

STATES OF JERSEY

OFFICIAL REPORT

THURSDAY, 10th DECEMBER 2009

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The Roll was called and the Greffier led the Assembly in Prayer.

PUBLIC BUSINESS – resumption

The Deputy Bailiff:

We resume debate on the Budget Statement as amended. Does any Member wish to speak?

1. Draft Budget Statement 2010 (P.179/2009) - resumption

1.1 Deputy T.A. Vallois of St. Saviour:

Well, here we are, the Draft Budget Statement 2010. As a new Member, in one year I have managed to survive the Strategic Plan, the Business Plan and now the long-awaited budget. **[Approbation]** **[Laughter]** I echo the words of fellow Members on congratulating and commending the Minister for Treasury and Resources on his first budget proposal and I certainly look forward to seeing what he has in store for us in next year's budget following the vital and ever so important reviews being undertaken by him and his officers. As a new Member, I have to say I have found it difficult with the way in which we, as a government, address the processes of the Strategic Plan, the Business Plan and the budget and believe these are 3 of our downfalls in trying to achieve a more effective and efficient government. One thing that has stood out at me during this debate is the way in which some of the Members are happy to stand and commend our Minister for Treasury and Resources for his budget, however, not address the other important items contained in this document which we are about to vote upon. As the Minister for Treasury and Resources will note from my membership on Corporate Services Scrutiny Panel, I tend to be fairly analytical on equalities and have bombarded him with plenty of questions over the last year and will continue to do so for the remainder of my term with particular interest in both the reviews, Comprehensive Spending Review and Fiscal Strategy Review, which are both mentioned in this budget. Therefore, I have a few questions for the Minister for Treasury and Resources with regard to the budget that I would like for him to address in his summing up. Firstly, the reviews that have been planned are to be completed by his team in June 2010 for States Members and public consultation to take place. However, I understand that this has changed and will be completed a month earlier to go out for consultation. Could the Minister explain what flexibility there is within these reviews should he need to shine his torch a little deeper into the department or to ensure that no stones are left unturned? Also, as per page 17 of the budget, it mentions the abolition of Articles 115(g) and (ga) as per the deemed rent. Could the Minister inform us whether he has looked at the possible effects this may have on property value in the commercial market and how this will affect the future capital programme for the States? On page 19, there is a mention of certain collective investment vehicles being exempt from taxation rather than subjecting them to tax at a zero per cent. Could the Minister please elaborate further on this and explain or give an example of certain collective investment vehicles? Finally, on that note, I would just like to say that as a member of Corporate Services Scrutiny Panel that we will be looking very closely and trying to work with the Minister with the reviews coming up in the next year and I would just like to thank everyone for being patient with me as a Member trying to understand the processes going forward.

1.1.1 Deputy G.P. Southern of St. Helier:

It occurs to me that as I get older, I become less flexible. I can no longer bend like I used to. I can no longer do a flick-flack and barely keep wicket without putting my back out. It always amazes me why many in the House, although older than me, appear to be so much more flexible. They can contort themselves into all sorts of shapes in order to give praise, in this case, to the Treasury and Resources Minister and his budget. I am at the stage no longer being able to do flick-flacks that I cannot contort myself into such a shape. This budget is undoubtedly a missed opportunity. It is meretricious. On the surface, it looks attractive but beneath, one has disappointment. It is dressed in the colours of a harlot. In the Strategic Plan, reluctantly nonetheless, the Council of Ministers

acceded to putting the words “promotion of equality” making a fairer society into its Strategic Plan. One has to ask in what way does this budget in any way attempt to do such or even to have a token gesture at improving fairness? It does not. While this House has managed to knock off £4.25 million of additional regressive taxation that was going to impact on the poorest worst and the most wealthy least, it is only £4.25 million and while we might feel better about ourselves for having done it, it is a mere scratch on the surface of this harlot, for this is the harlot’s budget. Here we have no attempt to increase fairness.

The Deputy Bailiff:

Deputy, if I may say so, while it is permissible to call the budget a harlot, I do not think it is a harlot’s budget. I would like you to withdraw that.

Deputy G.P. Southern:

I will certainly withdraw it and rephrase it. It is, as I say, dressed in the clothing of a harlot, superficially attractive. So what we have here, given the dire nature of the recession that we are in, that we are advised, and maybe double-dip, which will lag that of the U.K. (United Kingdom), which is so dire that we can nonetheless freeze exemptions starting in 2010. So 2011 tax bills, freezing exemptions, I remind Members, and I warned it of the time when we took the route of using tax exemptions to alleviate G.S.T. (Goods and Services Tax) and the rise in prices that we have seen. That is so easy to get rid of. All you have to do is do nothing, freeze exemptions, do not operate them and fiscal drag sooner or later will claw that money back. So already, as we enter ... we are still entering the recession, we are getting some more money back off the poorest, most damage at the poor end if you freeze exemptions. That is what this budget does. In it, we find out that Zero/Ten, already dead in the water, is now subject to review along with every other tax policy apart, of course, from any progressive taxation policies. Let us have a look at the makeup of the fiscal review body that is going to examine and review thoroughly our tax strategy in the future. It consists of the Minister for Treasury and Resources and the Chief Minister, along with the Minister for Economic Development and the Minister for Social Security. It has got 2 Assistant Ministers from Treasury and Resources. Despite the promise of the Minister for Treasury and Resources earlier in the year, twice, I believe, where in that membership is the advocate of progressive taxation, fair taxation? Completely absent. That is the front bench of the party opposite. Oh, and it is joined by one other, a real revolutionary hothead, the Constable of St. Peter. **[Laughter]** So we can really expect a thorough going review of our fiscal policy from that body, rest assured. I do not believe so. So where is the progressive taxation? Where is the move to fairness? It is not there and we sit here and we accept that, ho hum. I will not give way at all. You may correct me later. You will have plenty of time to praise the Minister for Treasury and Resources to the skies, but I am not today. We also see, I believe, what I think will be the dying breath of Blampied, the deemed rent proposal. I warned at the time when it was raised, this will not pass muster with H.M. Treasury in the U.K. They will see it for what it is, a way to get round U.K. Regulations. It will not exist and yet it is still there. It is still somehow surviving even though it is complete nonsense. In order that we do not have a real good go at this budget and examine what it really means, we are told we have not only got a fiscal review but we have got this fundamental spending review - whatever label it goes under, it is still fundamental spending - and we are going to examine the spending departments. Let us have a look at them. We are going to shine the torch into places where the light never shines, in Health and Social Services, in Education, Sport and Culture, in Home Affairs and in Social Security. The top 3 there are the largest spending departments. On what? Health and Social Services, Education, Sport and Culture, Home Affairs. What links those 3? Why? Ninety per cent of their costs are staffing... of that order. So what is this fundamental spending review going to do? Where are the real hard-edged cuts that can take place? There is only one place. There is only one place and that is in staff. So what level of redundancies are we waiting to hear about in the coming year? That is the question we should be asking, what is this spending review going to do? I warn Members now I know exactly what it is going to do. It is

