councillor for the Public Works Department. I would also like to thank in particular PWD they do a very good job and yet they probably get more criticism than any other department. My colleague on my left has already said perhaps the Medical Department has the most difficult budget but I think we have the most difficult when it comes to criticism. I think in many cases it is unjustified and I think they do a jolly good job. In particular our road constructors should be congratulated with well over forty kilometres of road build this last year and during the budget I will press for a continued road building at the present rate particularly on West Falklands.

FIDF continue to boast recruit numbers and the calibre of Islanders required and their commitment and their dedication is reflected in the continued success in their military exercises against their full time colleagues at MPA. While mentioning their colleagues at MPA I would particularly like to thank the continued support, assistance and friendship of those at MPA and the members of our military across the Islands the Navy, the Army and the Air Force who support us and are welcomed anywhere in the Islands I would hope.

FIGAS continues to support the Camp but this is one area where we could see some shortening of the service or reduction in the service due to our financial limitations that will be imposed on us. The CAA with their Air Safety International reports and reviews we can see several changes there in its structure which is perhaps not so good for the Islands as such but it will keep the service safe and hopefully Falkland Islands based. Sir, I support the Motion.

The Honourable Ian Hansen

Mr Speaker, Your Excellency, Honourable Members, as we still have a busy morning ahead I will be very brief in fact most Members have spoken and addressed most issues that I had written down. As each Councillor stood I found myself crossing off everything I had written down, perhaps my surname begins with the wrong letter of the alphabet. At the risk of being repetitive I would like to perhaps mention a couple of things. I would like to echo the sentiments of those Councillors and also express my appreciation for the support of Minister Rammell and the FCO concerning our stance on Argentina. My support of the pasture improvement scheme and the road programme is a fairly obvious and foregone conclusion, so I won't dwell on that. I would also like to briefly mention the Falkland Islands Government Office in London. Their efforts I believe are not to be underestimated but their efforts are not always recognised perhaps as they

should be. Finally, just to add my thanks and my best wishes to Lorraine McGill on her retirement, I wish her well for the future. Sir, I thank you very much for your address, I support the Motion.

The Honourable Mike Summers

Mr Speaker, Your Excellency the Governor, Honourable Members, I will touch on a few areas that are either my responsibility or in which I have particular interest. The Falkland Islands Development Corporation has been through quite a difficult period in this past year or so; we have spent a lot of time thinking about its work and its activity, what it should be doing to best serve the community here. There have been a number of workshops and there are some proposals for restructuring. We have already passed tourism over to the industry to run and that is a splendid development. We have to look very seriously at development of aquaculture because unless we move very quickly on this we are going to find ourselves behind the rest of the world, so there is work to do at FIDC. They have put in a huge amount of work this year on making the Abattoir a more efficient business and I congratulate both the Members of the Development Corporation and those people who voluntarily took up the responsibility to be directors of FIMCO for their achievements so far this year, a way to go yet, but we're getting there.

On Agriculture there has also been very significant consolidation in the department of Agriculture, this has taken place already as a result of work that the Councillors responsible for Agriculture and the managers of the department had undertaken well in advance of the budget, excellent piece of management. We've produced a business plan some while ago that has been accepted by the Council and we have some proposals for investment in agriculture that will result in future income. Taking that together with our plans for the Abattoir it is essential that we support the pasture improvement programme and the business plan that we've put together for the department of Agriculture otherwise those things will fall together and that would make no sense at all.

No doubt we will congratulate the members of the Treasury later on for their efforts in respect of the budget but I would like to pay tribute to the work of Derek and Keith and all their staff throughout the year, not just at budget time, but throughout the year to assist us with our work in maintaining as tight a ship as we can.

The Taxation Office has been through turbulent times as well because of new legislation and we are I'm sure delighted that compliance is better. Compliance is important in any taxation system, never excuses rudeness and if reports that I have heard of such both there and in immigration are more than momentary aberrations then I'm sure the Chief Executive and his staff will review that situation. The new taxation legislation was a big piece of work, there were lots to do and I do appreciate that they have been under significant pressure.

I'm delighted to see Manfred Keenleyside appointed as the Director of public Works, it is probably the first time we've had a local director of Public Works but it may not be. We've already noticed a significant can do attitude from Manfred and his staff in the early few months of his tenure and I look forward to working with the department of Public Works for many years to come on the same basis.

CPA conference has been mentioned by many and I too congratulate all those involved it was a very worthwhile exercise, it produced a lot of benefit for the Falkland Islands as a country and we have made many new friends as a result of it. We look forward to the Red Ensign Conference which is to be held here next year which will be equally important and have very direct relevance to our largest industry in the Falklands.

The issue of Civil Aviation and the future management of Civil Aviation is important for many reasons, not only because it must be well managed and provide a safe service. We have managed to provide a safe service for the last 50 years, we propose to provide a safe service for the next 50 years. However, I and I'm sure the whole of this Council will sternly resist any attempts to take away from the Government of the Falkland Islands activities and responsibilities that it's perfectly capable of carrying out for itself and I know the Governor joins with us in that view. So when there are changes in the department of Civil Aviation as it seems that there must be because of requirements in other parts of the world, we must make sure that they are to our benefit and not for somebody else's.

I think on a general theme the interrelationship between internal self government and good governance was discussed to a great extent at the recent Overseas Territories Consultative Council which Councillor Cheek and I attended. All of the Overseas Territories were anxious to make the point and we would too, that rolling back the boundaries of internal self government will be strongly resisted both by this government here and by other overseas territories elsewhere unless there are perceived efficiencies, we're not doing things properly, then of course there is a right for Her Majesty's Government to intervene. When that is not necessary it will be resisted.

I would like to put a slightly different gloss on the Argentine issue if I may. Yes, it has been unhelpful, yes, it has been aggressive, yes, the United Kingdom Government has been a good staunch friend and Minister Rammell and all his staff along with His Excellency Governor and the people in Buenos Aires have done a good job for us and we've stood firm. It doesn't actually hurt us that much and let the Argentine Government and the people there understand that they can do these things, we don't like it, it will irritate us, but it doesn't actually hurt us that much so there really is no point in it. There is no future in this type of aggression.

A few words on the Illex, because it is the big issue as we come up to the budget. Yes, again it is a big issue it is going to cause significant concern for us all and we will have to manage it but I'm absolutely convinced and I've been for some years now that we can actually manage without Illex income. It won't be comfortable but it can be done, so let us be hopeful, productive, inventive and cooperative in creating the budget for next year and future years and work together to make sure that we still have a community that we're happy and comfortable living in. We will attempt on every account in setting the budget to safeguard employment. We must protect the core services, but that doesn't mean that there is any area that is free from the possibility of doing better maybe looking at things around the fringes. We must at all costs protect investment in future income because that's our real responsibility we are here only temporarily and I hope that by the time we finished we will be able to leave the finances in as good a state as we started with.

Sir, if I could too join with other Councillors in thanking the Governor for his address to the Nation, I support the Motion.

Commander British Forces

Mr Speaker, Your Excellency, Honourable Members in rising to support the Motion of Thanks, I would like to make a couple of points. First as the Governor has indicated, I stand here today with a new job title that of Commander British Forces South Atlantic Islands. I would like to emphasise that our recent change in name is as a result of Ascension Island coming under my command, in no way does it signal any change in emphasis or dilution of interest by my forces in the security of the Falkland Islands. In reality it is actually quite the reverse as Ascension Island has been a vital link in our ability to support our forces here in these Islands and we have now a more coherent means of doing that than we did before.

I would also like to take the opportunity to thank the Falkland Islands Government and Islanders for the support and encouragement that we in the British Forces here receive. One of the great pleasures of being here aside from knowing what we do is important is the clear welcome that we receive from the local community and the forbearance in particular that you show to our activities. As a station commander in the UK I was always used to getting complaints about the noise it created when we were flying. It has taken me a little while to get usef to the fact that the only complaints I've had so far is when my aircraft don't appear from time to time.

On a practical front I would also like thank various Government departments for the tremendous support that we've had in the preparation of our disaster exercises that we've run in the last year particularly, notably at Pebble Island. We could not have had better support from the Fire, Police and Fisheries departments to name but a few and to whom I would like to express my personal

thanks. I look forward to working with Government departments to refine our ability jointly and quickly to be able to respond in the event of any disaster in the future.

I would also like to pay a tribute to the FIDF who have given us tremendous support. I have been hugely impressed with their capability and their willingness to participate in our exercises. Their winning of the Commando Challenge was justly deserved and it is very much indicative of their capabilities. It has also made my people look at them in a new light. The Falkland Islands should be very proud of having available such a dedicated and professional organisation. I support the Motion of Thanks.

The Honourable Financial Secretary

Mr Speaker, Honourable Members, I support the Motion of thanks and I have no particular comments to make and you'll hear enough from me later on.

The Honourable Chief Executive

Your Excellency, Mr Speaker, Honourable Members, all Members I think have remarked on the potentially difficult year ahead in terms of financial and service planning. Without wishing to dwell on the challenges of that year, I would just wish to give an assurance on behalf of the Civil Service that we will continue the relentless search for efficiency gains, in other words to do more for less. A great many people go the extra mile to deliver first class services, often to higher standard than is available elsewhere. That said, I'm equally convinced that improvements in productivity are still available. This is not a time for pessimism, we may have to modify expectations but there is every reason to be optimistic for the future.

Mr Speaker

Your Excellency, that concludes the Motion of Thanks other than my personal thanks to you. We now come to the tears and the anguish and Sir, unless you are particularly keen to listen to it, would you like to depart.

His Excellency Governor

Mr Speaker, thank you very much, I would love to join you for the rest of the session, but other responsibilities require me to leave. Thank you.

Clerk of Councils

The confirmation of the record of the meeting of the Legislative Council held on the 27th February 2004

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

Papers to be laid on the Table by the Honourable 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.

- Ross Road (Clearway) Regulations Order 2004
- Buildings (Various) Designation Order 2004
- Buildings (Stanley) (Sullivan House and Stanley House) Designation (Amendment) Order 2004
- Law Revision Order No 1 of 2002
- Law Revision order No 1 of 2003
- Disapplication of Enactments Order 1998 (Amendment) Order 2004
- Disapplication of Enactments Order 2004
- Committees (Access to Information) Ordinance 2000 (Correction) Order 2004
- Post Office (Amendment) Order 2004
- Fishery Products (Hygiene) Designated Vessel) Order 2004

Falkland Islands Government Financial Statement and Audit Report, Financial Statements fir the Insurance Fund, the Sinking Fund, the Pensions (Old Scheme) Fund and the Currency Fund for the year ending 30 June 2003 and the Retirement Pensions Equalisation Fund Financial Statements for the years ending 31 December 2002 and 31 December 2003 laid on the Table pursuant section 57 of the Finance and Audit Ordinance.

The Honourable Chief Executive

Mr Speaker, Honourable Members I hereby lay the aforementioned papers on the Table.

Clerk of Councils

Questions for Oral answer. Question number 1 of 2004 by the Honourable John Birmingham.

The Honourable John Birmingham

Mr Speaker, Honourable Members, I rise in fear having to ask the Honourable Roger Edwards having been bitten on more than one occasion and I would like to inform Members that these two questions I shall be asking are over two months old and they are a bit dated. However, would the Honourable Roger Edwards please inform this House of any plans there might be to extend the footpaths at the East end of Davis Street and if the unmade path from Eliza Cove Crescent that goes past Sullivan Shipping and leads on to Davis Street will be properly surfaced?

The Honourable Roger Edwards

Mr Speaker in reply to question 1 of 2004, plans to improve Davis Street East have been in place for some time. These include extensive surface water drainage works, new footpath construction and street lighting from Fieldhouse Close to the Bypass.

The PWD Design Office has completed a full design. The Highways section is now in the process of carrying out the works. Completion is programmed to be in October 2004 when the asphalt season recommences.

These works will not include surfacing the unmade footpath that runs from Eliza Crescent to Davis Street. Eliza Crescent to FieldHouse Close is on the list for the future.

Mr Speaker

Councillor Birmingham do you have any supplementaries?

The Honourable John Birmingham

Yes, Mr Speaker, Honourable Members, I wonder if Councillor Edwards has any information as to the timing of the street lights being erected and switched on. I can understand the topping of the footpath but the street lights, we have four months to go, very dark nights, would he have that kind of information at hand.

The Honourable Roger Edwards

Mr Speaker, I can only respond that the information I've been given is the completion of this programme is to in October, after that it will be the asphalt season when they will top off those works that they have completed. I would assume that all works would be completed in that period. I'd like to point out for additional information that the footpath from Eliza Crescent to Davis Street has developed and it has developed informally across the private land belonging to

Sullivan Shipping and therefore no footpath could be actually topped there without permission of Sullivan Shipping who are owners of that land.

The Honourable John Birmingham

Mr Speaker, Honourable Members, I'm afraid I can't let that go, with the modern technology that we have at the moment, would it be out of the question for PWD to actually, phone, fax, email or write to Sullivan Shipping to see whether they would mind having a footpath across their land.

The Honourable Roger Edwards

Mr Speaker, they have been in negotiation with Sullivan Shipping. Sullivan Shipping are happy that an informal footpath goes past their land, we have not carried on the discussion beyond that and I don't know where government stands in providing footpaths, concreted or tarmac or what have you over private property. I don't know where government stands.

Clerk of Councils

Question number 2 of 2004 by the Honourable John Birmingham.

The Honourable John Birmingham

Mr Speaker, Honourable Members, would the Honourable Ian Hansen please advise if regular safety checks are carried out on all FIG buildings by the Fire Service and if problems are discovered is remedial action taken as soon as possible by the relevant departments.

The Honourable Ian Hansen

Mr Speaker, Honourable Members, in accordance to the Falkland Islands Government Management Code, Chapter 3 Appendix 1 & 2 Health and Safety Policy the Fire Service aim to visit every government building for which they hold records once a year to carry out checks on fire equipment and to service fire extinguishers.

Any problems found within are notified to the person or head of department responsible for that particular building or the PWD direct. Follow up checks, are carried out to ensure that any necessary safety improvements are carried out.

Records show that over the last 10 months 57 premises have been visited; this includes farms, private dwellings, commercial premises and FIG property. Six full inspections were carried out, of these three revealed minor reportable defects, all were attended to. Recommendations were also made for future improvements.

The fire service aim to visit areas of greater risk on a regular basis; they also advise that any person who knows of any defect has a duty of care to ensure, that any defect is reported to the appropriate person and is rectified.

The Honourable John Birmingham

Mr Speaker, Honourable Members, I very much thank the Honourable Ian Hansen for his full reply.

Clerk of Councils

Question number 3 of 2004 by the Honourable Stephen Luxton.

The Honourable Stephen Luxton

Mr Speaker, Honourable Members, would the Honourable Roger Edwards please advise the cost of the Post Office wheelchair ramp, giving the design and construction costs separately.

The Honourable Roger Edwards

The costs for the Post Office Wheelchair ramp were:

Design: £662.30

Construction including resetting of the flagpole £5053.60

The Honourable Stephen Luxton

Mr Speaker, Honourable Members, I thank the Honourable Roger Edwards for his answer. Does he agree with my view that this project may have suffered from a slight excess of design as a result is probably less useful as a practical access measure than something rather more simple may have been and rather cheaper.

The Honourable Roger Edwards

It should be noted Mr Speaker, that the design costs included provision for automatic opening devices and sensors, intended to match those understood to be planned for KEMH at the time of design. These were, in the event not included as no bids could be obtained locally for the full package of works. The design was then simplified and a price obtained for the reduced package of works. This package of works was put out to tender and the lowest tender was accepted.

Clerk of Councils

MOTIONS

Motion number 2 of 2004 by the Honourable Jan Cheek.

It is MOVED that this House resolves to approve the Wearing of Seatbelts (Amendment) Regulations 2004.

The Honourable Jan Cheek

Mr Speaker, Honourable Members, this measure will make it an offence to carry a child in a vehicle without a suitable travel seat or belt and will require that everyone be belted in on roads with limits greater than 25 miles per hour. I welcome the opportunity to introduce this Motion as I'm convinced of the effectiveness of seatbelts and believe that it is essential that we act to protect those few children whose parents and carers are not already doing so. If I have a reservation about the amendment it is that it doesn't go far enough. I believe that we all will do well to wear seatbelts on every journey not just on roads with a speed limit over 25 miles per hour. I know that there are those who might argue that some people have been injured because of seatbelts, however, such rare instances are far outweighed by the extensive incontrovertible evidence of the innumerable lives saved by seatbelts. I propose that we support the Motion.

The Honourable Richard Cockwell

Mr Speaker, Honourable Members, in rising to support the Motion, I too, feel that actually as a matter of practicality it would have been simpler if we had had wearing seatbelts mandatory because the concept of having to remember to put a seatbelt on when you arrive at a rather strange looking sign up on the bypass road I think not only causes problems for the Police that they can only prosecute in certain areas, but also the big problem is that people will forget. I do support the motion. I think it is an extremely good thing that we are making it mandatory for children to be belted in the vehicle at all times and I look forward to the time that we actually make the wearing of seatbelts mandatory in all places when you are driving a motor vehicle in the Falkland Islands. Sir, I beg to support the Motion.

The Honourable John Birmingham

Mr Speaker, Honourable Members, I too would like to support this regulation although I'm in disagreement with the Honourable Members who say that it should be for everybody within the town of Stanley or on any road where there is more than a 25 mile limit. This has been spoken about publicly for sometime now and there is absolutely no reason why anybody can't put a seatbelt on if they so wish, but I very much support this Motion today.

Mr Speaker

Any other Honourable Members wish to speak to the Motion?

It is not usual for the Speaker to address Council but I would suggest that it would be helpful for the public at large if you defined what a child is, in other words the age at which a child has to be belted up at 25 miles an hour because it is not actually commonly known.

Attorney General

Mr Speaker, perhaps I can come to your assistance. A child is defined as a person under the age of 14 years.

The Honourable Roger Edwards

Mr Speaker, I have one query, perhaps the Attorney General could make it absolutely clear to Members of the public who may be listening on this. I support this amendment to the Road Traffic Ordinance but I would like to make it plain perhaps the Attorney General would be kind as to confirm it that this Ordinance will only apply to those dedicated roads to which the Road Traffic Ordinance applies and will not apply to all those unmade roads, ie, Camp tracks and the like.

Attorney General

Mr Speaker, I can confirm that the Regulations will only apply to such roads as are designated as roads to which the Road Traffic Ordinance applies.

The Honourable Roger Edwards

I thank the Attorney General for his reply.

Mr Speaker

Honourable Members, the Motion is that the Wearing of Seatbelts (Amendment) Regulations be adopted. All those in favour? (Agreement)

It is passed.

Clerk of Councils

ORDERS OF THE DAY – BILLS

The Appropriation Bill 2004.

The Honourable Financial Secretary

Mr Speaker, Honourable Members.

The purpose of this bill is to authorise the withdrawal of £39,051,340 from the consolidated fund for the service of the financial year beginning 1 July 2004. The schedule to the bill summarises the appropriation under three headings: £30.3 million is allocated to the operating budget, which represents estimated expenditure net of internal charges of £1.1 million and capital charges of £3.1 million. £4.8 million is allocated to fund transfers and £3.9 million is allocated to transfer payments.

The draft estimates for 2004/05 reflect the budget strategy and policy approved by executive council. This followed a comprehensive budget process. As was the case last year, Honourable Members have examined 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 2004/05 which was approved by Executive Council in November of last year. This included the following elements:

- A target surplus of £2 million
- Inflation to be met from efficiency savings whilst maintaining services broadly at existing levels
- The consolidated fund balance to be a minimum of 2.5 times annual operating expenditure (excluding internal and capital charges)
- Capital expenditure to be limited to £15 million in any rolling 3year period
- Any new capital proposals only to be considered for 2005/06 onwards
- A review of userpay policies

Following the worst Illex season on record, and the decision to make substantial refunds of licence fees, it was clear that the budget surplus target set in November was unrealistic. It was accepted that a deficit result in both this year and next year was unavoidable but it was agreed that measures should be introduced in a phased approach to minimise the extent of the deficit and the negative impact on the economy.

As usual, before dealing with the detail of the 2004/2005 budget, I will briefly review the current financial year. The draft estimates show that the outturn at 30 June 2004 is expected to result in a budget deficit of £9.2 million compared to a surplus of £2 million forecast a year ago. The reason for this £11.2 million negative variance is due to a reduction of almost £10 million in fisheries revenue, a reduction of £1 million in capital revenue, following the nonreceipt of EU STABEX and EDF grant monies, and an increase in capital expenditure and transfer payments of £1.2 million partly offset by a net increase in nonfisheries revenue of around £1 million.

At this time last year it was forecast that the balance of the consolidated fund at 30 June 2003 would amount to £82 million. Due mainly to both an increase in revenue and an underspend on capital schemes, the actual balance of the consolidated fund as at 30 June 2003 amounted to £90 million, an improvement of £8 million.

At 30 June 2004 it is estimated that the balance of the consolidated fund will amount to £80.8 million. This remains close to the budget strategy target of 2½ years worth of operating expenditure, excluding internal and capital charges, and is an appropriate point to start the report on the 2004/2005 budget.

As adjusted, following the recent budget meetings of the standing finance committee, total revenue for 2004/2005 is forecast at £40.3 million and the submissions for total expenditure are inserted at £43.3 million. This results in an estimated budget deficit of £3 million.

As just mentioned, operating revenue is inserted in the draft estimates at £40.3 million which is £½ million higher than the revised estimate for this financial year. This revenue forecast includes fisheries income inserted at £17.6 million. Although this figure, which is the best estimate at this time, is £1.7 million more than the revised estimate for the current year, it is £10.8 million less than actual receipts in the previous year. Achieving the forecast income next year and thus limiting the deficit position to £3 million very much depends on what the fishery produces and in particular the Illex fishery. Dependence on the major contribution to revenue from the sale of fisheries licences remains a concern. Once again we are reminded of the fragile nature of the fishery and the need to adjust our aspirations and plans downwards.

This brings me to the draft estimates of operating expenditure where a total £34.5 million is inserted. Following adjustments made at the recent budget meetings of the Standing Finance Committee this figure is £3 million less than the revised estimate for the current year. No provision has been made for pay awards. In the current year the pay awards provision was £561,000. No provision has been made for an Islands Plan Reserve to support growth initiatives under that plan. In the current year £200,000 was allocated for this

purpose. There are significant reductions on the current year's original budgets resulting from the downsizing of FIG in most services. Notably Public Works Department, £1.1 million; Fisheries, £460,000; Agriculture, £260,000 and Police £76,000. No doubt these reductions will be a challenge to the managers involved as the year progresses and it should be recognised that the benefit of some of the downsizing targets might not be fully achievable in the next financial year.

