

STATES OF JERSEY



STATES OWNED OR CONTROLLED COMPANIES: RIGHTS AND RESPONSIBILITIES (P.100/2014) – AMENDMENT (P.100/2014 Amd.) – COMMENTS

Presented to the States on 27th June 2014
by the Minister for Treasury and Resources

STATES GREFFE

COMMENTS

The Minister for Treasury and Resources opposes both this amendment and the main proposition.

Deputy R.G. Le Hérisier of St. Saviour's amendment requests the Minister for Treasury and Resources, on behalf of the Panel proposed in the main proposition, to present the draft Strategic Plan of each company to the States for debate at an interval of not less than every 3 years and to present the Business Plan of each Company to the States annually with any subsequent amendments being approved by the Ministerial Panel.

The Minister for Treasury and Resources has already strongly set out his opposition to the main proposition of Deputy G.C.L. Baudains of St. Clement and the reasons for that opposition. It is not the intention to reproduce the contents of those comments here. The amendment of Deputy Le Hérisier serves only to strengthen that opposition, as it is an illustration of how the business activities of the States-owned companies would become fettered by the involvement of the States Assembly. Many projects represent a long-term investment or shift in business focus that require a planning horizon of longer than 3 years. The Strategic Plans will also contain a high degree of commercial information which would be invaluable to competitors. The States-owned companies simply cannot be expected to operate successfully in such a climate of uncertainty.

The Minister for Treasury and Resources urges States Members to reject this amendment, and the main proposition.

Deputy Le Hérisier does raise an interesting matter regarding the 2010 Deloitte's review: "States of Jersey Owned Utilities Governance Review" ([R.76/2010](#)), presented to the States on 17th June 2010. The relationship between the Minister, acting as shareholder on behalf of the States, and the States-owned companies, has grown organically and been documented as described in the Minister's comments on P.100/2014, largely through the Memoranda of Understanding. It may be opportune to review the recommendations of the Deloitte report against the current arrangements and explain the reasons for any divergence. The Minister commits to undertake that work and publish it to the States before the end of 2014.