going to cut staff members and thereby it means cutting services. Again, back to basics of economics, in the middle of a recession, the last thing you do is cut your public spending and cut your services because that is when the people out there need it most but that is what we are going to be doing, mark my words. Social Security I take as the exemption, it is not completely staffing costs there. They have something to do and it is about paying out benefits which goes on their slate but, again, if we are going to make savings there, are we talking about cutting benefits? Is that an option? We do not know yet because we do not know really what the terms of reference are apart from shining the torch where the light has never been. Very instructive, that. Of course, we are cutting back, and this is a tight budget, we are told, especially on staffing, apart from the Minister for Treasury and Resources' own department where we have an extra 8 to 10 staff in order to have a look at how we are spending money presumably on staffing and we let that one go, all right? Minister for Treasury and Resources, you can have the extra staff. We will be taking staffing cuts in the future. One rule for us and another rule for them. So we are unclear whether this recession is going to end in 2010, 2011, 2012. We have got an old-fashioned budget that has attempted to raise money in a very regressive way, that refuses - as it always has done and as this Minister for Treasury and Resources, I presume, always will - to examine realistic alternatives of progressive taxation and doing things properly. So I will not be praising the Minister at all. I think this budget is completely meretricious. It looks good on the surface but it is doing nothing and, if anything, it is making things worse. I will be voting against it.

1.1.2 Deputy S. Pitman of St. Helier:

I have a number of questions for the Minister for Treasury and Resources so I would ask him to put down his BlackBerry and pick up his pen. Firstly, I would like to know, as I have asked the Minister but he did not get back to me, when will the Fiscal Strategy Review and Comprehensive Spending Review be done? Can he give a guarantee that it will be finished before next year's budget? The second question, Jersey Finance is receiving £2.5 million and we know that their income has risen exponentially over the last few years. My understanding of their role is that they are there to promote the finance industry and there was a review done on this a few years ago where it raised concerns about the money they were receiving, the extra money was not being used for that promotion. So I would like to know what that money is being used for and why this huge rise in income. On page 32 of the Budget Statement, it talks about land development tax and says that, in 2008, there was some initial research carried out and I would like to know when that research was undertaken. It also goes on to say that there are a limited number of opportunities in developing this tax and I would like to know what those limited opportunities are. Lastly, as we have heard, the Minister has spoken of increased funds for social projects, health projects, *et cetera*, but we also know that he is aiming for 2 per cent service cuts and this will impact on services. I would like to know in the Comprehensive Spending Review what those likely impacts are going to be. I would like them to go alongside this review.

1.1.3 Deputy R.G. Le Hérissier of St. Saviour:

When the revolution does come, I am sure we will have the courtesy to attend the execution of the Constable of St. Peter [Laughter] since he is a fully fledged member now of the reactionary tendency. We have had from Deputy Southern and, in a sense, built-up by Deputy S. Pitman, the redistributionist angle. I am slightly different to that in the sense that a budget obviously has to be a balance between equity and the ability to generate wealth and, of course, that is the fault line that runs throughout this debate. I refer to the comments of Deputy Power yesterday when he said: "Well, we need innovation and we need reform" because I think he did maybe stumble ... well, not, I am sure he deliberately came upon that point because it is the lack of innovation that is worrying because I do think, oddly enough, and this is where I would agree with Deputy Southern, that we all know that there are some long-term and worrying trends emerging and there is a worrying tendency also not to face up to them and to confront our demons. For example, there has been the inability to put Zero/Ten to bed. Is it or is it not a viable vehicle for the future? We get all sorts of

contradictory stories and I am being lobbied intensely by one person who definitely thinks it is yesterday's theory. To give another example, we have had a stream of legislation from the European Union and I was lobbied oddly enough on the way here this morning. One that is frightening people is the alternative fund management directive. They really think within that directive there are hidden some very, very serious issues. It raises the issue, so I raised the issue with the individual. I said: "If it is fund management, how is it affecting people like Luxembourg and Ireland?" and the banker told me: "Well, that is no problem. They are in the European Union." There is no justice in dealing with the issue. It is a question of where you are situated and if you are in the European Union, you now get that degree of protection. I am not saying you get protected from all adverse directives that affect finance but that raises some very serious issues. This Island, from 1973, and Protocol 3, has always stood strong on the issue that we will not become part of the European Union because of the various issues, that it will try and interfere with our finance industry. Well, it is directly or indirectly doing so big time and how are we confronting that issue? Are we just saying: "Let us dig in, let us follow the independent path" which, to me, is a total reckless path to follow without having given it a lot more thought. The other thing that came out yesterday very clearly from the debate initiated by Deputy Power's proposition was, as I said, the inability to confront different approaches to taxation. Why has 20 per cent become so immovable? Here we have a tax that bizarrely was introduced in the first year of German occupation for reasons I have never quite worked out and it has become a lynchpin, it has become unchangeable, immovable. Why? Does it really matter these days that it is 20 per cent and 20 per cent only for ever more? Again, I would like the Minister for Treasury and Resources' views on that because I think he himself has got locked into this mindset. I oddly enough also agree, although I will depart from this agreement quickly, I agree with Deputy Southern's view that there is only so much more efficiency you can get out of the system. I think the Minister is right to look for it because we have grown like Topsy. There has been, as our dear, possibly late, lamented Prime Minister - according to Deputy Martin - Gordon Brown has said there has been a culture of excess. We have paid public servants enormous rates. We have ended up with an enormous inflationary situation in the public service which it is very hard, it has to be said, to get out of, but those are major issues. Whether we can cope with them politically is, in a sense, a debatable issue. There will come a limit to which we can squeeze more efficiency to which we can confront these particular issues and then, as I have said before, can we remain a low tax but a high level of service society? I have quoted often the case of Britain and America. They are seen as societies that try and do that in contrast to other places like Sweden, like France, who are very open about the fact that they are high taxation societies because they want very high levels and they accept high levels of social service. Oddly enough - and I think this is where again I think the Minister, despite his formidable energy, and I have to be careful I do not give any accidental compliments **[Laughter]** - I do admire his energy. I think this is where the Minister misunderstood yesterday but I did have a phone call during the debate from a constituent and he said: "I will pay more taxes if it can be proved that the money will be spent well. I will pay more taxes because I want good social services" and, oddly enough, there is a realisation there that we have reached it or we are reaching a crossroads where we can no longer remain a low tax society or no longer remain a society where a high proportion of our taxes are paid by people who do not live on this Island and pay taxes on funds and that is their only relationship to this Island which is quite an odd situation. So I think the public could be convinced but they are going to have to see a lot more reform and they are going to have to see a very different mindset from the Council of Ministers as to how they approach this efficiency issue and the management of a public sector issue and how they approach the balancing out of the tax system. While on the radio this morning in a very robust interview, Senator Ozouf said he would take soundings. Who will he take soundings from? Will he take it from the generality of the population or will he take it from a very closed group of people who will simply reinforce his own views and let us face it, we all tend to do that from time to time. Will he really, as that poor British M.P. (Member of Parliament), Frank Field, was ordered to do by Tony Blair, will he think the unthinkable? The fact that Mr. Field lost his Ministerial office within a few