Fund transfers of £4.8 million are included in the draft estimates. This is £4 million greater than the current year and represents a transfer to a new special fund to be called the Capital Equalisation Fund which is proposed to be established under the Finance Bill by a redesignation of the Sinking Fund.

The draft estimates for transfer payments amount to £3.9 million. This is £768,000 less than the revised estimate for the current year and is the result of downward adjustments to grants, subventions and assistance in several areas. The main area affected is Camp assistance and subsidies which is allocated £1.5 million compared to £2.1 million in the current year. For example, £250,000 is allocated for the abattoir subsidy for operating purposes compared to the revised estimate of £606,000 for the current year which also covered capital works. Grant in aid to FIDC has been reduced partly as a result of the move of the tourism sector to a new organisation for which a separate grant allocation has been inserted.

The provision for holiday credits is shown under transfer payments. It is proposed that accruals under this scheme from 1 July 2004 are reduced by 50% but it is anticipated that the saving as a result will not be reflected until the 2007/08 financial year as accruals to 30 June 2003 amounted to almost £1.7 million. Therefore the current year's allocation of £600,000 is repeated in the draft estimates and projections to 2006/07.

The proposed capital expenditure for 2004/05 to be met from the new Capital Equalisation Fund is £4.2 million. This is £2.3 million less than the revised estimate for the current year and is the result of substantial adjustments made at the recent budget meetings of the Standing Finance Committee taking into account proposals from the Public Works Committee. The projected capital programme over the next three years, net of capital receipts, and including estimated carryovers of underspends from the current year, is £12.9 million. This is well within the maximum of £15 million approved as part of the budget strategy. It should be noted that greater effort has been dedicated to establishing the 2004/05 estimate than to subsequent years. The projections are shown for financial planning purposes only. They are not approvals to spend at this stage and further work will be required to firm up the projections.

At this stage I can report that there is no proposed reduction in the capital budget for camp roads. This is projected at £1 million per annum to continue the

scheme at the current pace. However, for next year, it is proposed that the cost of a replacement bridge for the Chartres river and the purchase of a mobile crusher should be met from the £1 million allocation.

When I report back from Select Committee I will provide an overview on what the capital programme for next year contains.

At this juncture I must point out that there are possible cost pressures for which no financial provision has been made in the estimates. For instance, provision has been included for independent consultancy advice on the replacement of the camp telephone system but no funding has been inserted for the actual replacement. This is likely to 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. There are also initiatives identified in the Islands Plan for which no specific funding is allocated. For example, the redevelopment of core communities in camp beyond the ongoing development of Goose Green, and the development of a deep water port. As I mentioned earlier no allocation has been made in the draft estimates for an Islands Plan Reserve. In previous years some of the efficiency savings have been set aside for this purpose. For the forthcoming year all savings identified have been applied to reduce the projected deficit. Therefore, alternative sources of funding, such as EDF grants, will need to be secured before the growth initiatives can be implemented.

Turning now to revenue measures:

- The tax system was extensively reviewed last year and a simplified, new tax regime was introduced from 1 January 2004. It is therefore not considered to be appropriate at this time for structural changes to be made, nor to amend the tax rates currently in operation.
- A principle adopted by the approval of the taxation policy framework was to keep user pay charges under review and to expand that concept in preference to adjusting existing taxes or introducing new taxes. Although it may prove necessary to increase revenue from taxation in subsequent years, for the forthcoming year the budget proposals are focussed mainly on the user pay principle.
- 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 18p on a packet of 20 cigarettes and an extra 55p on a 50 gramme pouch of tobacco. This would raise additional revenue of £28,000.

- No increase to the customs import duty rate on alcoholic beverages is proposed.
- It is recommended that the passenger levy should be increased from £10 to £15 from 1 July 2004 to recover additional marine port security costs. A lower level levy of £5 is also proposed for the same reason in respect of passengers on vessels which call at ports in Camp on the same voyage. Currently no passenger levy is payable in these instances.
- There is no proposal to increase the rate of embarkation tax. This was introduced at a rate of £10 per passenger from 1 January 2000 and increased to £20 from 1 March 2003 to recover additional costs of airport security.
- Customs entrance and clearance fees were increased by 10% on 1 July 2002 and again by the same percentage from 1 July 2003. It was previously agreed that fees would be increased by 10% per annum for three years and it is therefore proposed that they be increased accordingly from 1 July 2004.
- Customs service fees were increased from £29.30 to £30.30 per normal hour of duty on 1 July 2003 using the approved formula. If the proposal to freeze pay for FIG employees is confirmed, there will be no requirement to review the rate for 2004/05.
- Harbour dues were increased by 3% from 1 January 2004. Executive Council agreed to a review of charging arrangements in respect of customs fees and harbour dues as part of the budget process. Unfortunately, a working group has not been formed and the Collector of Customs estimates that the task will take a considerable amount of time. The issue could also be clouded by the potential creation of a port authority. The review should concentrate on making charges fairer. It is therefore proposed that no changes be made to harbour dues until the review has been carried out.
- The Customs & Immigration Department currently issues a number of certificates and permits free of charge. It is proposed that an administration charge of £5 be introduced for the issue of EC movement certificates, certificates of origin and wildlife export permits, etc to offset the costs involved.
- Vehicle licence fees were last increased by 5% with effect from 1 July 2003. A £10 increase is proposed for cars and it is proposed that other categories of vehicles be increased by the same percentage from 1 July 2004 as follows:

Motor vehicle not exceeding 500 kilos FROM £35.00 TO £39.00

Motor vehicles exceeding 500 kilos but not exceeding 3,400 kilos including those designed and constructed as agricultural tractors. FROM £80.00 To £90.00

Motor vehicles, other than agricultural tractors, exceeding 3,400 kilos. From £127.00 To £142.00

Trailers to be drawn by vehicles exceeding 3,400 kilos. From £29.00 To £33.00

this proposed increase would raise additional income of around £19,000.

- The Postmaster has recently reviewed postage rates and increases from 1 July 2004 were approved by the Standing Finance Committee following referral from Executive Council on 24 March 2004. The revised rates of postage are set out in the Post Office (Amendment) Order 2004 which has been published in the Gazette and was laid on the table this morning. No further changes are therefore recommended at this time.
- It is proposed to introduce a minimum charge of £20 per annum for water supplied from the Stanley water supply to metered properties from 1 July 2004.
- It is proposed to introduce a refuse collection charge in Stanley of £90 per annum per small bin and £270 per annum per large bin in respect of nondomestic premises from 1 July 2004.
-
- It is proposed that a service charge should be introduced for domestic premises in Stanley to amalgamate the current water charge and a refuse charge. This should be set at £250 per annum or £125 for pensioners from 1 July 2004. Unlike the water charge it is proposed that the service charge should be payable by tenants of government housing, including sheltered accommodation. The service charge to be payable by 30 September but payment may be made by monthly instalments of £21, or £10.50 for pensioners, from 31 July. For tenants of government housing the service charge to be added to the rent. To alleviate financial hardship for tenants on low income, the service charge will be treated in the same manner as rent under the government housing rent rebate scheme. To relieve other householders on low income the rebate scheme for the current water charge will continue to be available for the service charge. Together with income from metered water supplies, income from the

- The three year capital programme is well within the agreed limit;
- The consolidated fund balance remains at the approved strategy ratio of around 2.5 times operating expenditure.

With reduced revenues projected for the future and the pressure of ever increasing expenditure, the need to continue rigorous budget processes is obvious. The Priority Based Budget exercise used last year provided a foundation for updating options at each service level this year. This can also be used as a basis for going forward in subsequent budget rounds.

Despite the doom and gloom portrayed in this budget, there is evidence of a vibrant economy with or without the Illex fishery or the cooperation of the Argentine Government. It appears, from interim results of the National Accounts, that the public sector can make the necessary adjustments without a detrimental affect on the economy. After all it is the private sector which generates the wealth of the Nation. With the political and defence security we enjoy. The government providing affordable public services, sound stewardship of public funds and sensible management of the economy to facilitate private sector activity, the economic well being of the Falkland Islands can be assured.

The budget process demands a great deal of time and effort from managers, Treasury staff and Honourable Members alike. In particular I must thank my colleague, the Chief Executive, for all his support and my Deputy, Keith Padgett, who did most of the work whereas I get all the glory. I am grateful to all those who contributed to the process.

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 a first time. Any objection 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 2004 and ending 30 June 2005.

The Honourable Financial Secretary

Mr Speaker, I beg 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

A Bill for an Ordinance to provide for the service of the Financial Year commencing 1 July 2004 and ending 30 June 2005.

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 Select Committee.

Mr Speaker

The Motion is 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. Is there any objection to the Motion? No objection. The Motion is passed.

The Bill is referred to a Select Committee of the House.

Clerk of Councils

The Finance Bill 2004, this Bill is being presented under a Certificate of Urgency.

The Honourable Financial Secretary

Mr Speaker, Honourable Members, The purpose of this Bill is to give effect to the amendments to charges regulated by Ordinance, which I proposed in my budget presentation as follows:

- | | |
|-------------|--|
| In clause 2 | Increase in passenger levy and the introduction of a lower rate for passengers visiting camp ports |
| In clause 3 | Introduction of a minimum annual water charge for metered premises in Stanley |
| | Introduction of a service charge to amalgamate the existing water charge and proposed refuse charge for domestic premises in Stanley |
| | Introduction of a refuse collection charge for nondomestic premises in Stanley |

In clause 6	Increase in customs entrance and clearance fees
In clause 7	Increase in vehicle licence fees

The Bill also gives effect, under clauses 4 and 5, to the redesignation of the Sinking Fund as the Capital Equalisation Fund which I mentioned in my budget presentation. The policy for capital equalisation was approved by Executive Council on 26 May last year and the framework for the operation of the redesignated fund was approved on 20 November. To recap on the original purpose of the Sinking Fund, it was established in 1993 to provide for the future replacement of a small number of high value vital to life assets when those assets reached the end of their useful lives. The balance of the Sinking Fund at 30 June 2003 amounted to £24.7 million. The intent of the new policy is to balance out the peaks and troughs of all capital expenditure over the long term and to avoid the existing need for annual appropriation for projects which span more than one financial year.

In the process of drafting clause 5 to the Bill, the Attorney General has identified a possible constitutional difficulty in implementing the Capital Equalisation Policy in full. The provisions of section 70 of the constitution may not allow the authorisation of capital expenditure on a project basis where that expenditure spans more than one financial year and it may continue to be subject to annual appropriation. The clause has been drafted in a manner which allows the policy to proceed in full or to a limited extent. On the submission of the Bill to the secretary of state, to seek approval to redesignate the sinking fund, legal advice will also be sought on the interpretation of Section 70 of the Constitution. In the event that advice confirms the necessity for continued appropriation, a Supplementary Appropriation Bill may be required to authorise the carryover of 2003/04 capital underspends and, for the future, a constitutional amendment will be sought to allow the Capital Equalisation Policy to be fully implemented.

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?

The Bill will be read a first time.

Clerk of Councils

A Bill for an Ordinance to amend the Cruise Ships Ordinance 1998, the Stanley Rates Ordinance, the Public Funds Ordinance and the Road Traffic Ordinance; to repeal the Special Funds Ordinance 1993; to establish the Capital Equalisation Fund and dissolve the Sinking Fund, and to amend the Customs (Fees) Regulations.

The Honourable Financial Secretary

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

Mr Speaker

The Motion is that the Bill will 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 the Cruise Ships Ordinance 1998, the Stanley Rates Ordinance, the Public Funds Ordinance and the Road Traffic Ordinance; to repeal the Special Funds Ordinance 1993; to establish the Capital Equalisation Fund and dissolve the Sinking Fund, and to amend the Customs (Fees) Regulations.

The Honourable Chief Executive

Mr Speaker, Honourable Members, I beg to move 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 will be referred to the Select Committee on the Estimates.

Council is adjourned until 2:15 p.m. tomorrow afternoon or at a later time if so required by your deliberations. Thank you.

COUNCIL RESUMED ON WEDNESDAY 26TH MAY 2004

Mr Speaker

Honourable Members, good afternoon.

Clerk of Councils

ORDER OF THE DAY – BILLS

The Appropriation Bill 2004 remaining stages.

Mr Speaker

Financial Secretary, would you like to report on Committee?

The Honourable Financial Secretary

Mr Speaker, Honourable Members, 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 yesterday afternoon. In any budget session there are always choices to be made and priorities to determine. At this particular session the choices were harder than experienced for several years due to the impact of a much lower level of fisheries licence fee income.

Five adjustments were made to operating expenditure amounting to a total increase of £396,500. Six adjustments were made to operating revenue amounting to a total increase of £89,500. This results in an increase in the operating deficit of £307,000.

The Committee confirmed the pay freeze for the public service and agreed that there should be no allocation for an Islands Plan Reserve.

The budget for transfer payments was increased by £200,000 from £3.9 million to £4.1 million for agricultural support schemes which will be financed from STABEX monies allocated to the Falkland Islands by the European Community. Transfer payments include the following allocations in the form of assistance to nongovernment organisations, social payments and programmes for the purpose of helping the economy to develop and grow:

- £150,000 for building a further two houses at Mount Pleasant.

- £600,000 for the holiday credit scheme. Please note that the proposal to reduce accruals under this scheme by 50% from 1 July 2004 was approved.
- £494,000 grant in aid to FIDC is allocated in order to support its budget of £1,024,000
- £170,000 grant aid to FI Tourism to support its budget of the same amount.
- £280,000 to support other agencies and trusts.
- £80,000 for donations and subventions
- £365,000 for family allowances.
- There is an allocation £1.7 million in total for direct and indirect support to the camp community in the form of assistance with retirement pension contributions, coastal shipping services, abattoir and livestock transport subsidies, energy grants, business development, labour scheme and pasture and livestock improvements. It should be noted that the funding for energy grants, business development and a significant part of the funding for pasture and livestock improvements will come from STABEX monies.

The Committee reduced the fund transfer budget from £4.8 million to £4.4 million. This reflects the anticipated earlier receipt of STABEX monies.

This is also reflected in capital receipts which were increased by £400,000 to take STABEX monies up to £900,000 following confirmation that the release of these funds would be forthcoming in the next Financial Year. This adjustment does not affect the deficit position of the Consolidated Fund as the monies will be paid into the new Capital Equalisation Fund.

The capital budget was reduced from £4.2 million to £4.1 million. The Committee confirmed that future capital spending should be limited to a maximum of £15 million in any three year period. The capital budget includes allocations for the following schemes:

- £980,000 for continuing the building of camp roads both on East and West Falklands. This allocation includes the cost of a mobile crusher but the replacement of the Chartres river bridge was deferred. It was considered that the bridge should be repaired so as to allow more funding to be allocated to the greater priority of road building. A net provision of £100,000 was added back to the highways operating budget to allow two gangs to be engaged on the essential development of roads on the west.

- £333,000 is allocated to continue the programme of upgrading camp jetties and ramps.
- £90,000 is allocated for continuing the backlog of public building maintenance.
- £200,000 is allocated for the repair of Stanley roads
- £102,000 for community school improvements
- £330,000 for Town Hall modifications
- £448,000 to complete the care of the elderly ward at the hospital
- £100,000 to improve facilities at FIGAS
- £100,000 for improvements to Stanley's water supply
- £50,000 for improvements to Stanley's power supply
- £100,000 for improvements in waste management and disposal in Stanley
- £90,000 for works in connection with port security at the visitors' centre at the public jetty

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

Please note that funding for the next phase of sheltered housing was not included in the capital programme as this scheme is deferred pending a review of the need for a further 12 units.

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

- £330,000 to finance the zero interest mortgage loans which form part of the joint Government/Standard Chartered Bank housing assistance programme.
- £246,000 for the purchase of plant for PWD and £100,000 for the purchase of vehicles.
- £50,000 for the Goose Green community development project

- £70,000 for TV and radio infrastructure

Turning now to the revenue proposals made in my presentation, the Select Committee approved the following:

- An increase in customs import duty on tobacco products. A motion is on the order paper to confirm this.
- An increase in passenger levy and the introduction of a lower rate for passengers visiting camp ports
- The introduction of a minimum annual water charge for metered premises in Stanley
- The introduction of a service charge to amalgamate the existing water charge and a new refuse charge for domestic premises in Stanley
- The introduction of a refuse collection charge for nondomestic premises in Stanley
- An increase in customs entrance and clearance fees
- An increase in vehicle licence fees

All these charges are provided under the Finance Bill.

The select committee also approved the following proposals:

- The introduction of charges for certificates and permits issued by the Customs and Immigration Department
- An increase of up to 10% in government housing rents in respect of the small number of properties which are currently below the points based level. No increase to be applied generally.
- An increase in the funeral charge and the charge for cemetery plot reservations.

Decisions on the following user pay Health charges were made as follows:

- An increase in charges for spectacles which would incorporate an administrative mark up on frames was approved. Lenses would remain at cost price. Pensioners and school children and patients with particular eye conditions would continue to receive free spectacles once every two years.

- A visit to the optician will remain free of charge to everyone once every two years. Unless required for medical reasons, visits more frequent than once every two years will attract a £20 fee.
- A visit to the dental hygienist will attract a fee of £10 to £15 per session but children and pensioners will remain free of charge.
- It was agreed that charges for cosmetic dental treatment should be introduced based on full cost recovery on the understanding that clear guidelines will be drawn up to ensure a fair charging system is put in place.
- The proposal to introduce charges for dental examinations was not agreed.
- It was agreed that charges for podiatry should be introduced based on full cost recovery. Pensioners and people with defined medical problems would continue to be treated free of charge.
- It was agreed that over the counter sales should attract a handling charge of 33% or be the equivalent of retail prices whichever is the greater.
- It was agreed that charges should be introduced for public health laboratory work and for medical examinations for war pension purposes.
- It was also agreed that staff meal charges should be reviewed and increased to a realistic level.
- The proposal that subsistence for medical patients referred overseas should be stopped was approved in the knowledge that safeguards are in place to alleviate financial hardship.

With regard to Education service fees the following was decided:

- It was agreed that Stanley House boarding fees should be increased by 50% rather than by the 100% proposed.
- The proposed increase in Leisure Centre swimming fees for children was approved.
- The proposal that charges for evening classes should be set to recover the full cost of the provision was approved.
- The proposal to introduce charges for preschool was not approved.

- It was agreed, as proposed, to reduce the annual grant payable to higher education students by £1,000.
- Following the suggestion that 50% of Retirement Pension Contribution credits in respect of students should be paid from family allowances, it was agreed that both the qualification and age limit for family allowances should be reviewed. A policy paper on this subject will be prepared for Executive Council to consider.

I now move on to the subject of the electricity tariff. The Select Committee supported the decision of both Executive Council and Standing Finance Committee not to introduce a fixed annual charge of £10 per meter. This had been proposed as part of the budget policy to Executive Council in order to recover the fixed costs associated with the provision of meters by the Stanley Power Station. As the proposal had not been approved in principle I did not include it in my budget presentation. However, in anticipation that the price of fuel from Stanley Services will soon reflect the recent increase in global oil prices, the Committee recommended an increase in the electricity tariff from 13p to 13½p per unit with effect from the first meter reading or prepayment meter calibration on or after 1 July 2004. An increase of ½p in the unit price should cover an increase of up to 1½p per litre in the fuel price. The purpose of the increase in tariff, subject of course to the extent of the actual increase in fuel price, is to ensure a breakeven financial position at the power station is maintained. The increase of ½p per unit is 3.8%. The previous increase in tariff was four years ago. The increase in tariff was approved by Executive Council this afternoon.

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

- Income and corporation tax rates and allowances,
- Customs import duty on alcoholic beverages
- Embarkation tax,
- Customs service fees and
- Harbour dues

Having regard to low inflation and the decision to freeze public sector pay, the Committee agreed that the following pensions and allowances should continue to be paid at current rates:

Public service pensions

Retirement pensions

Welfare allowances

Attendance allowances

Winter fuel allowance

Fostering allowance and

Child allowance

Following the approval to leave retirement pensions at the current rate it was agreed that Retirement Pension Contributions should remain unchanged.

To recap on the financial position, following all adjustments, the overall estimated deficit has increased marginally by £57,000 to £3,054,000.

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 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

Thank you very much. Would an Honourable Member like to propose that we accept the report of the Select Committee?

Councillor Summers, thank you. Would an Honourable Member like to second?
Councillor Cockwell, thank you.

Council now resumes and will be in Committee.

Clerk of Councils

Clauses 1 and 2.

The Honourable Financial Secretary

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

Mr Speaker

The Motion is that clause 1 stand part of the Bill but the consideration of clause 2 be left until after the Schedule has been considered.

Clerk of Councils

Schedule.

The Honourable Financial Secretary

I beg to move that the Schedule stands part of the Bill but the following amendments as shown in Executive Council paper 183/04 which has been circulated to Honourable Members.

Mr Speaker

The Motion is that the Schedule stands part of the Bill as amended. Any objection? No objection. The Schedule as amended 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, the words and figures £39,051,340 and insert £39,197,840.

Mr Speaker

Honourable Members, the Motion is that clause 2 stands part of the Bill as amended. Any objections? Clause 2 as amended stands 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 is read a third time and do pass. Does any Honourable Member object to the Motion. No objection. The Bill will be read a third time and passed.

Clerk of Councils

A Bill for an Ordinance to provide for the service of the Financial Year commencing 1 July 2004 and ending 30 June 2005.

The Finance Bill 2004 remaining stages.

Mr Speaker

We've had the Financial Secretary report on the Finance Bill. Is there anything further you wish to add?

The Honourable Financial Secretary

No, there isn't Mr Speaker; it is confirmed that the Select Committee approved all the provisions of the Finance Bill as proposed in my introduction yesterday.

Mr Speaker

Will an Honourable Member propose that we accept that report? Councillor Summers, thank you. Councillor Cockwell, thank you will second it.

The Council is now in Committee.

Clerk of Councils

Clauses 1 to 7.

Mr Speaker

The Motion is that Clauses 1 to 7 stand part of the Bill. Any objection? No objection. Clauses 1 to 7 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. Is there any objection to the Motion? The Bill will be read a third time and passed.

