

Scope of Government - "Living Within Our Means" with Edgar Quine OBE, QPM, CPM

Presentation at the Manx Legion Club, Market Hill, Douglas on Monday 24t h September 2012

The after-shock of the UK unilaterally deciding to change the share of VAT which the Isle of Man traditionally received has necessitated an urgent national review of what is spent by our political representatives, as well as who will pay for it into the future.

This is forcing the Isle of Man Government to undertake serious soul-searching regarding its true role and function in a modern post-internet society - and how it gets from 'Where We Used to Be' to 'Where We Need To Be'.

This is not easy or comfortable, as the present scope of government has evolved over centuries. It owes much to the drive for better Health, Education, Welfare and Social Reform of the Victorian era.

The present soul-searching has led to our Government consulting the public over: Taxation Strategy; Social & Welfare Policy; and the Scope & Function of Government itself.

Inevitably, fundamental re-examination throws up fundamental questions, such as:

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- How the Government's many duties and functions are to be financed into the future?
- Which Citizens and Companies should pay for such functions in future and in what proportion?
- Should Citizens be asked to take more responsibility for looking after their own well-being, without depending upon "The State" to do so for them?
  - Given today's affluent society, should some existing government functions be abandoned?
- Would the cost and scope of certain government activities be better customer focused and responsive, if those activities were reliant upon happy customers, rather than Government subsidy, for their income?

As part of this soul-searching the Government has now resurrected and is consulting upon the Review of the Scope & Structure of Government which was produced in 2006 - but side-lined by the then Chief Minister. This technical Review will form a major plank in the debate on exactly what Government should do and who ought to pay for it.

Edgar Quine's background and experience made him an ideal member of the team which produced A Review of the Scope & Structure of Government. He is renowned as a senior IoM Statesman and a man of principle, someone not afraid to speak his mind. He is also much respected for his analytical ability and oratory. He will discuss the findings of the Report and its implications.

## **PAG** comments:

Following the VAT bombshell and recent actions and comments of Government Ministers, most people seem to be aware that if the Island is to continue to operate within a 'Balanced Budget' there has to be a lot of belt-tightening and many things that IoM citizens have taken for granted in the past will be up for debate in the future.

Almost inevitably, this debate will be controversial, wide-ranging and cover a vast field of future choices, such as: - Can some of the existing Government Functions be abandoned, or scaled back? - How should ongoing state services be paid for best - by the Community Jointly or by the Users themselves? - Can certain state activities be improved and made more customer focused if they were provided by the Private Sector and paid for directly by the Customer? - Should some Universal State Benefits be denied to better-off citizens? - Can our community continue to pay State Pensions at their present levels?- Can our community continue to recruit Public Sector Workers and guarantee to pay them inflation proofed Pensions in 50 years time,

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irrespective of what the future brings or whatever level that burden might grow to in the future?-How is the best way to raise future money for government Community Spending:- By Taxes on Citizens or on Companies; By taxes on Earnings and Income; By Sales Taxes on Goods; or By User Charges for actually using the services themselves— AND in What Proportions should these taxes be imposed?

People should come along to The Manx Legion in Douglas on Monday night at 7.30pm. if they want to be part of a growing public debate, which is ultimately testing fundamental community questions such as:If \( \text{ YOU} \) want something \( \text{ } - \text{ \text{"When Should You be expected to pay for it Yourself?"} \) and \( \text{ "When Should Your Neighbours be required to contribute towards it?".} \)