months of thinking the unthinkable is unfortunate but will he think the unthinkable? I have my doubts because although he is formidably energetic, as I have said, and enormously so and has shown an apparent willingness, to that extent I would agree with Deputy Southern. I have my doubts whether he is prepared to go where no Jersey Finance Minister has been prepared to go. I think there is a real issue there because the public are worried, the banking industry is worried, we end up having to square a circle. This is almost, if I may mangle the English language, un-squareable but, nevertheless, that is what the Minister for Treasury and Resources has to do. So I do advise him, please confront the demons. Please face up to some of these long term issues that are gradually building up in this society. Be aware that if you could win the hearts and minds campaign - and it is a question of winning both - the public may well support you. Unfortunately at the moment there is polarisation in this society just as there is in this Chamber.

1.1.4 Deputy S. Power of St. Brelade:

My hoarseness has nothing to do with the last 2 days. I find myself in a position this morning whereby the mood of the Assembly yesterday did pick up the mood of the public. When I first started this amendment debate I said that I was a very reluctant warrior. This morning I find myself very much in the situation I do not know whether I am a reluctant hero or whether I am a reluctant villain but I am here this morning. I have to tell the Assembly that the Minister for Treasury and Resources phoned me very early this morning and I was grateful for that phone call. **[Laughter]** I am pleased to say that it was a very friendly conversation and he was magnanimous in his conversation to me. I am going to sit down with the Minister for Treasury and Resources in the next few days because I firmly believe that there is a way forward. I also spoke to the Minister for Health and Social Services this morning before the Assembly started and I have told the Minister for Health and Social Services that there are solutions to be found. But as Deputy Le Hérissier has just alluded to, and I refer to in my speech, this Assembly and particularly the Minister for Treasury and Resources is going to have to be very innovative in the way he approaches - and I pick up the words of the Constable of St. Clement - how we match expenditure to income. That is what we have got to do. There are ways that we can do it. In a subsequent speech that I am going to make today and in speeches I am going to make in the New Year, I am going to prove to this Assembly that the money that we did not give yesterday - that the money that we took out - is out there and can be taken in. I can prove it to this Assembly. I would not have done what I have done in the last 2 days unless I was on firm ground. I can prove to this Assembly that there is huge reform needed, not only of the machinery of government, when I loosely refer to the public service, but to the way the actual departmental structures operate. There are huge innovations and changes to be made. That does not just apply to the Housing Department where I can tell you with my Minister for Housing there will have to be changes next year but it refers to other States departments. I will bring that out in the New Year. One of the things I referred to with the Minister for Health and Social Services this morning was the perception that regulating the price of tobacco or alcohol and the Medical Officer of Health's concern of the result of the amendment is in some way a band-aid to the levels of consumption of alcohol and tobacco on this Island. I have to say to the Minister for Health and Social Services and the Medical Officer of Health, there is another way. I alluded to that in my speech yesterday. It is not the price of alcohol. It is the supply of alcohol and the supply of tobacco and it is something we have to face. It is up to the Minister for Economic Development and Treasury to deal with this in the New Year and it can be done. It simply can be done. Every corner shop on this Island sells half bottles of vodka, cigarettes in packets of 10 and there is hardly any regulation or control. That is a fact. Whether it is St. Brelade of St. Helier. So there is a way round this but we have got to change the way we do business. We have got to change the way we do business. That is called innovation. I was the cause of a debate that went on for over 5 and half hours and it is still going on. I say to the Minister for Treasury and Resources, the Chief Minister, the Minister for Health and Social Services, the Minister for Education, Sport and Culture and the Minister for Economic Development, thank God you are not in the U.K. or Ireland right now where you will be facing swingeing, punishing cuts to expenditure which would have to be forced on this

Island. We are not in that position. What happened yesterday, please keep it in perspective because in the New Year there will have to be changes to the way we do business. That will involve a completely different approach to the way departments spend money. I, for one, will be at the vanguard of that change, with or without the Minister for Treasury and Resources' approval. I will be there. That is why I am warning this Assembly now I am bringing 2 significant reports and propositions in the New Year to this Assembly and it is up to this Assembly to say, yes, we are going to have to do things differently. We are going to have to change the way we do business and this is the way it is going to happen.