Clerk of Councils

A Bill for an Ordinance to amend the Cruise Ships Ordinance 1998, the Stanley Rates Ordinance, the Public Funds Ordinance and the Road Traffic Ordinance; to repeal the Special Funds Ordinance 1993; to establish the Capital Equalisation Fund and dissolve the Sinking Fund, and to amend the Customs (Fees) Regulations.

MOTIONS

Motion number 1 of 2004 by the Honourable the Financial Secretary

That is be resolved that from midnight tonight, customs duties payable in respect of tobacco products under the provisions of the Customs Ordinance 2003 are increased as follows:

On cigars from £1666.14 to £182.75 per kilo
On cigarettes from £120.18 to £132.20 per kilo
On tobacco from £109.20 to £120.12 per kilo

The Honourable Financial Secretary

Mr Speaker, Honourable Members, this resolution will bring into force from midnight tonight the increases in Customs import duty I proposed in the budget presentation. I beg to move that the Resolution be adopted.

The Honourable Chief Executive

I second the Motion Mr Speaker.

Mr Speaker

Does any Honourable Member wish to speak to the Motion? Is there any objection to the Motion? No objection. The Motion is passed.

Clerk of Councils

The Supplementary Appropriation (2003/2004) Bill 2004.

The Honourable Financial Secretary

Mr Speaker, Honourable Members, this is the second Supplementary Appropriation Bill presented this Financial year. In addition to the sums of £46,219,010 already appropriated, the purpose of the Bill is to authorise the withdrawal of £350,000 from the Consolidated Fund to meet supplementary expenditure approved by the Standing Finance Committee. The Bill provides for the Contingencies Fund to be replenished in respect of any advances made.

Under the Operating Budget £150,000 is provided to cover costs associated with the referral of medical patients overseas in excess of the original Health and Social Services budget of £400,000 for this purpose.

Under the Capital Budget £200,000 is provided as a partial carry forward of a net underspend from previous years to cover draw-downs of mortgage loans under the joint Standard Chartered bank and Government Housing Assistance programme. The original budget for this purpose was £330,000, but this has proved to be inadequate following the release of the final phase of the East Stanley Development Housing Plots.

In both cases the Standing Finance Committee was satisfied that the supplementary expenditure was necessary and that savings were not available for virement. I beg to move the first reading of the Bill.

Mr Speaker

The Motion is that the Bill will be read a first time. Any objection? The Bill will be read a first time.

Clerk of Councils

The Supplementary Appropriation (2003/2004) Bill 2004.

Mr Speaker

The Motion is that the Bill be read a second time. Is there any objection? No objection.

The Honourable Financial Secretary

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

Clerk of Councils

The Supplementary Appropriation (2003/2004) Bill 2004.

Mr Speaker

Council is in Committee

The Honourable Financial Secretary

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. Is there any objection? No objection. Clauses 1 to 3 stand part of the Bill.

Clerk of Councils

Schedule.

The Honourable Financial Secretary

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 speak to the Motion? No objection. The Schedule stands 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

The Motion is that the Bill be read a third time and do pass. Any objection? No objection.

Clerk of Councils

The Supplementary Appropriation (2003/2004) Bill 2004.

The Falkland Islands Pension Scheme (Amendment) Bill 2004. The Bill has been published in the Gazette and does not require a first reading.

The Honourable Financial Secretary

Mr Speaker, Honourable Members, this Bill makes a number of amendments to the Falkland Islands Pension Scheme Ordinance 1997. That Ordinance produced an islandwide pension scheme which provides a means whereby employers and employees and others can make contributions to the scheme which can be used to buy an annuity and fund a lump sum payment on retirement. Most pensionable government employees are members of the scheme and other employees and the selfemployed have also joined. The Bill together with an explanatory memorandum was drafted by overseas legislative draftsman Lesley Furlonger. The Bill was approved by Executive Council on the 24th March and was published in the Gazette on the 29th April.

I will summarise briefly the main amendments and the reasons for them.

Clause 3 allows requirements relating to membership of the Board to be waived in certain cases. The changes enable auditors of employers making contributions to the scheme to be members of the board and a person with an existing interest in the assets of the scheme to be chairman.

Clause 4 makes fresh provision with respect to the appointment of an adjudicator and the resolution of disputes relating to the operation of the scheme. Under the scheme an adjudicator is appointed to hear complaints from members, employers and others with an interest in the scheme, for example dependants of deceased members. Regulations under this clause have been drafted and have been approved by Executive Council. Subject to the passing of this Bill the regulations will be made by the Governor.

Clause 5 clarifies the position on the paying of contributions into the scheme in respect of Government employee members needing to retire on grounds of ill health or disability.

Clauses 6,7,8,12 and 13

Cover the implementation of the annuity provider of last resort policy approved by Executive Council on the 26th February. As annuities cannot be purchased on the UK market for scheme members these comprehensive clauses provide the authority for the Government to receive members' funds from the Pensions Board and in return to provide those members with pensions based on UK annuity rates. The Bill provides for these transactions to be effected through the Pensions (Old Scheme) Fund.

Clause 9 extends to age 75 the period of which the receipt of benefits may be deferred. This clause also covers the commutation of trivial pensions which will allow members to take the whole of their

individual accounts in a lump sum if the annuity which would otherwise be purchased does not exceed £500.

Clause 10 covers the payment of benefits in the event of death of Government employee members before retirement. It makes provision for spouses and dependants pensions from the Pension (Old Scheme) Fund and clarifies for calculating any short falls.

I take this opportunity to thank my work colleagues, Alison Inglis and Nigel Dodd for their assistance in reviewing the provisions of the Bill thus ensuring it fully reflects the policy decisions of Executive Council. 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? The Bill will be read a second time.

Clerk of Councils

The Falkland Islands Pension Scheme (Amendment) Bill 2004.

Mr Speaker

Financial Secretary are there any amendments to this Bill?

The Honourable Financial Secretary

No there are no amendments.

Mr Speaker

In that case we can take the short track procedure and go straight to the third reading.

Clerk of Councils

The Falkland Islands Pension Scheme (Amendment) Bill 2004.

The Public Health (Amendment) Bill 2004. This Bill has also been published in the Gazette and we go straight to the second reading.

The Honourable Chief Executive

Mr Speaker, Honourable Members this Bill gives effect to a decision of Executive Council some years ago which had been overlooked to substitute the Deputy Chief Medical Officer as a member of the Health and Medical Services Committee with the Director of Health and Social Services and deals also with minor consequential amendments in two of the Public Health Ordinances which deals with membership of the Health and Medical Services Committee. I beg to move the second reading of the Bill.

Mr Speaker

Honourable Members, the Motion is that the Public Health (Amendment) Bill 2004 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 Public Health (Amendment) Bill 2004.

Mr Speaker

Chief Executive are there any amendment to the Bill?

The Honourable Chief Executive

No Mr Speaker.

Mr Speaker

In that case we can go to the short track procedure. Honourable Members the Motion is that the Bill be read a third time and do pass. Are there any objections?

Clerk of Councils

The Public Health (Amendment) Bill 2004.

The Customs (Amendment) Bill 2004. This Bill has been published and we go straight to the second reading.

The Honourable Chief Executive

Mr Speaker, Honourable Members, this very short Bill harmonises the provisions of section 60 of the Customs Ordinance 2003 with regard to offences with the relevant provisions of the Export Control Act 2002, so that where an offence is committed under section 60 of the Customs Ordinance 2003 and under any other

enactment the offence will be dealt with where a fine or penalty is expressly provided by that other enactment. I beg to move the second reading of the Bill.

Mr Speaker

Honourable Members, the Motion is that the Customs (Amendment) Bill 2004 be read a second time. Does any Honourable Member object to the Motion? The Bill will be read a second time.

Clerk of Councils

Customs (Amendment) Bill 2004.

The Honourable Chief Executive

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 passed. Any objection? The Bill will be read a third time and passed.

Clerk of Councils

Customs (Amendment) Bill 2004.

The Highways (Weight Limits) Bill 2004. This Bill has been published and we go to the second reading.

The Honourable Chief Executive

Mr Speaker, Honourable Members, this Bill is designed to protect of fabric of public highways from damage by heavy vehicles. It has five principal provisions; firstly it imposes a weight limit of 38 metric tonnes on motor vehicles, trailers and vehicle combinations using public highways. Secondly, it authorises the prohibition of such vehicles of lesser laden weight on public highways and lengths thereof. It prohibits the use of unsprung dump trucks exceeding unladen weight of 7.5 metric tonnes and it confers powers on the Director of Public Works, the Chief Executive and the Commander British Forces to exempt vehicles from the restrictions in certain circumstances. Finally, it requires a disc showing the weight of vehicles to be displayed at the rear of vehicles. I would draw attention Mr Speaker to the fact the Ordinance cannot come into force until Regulations have been made under Section 5 with the regard to the display of weight disks. I do have one amendment, which I would wish to draw to Members' attention at this point, and that is an amendment under Clause 2 of the Bill, which is definition. At the definition of motor car at the end of (a) under that paragraph to insert words "does not exceed 3050Kgs". Paragraph (a) now reads

"if it is considered solely for the carriage of passengers and their effects is adapted to carry not more than 7 passengers exclusive of the driver and does not exceed 3050Kgs"

I beg to move the second reading of the Bill subject to that amendment.

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? Is there any objection to the Motion? The Bill will be read a second time.

Clerk of Councils

The Highways (Weight Limits) Bill 2004.

Mr Speaker

Council is in Committee.

Clerk of Councils

Clauses 1 to 10.

The Honourable Chief Executive

I beg to move that Clauses 1 to 10 stand part of the Bill as amended.

Mr Speaker

The Motion is that Clauses 1 to 10 stand part of the Bill as amended. Any objections? Clauses 1 to 10 stand part of the Bill.

Clerk of Councils

Schedule 1 and 2

The Honourable Chief Executive

I beg to move that Schedules 1 and 2 stand part of the Bill.

Mr Speaker

The Motion is that Schedules 1 and 2 stand part of the Bill. Is there any objection? Schedules 1 and 2 stand part of the Bill.

Council resumes.

The Honourable Chief Executive

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

Mr Speaker

The Motion is that the Bill will be read a third time and do pass. Is there any objection to the Motion? The Bill will be read a third time and do pass.

Clerk of Councils

The Highways (Weight Limits) Bill 2004

The Committees (Access to Information) (Amendment) Bill 2004. This Bill is being presented under a Certificate of Urgency and requires a first reading.

The Honourable Chief Executive

Mr Speaker, Honourable Members, this Bill has the effect of clarifying the Law as contained in the Committees (Access to Information) Ordinance 2000 by making it clear that it is permissible for an item termed Matters Arising out of the Minutes of the previous meetings to be included on the agenda, subject in accordance with the Ordinance to the minutes of the previous meeting having been made available for public inspection. I beg to move the first reading of the Bill.

Mr Speaker

The Motion is that the Committees (Access to Information) (Amendment) Bill 2004 be read a first time. Is there any objection? The Bill will be read a first time.

Clerk of Councils

The Committees (Access to Information) (Amendment) Bill 2004.

The Honourable Chief Executive

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. Is there any objection to the Motion? The Bill will be read a second time.

Clerk of Councils

The Committees (Access to Information) (Amendment) Bill 2004

Mr Speaker

Are there any amendments to this Bill?

The Honourable Chief Executive

No Sir.

Mr Speaker

We can take the short track procedure. The Bill will be read a third time and pass.

Clerk of Councils

The Committees (Access to Information) (Amendment) Bill 2004.

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 this House stands adjourned *Sine Die*.

The Honourable John Birmingham

Mr Speaker, Honourable Members, in rising to speak to this motion, I must apologise to my constituents for my lack of having much to say yesterday in reply to the Governor's address. As people will be well aware, my lack of speech was more than made up by some of my colleagues. The only thing I muttered yesterday in this House was that we would be making difficult decisions. Well, we did make some but the main services are going to continue this year next year at about the same level that they have. There have been some rises in certain areas for which we, and that includes all Councillors, will have to pay more for some services. But I think, really, it's not been that bad and we can only hope that next year things will improve. If not, watch this space.

I would like to thank Derek, Keith, and their staff and especially Helga for the work they have been up to in these last few weeks and months I might add.

I am very often, and I am sure I am not alone in this, asked by people why it takes so long for posts to be filled within FIG. Why does it take so long for those that are unsuccessful to be told? One reason, I believe, is the understaffing of the Human Resources Department. Another reason is the sheer cumbersome way in which the Falkland Islands Government employs people. It has taken two months from the start of advertising to a person being put in post and I'm not talking about anything senior. I am talking about a very junior appointment. Even the Lollypop man at the Junior School, who does a very responsible job, I might add, had to wait for a long time before he was appointed. What is it about the system? We spend thousands of pounds on management training. Could we not simplify the recruitment process at a local level? And yes, I am aware of the part that Councillors play in this.

Everybody's got their little baby when it comes to budget session. Mine this year has been a new childcare facility. It's going to go ahead. I am confident of that and I would like to thank the other Councillors for their support on this project. It is a fact that in this day and age the majority of parents work. And, to try and run a nursery in an outdated and inadequate premises. It's just not good practice at all.

Now, along with all the cuts that we have included in the spending, there is, of course, the subventions and donations vote. This, as most people will know, is money that is given to various organisations such as the Overseas Games Association, the Scouts, the Guides, the Sea Cadets, even the Duke of Edinburgh Award Scheme. These organisations do terrific work with the youngsters and are all run by volunteers, I might add. Some meet every week, while some have running costs but some don't, such as the Duke of Edinburgh Awards Scheme. I wonder if some of these organisations have just got into the habit of asking every year for money from the Falkland Islands Government. Maybe there will be some who don't really need that money.

As I have mentioned the Duke of Edinburgh Awards Scheme, who as far as I am aware don't have any premises, I would be more than happy to meet with the chairman of that organisation to see what problems they apparently have at the moment and see if their needs are being met.

There was a plea from the Shack in last week's newspaper for help. I often get calls from people telling me their rights. I believe that the children and pupils in the Senior School are now being taught something called "Rights and Responsibilities" civic responsibilities. And, I would suggest that people might like to think about their responsibilities. If your child goes to the Shack, or if your child goes to one of the other organisations that are desperate for assistance, why not

have a think about it? The more people that are involved in voluntary work, the easier it becomes for everybody. Remember we all have rights. We also have responsibilities.

Now, this House is very often used for rattling cages and I am going to put my stick away a little bit now. But it's also used to say hello and farewell. After yesterday, we now know that Mr Manfred Keenleyside is the new DPW. So, welcome Manfred. As the Chinese would say, I am sure with your post, you will live in interesting times. I wish you luck and I am sure many other people do as well.

The farewell is to Harold Rowlands. I only mention his surname for the record. He was just Harold to all who knew him. Although never having had the pleasure of working with him as a Councillor, I knew him reasonably well. He was always kind to me. And, the last conversation I had with him, he told me what he thought of my speech to the Commonwealth Conference earlier this year. And, it came something like Sh 1T. But he did say it with a twinkle in his eye. I've been around long enough to know and value the contribution that Harold made to the wellbeing of this community. And, such was his part in the recent history of these Islands that I consider his passing to have closed a chapter in the ongoing story of the Falkland Islands.

Now, today, for those who are not aware, is challenge day. It's a day to do something physical. You don't have to put on shorts. Now, later on I will be trying to have a go at this "Fit Ball" that they apparently do at the Leisure Centre. As I am the first to speak here, that in itself can have its perks but also can have its down side because no matter how high you fly, you can be shot down later on with no reply. But what I do wonder is what do the other Councillors around this table and senior officials tend to do to lead the community towards a more healthy future.

Mr Speaker, I support the Motion.

The Honourable Stephen Luxton

Mr Speaker, Honourable Members, I would also like to echo my colleague on the excellent work that has been done by Treasury staff in this year's budget. It's been a very demanding process. I think we are all now glad that it's over and done with.

Apart from the issues I touched upon yesterday, I think one of the significant grievances we have had in recent months has been the fallout from the Access to Information Ordinance. This bit of legislation enacted by the last Council was put in place for the best reasons: to open up public access to Government decision making processes. Perversely, the actions of a few members of the public in ensuring the provisions of the Ordinance are followed to the letter, has

undoubtedly resulted in less access to information than there was before the whole discussion blew up a few months ago. The current provisions, when vigorously enforced, serve to restrict and cripple the effective discussion of issues to an unacceptable degree. In my view, the sooner we can come up with a more workable solution that will allow maximum possible public access to information, the better.

I asked a question yesterday about the Post Office wheelchair ramp. The answer that the Honourable Roger Edwards gave me was broadly what I expected in cost terms but I can't let the matter conclude without expanding on the observation that I made in my supplementary question. When we originally discussed a ramp for the Post Office, I envisaged something like the existing entrance being replaced with a ramp up to the existing doorway and perhaps 6ft. long, used by pedestrians and wheel chair access alike. Total cost about £1,000, probably less. I don't dispute the finished product looks very fine but in the context of our overall budget, one could argue that £6,000 is the kind of money you could lose down the back of the corporate sofa.

There's a bigger issue here, which is the necessity for value for money being incorporated in the planning stage. To draw a comparison, I am in the process of building a double garage nearly 60 square meters of floor area, or two thirds the size of my house. And, it isn't costing very much more than this wheel chair ramp. This was achieved through a good basic design. It will fulfil the requirement identified without expanding into expensive peripheral twiddlybits. I am afraid this is a fundamental principle that's overlooked in many projects initiated by FIG. I should say at this point, I am in no way criticising the contractor, who has done an excellent job on this and other small projects for Government. But this little ramp, and I don't doubt many other projects of all sizes, is, in my opinion, over specified in the design stage.

In view of the current financial situation we face I really do urge the design people to take a far more down to earth and grass roots approach to capital projects of all sizes. This will be one way, for sure we can get more output for less money. It can be done. Excellent and good value resurfacing work taking place on a number of Stanley's roads in the last couple of years, is a splendid example of achieving more for less and is to be commended.

Mr Speaker, I would like to close today by also remembering Harold, somebody that I saw fairly regularly not every day but probably three or four times a week. He lived just down the road from where I work. I think he is a part of our community that will be very much missed indeed.

Sir, I support the Motion.

The Honourable Norma Edwards

Mr Speaker, in rising to support the Motion for Adjournment, may I echo my colleague's comments on the sterling work that Derek and his team have done at the Treasury. Although it hasn't been an easy budget, it went reasonably smoothly, I think. And, I hope the general public will understand and see that we have done the best we can, given the circumstances. As Councillor Birmingham said, I don't think it will be too bad and we must just hope that the fishes come home next year.

I, too, would like to wish Manfred Keenleyside well and I apologise for interrupting the Honourable Michael Summers, for rudely interrupting him the other day. I can only say it was a senior moment that I had and I suddenly thought it was not Manfred Keenleyside, it was Charles Keenleyside. However, I hope you will forgive me for my brain deteriorating. I am pleased that Manfred has been appointed DPW. I wish him well in his new job and he deserves all the help he can get. It's a difficult and demanding job to undertake and not everybody would want it. However, I am sure he will make a very good job of it.

May I also comment on Harold, who I did know well and who I worked with for quite some time. We went abroad together and at one time came back with a pushchair. I said to him, well people will be talking. Harold and I had many escapades here and abroad and I will miss him greatly. He always gave me good advice and he served this place very well indeed. He loved the Falkland Islands and he loved the Falkland Islands' people. He will be sadly missed and we are grateful for all that he has done for us over the years, not least all the budget sessions that he chaired and very well indeed when we didn't have any money. The first time the budget that I attended in this house, you will remember, Mr Speaker, because you were on the Council of the day at the time, £6 million. Long gone are those days. And now we are worrying about not being able to make ends meet with £40 odd million. A sign of the times.

I am pleased that some of my pet projects are going to happen in this budget, not least to say the start of the old folks ward, or whatever it's going to be called senior citizens ward. I think that's long overdue and, I hope that by the time we are in this House at the next budget, it will have been completed. We moved further sheltered housing from the budget for the moment and I hope that next year we don't lose sight of that fact and put it in the projections for the future. There will need to be more sheltered housing, come what may, we're an ageing population. That's not going to go away.

The other thing that I am particularly pleased about is that we are going to continue with two road gangs on the west. In fact, that's needed. When it gets bad, those are the times you put money into keeping as many people in work as you possibly can in hard times at the lower end of the scale. If we have to make

cuts in the future, we probably will, and I hope we don't look to the bottom end of the scale to make those cuts. That's where the real hardship occurs.

Sir, I support the motion.

The Honourable Jan Cheek

Mr Speaker, Honourable Members, I would like to join the others in giving thanks to Derek, Keith and the other Treasury staff for the very efficient budget sessions we have had over many months.

Some people, I know will be upset over some of the decisions. I am not happy with all of them but they were all made after much thought and with the intention of spreading the money as far as possible and avoiding the kind of silly comments that have gone on in the past and led to people losing their jobs. I can't promise the Honourable Councillor Birmingham that I am going to do anything desperately energetic today and I do hope that Casualty staff are on standby, for whatever it is he's going to do. I can do nothing to add to the Honourable Luxton's comments on access to information except to heartily agree with him.

We all have, as others have said, a particular bugbear at any particular time. And to me it's disturbing that, again, unwarranted criticism of contract officers is being bandied about on the slimmest pretext. On this occasion, the budget proposals have been used as an excuse. I would ask those contract officers who feel offended or upset over unjustified criticism not to assume that the unreasonable comments of a few are representative of opinions generally. I believe that most of us recognise and appreciate the competent and conscientious work done by most contract officers. These people have been invited here to do jobs, which we cannot otherwise fill.

In spite of great strides in education and training in recent memory, we are still looking at many years ahead before we have residents qualified and suitably experienced to take up all those posts. To qualify and gain experience for some professions, our young people may have to spend from five to ten years out of the Islands. A good number have done so. More are in the process. It's not easy and I congratulate those who have the determination and hard work that it takes. Young people hoping to return need to work closely with the Education Department and with possible future employers to ensure that they do the right courses and gain relevant experience.

Finally, I, too, would like to say my goodbye to Harold, who helped me learn to read, taught me to ride a bike, encouraged me in all the things I did as a youngster. But above all, as everyone knows, he loved the Islands. His kindness extended way beyond his family and he was always fun.

I support the Motion.

The Honourable Richard Cockwell

Mr Speaker, Honourable Members, in reverse of the Honourable John Birmingham, I'm going to be mercifully short this afternoon. I would like to congratulate Derek and his staff, Keith and all the rest of staff that worked long and hard on this budget. It's not what any of us would really have liked but I think it has actually achieved something which is as painless as we are able to manage to make it. I know that some people will find certain things rather difficult but we have to make savings somewhere.