1.1.5 Deputy P.J. Rondel of St. John:

Yesterday we saw the unusual sight of a Minister for Treasury and Resources getting floored on several issues. But he is still in the ring. He has been down but he is not out. We saw him vote against Deputy Breckon's amendment. We could have recovered approximately £5 million. That tells me that he can find the funding from elsewhere. Yesterday in fact the Members, which I am pleased to say, were listening and had been listening to the people who were hurting out there on the streets, in their homes, who contact Members, *et cetera*. They have been listening, hence, the vote yesterday on Deputy Power's amendment. To me, we are told so often you get in the House and nobody listens. On this occasion Members listened and they made it known through the budget that the Minister himself has to be listening to what is going on out in the wider Island. I would like over the next few months for the Minister to address the Zero/Ten, given that on page 14 we see Zero/Ten, we are having a loss of something in the region of £81 million and over the next several years it is a similar figure. We are told we have got a black hole. If that had been addressed sooner rather than later that black hole I am sure could be filled. I have correspondence and I am sure other Members have had it also from a well known person who follows the tax issues. He is absolutely right in some of his comments. So I raise it and I sincerely hope the Minister will by this time next year have that resolved. Will the Minister also look at instructing the Statistics Unit and getting more information on green issues that come in over the quay. If the Minister is going to be taxing green issues let him make sure that they are green. I will refer to one, as I have already said yesterday in the Chamber, is to bottled water where you pay £3.25 for a bottle of water in a restaurant when you have quite easily had a carafe free of charge. Therefore, if the Minister is minded to go down the road of taxing issues to do with the environment, can he please make sure they are environmental issues, not something that is nice to have. We saw Senator Le Main's amendment yesterday which very few people could support so, therefore, they will not be getting many Christmas cards. That being the case ... because that was not a green issue. Not in the mind of my panel for sure. Please, Senator, do not have a seizure on the far side of the Chamber. **[Interruption]** I was worried that the Minister for Housing might have a seizure over there. When we met the Minister several weeks ago at the Environment Scrutiny Panel we did ask him that anything he may bring forward which he may call environmental tax has to be exactly that, an environmental tax not a wish list, which is very, very vaguely connected to the environment. It has to be an environmental issue. Therefore, I think the Minister needs to take that on board. With that, I think I have said sufficient. But if the Minister could make comment when he is summing up on his view on where environmental taxes will come from and how he will be dealing with that, it would be appreciated because then it will be on record on Hansard and members of the public who are supporters of my panel will know exactly where the Minister is coming from.

1.1.6 Deputy M. Tadier of St. Brelade:

I am not going to add any extra praise to the Minister for Treasury and Resources. Not because I do not think he deserves it but I think that has already been done. It is quite possible in the Assembly that people get sick of fancy words but I think people also get sick of sick of fancy itself. That said, I will add some praise to one of the previous speakers. I thought Deputy Le Hérissier summed it up pretty well in his analysis. That is what you would expect from a seasoned academic.

But some other praise is also due I believe because the budget would not be quite the same and the debates would not be the same if it were not for the valued amendments that have come along. I think we have had 3 amendments which certainly needed to be debated. I think if anyone needs praise it is my colleague in St. Brelade, Deputy Power, who as he said did have to make a tough decision bringing that amendment. Whether he is a hero or villain, I should think it is not a yes or no. He is both. I think it depends who you ask. If you ask the public, certainly the ones I spoke to, they were very pleased that there was not going to be any increase in impôts or duties. Certainly I do not think he is the most popular person in the Chamber at the moment with Ministers although that seems to have been resolved overnight. To cut to the chase really; I want to pick up on the words of our Minister for Home Affairs who I think hit the nail quite on the head. It has already been said that while the budget has been fairly safe, it has been lacking in vision. I think the Minister for Home Affairs, to paraphrase him, said that there are hard truths or there are difficult truths that do need to be faced up to in the next few years or that should be being faced up to already. These hard truths are manifold. We know that there is the issue of an ageing population. We know there is the current issue of supplementation. But we know in a more global sense that there will be problems with water supply perhaps. There will be issues of petrol, of fossil fuels, of the supplies of CO2 emissions which are, as we know this week with Copenhagen, on our mind. All wrapped up in that the whole distribution of resources and what is wealth. I think that really has been highlighted in these difficult times by the Consumer Council about the whole waste that exists not only in Jersey society but also in Jersey society. At a very basic level when we are throwing away huge amounts of food, and also at Christmastime when people are buying nonsense and rubbish that we do not need. Little trinkets that will be thrown away the next week or 2 later. I really think it does behove us to think about what we value in society. I think the underlying reason that we are in recession is basically because our value systems have been completely messed up for many, many years. It is really this is just a rebalancing of the books. To speak of whether the recession is going to last one year, 5 years, 10 years, whether it is going to be a double-dip or be a "W" is missing the point completely. The point is that we have come to a certain juncture in time where things cannot go on as they were before. We have been living on hallucinated wealth. We have had our value systems, as I said, messed up for such a long time. This is just a re-jigging of the natural order. It should not be any surprise to us if there are some uncomfortable but necessary truths to which we have to face up. This has not been done in this budget. What does need to be done is we need to have vision. We do need to speak truthfully with the public and with the electorate. Senator Syvret is not here but he is not the only one who has said it. Other people have said if we were truthful with the electorate, none of us would get elected because there are some things that people do not want to hear. I think that is perhaps slightly cynical. I think you can convey truths in a way that people do have sympathy and that people do understand to be true. The reason I bring this subject up is because we are constantly told from the Minister for Treasury and Resources himself that we have a binary choice to make; an either/or that we need to increase taxation or cut public spending. This is simply disingenuous. In fact what we will need to do, like it or loathe it, in the next few years is increase revenue, whether that be through taxation directly or indirectly or through fees or rates, whatever you want to call it. That will need to be going up by necessity. Also public spending will also need to be going up because of the nature of the world we live in and the changes that we have spoken about and the changes that are about to come. That is the truth. The public will have to pay more. We will also have to pay for those fees, those services and all those things. It is not an either/or choice. The simple question though, especially in Jersey, is who pays for those services? Where does the tax burden fall? Is it going to be spread right across the classes, right across society? Is it going to be simply paid by some very wealthy people and by consumption taxes? Is it going to be paid by people in the middle? As Deputy Le Hérissier pointed out, and I thought it was very interesting, is it going to be people who do not live in Jersey who are indirectly paying taxes in Jersey which is an interesting way to look at it because we often think it is the other way round. That it is local people paying for the wealthy to stay here but it is a lot more complicated than that. That raises the question of what is the Jerseyman's and

Jerseywoman's link to society. Ironically, speaking to the Deputy of St. Mary earlier, that is why G.S.T. in some ways is a good thing in the sense that it gives people a direct link to their government and to feel that they are contributing. But it needs to be a 2-way thing. These are the truths we need to be dealing with. That taxation will go up but who pays for it? That is why we need fairer taxation. I think the positives we can take from this is that we do need to have a review of company fees, for example. We do need to look at the very difficult question of raising money from wealth as opposed to simply from income and from taxation. I would also hope that we do finally address the issues of changing behaviour, whether it be in the field of health to do with smoking and alcohol or whether it be in the field of transport and public transport, the reduction of the use of fossil fuels, of emissions by the use of the car and encouraging people to get out of their cars, to lead a healthier lifestyle but to do it for the right reasons and to be able to do it in a context where the arguments are not clouded by revenue raising. Where they can be seen holistically and not simply the easily attacked as being revenue raising mechanisms. I think that is really what has come out of this debate, is that Members have not been satisfied that the motives for these changes have been correct. I think that has been a sticking point. I am interested in the integrity of the budget now because we have been preached this doctrine of balanced budgets on a yearly basis which seems very strange. This seemed to be the main sticking point with those who wanted to reject Deputy Sean Power's recommendation for a freeze in duty. Indeed I think it is probably a fair criticism that the Deputy did not identify other areas of revenue. That said, he is confident that he can do that. But I think this idea that we have been sold, balanced budgets on a yearly basis, that in itself needs to be challenged as a myth. I think in our personal lives, whether we are married or single, we do not always operate on the fact that we have to have the exact amount of money that particular year or that particular week to pay for things. Sometimes we do book in advance if we are going on holiday. We do not expect to have the money there and then. Probably lots of us have bought houses which we cannot all afford to necessarily pay for in hard cash. We do not go up to an estate agent and lay £500,000 on the table in cash although maybe some people are in a position to be able to do that. We say, no, it is right to borrow. I think we do need to make long term investments sometimes and acknowledge the fact that we may not be getting returns for 10 or 20 years but in fact if we do not do that, if we do not put the money out now, that it will not be in our long term best interests. I think that basic idea does need to be challenged otherwise it will blinker our view. I think if we stick to that categorically we are being sold a lie. I would simply say, going back to the behavioural changes, these will all require courage, leadership, innovative thinking and also the ability to take the public with us on our decision making. I suspect that the latter is not quite as much of a problem because in reality it will be the public that is taking us along with them because they have already moved on. The public are fairly wily. They know what problems are facing the Island and the world. It would do us a lot of good to listen to them but also to listen to the expertise in various sectors and take that on board. I do not have a great deal left to say, Members will be pleased. Simply to say that I do think that we cannot tarry any more, we have heard already today. We had a very good amendment I thought from Senator Le Main. What is the world coming to - and I do not mean that with any disrespect - if we have to rely on people like the good Senator to flag-up issues to do with transport and to do with the environment because we as a society have been dragging our feet on this issue for far too long. That is something that we need to get behind. I hope that it comes up in the next year. Also the whole area of duty free, of health. This needs to be seriously looked at. I do not think anyone would propose to get rid of duty free at the airport but I think this week has shown the inherent contradictions in the system where on the one hand as a government we are more than happy to want people to smoke. I think that was the term used by a Member, that the Minister for Treasury and Resources wants people to smoke and he wants people to drink because he is quite happy, he rubs his hands with glee about the taxation revenue. But on the other hand we as a society all have to pay the cost when somebody falls ill, when someone dies in hospital or if they are looked after by hospice. That is the nasty side of the libertarian argument. It is not a simple nanny State argument. There are complications. I will simply leave it there but I would suggest that a review does need to be taken of a cost/benefit

analysis or of an analysis of harm reduction and whether duty free and things like that are sustainable, whether the government has any place in selling alcohol or taking revenue in that sense. I will not be supporting the budget. I do not think I can support the budget. I did not support the Strategic Plan. I did not support the Business Plan. The budget is simply a direct consequence of those 2. I would suggest that anybody who did not support the Business Plan or the Strategic Plan also reject the budget or at least abstain. It would be nonsense for anyone to vote for the budget in that respect. I would also suggest that anyone who voted against Deputy Sean Power's amendment also reject the budget because it has undermined the integrity of your balanced books.

1.1.7 Deputy D.J. De Sousa of St. Helier:

Can I just say first of all the Deputy of St. John stole my thunder a bit so you will be happy to know my speech is considerably reduced, so I will not be long. Can I firstly just reiterate that I do feel the Minister for Treasury and Resources did miss an opportunity yesterday in accepting Senator Breckon's amendment? Can the Minister please reassure the House, as stated yesterday in the debate on Senator Breckon's amendment, that his reviews to be carried out next year will leave no stones unturned and that he will seriously look into increasing company fees?

1.1.8 Deputy D.J.A. Wimberley of St. Mary:

I think this is a bit like a seminar for the benefit of the Treasury and Resources Minister. He is busy taking a lot of notes. I hope that means that some of the things that people are asking for will happen. What I am going to say is some allusions to what people have said before and some new material, if you like. The budget was basically a 'keep it simple plus I will review everything' which I think is fair enough for a first year and a first year in Council of Ministers as well. I do not really have a quarrel with that. But the problem is of course that people did not like the keep it simple bit so we are left with the review. "I will review everything." I think that is a bit problematic because this debate is about something that is going to happen, if that is what it is really about. We are talking about the nature of the 2 reviews. Just to start, there are 2 lessons from that debate yesterday that I took. One was that it appears that what happened was that we were not able to vote on the 3 suggestions of extra duties separately because the Minister for Treasury and Resources took an all or nothing view. He may want to correct me on that but that is what I have gathered from that exchange of emails and certainly from talking to Deputy Power. The option was there to allow the separate debates on tobacco, on alcohol and on fuel. I certainly would have voted for 2 and not for one because I think the case for tobacco ... people are nodding and talking in the background. But anyway the point is that if there had been 3 separate debates we could have made up our minds much more clearly. But the option was taken of all or nothing. I think that is a little lesson because what the Minister for Treasury and Resources ended up with was nothing. The second thing was that I asked for an assurance from the Minister for Treasury and Resources about the nature of the review group, particularly the Fiscal Strategy Review group, and would it be inclusive and would he announce a membership with at least 2 non establishment, if you like, figures. That assurance was not given. So we get this situation where to start with you have a review that does not seem to be going to be inclusive. That raises really big problems. We risk going down the route of polarisation, of lack of trust, of feeling that the agenda is predetermined. We cannot have hidden agendas. We have heard person after person talking about there must be no sacred cows. Yet we have a review group, a political steering group, which appears to be narrowly drawn. It is like a closed shop. We heard Deputy Le Hérissier talking about the finance industry and an interesting point about the impact that the latest E.U. (European Union)... and it is going to go on and on. They are going to keep on putting more pressure. There are 2 fundamental ways of dealing with this. You can be entrenched. You can say, no. You can deny the dialogue and you can be fixed. Or you can be open and flexible and innovative which seems to be the word of the moment, innovative. This is like a symbol of where we are going. We have a political membership of this group which is not inclusive, not listening to all sides, which is