The Honourable Stephen Luxton said that the work is over for us and I think that's right but the work is only just starting for Derek and his staff to actually monitor this right through the year. We mustn't forget that it doesn't stop here. And, I look forward to the results being better than was forecast.

I, too, would like to remember Harold Rowlands. I think one of the things which was paramount with Harold was that he was a lovely person and he loved life. I think that life was really an example to all of us: to actually enjoy life and make the most of what you have. He will be sadly missed.

Mr Speaker, I beg to support the Motion.

The Honourable Roger Edwards

Mr Speaker, in rising to support the Motion for Adjournment, I would like just to say one or two things.

I will start off by saying thank you to Derek and all the team for a good job done. I would not like to have been a fly on the wall, as I suspect that office was sometimes very hot and steamy probably caused by comments and changes that we Councillors have insisted upon in Derek's already good budget proposals.

It is interesting as you walk around the town of Stanley and meet folk and every single one of them has a different opinion on how you should have run the budget and where you should make the cuts. I reckon, of the 2500 people in these Islands, I reckon there are 2499 who find different ways of doing things. I of course am the only one that is correct.

Yesterday, in my motion of thanks speech, I did not mention the Abattoir, and two farmers last night picked me up on that. They phoned me up and said why didn't you speak about the abattoir. One was pro abattoir and one was dead against. They both asked the same question, where are we now? So, having spoken with my colleague Mike Summers this morning, I did go and see FIDC and spoke

about the Abattoir. And, the figures I'm going to give are not the final figures. There is still much work to be done. The figures have not gone in front of the FIMCO Board and I would not like to pre-empt their final decisions on the year. Also, another problem is the fact that the Abattoir year runs from January through to December and the Government year runs from July to June. They overlap and it's difficult to actually put anything into one financial year.

However, last year, when there was some considerable doubt (as I said, I am an Abattoir sceptic, or was) the actual cost to Government for the Abattoir was an additional £800 odd thousand, a huge amount of money of which half was spent on capital projects like cold storage, incinerator and some plant changes, leaving the other half to subsidise the through-put sheep. Farmers were paid £89,000 for the sheep and Government paid as subsidy £422,000. In other words, for every £5 a farmer got for his sheep, we subsidised £26. It's a huge amount of money. And, I think on that basis, anyone would be sceptical. Since then, with the Board of FIMCO taking over, looking at the thing, planning it better, being more aware of the set-up and we are absolutely delighted to announce that this year the farmers' payment has risen to £136,000 and the subsidy of sheep through the Abattoir has fallen by almost exactly have to only £13. That improvement in one year is quite remarkable, and I think FIMCO and all those connected with the Abattoir should be jolly well congratulated.

For the future, it looks very much as though, for the actual killing season, the three to four months of the actual killing, the Abattoir can actually look forward to breaking even. I think that is a dramatic change from only last year, or the year before. However, we wish the Abattoir to remain open for 12 months to provide meat for Stanley. That will cost. And, no doubt, in the future, we will be seeing an EXCO paper on how we actually fund that. I do believe that FIMCO and the Abattoir and all those connected with it should be congratulated. They are heading in the right direction. I am less sceptical and maybe, as time goes by, I will become a full supporter of the Abattoir.

I am delighted to tell the people who phoned me the previous evening that through surreptitious use of the STABEX money and other funds, agricultural support should be fully funded as put forward by the Agriculture Department. I think that was excellent for the Camp.

I am also delighted that the roads programme is going ahead with two gangs on the West. We had to make savings and so that budget was used to buy a crusher, which will improve the surface initially on the MPA Road, which will enhance road safety on that road. But we have had to delay the Little Chartres Bridge by one year. You can't get everything out of nothing.

I can't sit down without replying to the Honourable Stephen Luxton. I think it would be very nice if we could put a little ramp up there. I could have done that. I could have built one out of plywood that probably would have cost £20. The fact

of the matter is, we have to build things here in accordance with accepted standards, and the standard of slope you would have required to get a wheelchair up there would have meant we would have gone out into Ross Road, and I think we would have had other problems. That is why we had the ramp sideways from the door, because we had to get the slope on it so that it doesn't go out into Ross Road. If we projected it straight out of the door, we would have been on to the road, which would not have been satisfactory at all. That's basically the answer to why it was built like it is. There are other reasons as well.

I, too, would like to echo all my colleagues remembrance of Harold. I always have known him as "Super Chap." I didn't know him all that well, I must admit, but every time I did meet him, he was terribly cheerful, happy and a very good chap.

Sir, I support the motion.

The Honourable Ian Hansen

Mr Speaker, Honourable Members, in rising to support the Motion for Adjournment, I would just like to make a few very general comments. First of all, I, too, would like to thank the Financial Secretary, the Deputy Financial Secretary and, of course, the treasury team for working on what must have been one of the more difficult budgets for some time.

As this is my first budget, it will come as no surprise that I found it difficult, certainly to judge where savings should be made and at what level is acceptable. I had noticed that all Councillors have their preferences and I believe it's how it should be. It keeps us more concentrated on protecting or developing just a few certain areas. Then, the result would undoubtedly be a very unbalanced and fair budget.

Even under the present financial circumstances, I feel we should strive to continue developing and cultivating options that have potential for the future. Fishing, Agriculture and Tourism are our three main industries. I think we must ensure that we take a long term view of these industries. If we can, we should develop each one as opportunities arise. Looking ahead is as much a part of any budget as looking back.

I would just like to mention the Camp Roads Programme as well. It has my full support. Even if there are less kilometres of road constructed during next season, I think the fact that there is still progress being made, sends a very positive message to those who are going to be linked to the system. And I believe we should continue two gangs in the West and proceed to the remaining farms in the East. The road building programme is nearing completion and maintenance will be an ongoing expenditure over the next few years. This, of course, isn't the end of the Islands' infrastructure, and, in a few years, I would like to see more

financial aid to outlying islands who do not benefit from roads. But that is another issue for another day.

This particular budget will see a reduction in funding, postponement of capital projects, while, at the same time, increases in some costs and some public services. I can understand the irritation people must feel at this. But in many cases, I honestly believe that other options weren't available.

Finally, Sir, I, too, would like to remember Harold. I first heard him here presenting budgets and in later years, of course, as a Member of Legislative Council and it was a pleasure to meet him.

Sir, I support the Motion.

The Honourable Mike Summers

Mr Speaker, Honourable Members, Harold will have a place in history. Not everybody manages that and therefore, I think that's his own tribute.

I would just like to remember one other public servant who has passed on recently. That is Jimmy Stephenson from the Post Office. Jimmy from BAS, Jimmy the Met man. He was a piece of history in his own right, I gather. He is the last of the old BAS Met men to be in the Falklands. He will be missed by many and be talked about by many. So, we send our condolences to his family, too.

The budget, of course, has been the big issue. My thanks, as always, to the Treasury staff. It's not just a rote. It's genuine thanks for the very hard work that you have done.

I would also like to thank the Heads of Department who have put in many, many hours and, for them, too, quite difficult hours in cutting away of budgets that have been built up over the years, having to make judgements on their own about services that can be curtailed, not provided or services that should be charged for that previously have been free. It's not easy for them, either. So, I thank them for their contribution.

I think as you sit in the budget session, you can always spot one thing that's going to cause some excitement. The bins levy is it. Anybody I have seen on the street or spoken to on the phone since yesterday has talked about the bins levy, or whatever we like to call it. I thought to remind somebody today on the phone that it's actually only a few years ago, I don't know how many, that we actually got rid of rates. We got rid of rates because we could afford to do so. We have introduced a charge now, for a service that the Government buys from the private sector, because, frankly we cannot afford not to. Let's not always imagine that things are not as good as they used to be in the good old days. In the good old days, the rates were significantly higher than the service charge is now.

The other issue, of course, will be, I know, somebody's going to ask me tonight why don't we introduce MSL: for a very good reason. There is a cost of collecting it both for employers and to the Government. Whereas the bins levy, at least, will be collected at the same time as the water charge and there won't be additional bureaucratic burden in collecting that.

The budget by and large has been satisfactory. The deficit of £3 million is perhaps more than I would have liked and perhaps more than we would have liked but that is the reality. But just to provide a little balance to it because we tend to talk about revenue measures in here and cost cutting measures in here, we don't always present the bigger picture. The general public might be interested to know that the Public Works Department budget has been reduced by £900,000. That is a significant amount. That's over 12% of last year's budget. The Fisheries budget is decreased by about 7% by £400,000. The central administration budget has decreased by £900,000, a very significant percentage. Even the Legislature budget is reduced by about 15%. So, it's not just the things you have heard about on the floor here that have been worked on, it's the core budgets. And, when people say to you that too much is spent on this or on that, there has been very significant effort, I can assure you, to cut down everywhere across the board, without affecting core services, without affecting investment in the future, without affecting growth.

I have one comment to make on the issue of criticism of people that we employ in the Falklands from outside. I was hugely amused actually by the outcome of the correspondence in the Penguin News. And I thought its detractor got what he deserved quite frankly. But it is time, sometimes, at times like this, for people to step up. It's a remark I have made here before. Again, if you think that you can do a job that's currently being done by someone else, step up and say so. Put yourself forward. Be available to do the work for us and our community.

Finally, in closing, as usual, one comment about foreign affairs, it was a marvellous thing. Somebody phoned me up today and said how did you celebrate yesterday? What? They said, "Don't you remember? It was "25 de Mayo". We all had forgotten about it. Well there's a thing, eh?

I support the Motion.

Commander British Forces

Mr Speaker, Honourable Members, I would merely rise to support the Motion. Thank you.

The Honourable Financial Secretary

Mr Speaker, Honourable Members, the gratitude to Treasury staff and myself is very much appreciated. I would just like to add my tribute to the life of Harold Rowlands. I worked with Harold for 13 years and he has been a hard act to follow, having delivered 17 budgets to this House. He worked and played hard. He was a fair boss and a good friend. He was always optimistic and could never see the bad in anyone. I was going to say he would be looking down or perhaps up at this budget session with a critical eye because he didn't like deficits of any kind. But I'm sure his time is now taken up with much greater pleasure. I also pay tribute to Jimmy Stephenson who was a hard working and conscientious man. He was a very modest and pleasant and I worked with Jimmy when he was in the Taxation office and in the Central Store and had a lot of contact with him when he was the Postmaster. I support the Motion of thanks.

The Honourable Chief Executive

Mr Speaker, Honourable Members, the one occasion of the year when I have the privilege of the final word. In terms of financial planning these past few months have perhaps been the most difficult that Government has faced for some years and it is not actually finished yet. Much remains to be done to deliver the predicted outcomes especially for those departments that have been set challenging targets and where the detailed plans have yet to be defined. As pointed out by His Excellency Governor yesterday, these Islands enjoy a very high standard of public services so the challenge for us is to significantly reduce expenditure at a time when expectation and demand for services perhaps particularly the Medical Services is undiminished. The Honourable Mike Summers expressed the view that if necessary the people of the Falkland Islands could nevertheless continue to enjoy a high quality of life even if we had to manage without income from the Illex fishery. I agree with him, albeit that expectations would have to be adjusted while other sources of income are being developed.

I too cannot let this occasion pass without paying tribute to the dedication of the Financial Secretary his Deputy, Keith and their staff, Heads of Services and all other Civil Servants who have burnt many hours of midnight oil to deliver the budget options for Honourable Members to deliberate upon. The Civil Service will continue the relentless search for efficiency gains although there are bound to become more elusive as budgets are reduced. We are developing a uniform business planning process in which all Civil Servants, not just the senior staff, will have the opportunity to participate.

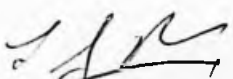
Finally, I would just like to take this opportunity to record my admiration for the way which Honourable Members performed their unenviable duties. Very few people outside their immediate families will have the slightest impression of the

amount of time and effort that they devote to their public duties and the impact it can have on family life. Rarely do they receive due recognition for the thankless tasks that they perform and just as I frequently did in a previous life, I find myself wondering what motivates them. It is not exactly a good career move after all. I've seen it as one of my tasks to work on building a stronger sense of teamwork between Elected Representatives and the Civil Service. Progress has been made. Plans to redesign the Committee structure and strengthen the relationship between Portfolio holders and members of the Government Management Team are tantalisingly close to fruition. We will secure further improvements whilst also improving the transparency of Government decision making. In closing may I just say that I only met Harold Rowlands twice, but I remember the twinkle in the eye that so many speak of. Let's just try and remember that sense of humour when times get tough. Thank you Mr Speaker.

Mr Speaker

Honourable Members, Council adjourns *Sine Die*.

Confirmed this 30th day of July 2004



Speaker of the House.



**RECORD OF THE MEETING
OF THE LEGISLATIVE COUNCIL**

HELD IN STANLEY

ON 30TH JULY 2004

RECORD OF THE MEETING OF THE LEGISLATIVE COUNCIL
HELD IN STANLEY ON 30TH JULY 2004

MR SPEAKER

(Mr Lionel Geoffrey Blake OBE)

MEMBERS (Ex-Officio)

The Honourable the Chief Executive
(Mr Christopher John Simpkins)

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)

Chief of Staff
(Group Captain Gordon Moulds MBE)

CLERK OF COUNCILS: Claudette Anderson MBE

PRAYERS: Monsignor McPartland

APOLOGIES

The Honourable the Financial Secretary
(Mr Derek Frank Howatt)

The Commander British Forces Falkland Islands
(Air Commodore Richard Howard Lacey, MA, CBE, RAF)

CONTENTS

Prayers	1
Oath of Allegiance – Group Captain Gordon Moulds MBE	1
Papers to be Laid on the Table	1
QUESTIONS FOR ORAL ANSWERS	
04/04 By The Honourable John Birmingham Progress on the street lighting at East Davis Street and Murray Heights	2
05/04 By The Honourable John Birmingham Collection of vehicles by Tamar during Farmers' Week	2
06/04 By The Honourable Stephen Luxton	3
Assurance that allocation from Central Government Funds for Goose Green Development were being used for non – agricultural purposes	
Group Captain Gordon Moulds MBE Statement on Defence	3
MOTIONS	
No 4 of 2004 By The Honourable Stephen Luxton To Approve the Murrell farm Road Regulations 2004	4
ORDERS OF THE DAY: BILLS	
The Ship and Port facility Security Bill 2004	5
The Highways Weight Limits (Amendment) Bill 2004	6
The Interpretation and General Clauses (Amendment) Bill 2004	7
The Customs (Amendment) (No 2) Bill 2004	7
MOTION FOR ADJOURNMENT	
The Honourable John Birmingham	9
The Honourable Norma Edwards	10
The Honourable Stephen Luxton	11
The Honourable Jan Cheek	12
The Honourable Richard Cockwell	13
The Honourable Roger Edwards	13
The Honourable Ian Hansen	14
The Honourable Mike Summers	15

Record of the Meeting of the Legislative Council Held on
Friday 30 July 2004

PRAYERS

Mr Speaker

Honourable Members I bid you good morning.

Clerk of Councils

The Oath of Allegiance for Group Captain Gordon Moulds MBE

Clerk of Councils

Confirmation of the record of the Legislative Council Meeting held on 25 and 26 May 2004.

Papers to be laid on the Table by the Honourable 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.

- *Falkland Islands Pension Scheme Complaints Procedures Regulations 2004*
- *Mount Pleasant and Mare Harbour Designation and Speed Limits Order 2004*
- *Planning and Building 17A Ross Road West Direction 2004*
- *Planning and Building 4 Pioneer Row and 4 Brandon Road Direction 2004*
- *Planning and Building 66 Davis Street and 36 Callaghan Road Direction 2004*
- *Fishery Products Hygiene Revocation of Approval Order 2004*
- *Merchant Shipping Ordinance 2001 Correction Order 2004*
- ~~Claims Audit 2004~~ *Coins Order 2004*
- *Brandon Road, No Waiting Regulations Order 2004*
- *Merchant Shipping, Registration of Ships Amendment Regulations 2004*

- *Audit of Accounts of the Falkland Islands Development Corporation, The Falkland Landholdings Corporation, and the Media Trust for the year ending 30 June 2003, laid on the table pursuant to section 61 of the Finance and Audit Ordinance.*

The Honourable Chief Executive

Mr Speaker, I hereby lay the aforementioned papers on the table.

Clerk of Councils

Questions for Oral Answer:

Question Number 4 of 2004 by the Honourable John Birmingham

The Honourable John Birmingham

Mr Speaker, Honourable Members, would the Honourable Roger Edwards inform this House on the progress of the installation of street lighting at the East End of Davis Street and at the Murray Heights Mobile Park, enabling residents to walk safely to Eliza Cove Road at night time?

The Honourable Roger Edwards

Mr Speaker, Honourable Members, the Street Lighting on Snake Hill between H. Jones Road and Davis Street has been temporarily removed to allow for the formation of a public footpath. These works are proceeding to programme and the street lighting will be re-instated in August 2004. The existing street lighting on Davis Street will be extended to the east of Hillside Camp together with footpaths with a link to the Fisheries Estate. These works will be completed later in the year. Murray Heights to Eliza Cove Road, the Highways Section of PWD will carry out improvements to the existing track that runs parallel to the Bypass Road and provide an unsurfaced foot-way. Walkway bollard lighting will be installed along its length, with standard street lighting at the junctions of Eliza Cove Road and Murray Heights Mobile Park.

The Honourable John Birmingham

I thank the Honourable Roger Edwards for his reply.

Clerk of Councils

Question Number 5 of 2004 by The Honourable John Birmingham

The Honourable John Birmingham

Can the Honourable Stephen Luxton confirm that during Farmers Week, the Tamar FI did a trip to Fox Bay to pick up 4 vehicles?

The Honourable Stephen Luxton

Mr Speaker, Honourable Members, Island Shipping Ltd did indeed provide a ferry service for Fox Bay during Farmers Week. The Coastal Shipping Service has traditionally provided a ferry service from Port Howard to Port San Carlos during Farmers Week. This year, the unfortunate destruction of the Port Howard Jetty meant the traditional service could not be run. Island Shipping sought the advice of Government Officials and were advised to bring vehicles from the West to Stanley. These vehicles were already booked on the ferry crossing. It was felt that FIG should endeavour to provide the best service to people on the West. There was no additional cost to FIG for this voyage because this service was carried out as part of a fixed price contract between Island Shipping Ltd and FIG.

The Honourable John Birmingham

I thank the Honourable Member for his answer.

Clerk of Councils

Question Number 6 of 2004 by The Honourable John Birmingham

The Honourable John Birmingham

Mr Speaker, Honourable Members, will the Honourable Richard Cockwell assure me that the £50,000.00 allocated from Central Government Funds towards the Goose Green Development Project will be used for non-agricultural purposes?

The Honourable Richard Cockwell

Mr Speaker, Honourable Members, I can confirm and assure you that there is no intention of using the £50,000.00 allocated to Falkland Landholdings from Central Government for agricultural purposes.

The Honourable John Birmingham

I thank the Honourable Member for his reply.

Clerk of Councils

Statement on Defence matters by Group Captain Gordon Moulds MBE

Group Captain Gordon Moulds MBE

Mr Speaker, Honourable Members, thank you for this opportunity for me to make a statement on Defence.

As you will be aware, on Wednesday, the 21st of July 2004, the Secretary of State for Defence announced a significant restructuring of the Armed Forces. The clear message from the Secretary of State was that the changes will result in the Armed Forces being more capable in the future than they are today, as advances in modern technology mean the desired effect can now be achieved with fewer deployable assets.

I would like to take this opportunity to reassure all Falkland Islanders that the reductions announced by the Secretary of State do not impact at all on our operational capability here. There will be only one superficial change at Mount Pleasant Airfield. That is the responsibility for the ground based air defence role will be switched from the Royal Air Force to the Army. The transition will be seamless. Operational capability will be maintained throughout. No change is envisaged to the current levels of coverage, so our air defence capability is not reduced at all.

The Navy are losing a number of ships, including their oldest Type 42 Destroyers. These include HMS Cardiff, currently serving in Falkland Islands waters and HMS Glasgow, which patrolled the South Atlantic earlier this year. The increased capability of the new Type 45 Destroyers, which are replacing the old Type 42s, will ensure that Naval tasking, both standing and contingent will continue to be undertaken in line with the latest defence policy. Naval deployments in support of defence diplomacy and wider commitments abroad remain a priority.

The Royal Air Force's Tornado F-3 Forces are going to be reduced by one squadron. And details of which infantry battalions slated to go are still being discussed. But neither of these reductions will impact on the role of the infantry or the Tornado F-3 Flight here in the Falkland Islands.

Commitment to sustaining our operational roles is a priority. Therefore, I am pleased to assure you that you will continue to hear the sound of freedom in the skies over the Falklands.

Clerk of Councils

MOTIONS

Motion Number 3 of 2004 Proposed by The Honourable Stephen Luxton and seconded By The Honourable Ian Hansen.

It is moved that this House resolves to approve the Murrell Farm Road Regulations 2004.

The Honourable Stephen Luxton

Mr Speaker, Honourable Members, these regulations provide for the construction of a road across Stanley Common from Moody Brook towards the Murrell Farm. I welcome the opportunity to propose this Motion as I believe this is a road that is long overdue and will link to Stanley what may be the closest farm in terms of distance but is undoubtedly one of the most isolated.

Perversely, one of the first things I was involved in when joining this Council was delaying this road because I firmly believed then as I do now that to build a road in all the way from Long Island was the wrong way to do it. I believe what we are doing now is the right way to do it. And, it will not only link the Farm to Stanley but also open up a nice part of the Common to many more folk from town as well as providing another opportunity for day-visit tourists.

I know there are concerns in some quarters about the impact on the Common, the fishing and the scenery. But I believe these problems can be managed successfully for the benefit of everybody. Due to its proximity to Stanley, the work requires planning consent, which will be the appropriate time for anybody to raise any concerns of this type. I propose that we support the motion.

The Honourable Ian Hansen

Mr Speaker, Honourable Members, I agree entirely with the Honourable Member who just spoke and am more than happy to second this motion.

The Honourable Jan Cheek

Mr Speaker, Honourable Members, I want to make clear first that I am not opposing the building of the road or the principle of routing the road through common land. But I would urge that the proposed route be reviewed because there are serious concerns about it, in fact, on the part of the Murrell used for fishing. We need to be very cautious about the gradual whittling away of leisure amenities that are within easy reach of Stanley. And, the Murrell is a prime example of this. I don't fish there but I know many people who do and have done for fifty years and, in some cases, more. And, I believe that they should be consulted about what is the best crossing point that will have the least bad effect on the fishing potential of that river. But I support the principle of the road being built through common land.