exactly what we need. I find it astonishing. I am very, very sad about it. I urge the Minister to rethink that aspect of the 2 reviews. Who is going to steer them? The second area I would like to touch on is savings. I have this image in my mind which I cannot get rid of of the Minister for Treasury and Resources with his cavalry waving his - not carbine - big torch and riding off across the plains shouting: "Yee hah" to find these savings; find these millions of pounds of savings. I have to echo what other people have said. There may not be as many savings as we think. I accept that in some areas we know that there is over-management and so on but I have my doubts because we have been here before. We have driven out the efficiencies last year and the year before and the year before. I cannot believe that there is much fat left. Other people may disagree. But I just have doubts on this wonderful magic torch. The second thing about savings is that I demand really that the reviews do not produce cuts in the guise of savings. This is a very dangerous thing to do because once again it undermines trust. If we in this House and the public are presented with what are dressed up as savings but are cuts then the public just loses all faith and so do we. It must not happen. I fear that it might. I will just refer Members to an astonishing piece of prejudging the issue in the budget. Page 9, Proposals for the Coming Year: Comprehensive Spending Review, last sentence: "The objective would be to determine an appropriate and sustainable level of spending after identifying a target level of savings for all departments." There is an assumption in there, and it is built in later on as well, every department can find a fixed rate of cut. He talks about 2 per cent a year. How can you say that you are being open-minded and balanced and shining your honest torch if you start with a presupposition of 2 per cent a year efficiency savings when we have been efficiently saving for years? My fear is that the soft targets will be areas where people can say, well, it is not the teachers or the nurses. My fear is that the soft targets will be targeted. The problem here is, and Deputy Tadier alluded to this I think, when times are hard we need better social provision not less. Times are going to be hard in my belief. I am not at all sure that we are going to come into some golden sunset after this recession. In any case, climate change and peak oil will see to it that we are entering a different scenario. It behoves us to protect everybody by good social provision. That is where this agenda comes a cropper of cuts, as I say, possibly dressed up as savings. We have to be very, very wary in this House about that. The third area of comment is taxes and charges. I do congratulate the Minister for Treasury and Resources here because on page 36 of his document he says that we will need to increase income. I welcome this frankness. It is, as the previous speaker said, going to be essential. There is a backlog - and I will not go over the backlog - of necessary expenditure that has simply been neglected and we have to find the money somehow. We must not forget that we are short of nurses, we are short of policemen. There are funding pressures in many areas and they will not go away and we cannot magic them away. The trouble is of course that all this is happening, all this is coming together, because when the C.S.R. - the Comprehensive Spending Review - happens it will identify the funding pressures. It will identify the need to spend here and there, for instance, in the protection of people who are unemployed - but that is just one issue - or the elderly. How is he going to increase the taxes and charges when this House is reluctant to increase taxes and charges, as we saw yesterday? There is a built-in reluctance there but it will have to be done. So there are 2 options that I would suggest. There may be others. One is to do it by stealth. This is quite handy if you can get away with it. But it contradicts the honesty principle. It will always be found out and there will be a backlash, both here again and out there in the public. We cannot go against the need to build trust. So I think the stealth option is not really an option. The other one is to bite the bullet and introduce fair and acceptable taxes and charges. Here we come across again the issue of no sacred cows. I make no apology for saying it again so the Minister for Treasury and Resources is going to get it. No sacred cows. The other thing that someone said which really rang a bell with me was we cannot tarry. We cannot do this in slow motion. I just noted from yesterday, Deputy Hill 5 years for a proposal I think on share transfer with land transactions. That has now been brought in; 5 years. Deputy Labey was talking about some other aspect, 5 years. F.S.C. (Financial Services Commission), we notice that the fees had not gone up for 11 years. Land windfall tax, how long have we been waiting for that? So I think not only no sacred cows but an abattoir that works more quickly than

the present one. I am not sure about that image but anyway. Now the fresh material, if you like. I think this is very important and it worries me immensely and I hope the Minister is going to take this on board. It can be called spending to save or it can be called a holistic approach or wider vision. Sometimes I think that we consider issues of taxing and expenditure in a very narrow way. Deputy Tadier again did mention the idea of investment. That sometimes you borrow to buy a house. I would see that as a principle that applies across a lot of government expenditure and we do not often recognise it. I want to spend a few words on this. Sometimes we do understand it and there is not a political problem of seeing that something is an investment. I refer to the emphasis on early years. We have put through universal nursery provision and/or in the past House. We understand that if we put money into early parenting provision and early intervention, there will be savings. That seems to be a generally accepted and understood view in the House. Notice that those benefits are future, they are intangible and they are immeasurable but we still accept the benefit of early intervention and we have just voted Williamson through and so on. That is only part of a package of supporting parents and young people. There are costs to be avoided. As I say, we cannot measure them but we still do it. But in other areas we do not get it. We do not get this understanding of investment and saving. I would just give an example that occurred to me as a result of a meeting we had last night about the town park. If you were to employ a new person at T.T.S. (Transport and Technical Services) - new person, shock, horror, extra staff, one person - to promote green transport plans, green travel plans, in businesses and States offices, you would have if they are successful ... I assume they would be successful in helping people to transfer out of their cars maybe into someone else's car to travel share or on to the bus or on to walking or cycling and also to do the additional work involved like provision of showers and so on. That person would produce savings in emissions which would produce savings in health, savings in noise, savings in visual intrusion which would lead to better quality of life and savings in land. All apart from the last there are difficult to quantify. They are future. They are avoided costs in the case of less emissions leads to less pollution leads to better health. That is an avoided cost. You cannot measure it. Yet it is the right thing to do. I think if the Minister for Treasury and Resources cannot... he must. I will put it positively. He has to develop mechanisms for recognising future savings, for recognising avoided costs and for recognising future benefits that are not direct. In this connection I remember as if it was yesterday, Deputy Le Fondré in the Millennium Town Park debate claiming that the increase in house values that would arise after Millennium Town Park is done were not real. He would not think that about his own house that if it went up in value it was not a real increase. But when it is public policy, when we are going to provide a town park and the values of the houses round about or in the vicinity go up, it suddenly becomes not a real benefit. But it is a real benefit and I beg the Minister for Treasury and Resources to take that kind of thinking on board. To labour the point, there are 44,000 square metres of parking space within the ring road. That is excluding Talman and Gas Place. 44,000 square metres. Using rough valuations provided by the Planning Department with Property Holdings - and they are rough valuations - we are talking about £52 million of land development value. That is a huge amount of money and that is the sort of money that this one new person at T.T.S., this new prospective green travel plan officer, that is the sort of money you are getting into. It is that kind of area. I just beg the Minister for Treasury and Resources to take those sorts of things on board. It is a difficult issue. We were talking about the Hopper bus yesterday and the Minister for T.T.S. said it would be a cost basically because it would have to run free. There has to be an understanding that built into that expenditure is a corresponding saving and a corresponding benefit. These things are investments and we have to learn to fund them. Another issue that came up in Environment Scrutiny was the insulation programme and States efficiency in energy. There are huge savings to be made with States energy efficiency but you have to spend the money first. You have to invest to save. Please again work out a way of including that sort of thinking in the C.S.R. please, Minister. While on that subject, equity and fairness has to be part of the package of any major environmental programme. The reason is this: if you charge people for water, if you charge them for waste disposal, if you charge for fuel ... as we heard yesterday in the debate. There are old ladies living on their own in the