Mr Speaker

All in favour of the Motion (all agreed). The motion is duly passed.

Clerk of Councils

ORDERS OF THE DAY: BILLS

The Ship and Port Facility Security Bill 2004. This Bill requires a second reading.

The Honourable Chief Executive

Mr Speaker, Honourable Members, the purpose of this Bill is to make provision in relation to Port Security and introduces measures relating to safety of ships and persons on them. It implements Chapter 11.2 of the SOLAS Convention and the ISPS Code into the Law of the Falkland Islands. It provides for the inspection of ships and

port facilities, the detention of ships in certain defined circumstances, the payment of compensation where, it is found there is no valid basis for detention, the creation of an offence of unlawful entry to a restricted area of a ship and obstruction of unauthorised officers and falsely pretending to be an authorised officer, the enforcement of Chapter 11.2 of the SOLAS Convention and ISPS Code, the service of enforcement notices, a procedure for objecting to enforcement notices and the maintenance and retention of ship and port security plans.

I beg to move the second reading of the Bill.

Mr Speaker

Does an Honourable Member second the Motion? Councillor Cockwell, thank you.

The Bill will be read a second time.

Clerk of Councils

The Ship and Port Facility Security Bill 2004

Mr Speaker

Chief Executive, are there any amendments to this Bill?

The Honourable Chief Executive

None Sir.

Mr Speaker

Does any Honourable Member wish to speak to the Bill? We'll use the short track procedure. The Bill will be read third time and passed.

Clerk of Councils

The Ship and Port Facility Security Bill 2004

The Highways Weight Limits Amendment Bill 2004. This Bill does not require a first reading.

The Honourable Chief Executive

Mr Speaker, Honourable Members, the effect of this Bill is to replace Section 5 of the Highways Weight Limits Ordinance 2004, to make different provision in relation to the style of plates, which are to be displayed on certain vehicles to indicate the authorised weight of the vehicle. I beg to move the second reading of the Bill.

Mr Speaker

Will an Honourable Member second the Motion? Councillor Hansen, thank you.
Are there any amendments to the Bill as published?

We will therefore use the short track procedure. The Bill will be read third time and passed.

Clerk of Councils

The Highways Weight Limits Amendment Bill 2004

The Interpretation and General Clauses Amendment Bill 2004. This Bill has also been published in the Gazette and we go straight to the second reading.

The Honourable Chief Executive

Mr Speaker, this fairly technical Bill would limit the effect of Section 78 of the Interpretation and General Clauses Ordinance, so that Imperial Enactments, as defined by that Ordinance made after the 31st of July 2004 will not have the effect of altering the written Law of the Falkland Islands.

I beg to move the second reading of the Bill.

Mr Speaker

Will an Honourable Member second the Motion? Councillor Edwards, thank you.
Are there any amendments to the Bill as published?

I think we can safely dispose of this quite quickly, it will therefore be read third time and passed.

Clerk of Councils

The Interpretation and General Clauses Amendment Bill 2004

The Customs (Amendment) (No. 2) Bill 2004. Likewise this Bill does not require a first reading.

The Honourable Chief Executive

Mr Speaker, the purpose of this Bill is to make a number of drafting corrections, as set out in the Schedule to the Bill to the Customs Ordinance 2003. In particular, it corrects a mistake in cross-referencing Section 13(6) of the Principal Ordinance. It replaces the existing Section 21 of the Ordinance so as to make proper provision for the rummaging of vehicles arriving in the Islands and it inserts a schedule into the Principal Ordinance that provides for the penalties applicable to the illegal importation of Class "A" or "B"

drugs to make them the same as those specified in the Misuse of Drugs Ordinance 1987.

I beg to move the second reading of the Bill.

Mr Speaker

Will an Honourable Member second the Bill? Councillor Birmingham, thank you. Honourable Members I think in view of the fact that this is a Bill of major importance we will go through the long procedure. The Bill will be read a second time.

Clerk of Councils

The Customs (Amendment) (No. 2) Bill 2004

Mr Speaker

Does any Honourable Members wish to speak to the Motion?

Council is in Committee.

Clerk of Councils

Clauses 1 and 2.

Mr Speaker

Honourable Members, the Motion is that Clauses 1 and 2 stand part of the Bill.

Does any Honourable Members wish to speak to the Motion.

Clerk of Councils

Schedule.

Mr Speaker

Honourable Members the Schedule which includes the amendments to the Ordinance in relation to Class A and B drugs. Does any Honourable Members wish to speak to the Motion.

The Schedule now stands part of the Bill.

Council resumes.

The Honourable Chief Executive

Mr Speaker, Honourable Members 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 passed.

Clerk of Councils

The Customs (Amendment) (No. 2) Bill 2004

The Motion for Adjournment

The Honourable Chief Executive

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

The Honourable John Birmingham

Mr Speaker, Honourable Members, in rising to speak to the Motion, I would like to welcome Group Captain Moulds to this House and thank him very much for his statement on Defence. I know the Members will wish to speak to that, I'm sure, but I would just thank you for what you said at the end there, about the sound of freedom and long may we hear it in these Islands.

Last night there was a meeting of interested parents, a meeting that was called to decide the future of childcare facilities in Stanley. There were approximately 45 ladies there and at one point, I was the only so called man until, I won't embarrass him by mentioning his name, Andrew Newman, I did feel a little bit better when he came in. I was in there for maybe 40 minutes. There must have been perhaps 20 items on the agenda and when I left they had got through around about 16. They got through these agenda items with very little waffle, the meeting was exceptionally well run and I would like to congratulate the organisers of that Committee. And, at the end of that evening (I haven't spoken to Councillor Jan Cheek about it yet, she stayed on.) I would expect that the facility itself, the company that's going to run that facility will be pushing ahead and will be formed. Now, I have no idea, they were through the 18 items when I left, that was 18 items in 40 minutes. I have heard that the AOB went on until two in the morning but I have no idea about that. But, anyway, congratulations and I am very confident that by the end of this year, there will be an up and running new child facility in Stanley.

Yesterday at Executive Council there was a paper come along and it was to do with working conditions, working hours. And, it didn't go any further than appearing at Executive Council. And really, not for the first time, I am appealing to not only the Union – Employees Union, which amalgamated with the Civil Servants Association but also

ex-members of those organisations. It is you who will make the Union as it stands now work, without membership the Union cannot do a great deal. I would urge that the Union, those remaining members of the Union, actually go out and try and attract new members. It's very difficult for Government to deal with just a few individuals. There needs to be an employees' organisation within the Islands.

On the front page of the Penguin News today people will see some work is being done at the Public Jetty. This has to be done. There is no question that we can escape this. It's to do with tourism. Anybody who has looked in there will see that it has to do with tourism. I would like to welcome Mrs Connie Stevens to the post of heading the tourism sector within the Islands. And, I see a bright future for tourism as an industry. It's one of the few where we can actually see money coming in across the counters and across the bars. And 30,000 visitors came here last year; we may well have a few more thousand this year. And, I would appeal to drivers during the season not to look upon these tourists as a nuisance and think of them as visitors bringing money into the Islands.

Now, a Giraffe is a very tall animal, Margaret, but I would explain that that's not the only animal that's tall. There are some tall stories around as well. Some of my colleagues come out with them. And, I dare say there will be a few more in a minute. Some of the stories that we do hear, it's difficult to believe that they are true. At the public meeting the other night there was an accusation that the Director of Education had sent out a letter to tutors who were doing evening classes, telling them that the evening classes were to be stopped. Councillors didn't know anything about this letter. The following day we were shown a copy of the letter that did go out and it said no such thing. What it actually says is that they will be self supporting. Evening classes will be self-supporting. We all agreed to that. I think it's just an example of how people can get excited and throw an accusation. It can be hurtful on occasions. I would ask (and I'm as bad) that sometimes we should all have a little think before we say anything.

Mr Chairman, I have nothing more to say except, I hand you over to Mrs Norma Edwards, who will carry on.

The Honourable Norma Edwards

Mr Speaker, Honourable Members, I, too, am very grateful for the statement made by Group Captain Gordon Moulds regarding the defence of the Islands. It will reassure a lot of people to hear that there won't be a great decrease in the defence of the Islands and I think we would like to relay through the channels to the appropriate people that we are grateful for the continued support that we get from the Military here. And, it is indeed a good thing that we are still going to hear lots of planes flying around.

Of course, on a slightly different tack, being an ex-naval wife, I just wonder what they are doing to the Navy. I suppose it won't make any impact on us but I think it's very sad that all these cuts are necessary elsewhere.

Can I just inform the Camp constituents tell them that the renewal of the Camp Phone System, which we haven't heard anything about, is still underway and that somebody is arriving in the Islands very shortly to oversee this. And, it will take place in due course.

May I also take this opportunity to say good-bye to Tony Lancaster, who is leaving our Planning Department. In my opinion, he's been a very good Planning Officer. He has produced some very good planning in the Stanley Plan that I think will stand us in good stead in future years. I would just like to wish him and his family well. It's been a pleasure working with him and I hope one day; maybe, we will see him back again.

The only other thing I would like to say is a thank you to the Archives Department for asking the Councillors up to visit and to see what actually goes on there. Thank you also for the lovely cakes they provided. They do have an awful lot of work to do in that department. I think that sometimes we don't appreciate what goes on behind closed doors. I would like to commend Jane for the work that they have done and wish them well for the future collation of all the old archives that they've still got to do.

Mr Speaker, I support the Motion.

The Honourable Stephen Luxton

Mr Speaker, Honourable Members, I'd like to echo the comments of my colleagues in thanking Group Captain Moulds for his very robust statement on Defence. It's a good thing to reassure people from time to time that there are no changes because, in the absence of other information, people can sometimes make it up for themselves.

I'd like to make a personal observation regarding the likely forthcoming visit by private aircraft from over the water. Folk at the public meeting the other night might have been left with the impression that all Councillors were in favour of this. I'd just like to record the fact that while this may have been the majority view, it wasn't mine. I have to say I am losing patience being nice to any segment of the Argentine population. It doesn't seem to me to be doing us much good in securing long-term benefit of the Falkland Islands. I'm afraid that if I hear the expression, "moral high ground," many more times, I think I am going to start throwing things.

At the last sitting of this House, we introduced the Highways Weight Limits Bill 2004. It was interesting to listen to the views of the Farming Community during Farmers' Week on the damage caused by heavy vehicles. I was quite surprised at the level of indignation, even outrage at the fact that damage was being caused to roads, which exist for the benefit of everybody. I guess I am appealing here to the common sense of both hauliers and customers not to push the envelope in taking heavy loads along Camp roads in winter. Even a truck within the 15-tonne winter limit is capable of causing a lot of damage in the wrong conditions. But to legislate to an even stricter level will be undesirable for all sorts of practical reasons, as the maximum load for the weight to be carried varies from one week to the next according to the weather. The Camp roads aren't perfect 365 days a year. We know that but at the moment, they are what we can afford and it isn't likely that that will change much in the immediate future, even with the capping programme that will commence this season! Please don't muck them up just for the sake of taking a large load from "X" to "Y" on a particular day.

As many will know, Coastal (Island) Shipping uses group meetings during Farmers' Week for the express object of putting everybody in the same room to bottom out some

of the discussions and accusations that have been flying around for the last year or so. Councillors have often found themselves in the situation of hearing two different sides of the story, which, on many occasions, didn't bear much resemblance. The object of arranging a users group meeting was to bring out frank and open discussions on any problems, which have occurred. There was some interesting discussion but on the whole, I was pretty disappointed with the local participation. Some of the people who have button-holed me on numerous occasions in the last six months, expressing strong views on this or that aspect of the service provider, said remarkably little when it came to saying it in front of the service provider.

Finally, having had my knuckles firmly rapped for remarking on a minor capital project last time, I can't possibly comment on the wisdom of digging up a slab of concrete from the public jetty that has been there for 50 years and replacing it with another slab of concrete.

Sir, I support the motion.

The Honourable Jan Cheek

Mr Speaker, Honourable Members, I, too, welcome the reassurances we have received from Group Captain Moulds regarding Defence, following the recent review.

I'd like to reinforce what the Honourable John Birmingham said about people sometimes not getting their facts right. We had that example the other evening of a serious misrepresentation of facts regarding evening classes. And, it turns out that it was simply a delivery actually of a Councillors' decision that these classes should be self-funding. I suggest that maybe one or two of the more outspoken people at that meeting might be well advised to have a little note of grovelling apology waiting for the Director of Education on her return.

The only other item I would like to speak about is also one mentioned by the Honourable John Birmingham about the childcare meeting. And, at the risk of sounding a little sexist, he shouldn't be surprised that a meeting of mainly women hasn't too much waffle. Most of us don't have time for it.

The Honourable John Birmingham

Point of order!

The Honourable Jan Cheek

I would like to congratulate all those involved, not only in that meeting but all the work they did preparing for that meeting. And, I hope now that we will see this additional facility go ahead and meet some of the unfulfilled needs for good, safe childcare in Stanley.

I support the Motion.

The Honourable Richard Cockwell

Mr Speaker, I, too, would like to thank Group Captain Moulds for his comprehensive report on where we stand with the Defence cuts. I think a lot of us were concerned when we heard that they were taking place. I think we can rest assured that the effect on the Falklands will be minimal. And, I would also like to assure Group Captain Moulds that anything that our Defence Force can do in helping with the Defence of the Falklands within our present role and our financial constraints, I am sure we would be very willing to do.

The SOLAS Convention and the construction that the Honourable Stephen Luxton is referring to and John Birmingham referred to, it's one of these things that is extremely easy to criticise. It's easy to say that we shouldn't have anything to do with it and it's a waste of time and we don't need to spend this money. Unfortunately, we do. Whether you like it or not, the reality is we just have to do it. We are in the world these days. The World doesn't stop at the door of the Falklands. And, if we want tourists to come here, we are going to have to do it. Not being an engineer myself, I have to take the advice of the engineers who designed the facility that it is necessary to pull up the concrete which has been there for I'm not sure how long, but I have to take their word for it.

If I could just mention the Illex issue, there's a lot of talk about that Illex have been over-fished, there are all sorts of things which have been said about it. We as Councillors are very lucky to have had a presentation by the Fisheries Department on the Illex situation the scientists' assessment of what caused the major drop in Illex numbers last year. And, we have asked that that presentation is made to the public. I recommend that anybody who has concerns about what has happened with the Illex, what the causes were and what we can do about it, which, unfortunately, looks very little, they should go along to this meeting. It would actually put the whole thing into the picture. One of the interesting things, which I picked up from that meeting, is that there is quite strong scientific evidence that this isn't the first time this has happened. However, I do recommend people to go to the meeting.

And finally, I, too, would like to pass on my thanks to Tony Lancaster's departure from the Falklands. He has done some extremely good work. We have achieved things we have been working for, for a long time. We've got the Town Plan; we've got the Structure Plan and the Planning Ordinance, which he's worked extremely hard on. And, I think in the future his name will be remembered because of these documents that he's been working on. I do wish him well in the future and hope that he may wish to come back at some time, if not to work, then as a tourist, and leave some of the money which the Honourable John Birmingham has been talking about the tourists leaving.

I beg to support the motion.

The Honourable Roger Edwards

Mr Speaker, Honourable Members, in rising to support the Motion for Adjournment, I too would like to echo my colleagues and welcome Group Captain Gordon Moulds to this Chamber in place of Commander British Forces. I thank him for his statement on

Record of the Meeting of the Legislative Council

Friday 30 July 2004

Defence, which does not impact on the capability. I think it's good that we have continued support and know of the security they provide to the Islands. And, my colleague on the left, Richard Cockwell, has mentioned FIDF with better training and more enhanced equipment, I am sure they, too, will continue to give us good service in the security of the Islands in the future.

Being the husband of that Naval wife that spoke earlier, I, too, worry about the future of the Navy but fortunately, I am having dinner with the Admiral of the Fleet next week. I will be able to bend his ear and tell him where he went wrong.

In talking about the MOD, I would like to talk about stripping. I heard/read about the MOD Land Rover that had been involved in an accident on the Mount Kent Road and the stripping of that vehicle. It is something that happened quite frequently after the conflict, when there was a shortage of vehicles, I know from my own experience I used to lose back lights and seats out of my duty BFFI LandRover. But that time has gone by and I think it's appalling that people should stoop so low as to have carried this out. I hope they are brought to task and locked up for an awful long time.

While researching the question by Councillor John Birmingham, I was also very disappointed to hear about the amount of vandalism that we experience here in Stanley over the bollard lighting. I was not aware until we were researching this question that such vandalism took place and I think, again, it is appalling.

There has been much criticism, I have received much criticism over the roads and the Roads Programme of late. But I can assure everybody out there that with the greatly reduced budget, we thought long and hard on how to make best use of the funds that we had, while still employing as many people as possible and to build and progress the roads as much as possible. It was not an easy task but I do believe we have achieved a sensible outcome, which achieves all those aims.

Finally, I, too, would like to mention security. This morning we read and passed the Ship and Ports Facility Security Bill 2004. It's something I admit we have to do. If we don't do it, we are told the tourist ships won't come in, which is true. What worries me, is that we do not know, as yet, the full extent of what will follow on from this particular Bill and how it will impact upon the Islands. And I think and I hope the public will be informed in due course. But with three stages of threat level, unknown facilities required at ports outside Stanley, etc. etc. it's going to be, I think, a very expensive business. But time will tell and I hope I'm proved wrong.

Sir, I support the Motion for Adjournment.

The Honourable Ian Hansen

Mr Speaker, Honourable Members, I also would like to begin by welcoming the Group Captain and thanking him for his address. It's much appreciated.

I have very little to add today apart from agriculturally related issues. The Falkland Islands Meat Company, FIMCO. I know the Honourable Roger Edwards praised FIMCO

a couple of months ago, which was fairly surprising itself. But I believe they deserve another mention. Those who attended FIMCO's presentation during Farmers' Week would have been, as I was, I'm sure, impressed, not only with their achievements over the past season but with their positive, professional and honest approach to this coming season. This group of predominately local farmers and businessmen deserve a lot of credit for turning around something that was not so long ago, regarded by many and with some justification, as a white elephant and potentially a total waste of FIG resources. They've changed that.

The other issue that appears to be an agricultural one that actually affects everyone is that at the end of this month, tomorrow in fact, the Post of Hydatid Officer that we have known for several years, ceases to exist. Now, this post not only dealt with ensuring dog dosing was carried out correctly, but also dealt with animal welfare issues, which made it, at times an important, responsible and sometimes an unpopular job. I would like to take this opportunity to publicly thank the outgoing Officer for his contribution and commitment.

Still on the subject of the Hydatid programme, if one begins with a 50% incidence rate and wishes to decrease that rate, it's relatively easy to achieve an initial reduction of 10 or 20%. It's when it becomes low, it becomes more difficult. When you reach the final few percent to achieve the set goal, it becomes extremely difficult. It also becomes easy to think that's close enough when we are nearly there, when in reality, we should be persevering and pushing just as hard as we did at the beginning. I have assurances from the Department of Agriculture that there will be no let-up and no complacency and I personally feel confident that there is enough desire and expertise within the Department to continue monitoring the Hydatid eradication programme and the welfare situation, albeit in a different form.

The couple of issues I briefly addressed today may seem pretty mundane and ordinary compared to other things that have been spoken about but they are important to the future of agriculture and to our Islands.

Sir, I beg to support the Motion.

The Honourable Mike Summers

Mr Speaker, Honourable Members, like all my colleagues who have spoken before me, I wish to thank Group Captain Gordon Moulds on his statement on Defence it is very welcome and very clear. I would also like to reiterate, if I may, offers we have previously made in this House and in private that the Falkland Islands Government is always prepared to work with the Ministry of Defence at Mount Pleasant to help them reduce costs. We always have all our budgets under pressure and reducing costs is always on our minds. In particular the doubling up that we still do on coastal shipping around the Islands to the man from Mars would look completely bizarre. It must not be beyond our wit to find a way to work together on coastal shipping to reduce the investment that we both make in expensive vessels to serve a relatively few number of people out round the outlying areas. So, I hope, we can continue to push forward with

that and indeed any other areas where you feel or we feel that we can share costs or reduce costs together, I'm not offering to pay for anything, you might note.

We are not far away from the new tourist season and there is much work going on as colleagues have mentioned to prepare for that and it will be I think, another exciting year. I just wanted to mention one issue and it is an issue that was big news last year and I think it will be big news again this year and it is parking. I know we've made some progress in preparing a small car park adjacent to the Jetty Centre; there is need for significantly more space. There is significantly more space in that area, currently in the ownership of a private company adjacent to Jubilee warehouse. There is opportunity to provide fifteen, sixteen, seventeen extra spaces there, it is unused land, it would be a very great public amenity if it were to be made available and I certainly hope that the company that holds that land can see its way to assisting the community by making that land available for parking.

I would like to congratulate the Rural Businesses Association, the Department of Agriculture and all the participants in the recent Farmer's Week which struck me as being one of the most positive and forward looking Farmers' Weeks that I have seen and one of the best behaved, but that is an entirely different matter. There is a lot going on in farming and I was delighted to hear so many farmers looking forward to the ways in which they are going to improve their income to find other ways of earning money. I don't think I heard anybody suggesting that the Government owes them a living. There are perhaps still one or two out around the outlying areas who perhaps haven't joined in the many interesting and helpful programmes that have been put forward in recent years to assist farming; I would urge them to do so. It is not the role of the public purse to support people who are not prepared to get out and help themselves.

Finally, just a few words following the many discussions that Councillor Edwards and myself had in New York at our meeting of the C24, I would like to just remind everybody that it remains absolutely critical to the issue of self determination that we continue to strengthen and improve internal self government in the Falklands. That means doing things for yourself. It also means the public taking a real interest in the completion of the Constitutional review. I know it has taken a long time, I don't really apologise for that, you don't rush into changing the Constitution, but there hasn't been a great deal of contribution from Members of the public on the issue on how the Government is to be structured. We will be having some further discussions next week following which I hope we will be able to put forward some firm propositions and I would ask members of the public please to take some note and interest in what is put forward and give us your view. This is one of the most important bits of public consultation there will ever be and it is important that we know what you think about the proposals as they come forward. If there is not acceptance in the public for what is being proposed then it cannot possibly be put to the British Government, so on that note I will close but say that after next week hopefully we will have more for you and please, please do contribute. I support the Motion.