country and if you increase fuel duty, it hits them. If there are poor people living in the country who have to use a vehicle, fuel duty goes up, it hits them. This is true. But the answer is not to abandon the environmental policy. The answer is to tackle the poverty. There is a social justice element when we consider environmental benefits and environmental charges. That too has to be part of the review. The same applies to savings with carbon. I have mentioned the fuel duty. This issue of equity will always be there and it has to be included by the Minister. To recap, it is a big leap of faith and I urge the Minister to act in a way that justifies it because I am thinking about which way to vote. I do not want to be disappointed personally. I do feel that to serve the people of the Island better, he has to take on board the sort of things I have been saying. To recap: honesty, the need to build trust, inclusion without which we cannot have the first 2. Will he undertake to announce a properly inclusive review steering group because if he does not I really cannot see how I can vote for this? Will he acknowledge the wide vision not the narrow and the connections between charging and social justice - charging for environmental bads and social justice - and a real understanding that as time gets hard ... we are in a recession and later on we are going to be in social transformation because of peak oil and climate change. Will he accept that again social justice has to be part of the package? We have to protect our people. We have to provide quality public provision because that is part of the fabric of our society and it protects everyone. I hope the Minister has taken some of that on board. I await with interest his reaction.

Senator S.C. Ferguson:

A point of clarification, Sir. I wonder if the Deputy of St. Mary has read the report of the Comptroller and Auditor General in which he says that the main savings will come from cross-cutting issues and we could really look for about £40 million there.

The Deputy Bailiff:

Have you read the Comptroller and Auditor General's report?

The Deputy of St. Mary:

I remember reading one of the Comptroller and Auditor General's reports and also the various comments and one that was alluded to frequently in the hustings. When you looked at it carefully, most of the savings were cuts, and political at that.

1.1.9 Deputy M.R. Higgins of St. Helier:

In yesterday's debate it was questioned why more amendments had not been brought forward to the budget by Members. It was implied that Members must be largely content with the Minister for Treasury and Resources' proposals after Deputy Power's amendment was carried. Let me say from the beginning that I am not content. By announcing the Comprehensive Fiscal Strategy Review and the Comprehensive Spending Review - 2 measures I have advocated and fully support - the Minister has stopped Members from bringing forward amendments to widen the tax base and make the budget more balanced and fairer to all members of our society because had they been brought, Members would have said they were premature and we must await the outcome of these reviews. I am concerned, however, at the proposed composition of the Fiscal Strategy Review body which if it remains constituted as proposed will not be a fully balanced and independent body. Members of a different political persuasion must be involved in the process if its report and recommendations are to be accepted by Members of this House and in the Island as a whole. I am also concerned that the timescales for both reviews will not be met and may well be dragged out to thwart some fundamental reforms in time for next year's budget. We have some major problems going forward, not least stemming from what I would call the Zero/Ten fiasco and the structural deficit which need to be dealt with. We need a fully inclusive, comprehensive and balanced approach to deal with these problems and wide early disclosure of the information generated during the review so that Members can put forward alternative solutions to the problems we face. I am also concerned that the Minister for Treasury and Resources has not learned any lessons from yesterday's defeat over

impôts duty. Rather than accept the fact that Members are concerned about the burden being placed on ordinary citizens - middle Jersey, to quote Deputy Power - he has spun the defeat on Jersey radio by saying Members passed the amendment because they were faced with an all or nothing amendment and implied that had it been split the outcome might have been different. But of course he failed to mention the fact that Deputy Power had asked him to agree to his amendment being modified to allow this to happen. Secondly, he stated that he had ring-fenced the money for Health and Environment, *et cetera*, in his budget. But in reality, when questioned in the debate by I believe Deputy Southern, he would not confirm it was ring fenced. Finally, I look forward to the Minister for Economic Development... who acknowledged that many fees or charges relating to the finance industry needed to be brought up to date. I look forward to him bringing back to the House, proposals shortly so that we can make up some of the budget shortfall as a result of yesterday.

1.1.10 Connétable L. Norman of St. Clement:

As an aside, a few moments ago Deputy Tadier was worried about the apparent contradiction between the duty free shop at the airport and the sale of alcohol and tobacco to local residents. He really should not worry about this because the duty free shop at the airport encourages purchases by people leaving the Island to buy alcohol and tobacco. It is the duty free shops in other places such as Southampton, Gatwick, Liverpool and Manchester which encourage local residents to buy alcohol and tobacco at low prices. I think we have very little influence in those particular areas. The only thing we could do probably is reduce the concession that the customs allow on duty free imports. That would be extremely unpopular in many quarters including this particular one. Earlier this year the Minister for Treasury and Resources made it quite clear -or, in fact, I would go as far as to say promised - that he would be proposing no new taxes in the 2010 budget. Yet in the budget statement we are asked to approve the introduction of a vehicle emission duty and land transaction tax. He may well argue that the land transaction tax was approved in principle before but, nevertheless, there they are. Yesterday the Minister also resisted quite successfully and quite rightly the proposition of Senator Breckon to increase company fees. He opposed this on the basis that such a move should only be undertaken after a thorough review and certainly consultation with those upon whom it is going to impact. What I would like the Minister to tell me is what consultation has taken place over the introduction of vehicle emission duties? What consultation is taking place with the motor trade, in particular? It is a matter of record that the sale of new cars has reduced by 20 per cent this year with no help whatsoever from the Minister for Treasury and Resources meaning that there are 20 per cent less environmentally friendly cars on the road than there might have been otherwise. What consultation has taken place with the bus and coach companies and indeed Transport and Technical Services because they are going to be financially impacted by this move? Transport and Technical Services already subsidise the bus service considerably and this is undoubtedly going to put up their cost. What consultation has taken place with the hire car companies? What is going to be the impact on the tourism industry and their businesses? What consultation has taken place with the agricultural industry, who will be severely impacted upon? When they replace their tractors or buy new tractors, they will always be paying the top whack because the tractors these days are right at the top of the power league. They will be paying this tax but having no reduction in emissions unless of course the agricultural industry declines because of this. It is probably my fault for not bringing an amendment but if I am opposed to the introduction of a vehicle emissions duty I suppose that I cannot support the Budget Statement or perhaps I could and then simply vote against the appropriate Article in Projet 180 which comes after the budget. I would appreciate your guidance on that, Sir.