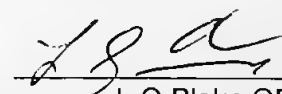
Mr Speaker

Confirmed this 1st day of
October 2004

The House stands adjourned *Sine Die*.

Record of the Meeting of the Legislative Council
Friday 30 July 2004

16


L G Blake OBE
Speaker of the House



**RECORD OF THE MEETING
OF THE LEGISLATIVE COUNCIL
HELD IN STANLEY
ON 1ST OCTOBER 2004**

**RECORD OF THE MEETING OF THE LEGISLATIVE COUNCIL
HELD IN STANLEY ON 1ST OCTOBER 2004**

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 Roger Anthony Edwards
(Elected Member for Camp Constituency)

The Honourable Ian Hansen
(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: Reverend Paul Sweeting

APOLOGIES

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

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

} Overseas

The Commander British Forces Falkland Islands
(Air Commodore Richard Howard Lacey, MA, CBE, RAF)

CONTENTS

Prayers	1
Papers to be Laid on the Table	1
QUESTIONS FOR ORAL ANSWERS	
Number 7 of 2004 by the Honourable Mike Summers	2
Progress made on additional parking at Jetty Centre and progress made with Falkland Islands Company on acquiring land adjacent to Jubilee Warehouse	
Number 8 of 2004 by the Honourable Mike Summers	2
Advice on plans in place to return Falklands Landholdings to profitability	
ORDERS OF THE DAY: BILLS	
Falkland Landholdings Corporations (Amendment) Bill 2004	4
Falkland Islands Development Corporation (Amendment) Bill 2004	5
Broadcasting Bill 2004	6
Aviation and Maritime Security Act 1990 (Application of Provisions) Bill 2004	7
Supplementary Appropriation (2004-2005) Bill 2004	8
MOTION FOR ADJOURNMENT	
The Honourable John Birmingham	9
The Honourable Roger Edwards	11
The Honourable Mike Summers	11
The Honourable Jan Cheek	12
The Honourable Richard Cockwell	13
The Honourable Ian Hansen	14

**Record of the Meeting of the Legislative Council Held on
Friday 01 October 2004**

PRAYERS

Mr Speaker

Honourable Members I bid you good morning.

Clerk of Councils

Confirmation of the record of the Legislative Council Meeting held on 30 July 2004.

Papers to be laid on the Table by the Honourable 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.

- *Offshore Petroleum (Licensing) (Amendment) Regulations 2004*
- *Currency Notes Regulations Order 2004*
- *Falklands Islands Pensions Scheme (Amendment) Ordinance 2004 (Correction) Order 2004*
- *Postal Packets (Customs) Regulations 2004*
- *Planning and Building – The Tabernacle Designation Order 2004*
- *Road Traffic – Car Parks Regulations (Amendment) Order 2004*
- *Medical Practitioners (Recognition of New Zealand Qualification) Order 2004*
- *Planning and Building – 5A Pioneer Row Direction 2004*

The Honourable Chief Executive

Mr Speaker, I hereby lay the aforementioned papers on the table.

Clerk of Councils

Questions for Oral Answer

Question Number 7 of 2004 by The Honourable Mike Summers

The Honourable Mike Summers

Mr Speaker, Honourable Members would the Honourable John Birmingham please advise what progress is being made with additional parking in the Jetty Centre area, and in particular what progress has been made with the Falkland Islands Company in seeking to acquire apparently redundant land adjacent to the Jubilee Warehouse for substantial additional public parking.

The Honourable John Birmingham

Mr Speaker, Honourable Members, as the Honourable Member will be aware and members of the public will be aware, work has been started by PWD around the south of the Jetty Centre in extending the car parking facilities there. Discussions with the Falkland Islands Company regarding the land owned by them next door to the Jubilee Warehouse are on-going at the moment.

The Honourable Mike Summers

Thank you for that brief answer. I wonder if the Honourable Member would advise if in his capacity as Chair of Falkland Islands Tourist Board, he thinks that the Tourist Board is comfortable with its public responsibility for parking in that area, or if they feel they might be better relieved from the negotiations with the Falkland Islands Company, to someone else in the Government who might be able to find it a little easier.

The Honourable John Birmingham

Mr Chairman, Honourable Members, that's an interesting supplementary from the Honourable Mike Summers. But I believe this is the establishment of the Falkland Islands Tourist Board since the board became independent some 12 months ago. I believe that the Board and the Manager have the ability to negotiate with the Falkland Islands Company. Regarding the provision of parking for the public in that area, I think by the time the works are completed there will be very few complaints.

Clerk of Councils

Question Number 8 of 2004 by The Honourable Mike Summers

The Honourable Mike Summers

Would the Honourable Richard Cockwell please advise what plans are in place to return Falklands Landholdings to profitability, and in particular what strategies are being employed to achieve this.

The Honourable Richard Cockwell

Mr Speaker, Honourable Members, this has been a matter of concern with the Board of Falklands Landholdings for some time. Plans are in place to return Falklands Landholdings to profitability.

Sheep numbers on Falklands Landholdings' properties have declined by approximately 15 to 20% over the last 6 years. The Board and Management have implemented plans to restore numbers to at least their original levels of some 5 to 10 years ago; although it is also felt that this can be exceeded with considerable investment in fencing and improved livestock management. It's anticipated that flock numbers can be restored in approximately 3 to 4 years but much will depend on weather and lambing, etc. The wool quality on Falklands Landholdings' farms today is significantly coarser than the majority of Falklands farms, whereas wool weights are similar. In today's wool market, this is a distinct disadvantage and plans are already in place to improve the quality of the wool clip by 3 micron, which has the potential to increase wool values in today's prices by as much as 58p per kilo. The introduction of the Abattoir and meat industry has significant potential for the farms but sheep numbers issues have to be rectified first.

Over the last six months, the cost of central administration has been reduced. Other areas of cost reduction and recovery, particularly in the areas of community service are also under consideration.

The Honourable Mike Summers

I thank the Honourable Member for that response. Could he advise whether he anticipates that in the period it is going to take to increase sheep numbers on Falklands Landholdings and improve income from better quality wool, if there is no increase in the wool price, is the Company likely to be seeking additional Government funding to support its cash flow?

The Honourable Richard Cockwell

Mr Speaker, Honourable Members, this is quite a difficult question. It's something which the Board has been addressing. It is not our intention at this stage to seek further funding or further support. However, the situation at the moment is not clear whether we will be able to continue without any support. We will require some cash flow support but that is hoped to be done on the commercial market through the bank rather than coming back to the Government for those sums. But what I can say, it is not our intention and not our expectation at this moment that it will be necessary. A lot of it depends on wool prices and on the success of the measures that have been put in place. But it is under active discussion with the board, and, hopefully, within the next two to three months there will be a complete action plan in place.

The Honourable John Birmingham

Mr Chairman, Honourable Members, The Honourable Richard Cockwell possibly won't be able to answer this supplementary question, although I am sure he will have a good go. Could he tell me when Falkland Islands Landholdings was last in profit, or even if it was ever in profit? The question was about returning to profit.

The Honourable Richard Cockwell

Mr Speaker, Honourable Members the Honourable John Birmingham is absolutely correct. I can't actually answer this question in detail. However, I am talking about the land in general returning to profit and I understand that historically it has actually returned a profit, possibly before the time that it was owned by the Falkland Islands Government. But it was capable of returning a profit in its days, as farms, certain farms around the Islands are able to be in profit, there's no reason why Landholdings shouldn't be able to do the same.

Thank you Sir.

Clerk of Councils

ORDERS OF THE DAY: BILLS

Falklands Landholdings Corporation (Amendment) Bill 2004. This Bill has been published in the Gazette so we go to the second reading.

The Honourable Chief Executive

Mr Speaker, Honourable Members, this Bill has five objectives aimed at improving the efficiency of the Board of Falklands Landholdings following a review of the conduct of its business. It reduces the size of the Board to seven members, it makes provision for the appointment of an Alternate Member to attend the meeting in the event that a Member of the Board is unable to attend by reason of for example, illness. It provides a quorum of the Board to be a minimum of four Members, it makes provision for the appointment of a Member of the Board to Chair the meeting in the absence of the Chairman of the Board and finally, it revises the date by which the Corporation must send its annual estimates to the Financial Secretary of the Government from the 31st of March in any year to the 30th of June.

I beg to move the second reading of the Bill.

The Honourable Financial Secretary

I second the Motion.

Mr Speaker

Honourable Members the Motion is that the Bill be read a second time. Does any Member wish to speak to the Motion? The Bill will be read a second time. I take it there are no amendments to the Bill.

The Honourable Chief Executive

No Sir.

Mr Speaker

In that case I think we can go to the fast track procedure. The Motion is that the Bill be read a third time and passed.

Clerk of Councils

Falklands Landholdings Corporation (Amendment) Bill 2004.

Falklands Islands Development Corporation (Amendment) Bill 2004. This Bill has also been published in the Gazette and requires a second reading.

The Honourable Chief Executive

Mr Speaker, Honourable Members, the Purpose of this Bill is that identical to that in respect of Falklands Landholdings. It reduces the size of the Board of the Corporation to eight in this case but in so doing, makes the Board more representative of the various sectors of the Falkland Islands' economy by providing for one member each to be nominated by the Rural Businesses Association, the Fishing Vessel Owners Association, the Falkland Islands Chamber of Commerce and the Falkland Islands Tourist Board. It also makes provisions for the appointment of an alternate Member to attend the meeting in the absence of a Member by reason for example of illness and, it makes arrangements for the Chairing of the meetings in the event of the absence of the Chairman and, it finally provides for a quorum of a minimum of five members.

I beg to move the second reading of the Bill.

The Honourable Financial Secretary

I second the Motion.

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? No-one? The Bill will be read a second time.

Clerk of Councils

Falkland Islands Development Corporation (Amendment) Bill 2004

Mr Speaker

Are there any amendments to the Bill, Chief Executive? No amendments. Is it your wish that we go the fast track? The Bill should be read a third time and passed.

Clerk of Councils

Falkland Islands Development Corporation (Amendment) Bill 2004

The Broadcasting Bill 2004. This has also been published in the Gazette and we go to the second reading.

The Honourable Chief Executive

Mr Speaker, Honourable Members, the Broadcasting Bill 2004 provides for the grant of re-broadcasting licences on satellite broadcasts reception service licences and also provides that neither of those kinds of licences may be granted as an exclusive licence. The Bill therefore provides a regulatory framework for re-broadcasting of satellite broadcast reception services and creates a number of offences in relation to unauthorised decoders. That is to say a decoder that is designed, adapted or used to enable an encrypted transmission to be accessed without authority. In such circumstances, provision is made for the forfeiture of unauthorised decoders.

I beg to move the second reading of the Bill.

The Honourable Financial Secretary

I second the Motion.

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?

The Honourable Mike Summers

Mr Speaker, can I please ask a question of the Attorney General? Would this Bill make it illegal or reinforce the illegality of people using decoding equipment to listen in to private telephone conversations?

Attorney General

No. The scope of the Bill is restricted to public broadcasts, which are intended by the satellite television companies to be received by persons who are paying a subscription. It is, however, already an offence for persons to listen in without authority to private telephone conversations. It may be necessary to strengthen that legislation and that is a matter which my department has under review.

Mr Speaker

Chief Executive have we any amendments to the Bill? Is it your wish that we go to the fast track procedure? The Bill will be read a third time and passed.

Clerk of Councils

The Broadcasting Bill 2004

The Aviation and Maritime Security Act 1990 (Application of Provisions) Bill 2004. This Bill requires a second reading.

The Honourable Chief Executive

Mr Speaker, Honourable Members, this complex and quite technical Bill introduces Sections 18 to 46 of the UK Aviation/Maritime Security Act 1990 into Falkland Islands Law but adapts those sections to the circumstances of the Falkland Islands. The central purpose is to protect ships and harbours and the people that use them from acts of violence. H. E. the Governor is given the power to make corrections to secure these objectives in certain circumstances. Offences relating to security at aerodromes and the safety of ships and fixed platforms are created and procedural processes are introduced in relation to various security measures.

I beg to move the second reading of the Bill.

The Honourable Financial Secretary

I second the Motion.

Mr Speaker

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

Clerk of Councils

The Aviation and Maritime Security Act 1990 (Application of Provisions) Bill 2004

Mr Speaker

Do we have any amendments to the Bill? Honourable Members is it your wish that we use the fast track procedure for this Bill? The Bill will be read a third time and passed.

Clerk of Councils

The Aviation and Maritime Security Act 1990 (Application of Provisions) Bill 2004

Supplementary Appropriation (2004/2005) Bill 2004.

The Honourable Financial Secretary

Mr Speaker, Honourable Members, in addition to the sum of £39,197,840 already appropriated, the purpose of this Bill is to authorise the withdrawal of £377,760 from the Consolidated Fund to meet supplementary expenditure approved by the Standing Finance Committee on 30 July 2004. The Bill Provides for the Contingencies Fund to be replenished in respect of any advances made. £277,760 of the additional sum relates to the carry-over of several under-spends from the last financial year to meet commitments and to enable the completion of various projects under the operating and transfer payments budgets. The remaining £100,000 was approved to cover the estimated fees of a London Firm of Solicitors engaged to assist with the on-going Stanley Services Ltd. Share sale negotiations.

I beg to move the first reading of the Bill.

The Honourable Chief Executive.

I second the Motion.

Mr Speaker

Honourable Members, the Motion is that the Bill be read a first time. Does any Honourable Member object to the Motion. The Bill will be read a first time.

Clerk of Councils

Supplementary Appropriation (2004/2005) Bill 2004.

The Honourable Financial Secretary

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

Mr Speaker

Honourable Members, the Motion is that the Bill be read a second time. Does any Honourable Member wish to speak to the Bill? No-one. The Bill will be read a second time.

Clerk of Councils

Supplementary Appropriation (2004/2005) Bill 2004.

Mr Speaker

I take that there are no amendments to the Bill.

The Honourable Financial Secretary

No amendments, Mr Speaker.

Mr Speaker

Is it your wish that we use the fast track procedure? In that case the Bill will be read a third time and passed.

Clerk of Councils

Supplementary Appropriation (2004/2005) Bill 2004.

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, in speaking to the Motion, I always find it interesting that when we have a Legislative Council meeting on a Friday and we pick up our Penguin News and gives us something to chew on, even if the fat sometimes is a little bit too thick.

I notice that the issue of Councillors going away on business has raised its head again and this comes up very often. As somebody who has just recently been away, I feel that I should in some way justify my trip. Although there was something in last week's newspaper, I went to the Small Countries Conference in Canada with the Clerk of Councils, Claudette and Richard

Cockwell was also at that meeting and other (CPA) meetings in Canada. That's the first time I have been to one of these. I have to say it was interesting, the numbers of people that you get to meet and although the Falkland Islands in numbers certainly we were next door to the smallest representative body there I feel that Richard, myself and Claudette pushed the Falkland Islands case to a large number of people both in committee meetings and in other gatherings. The choice always has been do we send people overseas to represent us or do we not. If we don't send people overseas to talk to people to push our case, then what will happen is that after a period of time overseas people from large countries, small countries, the overseas media forget that there is a problem down here. We know there's a problem with our neighbours and, eventually we will lose. I am not saying we are in any kind of danger from this or a future British Government but we do need sympathy and will lose sympathy if we are not there pushing our case.

I notice in today's paper there is a letter from an individual and they are entitled to send their letters, I have no problem with that, we are here to be criticised and that's part of the job. I do find it fascinating to see on occasion letters from individuals who hark back to the 1999 Agreement, which they are entitled to do. But some of these individuals have gained substantially financially from that agreement. I think that sometimes they should sit down and think about that.

I see in the Penguin News also, in the editorial, which is very good this week, I must congratulate the editor, there is some discussion about the public meetings, about publicity and the public meetings. I would suggest that the media have a role to play in publicising when the meetings are going to be held, Council put an advert in the newspaper and it is on the radio. The media have a role to play in all of the meetings that we have throughout the month. I noticed that today the Standing Finance Committee, which is arguably in the top three or four meetings that are held every month had no media sitting around the room taking notes. That is the meeting held in public when a lot of decisions are made regarding spending money. I would have thought that would be a good place for the media to be at. Perhaps it's too early in the morning for that.

Going back to the business of being a Councillor, we have a year to go and I would throw down the gauntlet to some of our greatest critics and say that you have a year to save your £100. Now is the time to think about it. We actually need some people who are younger than us around the table here. I don't think anybody around this table is younger than 45, 46, some are substantially older than that. So, I think that if anybody is thinking about becoming a Councillor they should like to ask one of the sitting Councillors or ex Councillors what it's all about and perhaps they should seriously consider it.

Mr Speaker, I have finished.

The Honourable Roger Edwards

Mr Speaker, my Colleague on my left seems to have stolen all my headlines. This is just as well, perhaps, because one of the members of the public here today is actually parked in a limited time parking slot and we obviously don't want him to be fined.

I enjoy public meetings, the Penguin News did say that we get vociferous and ferocious members of the public: I don't think they are. I think it's good that we see such a turnout on a regular basis and, they keep us on our toes, which is good news. I was fascinated to read about the Councillors' habits and, since reading it this morning, I have been trying to put which habits to whom.

At the public meeting, we had comments from a member of the public about radio communications and radio bands and the like. I would like to say publicly that I have raised this with the Attorney General. He's explained to Councillors the very serious problems that we do have in this area. He will be making a statement or a Councillor will be making a statement at the next public meeting but it is not just a simple matter of taking UK Legislation and adapting it for our own area. There is much more serious involvement.

I would like to second what my colleague said about visits overseas. If we were to produce a profit and loss account on those visits, I believe they would always end up well in the black. We don't send too many people to these meetings, C-24, back in the June was Councillor Summers and I who attended. The Argentine deputation sometimes exceeds 32, with their own television and own radio support teams. I think they are good value and we must be there. We will default and lose out if we do not attend.

I would like to mention very briefly Camp telephones because Dr Chris Doyle, who just paid a visit to the Islands, came to Fox Bay, he flew in fact to Hill Cove and then travelled down to Fox Bay where he stayed the night. I would thank everybody who turned up at Fox Bay, some of whom had travelled quite a distance to meet him and listen to what he had to say. We are often very critical of the consultants we get but I think this was a guy who understood the difficulty and will write a report reflecting that difficulty and, perhaps, propose a system that a) we can afford and b) will meet the requirements of the people in Camp.

The '99 Agreement, I wasn't going to mention, but no agreement is about making money. If it's morals or money, we're talking about, I believe it should be morals.

Thank you Mr Speaker.

The Honourable Mike Summers

Mr Speaker, Honourable Members, I intend only to say a few words about foreign affairs. There can be no doubt that, at this time, the Falkland Islands'

people's right to self determination is under attack from the current Government in Argentina. That right to self determination is supported by most right thinking people. It's certainly supported by the major democratic organisations around the world, including the United Nations and the Commonwealth Parliamentary Association. It is perfectly clear therefore, why members of this House should attend those meetings and put our case. The British Government, for its part, has done an excellent job in stating its case in terms of the sovereignty of the Falklands to the Government of Argentina, that perhaps haven't yet got the message. They are doing a good, firm job and we thank them for that. But it can't be left to them. It is our job; it's our responsibility to make our case around the world for self-determination. It's made in the United Nations, it's made at the CPA, it's also made at other meetings that we attend. When we go to the Overseas Territories Consultative Council or whether we're going to the European Union Forum, which I will be doing later in November and in December, we have the opportunity of speaking to a wide number of people and putting the case for self-determination and gaining support for self-determination. That's the key issue that it is about going overseas. We could, if we wished, sit at home and let someone else do it for us. Sorry, that doesn't work. The point is made, the point is right as my colleague on my left has said, and it is the right thing to do.

Additionally to that, a couple of words about the European Union Forum, because I know the European Union is not the most favourite organisation amongst many people, perhaps myself included. It is one of the most irritatingly bureaucratic organisations you will ever come across. However, you sometimes have to count your blessings. From the 7th EDF, the Falklands benefited to the tune of £1.7million, which was invested in Agriculture. From the 9th EDF, we had Euros 3million, about £2million, which is in the process of being invested in a number of ways in our economy. From the STABEX fund, over the years, we have had several million pounds, much of which has been re-invested in Agriculture, some of which has been invested in roads and jetties and in other areas. These things don't just happen by themselves. They happen because people make them happen. That's why we go. That's why we interact with these organisations.

People may be critical, I understand why they may be critical about apparent expenditure and people travelling. It's seen to be fun, I can assure you it's not that much fun sometimes but it does need to be done.

Sir, I support the Motion.

The Honourable Jan Cheek

Mr Speaker, Honourable Members, I'd like to put on record first my tribute to the late Velma Malcolm, who received many eulogies after she died but I think it is important that it be recorded here. The years of work that that lady did supporting the very cause that my Colleague has just mentioned, that of self-

determination for Islanders, was unique. She is irreplaceable. I just wanted to place that on record.

I'd also like to speak on our attendance at meetings. I've just come back from the Overseas Territories Consultative Council and I agree with what my colleagues have said. In addition, we have a lot to learn when we go to these meetings. We learn how other people run their Governments. Very often we learn how not to do it. Not everyone gets it right. Not everyone necessarily does things better than we do.

We don't just learn about the principles of governance, how to ensure that people get the best from those they elect to represent them, but we also learn things that are available perhaps things we didn't know about, things that other countries use to help them in their governance. We also make many good friends for the Islands. It's very hard work often. I don't want to exaggerate but it is really hard work and you come back generally exhausted from these things because you are on duty almost around the clock. Even when the formal meetings finish and you go to the social events, which inevitably follow them, those are the opportunities to get a quiet word in the ear of the Foreign Office Official, or to set the record straight in terms of our position with regard to Argentina with someone who perhaps hadn't understood that they are still threatening us.

I would say we could bury our heads in the sand but to do so would be a betrayal of the very things that we should be fighting for.

I support the Motion.

The Honourable Richard Cockwell

Mr Speaker, Honourable Members, unfortunately, I haven't had time to read the newspaper this morning so I don't have any new issues to discuss. I could have read it in Gilbert House but unfortunately, somebody else was reading it and.

The Honourable Mike Summers

Buy your own!

The Honourable Richard Cockwell

I think there has been a lot said about overseas representation and if I could just reiterate what they say or to recognise what they say and also to point out to people make no bones about it Argentina is not sitting at home and not representing their case regarding the sovereignty of the Falkland Islands overseas. I have met many people in the CPA who for one reason or another have had dealings with Argentina and they say they have been lobbied very strongly on the Malvinas/Falklands issue. And, it is very useful for people like ourselves, who travel overseas and meet these people, can actually put the

record straight. There was one person, who I met, who was actually a Minister from one of the African countries, who had had this representation from Argentina and they said that it was perfectly obvious that the Falklands should be part of Argentina. I said it was not our view and this Minister said what was the view of the people in the Falklands, the people who live there? I said that we do not wish to have anything to do with Argentina, that we wished to be able to determine our own future. The Minister said that obviously that is the way it should be. This is what happens but there are people who have been lobbied and there are other people who don't realise there is a problem and so we have to go out and tell the world what the situation is. We can't sit at home and ignore the issue. Otherwise, we will return to the same situation we had prior to 1982 when people didn't even know where the Falklands were, or if they did know, they didn't think there was a problem.

One of the issues, which I think is hanging over everybody's heads at the moment, and there's been a lot of talk about it, is the issue of the Illex. I think one thing we have to recognise, the one thing we do know about the Illex in the next season is that we don't know what's going to happen. We hope that they will return. We do not know. We have to be prepared for either occurrence. So, if somebody says they are not going to come back and the fishery is destroyed, they are not working on any stronger evidence than the person who says that it was only a one-year blip and they will be back to normal next year. We do not know.

And, if I could just mention the Aviation/Maritime Security Act, which went through this morning, I didn't wish speak to it but I do wish to point out that we had to actually put this in place in order to implement the security measures that we have to do for the coming tourist season. But I wish to also point out that during that time we will all be looking at it and if there are problems with it, we will have to return and get revisions made if it doesn't suit our conditions properly.

Sir, I beg to support the Motion.

The Honourable Ian Hansen

Mr Speaker, Honourable Members, in rising to support the Motion for Adjournment, I, too, had intended to pay tribute to Velma Malcolm, in fact I still do but I will only do so by agreeing totally with Cllr. Cheek's sentiments.

Last week in the newspaper I read an article about Rugrats Nursery. I think quite a few people like myself possibly wouldn't realise the amount of children who actually attend this facility, which does operate in pretty basic surroundings. Cllr. Birmingham said on his Motion for Adjournment on the 26th of May that to try and run a nursery in out-dated and inadequate premises is not good practice at all. It's a statement which I wholeheartedly support. So, of late I have been slightly disturbed to hear and read that apparently although the Falkland Islands Government have supplied a new building for childcare

there seems to be real possibilities that the current out-dated and inadequate facilities may still be operating even after this new building is opened.

My initial impression was that the new building would replace the outdated and inadequate premises. The fact that I may have misunderstood this probably isn't an issue here. The real issue must be that if we had a new building, which is large enough to accommodate children, who are currently attending these nurseries in substandard premises, I think we must ensure that this new venture is affordable to everybody. I would urge all involved in this worthy project to apply at least 80% common sense to any decisions on management policy or running it, as I believe there is a significant danger of even perhaps unwittingly getting bogged down in, for instance, comparisons to UK standards of training and staffing levels. I personally would be very disappointed if, in six-months' time we have two or more nurseries providing a service. I feel there really should be no need for this.

The other issue I would just like to address briefly is we have a lot to learn with the dental service. The people in Stanley are now not particularly happy with the long waiting list for appointments. The arrival of a Locum on Monday will alleviate the problem but probably only to a certain extent. I realise the illness has played a large part in this and I don't intend to criticise the actual dentists' abilities. Just imagine how frustrating it must be for those in Camp. Not only have we been informed that a dental visit to West Falkland is not going to happen in the foreseeable future, but just yesterday, all the existing dental equipment was been packed and removed from Fox Bay as it is deemed no longer safe to use.

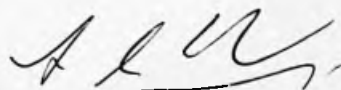
I accept health and safety is an issue but have we replacement equipment? If so, when will it be installed? If we haven't got replacement equipment, why not? We as Councillor promote a policy in the Falkland Islands Plan for a healthy society, which includes dental health. But how can we justify expecting people to pay for dental treatment if dentists fail to visit over a certain time and people are desperately trying to get appointments that aren't available?

Sir, I beg to support the Motion.

Mr Speaker

Honourable Members the Motion is that the House stands adjourned Sine Die. It stands so adjourned.

Confirmed this 26th day of November 2004



Mr L G Blake OBE
Speaker of the House



**RECORD OF THE MEETING
OF THE LEGISLATIVE COUNCIL
HELD IN STANLEY
ON 26TH NOVEMBER 2004**

**RECORD OF THE MEETING OF THE LEGISLATIVE COUNCIL
HELD IN STANLEY ON 26th NOVEMBER 2004**

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 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, MA, CBE, RAF)

CLERK OF COUNCILS: Claudette Anderson MBE

PRAYERS: Reverend Paul Sweeting

APOLOGIES

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

CONTENTS

Prayers	1
Election of Members to Executive Council	1
Papers to be Laid on the Table	2
QUESTIONS FOR ORAL ANSWERS	
Number 9 of 2004 by the Honourable John Birmingham	2
Advise on the number of Government departments that have undertaken Customer Care Training Courses	
Number 10 of 2004 by the Honourable John Birmingham	3
Process by which the Computer Section purchases new computer software	
Number 11 of 2004 by the Honourable John Birmingham	4
Minimum number of security staff required to comply with the SOLAS Regulations for passengers coming ashore from cruise vessels	
MOTIONS	
Motion number 4 of 2004 by the Honourable Chief Executive	6
To approve the functions of the Postmaster under section 4 of the Dogs Ordinance (Title 5.2) to be exercised by the Director of Agriculture instead of by the Postmaster	
ORDERS OF THE DAY: BILLS	
Education (Amendment) Bill 2004	6
The Media Trust (Amendment) Bill 2004	7
The Taxes (Amendment) Bill 2004	8
MOTION FOR ADJOURNMENT	
The Honourable John Birmingham	13
The Honourable Norma Edwards	14
The Honourable Stephen Luxton	17
The Honourable Jan Cheek	18
The Honourable Richard Cockwell	19
The Honourable Ian Hansen	20

The Honourable Mike Summers	21
Commander British Forces	23

**Record of the Meeting of the Legislative Council Held on
Friday 26th November 2004**

PRAYERS

Mr Speaker

Honourable Members I bid you good morning.

The Election of Members to Executive Council

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 Jan Cheek 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 Ian Hansen 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 Richard Cockwell 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 Jan Cheek – Stanley

The Honourable Ian Hansen – Camp

The Honourable Richard Cockwell– representing both constituencies.

Clerk of Councils

Confirmation of the record of the Legislative Council Meeting held on 01 October 2004.

Mr Speaker

Honourable Members is it your wish that I sign these minutes as a true record of the meeting of the 1st October 2004. Agreed.

Clerk of Councils

Papers to be laid on the Table by the Honourable 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.

- Fisheries Products (Hygiene) (Designation Vessel) (No 2) Order 2004
- Fishery Products (Hygiene) (Revocation of Approval) (No 2) Order 2004
- Defence Contractor Employees (VT Merlin Communications Limited) Tax Exemption Order 2004
- Registration of Charities (Exemption) Order 2004

The Honourable Chief Executive

Mr Speaker, I hereby lay the aforementioned papers on the table.

Clerk of Councils

Questions for Oral Answer

Question Number 9 of 2004 by The Honourable John Birmingham

The Honourable John Birmingham

Mr Chairman, Honourable Members, would the Honourable Chief Executive please advise this House which Government departments have undertaken the Customer Care Training Course

The Honourable Chief Executive

Mr Speaker, Honourable Members. The Customer Service Course has been attended by officials from the following Government Departments: The Attorney General's Chambers, the Tax Office, Civil Aviation Department, Education Department, including the Leisure Centre, Health Services Department, Royal Falkland Islands Police, the Secretariat, the Agriculture Department, that is the former Agriculture Department and the Public Works Department. Also, a total of 34 officials from 18 Departments either have or are currently undertaking an NVQ Qualification in Customer Care. All this is in addition to the large number of officials from all departments who attended one of a series of workshops approximately two years ago, when the current programme began to be developed.

The Honourable John Birmingham

Mr Chairman, Honourable Members, I thank the Chief Executive for his answer. There was one surprise there to me and that was the Attorney General's Chambers. I just can't believe it could be made any more efficient. I thank him for his answer.

Clerk of Councils

Question Number 10 of 2004 by the Honourable John Birmingham

The Honourable John Birmingham

Mr Chairman, Honourable Members, can the Honourable Stephen Luxton please explain the process by which the Computer Section purchases new computers and software.

The Honourable Stephen Luxton

Individual department heads submit proposals for new computer equipment and software as part of the budget formulation process each year. These submissions are considered and prioritised by the IT Steering Group so that the Budget Select Committee can make a judgement against the Government's other spending priorities. At the conclusion of this process, authority is given to the Computer Coordinator to purchase the approved items within the total allocated budget.

FIG operates a rolling computer replacement program, which is designed to ensure that ageing equipment is replaced on a gradual and cost effective basis.

Due to the lead-in time involved in ordering from overseas, one order is placed for the majority of the items at the start of each new financial year. These are currently sourced from a major IT supplier in the UK. However, other minor orders are placed during the year with both local and overseas suppliers for specialist items or if new requirements arise.

FIG has a preferred supplier of general IT equipment such as PC's and printers but, in order to ensure value for money, the market is tested periodically by seeking quotations on a like for like basis from a number of suppliers. Given the amount of such equipment currently in use and the purposes for which it is used, care is taken to ensure that potential suppliers are capable of both supplying and supporting that equipment.

The Honourable John Birmingham

Mr Chairman, Honourable Members, I thank the Honourable Stephen Luxton for his answer. Can he assure this House that he personally is certain that

the Falkland Islands Government are getting the best possible deal from the preferred supplier?

The Honourable Stephen Luxton

Mr Speaker, Honourable Members, I have to say I haven't personally seen the outcome of the process that's gone through, testing the water from a number of suppliers. I can't actually say for sure what the outcome of that programme was but I assume as that the process is lead by the Deputy Financial Secretary; it will probably be dealt with, with the usual extreme efficiency.

The Honourable John Birmingham

I thank the Honourable Member for his answer.

The Honourable Jan Cheek

Mr Speaker, Honourable Members, I would like to ask the Honourable Stephen Luxton is it policy to replace keyboards and monitors every time they replace computers? It appears to me that it is happening and I am not sure that is cost-effective. Those items should last longer. Can he tell me if that is the policy?

The Honourable Stephen Luxton

I'm afraid I can't answer that question at the moment. I think probably on most occasions keyboards and monitors are replaced. I would guess that four years of wear and tear on keyboards and monitors might well render them below 100% usefulness. But I can find out the answer to that question and relay it to the Honourable Jan Cheek, if she would like that.

The Honourable Jan Cheek

I thank the Honourable Stephen Luxton.

Clerk of Councils

Question Number 11 of 2004 by the Honourable John Birmingham

The Honourable John Birmingham

Mr Chairman, Honourable Members, would the Honourable Chief Executive inform this house of the minimum number of security staff required to comply with the SOLAS Regulations for passengers coming ashore from cruise vessels.

The Honourable Chief Executive

Mr Speaker, Honourable Members, I am obliged to the Honourable John Birmingham for the opportunity his question provides to respond to observations that I have recently heard regarding the number of security staff in attendance at the jetty during recent cruise ship visits. The Convention on Safety in Life at Sea and the associated International Ship and Port Facilities Security Code provide a comprehensive set of measures to enhance the security of ships, port facilities and persons. The Convention and Code do not have or make any prescription as to staffing levels in order to comply with the various elements of the security requirements. Indeed, they could not do so because of all the variable factors, such as the current security level at which the port is operating, numbers of expected passengers, required through put level of screened passengers, and the physical lay-out of the particular port facility and passenger handling areas have a bearing on the personnel required for the surveillance, marshalling and screening of passengers. However, here when the smaller cruise ships call, a minimum of three security staff, one male, one female for search purposes plus one other are required to ensure full compliance with statutory requirements, increasing up to six persons for the large vessel visits. In order to build up a pool of experienced security staff to meet the requirements, the Government's Security Service provider, Falklands Security Services Ltd. Are contractually required to ensure that practical on the job training is provided to new staff. This training is presently underway but once completed, only trained staff will be in attendance at the passenger facility.

The Honourable John Birmingham

Mr Chairman, I thank the Honourable Chief Executive for his very informed reply.

The Honourable Mr Mike Summers

Can the Chief Executive please confirm that the security service provided is provided under contract at a fixed price and that the number of people in attendance at the jetty has no affect on the amount of money that the Government is going to be paying for the service?

The Honourable Chief Executive

I am happy to provide that confirmation Mr Speaker.

Clerk of Councils

MOTION

Motion Number 4 of 2004 by The Honourable Chief Executive:

That this House pursuant to Section 55 of the Interpretation and General Clauses Ordinance, (Title 67.2) approves that the functions of the Postmaster under Section 4 of the Dogs Ordinance, (Title 5.2) be exercised by the Director of Agriculture instead of by the Postmaster.

The Honourable Chief Executive

Mr Speaker, Honourable Members, perhaps I should explain the reason for this. It is to invite the House to change the current Legislative Arrangements with regard to the department of government that deals with the issue of dog licences. The effect, obviously, is to move that responsibility from the Postmaster to the Director of Agriculture. I therefore move the said Motion.

The Honourable Financial Secretary

I second the Motion.

Mr Speaker

Does any Honourable Member wish to speak to the Motion? Those in favour say aye. (Agreement) The Motion is passed.

Clerk of Councils

ORDERS OF THE DAY: BILLS

The Education Amendment Bill 2004. This Bill has been published in the Gazette and we go to the second reading.

The Honourable Chief Executive

Mr Speaker, Honourable Members, this Bill responds to the wide-spread wish expressed during a recent consultation exercise to move the date on which the School's Summer Holiday begins closer to Christmas and for that holiday to be a little longer than is currently provided by Section 57 of the Education Ordinance. It will mean that Camp Sports Week will fall in the half term holiday in the second term of the academic year, that is the first term during the calendar year. This term will be divided into two unequal portions from now on, it will mean that some public holidays which currently fall in half term holidays will, in future, fall within term time. The consultation exercise carried out earlier this year suggests that this will be a popular change for parents of young school-aged children and I therefore commend it to the House.

I beg to move the second reading of the Bill.

The Honourable Financial Secretary

I second the Motion

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?

The Bill will be read a second time.

Clerk of Councils

The Education Amendment Bill 2004

Mr Speaker

Chief Executive are there any amendments to this?

Chief Executive

No, Sir.

Mr Speaker

I would suggest in that case that we go direct to the third reading if that is your wish.

The Honourable Chief Executive.

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

Clerk of Councils

The Education Amendment Bill 2004

The Media Trust Amendment Bill 2004. 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 very short instrument increases the potential number of trustees serving on the Media Trust. At present, there are five Trustees. This Bill provides for there to be up to nine Trustees, whilst also providing that there shall be not less than three. The Bill responds to a

request from the Trust and will enable the workload of the Trustees, which is likely to increase during the next six months, to be shared among more people.

I beg to move the second reading of the Bill.

The Honourable Financial Secretary.

I second the Motion.

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?

The Bill will be read a second time.

Clerk of Councils

The Media Trust (Amendment) Bill 2004.

Mr Speaker

Chief Executive, do we have any amendments to the Bill.

The Honourable Chief Executive

No, Mr Speaker.

Mr Speaker

Honourable Members there are no amendments, I therefore suggest that we go to the short track and the Bill will be read a third time and passed.

The Honourable Chief Executive

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

Clerk of Councils

The Media Trust (Amendment) Bill 2004.

The Taxes Amendment Bill 2004. This Bill has been published in the Gazette and we go to the second reading.

The Honourable Financial Secretary:

Mr Speaker, Honourable Members, the purpose of this Bill is to introduce amendments to the Taxes Ordinance in order to rationalise the charge to tax

in the Falkland Islands. There are four principle issues covered by the amendments.

Firstly, the provisions of Clause 2 would prevent Forestry from being taxed as if it were a trade. Forestry provides difficulties for a tax regime in that profits do not arise for many years. Forestry commonly throws up losses, which if treated as ordinary losses can distort a person's tax position. Although Forestry is not a major concern in the Falkland Islands, it is possible for taxpayers resident in the Falkland Islands to have foreign investments, including Forestry. Accordingly, in order to prevent a loss to the Falkland Islands Exchequer, it is proposed that Forestry should cease to be treated as a business for Falkland Islands tax purposes. This means that the losses accruing from the Forestry business will not be allowable against any income taxable in the Falkland Islands. Any profits arising from Forestry will not be taxable here, either. This follows similar provision made some years ago in the United Kingdom.

Secondly, Clause 3 changes the timeframe within which Employers are required to give the End of Year Certificate to Employees and the Taxation Office. This certificate states the amount of earnings and payments on account of tax deductions made from the Employee's salary during the year. At present, it has to be given to the Employee and the Taxation Office by the 7th of January in the following year. This is a very short time for Employers and the Taxation Office in practice allow some leeway. The Clause will give the Employer the whole of January to send its Certificates, which will help Employers without prejudicing the interests of Employees.

Thirdly, Clause 4 introduces a formal requirement for persons liable for tax to keep sufficient records to substantiate the figures in a tax return. This will mean that they must keep accounting records to substantiate their accounts. Where the income or loss stated is based on accounts, and they must keep other records necessary to substantiate figures in their tax computation, if any. The requirement also extends to cases where a person is required to make a deduction of tax where a payment of royalty is made to a non-resident. The records will need to include the agreement or arrangement under which the royalty is payable and details of the payee and payments made. There are Civil and Criminal sanctions for failure to keep proper records. Record keeping is fundamental to an efficient tax system. It helps the taxpayer make accurate returns and keeps compliance costs to a minimum. Investigations by the Taxation Office can be carried out far more efficiently where proper records are kept. This results in savings to both Government and to the taxpayer.

Fourthly, Clause 5 makes new provisions with respect to the taxation of Government Employees recruited in the Falkland Islands and working in the Falkland Islands Government Office in London. This will allow such employees who are deemed to be resident in the Falkland Islands and subsequently entitled to full Personal Allowances. It will also allow their London Allowance to remain exempt from tax.

I beg to move the second reading of the Bill.

The Honourable Chief Executive

I second the Motion, Mr Speaker.

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?

The Honourable John Birmingham

Mr Speaker, Honourable Members, I propose that there be an amendment in that we delete Clause 2 of this Bill. The reasons for this are that although in the Falkland Islands it is unlikely that a Forestry project would ever take off to anything substantial, and there are areas in the world where Forestry is profitable. I think that if a First World rated country such as Australia, or any Western country, who are accepted as First World, had within their tax regime a system whereby Forestry was treated as a business then, in that case, we shouldn't be in effect, double taxing that business. The way I read this is that we will just wipe this out completely and although we wouldn't be taxing any profit, in future years, at the moment, we wouldn't be, I think the Financial Secretary will confirm this, we wouldn't be allowing any losses either. I don't see why we should change it at this moment in time. Going back to what I am saying, there are businesses in the world; Forestry businesses that are profitable and they may well be a profit to the Falkland Islands in the future. I would like to delete this clause.

The Honourable Mike Summers

Mr Speaker, Honourable Members, whilst I entirely concur with the sentiments of the Taxation Office in proposing Clause 2 of this Bill, I appreciate and accept that if the Falkland Islands Government is never going to participate in the profits from a particular enterprise, nor should it lose potential taxation revenue by allowing the costs. However, I think there are issues of policy that underlie this particular decision that are perhaps more far-reaching, and, I think that we need to consider those further. It may be that we were not sufficiently vigilant when we agreed the policy on this in Executive Council for remission to the House. It may equally be that the further potential implications of it were not brought to our attention. Whatever the case may be, I would feel uneasy about passing this particular clause in this Bill at the present time without further discussion of the broader policy underlying it not just to do with Forestry but to do with the way that we treat tax jurisdictions in other parts of the world. So, I support my colleague and I, too, would propose that Clause 2 of this Bill be deleted.

The Honourable Mrs. Norma Edwards

I rise to support the two colleagues that have just spoken. I think they are absolutely right. We should have much more depth.

Mr Speaker

Financial Secretary do you wish to speak further on this subject or do we leave until we go to Committee?

The Honourable Financial Secretary

Mr Speaker, I have nothing further to add other than what I said to the amendment in my introduction to the Bill. It will cause a loss to the Falkland Islands, to allow the losses will cause a loss to the Falkland Islands Exchequer for many years without knowing whether or not any tax will be received in due course. But if it is the wish of Members for the Clause to be amended and for the policy implications to be explored, then I will undertake that.

Mr Speaker

Is it your suggestion that we defer this bill for a later date or .. ?

The Honourable Financial Secretary

No. It's not my wish to, my proposal is for Clause 2 to stand with the rest of the Bill but if the majority of the House would like Clause 2 to be removed, then the rest of the Bill should go through.

The Honourable John Birmingham

Mr Speaker, Honourable Members, it's only clause 2 of the Bill that's causing any discussion.

Mr Speaker

The Bill will be read a second time.

Clerk of Councils

The Taxes (Amendment) Bill 2004

Mr Speaker

Council goes into Committee

Clerk of Councils

Clauses 1 to 5

Mr Speaker

Honourable Members, there is a motion on the floor that Clause 2 be deleted. All those in favour? It would appear, Financial Secretary that Clause 2 will be deleted from the Bill as it stands at present.

Clerk of Councils

Clauses 1, 3, 4, and 5.

The Honourable Financial Secretary

I beg to move that Clauses 1, 3, 4 and 5 stand part of the Bill.

The Attorney General

And is consequently amended to take account of the deletion of clause 2.

Mr Speaker

Honourable Members with that correction by the Attorney General Clauses 1, 3,4 and 5 stand part of the Bill and Clause 2 has been deleted.

Clerk of Councils

There are no schedules.

Mr Speaker

Council Resumes.

The Honourable Financial Secretary

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

Mr Speaker

Honourable Members, the Motion is that the Bill as amended do pass? Any objections?

The Bill as amended will be read a third time and passed.

Clerk of Councils

The Taxes (Amendment) Bill 2004.

The Motion for Adjournment

The Honourable Chief Executive.

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 Mr John Birmingham

Mr Speaker, Honourable Members, we have two guests in the House today. I welcome Vera Baird MP from the House of Commons and also Sukey Cameron from FIGO. Mr Speaker, the Legislature, as you know we meet every six maybe seven times a year. Sometimes it seems rehearsed. I think you have seen this morning that it isn't all rehearsed and there are times when it doesn't run as smoothly as people might like it to run. In what some might say is the "real world"; we seem to be having a bit of a population explosion. I don't know whether anybody's noticed. Perhaps we should ask SSVC whether they were having difficulties some months ago with their TV transmission. I think Councillors sometimes use these occasions to congratulate people and I would like to congratulate the parents of those children just born and also the Hospital. Some of the sections of the KEMH get a hammering on occasion in the press and elsewhere, but we really do have a fantastic service here. One day the week before last, there were three children born. I think the staff involved just pulled out all the stops. I really would like to congratulate the staff.

I would like to congratulate the other two emergency services, them being the Fire Brigade and the Police. As has already been mentioned, there have been a number of fires recently and accidents. I think that the Fire and Rescue Service and the Police deserve congratulations not only from Council but also from members of the public. I criticise those services and I criticise departments generally behind closed doors. I might add that I tend not to use this House. They do put a lot of work in and when things get tough, they are there. I think that the incident last week with the house just shows how there is a lot of teamwork and that these services can work together when need arises.

On the subject of departments, sometimes we liken a Councillor to being a policeman when on duty and when off duty. The uniform goes on and you are a policeman and you are there to do your job. When you are a Councillor, you are never actually off duty. But I think sometimes departmental heads and individuals take it personally when we do criticise, when we do ask questions. I think people should step back from that and remember that this is their job. We are elected by people to actually keep an eye on things, to push along, to ask difficult questions. That's one of the main reasons why people are elected on to Council. I'd hate to see a time when you had eight elected who didn't rock the boat, didn't ask any awkward questions and didn't

upset anybody. If you ask awkward questions, you are going to upset people. So, please, don't take it personally.

The matter of airfreight came up this morning at Standing Finance Committee. I only found out yesterday that FIGAS, who do really good services, as we all know, but FIGAS will actually fly out a washing machine, when space is available, and they have flown out motorcycles to areas in the Camp when space is available. What's interesting is it's actually cheaper to send these items by air than it is to send them by sea. I can't get my head around this. It isn't FIGAS' fault. It's us. It's the Councillors' fault for allowing these freight rates. We are heavily subsidised in Coastal Shipping, of course, we subsidise FIGAS but we've got a coastal vessel going around half or quarter empty and people are getting occasionally motorcycles and washing machines by air. It just doesn't make sense. I think that Council, us, including me are at fault for allowing this situation to continue. I hope that next budgetary round we will be firming up on freight rates.

Having a Legco on Friday is always interesting because we get a look at the newspaper before we come here. There are a few letters in the paper today interesting letters but I always like to go to the editorial. I am a great fan of the editorial of the Penguin News. I would like to take issue with her again today. It is about open Government. I noticed that at Standing Finance Committee this morning, which is an open Committee, we had one member of the Media there from the radio station.

The problem with open Government as I see it in such a small community, is that if you look back over the last few months, we have had situations where individuals have been going to committee meetings and picking up half-heard remarks and creating problems for committee members, officials and on occasion, Councillors. The effect of this has been that people do not speak as openly as they would do in the past.

Openness can only go so far in a small community. We have to bear in mind that the person that you are talking to you might be meeting later on and they do take things, as I say, very personally. I am afraid the reality is that sometimes we are dealing with very nice people, who perhaps aren't up to their job. It can be very difficult to discuss in an open committee the difficulties that particular individual is having with their job. Openness can only go so far in the Falkland Islands, I'm afraid. As a Councillor, who is against very much against all eight Councillors being on Executive Council I'd like the editor to have a think about how that would work.

Mr Speaker, I think I've set the tone for the morning, so I think I will sit down.

The Honourable Norma Edwards

Mr Speaker, Honourable Members, in rising to support the Motion for Adjournment may I just add my welcome to this House to Mrs Vera Baird one of the visiting MPs, the only one left, the others have all gone. It's been a

delight to have the MPs visit us. I think they enjoyed their visit. I think it shows the importance of keeping up contact with our overseas commitments and people that we meet when we are overseas, which brings me on to the criticism that's been lately of Councillors who go off on these overseas visits.

I know everybody thinks it's just a jolly. I would say to these people in all the time that I've been on Council I have never and I can hold up my head honestly and say this that I have never claimed all my allowances ever. Maybe they think that they are getting me on the cheap. It isn't cheap. But when I first started out on Council there were no allowances at all, so I didn't stand for Council for what money I could get out of it. I still do not go on overseas visits for what money I can accrue for the few days I do work for Government whilst I am there. But it is extremely useful and extremely important that we keep up our contacts, that we go and see the rest of the world. I would hate to think that any future Governments would cut overseas visits to the extent that we isolate ourselves in the Falklands and don't make our position clearly known to the rest of the world and to the MPs in the UK. They find it useful, so do we. On that note, I would say to the people that find that overseas visits by Councillors on their behalf are not what they want, next year is a big opportunity to put your money where your mouth is, stand for Council and stand up and be counted. If you think you can do a better job, get on with it.

I am pleased to see that work has started at last on the isolation ward at the Hospital. That is real progress and on-going so long now. I'd be delighted when the special ward for the old folks is finally completed. I understand they are hoping to get that completed next year. The new sheltered accommodation of course is a help but the Financial Secretary yesterday was bemoaning the fact that they have not been filled up and there is not the need for sheltered accommodation or future sheltered accommodation. That is something that is a bit like babies. There's more old folks at one time in the century and not at others when we have a lot of the elderly people who are waiting for sheltered accommodation, I am afraid have got accommodation down the East end of Stanley before they ever got accommodation in sheltered housing. That's probably the reason why the present sheltered accommodation isn't fully occupied. But, as I said yesterday, it's getting around to him so maybe he will be able to take up one of the units of accommodation perhaps before too long.

I was rung yesterday. I expect all Councillors were, from one of the Farmers in the San Carlos area and it's a very worrying fact that the road through Hell's Kitchen has disintegrated to such a state that the gentleman who collects the livestock from there to the Abattoir is saying that he won't take his vehicle down the hill, bearing in mind that the San Carlos Jetty was blown away at the same time the Port Howard Jetty was blown away in those great storms, we will have to look seriously to doing some work there. It may be that we will need some extra funding in the road budget, which Councillor Birmingham will not like at all but...

The Honourable John Birmingham

Point of order.

The Honourable Norma Edwards

Well, you won't you don't like roads.

The Honourable John Birmingham

People before roads.

The Honourable Norma Edwards

There will be people before roads if you support this further work because it has a bearing on the Abattoir and jobs and things that won't be there if we don't do something about the road.

Mr Speaker

Would the Honourable lady address the chair rather than ...

The Honourable Norma Edwards

I beg your pardon, Sir. In addressing the chair, I would say I think that we should look seriously at repairing this road as soon as we can and it will have an affect on people who live in that area financially and also on the affect on the Abattoir and whether they get their lambs in or not. So, there is a big financial implication.

I would like to congratulate the lads who have been working on the MPA Road because I think it's in a better state now than it has been for many a long year. They take a lot of stick sometimes. We had a very wet winter and they kept the road in remarkably good repair.

Finally, I would just like to say that I was approached yesterday in the West Store usual place by somebody who was concerned that during the interviews with the MPs that visited recently, it was said that we should talk to Argentina about scheduled flights. I don't believe that was the case. I didn't hear the interview myself because I was otherwise occupied. However, I don't believe that is the case. And I would just say that we would love to speak to Argentina about flights but they don't want to speak to us. They don't feel that they want to communicate with the Falkland Islands Government. They say they want to go through the British Government all the time and I am afraid that the way forward is not very hopeful on that front as far as I can see. So long as they have this attitude, I, for one, would never count on scheduled flights from Argentina.

Mr Speaker, thank you very much.

The Honourable Stephen Luxton

Mr Speaker, Honourable Members, I'd like to just pick up on one of the points my colleagues have mentioned. The subject is freight on FIGAS. I acknowledge that there are perhaps things being carried on FIGAS that shouldn't be. I have just done some quick sums and I am not sure it's actually cheaper to send a motorbike on FIGAS, in fact, a very quick calculation, I reckon it probably would cost about twice as much. It may well be a good argument that the differential should be more than that to discourage things that perhaps aren't essential. That's something that will be looked at in due course.

On the subject of Hell's Kitchen, I also had a phone call last night from the same gentleman expressing the same concerns. I'm not quite sure what happened there. I checked with the Honourable Mike Summers, who was on the Transport Committee with me at the time and I was under the impression that we had put a sum of money aside, I think, in the last financial year to do something about Hell's Kitchen. I'm not quite sure what happened, it clearly hasn't been done. I must admit I haven't been up there for some time but it is something that I am going to look into and find out what happened. I was under the impression that it was programmed to be done. I haven't had the chance to speak to the Roads Engineer about it yet simply because I have had various other Council commitments but it is something I shall follow up probably next week.

I think the main thing I want to mention really is around the subject of seat belts because there have been a number of people asking about it. People will, no doubt, be aware of some of the issues that have come to light regarding the carriage of children in vehicles after the change in legislation which we had earlier this year, I would like to take this opportunity to reassure people it hasn't been forgotten and is under discussion. A working group has been formed to discuss the issues. At the moment, I think the Attorney General is preparing a detailed submission to come back to that group, following which, a revised piece of legislation will, no doubt, be put forward. However, as the amnesty period originally suggested was for 6 months is expiring at the end of December, and there is no prospect of the issue being resolved by then, I think the only practical solution will be to extend the amnesty for a further period, until the deliberations on the subject are complete.

There seems to be an issue appearing with house mortgages and the lending criteria available, versus the ever increasing house prices. I am not going to say too much about it because I know it's being worked on as I speak. I look forward to the conclusions. But with the surge in house prices over the last few years, I know it is causing some single people problems. If you are on a salary of £15,000 per year, I think I am right in saying that only allowed to borrow £45,000 plus whatever you pay as a deposit. £50,000 doesn't actually buy you much of a house these days, unless you literally build it yourself. I

don't think we want to get into a UK type situation where young people are simply unable to get on the bottom rung of the housing ladder. I know there is concern that to increase the lending levels would lead to a further increase in house prices. But I do think there is scope for some movement on the criteria, which I think have been in place for a long time now. Councillors have a meeting this afternoon with the gentleman in the building across the car park and I am sure it will be discussed further there.

The subject of Councillors' overseas trips has been pretty well covered both in the last sitting of this house, which I wasn't at and by my Honourable Friend to my left. So, I'm not going to say that much about it. The point I really want to reinforce is that if we do nothing in pushing the Falklands' cause overseas, we aren't standing still, we are going backwards, backwards to the 1970s, where few people outside the Islands knew about the Falklands and probably fewer cared. I guess, really, it's back to the core issue of our self-determination and our desire to remain British, which requires support from as wide an audience as possible and without that, we have nothing. I can only assume that anybody that believes what are sometimes 12-hour days during the conferences are a jolly, probably hasn't tried it. Well, the good news is, in a year's time, you will all be able to have the mythical couple of weeks a year guzzling champagne at the tax payers' expense. It will only cost you £100. You will get that back after the Honourable Financial Secretary has put it in the bank to get some interest off it. So, I look forward to the rush of all the people keen to take advantage of this opportunity. It should make the next election quite interesting.

Mr Speaker, I support the motion.

The Honourable Jan Cheek

Mr Speaker, Honourable Members, I'd like to as I've traditionally done every year, I think, this is now my seventh year on Council to ask people to remember the work done by the emergency services as mentioned by some of my colleagues and all the services who work to keep everything happening for us over the December holiday period (Police, Fire, Medical services, FIGAS, FIDF are sometimes called out in emergencies and I believe they have been helping with the fire fighting behind Stanley recently). It is very easy for us to point to those services when they do something apparently wrong or when they don't get it absolutely right but we should remember all the times when their intervention may well save lives and makes our community safer, a better place to live.

People have welcomed our visitors I'm also glad to see someone here in all those seats and I'd like to take this opportunity while our London Representative is here to recognise the work of FIGO. Those of us who have any dealings with them know how hard working and efficient they are and we greatly appreciate that and the work that Sukey herself does in keeping the profile of the Islands high in lobbying and other activities cannot be underestimated. The Honourable Stephen Luxton has mentioned the party

Conferences, one of the things that is very clear when you are there is how much work she has done with Members of Parliament to make sure that they're aware of all the issues that we have.

I seem to be following the pattern of Councillor Birmingham's speech because now I want to go into Penguin News. Unlike him, I haven't had time to even buy a Penguin News today, let alone read one so I'll have to revert to a previous week and the editorial on smoking. I'm glad that the editor has started this debate and she did by phoning the Honourable John Birmingham and myself separately and then writing down our responses as if we were arguing against each other which we're probably not. However, I do think the issue of smoking in public places is an important one given that the non-smokers and ex smokers amongst us have really suffered long enough from the poisons and other nasty effluence given off by the smokers and I hope this debate will continue and will have a long term effect in giving people courage to make some changes and improve the health of a community overall.

Another issue raised by a colleague, the Honourable Norma Edwards mentioned sheltered accommodation. As far as I'm aware it is all now allocated. It may not be all fully occupied but I understand it is all allocated and I will check after this meeting and get back to you.

Finally, on the issue of international relations and the perception, clearly a misunderstanding that someone had said we should be talking about scheduled flights to Argentina, I didn't hear anyone say that however, that is a perception that's around. As the Honourable Norma Edwards has rightly said we couldn't talk to Argentina if we wanted to, they persist in ignoring the existence of our democratically elected government. I'd like here to express my appreciation again to the Foreign and Commonwealth Office for the strong stand that they are taking on our behalf and the careful way in which they are listening to our concerns on international issues.

Sir, I support the Motion.

The Honourable Richard Cockwell

Mr Speaker, Honourable Members, I've been amazed at how long these speeches are going on this morning. I assure the House that I will not be talking as long as at least the first two speakers.

I would also like to recognise our visitors in the House, it is nice to see people, it is nice to see Sukey back on her annual visit and it was a great pleasure to be part of the team to host the MPs who came here for the last few days. I think, the very successful business as far as we were concerned, I find it very stimulating to talk to them and our discussions were really quite far reaching. I don't think one can under-emphasize the importance of people seeing the Falklands, the difference between supporting the concept and actually coming here and seeing how the Falklands actually operate and what the Falklands are about. I think everybody who comes here goes away with an enhanced

view of what they had before they came and I believe that from this visit we've got four new firm supporters, very strong supporters who will be going into bat for us if necessary in the wider forum of the world.

I'd like to mention the delays in the Fisheries Bill if I may, I think the industry has been very patient as so has everybody else in waiting for this Bill to come through. I can assure them that things are moving but not as fast as any of us would like. While on the subject of legislation I think we need to make sure that our legislation is formed in such a way that we are not only actually responsible for our own internal affairs but actually seen in the wording of these Bills that we are responsible for our internal affairs. As the Honourable Mike Summers has said many a time, internal self government is absolutely essential if we are going to try and stress our right of self determination I think we must not forget that.

The public services have been mentioned, the fire service, police service, particularly in the last couple of weeks we've had a most extraordinary bout of activity and I really have to commend all the people who have been involved. I was very pleased to see that the FIDF was called out to help with the monitoring of the fires on the Common at one stage. I think this is a very healthy move that the organisations can work together on this sort of thing and I would like to see more cooperation between our volunteer organisations.

Just one other item which has been brought to our attention, there is a petition regarding the route of the Murrell road. Because there have been so many people who signed this petition, I think I should put the record straight in one way and that is that I understand the petition was actually sent to the Planning Committee. As Chairman of the Planning Committee I can say that we do not have the ability to rescind planning permission so I have said to the organisers of this petition that they should actually come direct to the Councillors. There may be ways in which we can help, I can't guarantee anything but if consideration has to be made, it has to be made through the Councillors, I don't think there is another route at this stage and I understand that this is already happening.

Mr Speaker, I support the Motion.

The Honourable Ian Hansen

Mr Speaker, Honourable Members during the public meeting on Tuesday, a member of the public actually mentioned how stereotyped and repetitive the Motions for Adjournment are. I think one of our more experienced Councillors actually said, I can't remember which one it was, indeed it doesn't matter, it is pretty difficult to say something original but not be repetitive if you are one of the last to speak and today I find a classic example of that from where I stand. On arrival I jotted down a few topical subjects that I thought I could make some comment on and to avoid repetition I thought I would cross them off as they were addressed by previous colleagues/speakers, needless to say, I'm

left with topical subjects with lines through them. However, the proposed or the current review of our constitution did spark some debate at what was a fairly quite public meeting. I believe that we need as much involvement as we can get from the public on this review, whether it is in the format of comment, or criticism or just question. That doesn't matter we need the feedback and I would urge as many people as possible to make some form of contribution.

To touch briefly on the deterioration of the road at Hell's Kitchen I wasn't aware of this situation but needless to say I agree completely with Councillor Edwards and Councillor Luxton that we need to do something about it, as it is a lifeline to the people out there.

It is gratifying to hear that the new security system in place in the public jetty is working well; so far it has been working fine apparently. There has been no problems, no delays to tourist movement and although I know we are relatively early into the cruise ship season this is certainly a good sign.

Finally, Sir, I will be very brief I too would like to extend my welcome to our distinguished guests I am particularly pleased that the MPs visit they managed to see so much of our Islands during what must have been a very hectic schedule.

Mr Speaker, I beg to support the Motion.

The Honourable Mike Summers

Mr Speaker, Honourable Members I only have one or two words to say. As usual I have something to say about the Constitution because we are getting now to a critical phase in the development of the revised Constitution, we're getting to the phase where members of the public need to engage with elected Members of the proposed contents, the thoughts behind it, the ideas behind and make sure that the general public is providing support to that because if they are not then the issue will have to be set aside. This Council I don't think will be proposing to the Foreign Office and the Privy Council a Constitution that does not have the general support of the public and even if it did it wouldn't get support there.

There is an important issue that we are to discuss this afternoon and has been raised, I talked about it to some extent the other evening at the public meeting and that is the balance of authority between the local government here, the Foreign Office representatives in the Falklands and the Foreign Office itself in the United Kingdom. It is perfectly clear in the White Paper that Overseas Territories should be self-governing to the maximum extent possible. To my mind the maximum extent possible means that you carry on increasing your level of internal self-government until such time as you are no longer capable of doing it or you appear to be doing something wrong. Nobody has said to us at any point that we are not capable of running our own internal affairs in the way that we have been doing and I haven't yet spotted anything substantially wrong. So, what we will need to do is to try to better

define the balance of authority. This Council is disturbed that there appears to be have been some moves to change that balance of authority, the public won't be aware that there was a Bill on the agenda for this meeting, the Mining Bill that was pulled at relatively short notice because Councillors remained unsatisfied that the level of authority provided to the Secretary of State and indeed to the Governor in that Bill is more than is appropriate in a country that is running its own affairs. So, we'll have to come back to that. I know that several of my colleagues are very exercised about the extent to which this balance of authority has been changed both in the draft Fisheries Bill and most particularly in the draft Aquaculture Bill. Those Bills I don't think will pass this House in that form and we have to bottom where this is coming from. If there really has been a change in policy in the Foreign Office then we need to know, they need to tell us. If there hasn't we need to know why somebody thinks there is. So, that is a key issue for us to deal with in the next few weeks.

The other key issue in the Review of the Constitution is the structure of the Government, there was some interesting preliminary debates on the issue in the public meeting the other evening, it is our intention that there should be other public meetings and debate on the radio on the content of our proposals so that everybody can be aware of the content, feel comfortable with the content and if you are not there is a provision which I firmly believe we should use to provide in our report to the Foreign and Commonwealth Office and the Privy Council, minority reports on other views on the way the Constitution should be formed.

The only other issue is to note that the Budget procedure for next year has now started budgets are now in preparation there is much to do. I expect Heads of Departments will already be aware that there will be a need to reduce recurrent expenditure again next year I hope members of the public will be aware that there is likely to be a need to reduce recurrent expenditure again. Therefore, expectation will have to be adjusted it is simply not possible to do everything that might be desirable within the funds that are available to us. So, this is not an apology in advance but simply an observation that things can't always, necessarily be as they were and of course there is a major opportunity for us in the preparation of next year's budget to hike up the taxation on smoking to such an extent that we become very wealthy and or everybody gives up.

At the risk of being repetitive and therefore boring, I too would like to just reflect very briefly on the visit of the Members of Parliament who have been here it has been a good visit and to put it rather crudely I think we've had good value for money, that is after all what it is about. It is a relatively small investment on an annual basis to keep people informed, let them know what's going on and to help them understand how we run our government and what the big issues are for us. So, thank you very much to them for coming here and thank you to everybody in the public and the government sector, who have provided them with information, gave them briefings and made their visit to successful.

Oddly enough this may be the last Legislative Council of this year so, I think I would like to take this opportunity to wish everybody a very pleasant seasons greetings and save myself a lot of money on Christmas cards.

Commander British Forces

Mr Speaker, Honourable Members in rising to support the Motion I would just like to comment very briefly and perhaps provide a little bit of assurance to Falkland Islanders about the level of military commitment to the Falkland Islands. Many would be aware that plans were announced a couple of months ago to restructure the forces in the United Kingdom and some of those will involve reductions in manpower but I'm pleased to say that there are currently no plans to change the size of the force package which I have under my command up at Mount Pleasant. Further than that I am also pleased to say that I recently hosted our Chief of Joint Operations who is my direct commander and his deputy who came to the Islands to look both at what we were doing and the situation that we faced and both of those left convinced that while ever we retain the task here of providing deterrence that the force package that I have is the minimum that I require to do the business and they have no intention of seeing that reduce in anyway, in fact far from it.

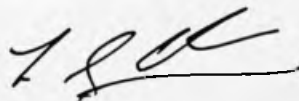
I have also become aware in the last couple of days that there is some rumour brewing that perhaps in January of this year we will be because of exercise commitments putting a large number of troops on the air bridge therefore there will be a reduce availability of seats on the air bridge. Mr Speaker I would like to give a categorical assurance that the normal contracted number of seats will be available to the Falkland Islands Government and to the Falkland Islanders. It is true however, that there may not be extra seats, the process normally is that if we are not using all of the military seats then extra seats can be offered to the Falkland Islands Government. That may be the case in January depending upon the numbers that we brings down, but categorically I can assure that there will be no reduction in the contracted number of seat available.

Mr Speaker, I support the Motion.

Mr Speaker

The House stands adjourned *Sine Die*.

Confirmed this 28th day of January 2005



LG Blake OBE
Speaker of the House