The Deputy Bailiff:

I think how you vote, Connétable, is entirely a matter for you.

1.1.11 Senator A.J.H. Maclean:

I would like to begin by congratulating, as many Members have, Deputy Power for the proposition that he brought yesterday. I think it showed courage to bring the proposition that he brought but I think more than anything else it reminded me - the result of that particular debate - that it is rarely a day when this Assembly makes a wrong decision. Even with the help perhaps from time to time of the odd ring-binder, nevertheless, it is very rare that the Assembly makes a wrong decision. I think it was interesting to reflect overnight on the decision taken by the States in this regard. I think it reflects the general public mood at the time as we currently stand. Certainly I think it is something that we need to reflect upon. There are clearly serious issues that need to be addressed. I appreciate very much, from the Minister for Treasury and Resources' point of view, the difficult task that he has in terms of trying to balance budgets. The revenue raising - tax raising - is clearly an option. Efficiencies are clearly an option. The reality is it is going to require both of these measures in order to balance books. But equally we need to make sure that we get our timing right and more importantly we need to make sure that we communicate what we are doing correctly. We need to make sure that we take people with us. We need to make certain that Members in this Assembly are taken with us but more importantly that the members of the public are taken with us and fully understand and appreciate the difficult decisions that are undoubtedly going to have to be made in the future as we move forward in order to maintain the level and quality of services that I think Members will agree we are fortunate to benefit from in this Island. If we want to maintain them in the future there are going to be difficult decisions in order to do that. I think it was the Minister for Treasury and Resources who first started talking about his torch and shining it into dark crevices. I think one of the pieces of advice that I would give to him, it is not just a torch that he needs to shine into these dark places in departments. I think he needs a big strong stick as well because the reality is that in order to deliver efficiencies - and I am pretty clear about this - it is not a question of just cutting services. There is an opportunity and there are opportunities in every organisation including the States of Jersey, with the amount of money that we expend, to make efficiency savings without necessarily cutting services. There are some services I think we need to question whether we should be delivering at all. That is another matter. But certainly the ones we should be delivering, in many cases can be delivered in a more efficient way; more cost effectively, a better quality of service. I think in order to deliver that, the Minister for Treasury and Resources and other Ministers and Members of this Assembly are going to have to work in a collaborative way or we are not going to change it because it is a change of process. The Minister for Treasury and Resources has talked about the need for 3-year budgeting, for example, and I agree with him. It is a change of culture throughout the public sector and, I might add, within this Assembly as well. By that I mean the number of times that we see Members bringing forward propositions with financial and manpower implications which are less than accurate but have significant implications and clearly I think there needs to be more of a joined-up approach in that regard. I would like to just if I may comment on a few items relative to Economic Development. We have a budget of nearly £16 million which relates to only 3 per cent of the total States expenditure. I did notice during the debate over the last day and a bit that one or 2 Members have made comments, one of whom is sitting behind me. I do not like having Senator Perchard sitting behind me, particularly when he is stabbing me in the back which he has been doing for the last day or so. I would just like to take this opportunity to point out the Senator - and he is not alone ... Deputy Green is smiling. At least he is sitting in front of me. He made some similar comments yesterday about the minority industries, I think Senator Perchard referred to them as, suggesting that we, Economic Development, do not support minority industries. By that I think they were specifically referring to tourism and agriculture. I would just like to point out that in terms of our budget, we spend 38 per cent of our budget - the largest single contribution - on the tourism sector. It produces 3 per cent of G.V.A. (Gross Value Added) but it gets 38 per cent of our budget. Of the others, it is interesting that financial services ... and I know that Deputy Shona Pitman mentioned this this morning. She was querying the grant that Jersey Finance get and how much money we put into supporting the finance industry. It represents 14 per cent of the Economic Development budget, the smallest individual contribution which is quite a sobering thought when you consider it contributes 53 per

cent of G.V.A. It is about balance and I think we need to remember and need to focus on what the aims and objectives are of the department and obviously the States as a whole in terms of contribution towards tax take within the Island. We do support minority businesses or industries, if that is what you want to describe it as. I do not call them minority. I think they play a large and important part in Jersey; both tourism and agriculture and many others as well. It is because of that, that we put a significant amount of our budget into Jersey Enterprise and business development. I would add that all businesses including the tourism sector can benefit from utilising the services Jersey Enterprise offer in terms of improving the profitability of their businesses, making them more successful, maintaining and growing jobs and indeed their own tax takes. I think that is an important point. It is interesting that the tourism sector is the one sector that utilises the Jersey Enterprise services the least. We have got a job of work to do to try and improve that because there is a lot we can do to assist them in developing their particular market share. I would also just briefly comment... the Deputy of St. Clement mentioned duty free. I will not go into that any more. He made the comment that I was in fact going to raise myself about exporting duty free. Senator Perchard talked about the airport retail and duty free and the investment that had been made. It is a good investment. The pay-back period is about 4 to 5 years which is incredible. The retail partners at the airport contributed 3 times as much as we did. It is all about ensuring that we generate more revenues at the airport to sustain the fantastic route network we have got to get as competitive fares as we possibly can. In that area I am delighted that I have heard only just this morning that the forward bookings from one of our major airlines for December/January are up significantly. Something in the region of 20 to 24 per cent. Forward bookings up. I think that is really good news and hopefully that is a sign that we are going to start the year in a positive way. I would like to end, if I may, by also congratulating the Minister for Treasury and Resources for a challenging day that he had yesterday and the way in which he has put together the budget. Not an easy thing to do. I think he deserves all of our support moving forward. Finally, I would comment on I think it was one or 2 Members have talked about - and Deputy Power was one of them - the need for innovation, moving forward. I think that is right. Innovation is important in many different areas. I would hope that when I bring to this Assembly in approximately March of next year our e-gaming proposition that Members will appreciate that this is indeed innovation with the opportunity of generating considerable benefits to the Island; not just in revenues directly from e-gaming but also with regard to the infrastructure, telecoms and so on. Sir, I would like to offer all a very Happy Christmas [Laughter] and I will close at that.

The Deputy Bailiff:

That last comment was a safe bet, Minister. Does any other Member wish to speak?

1.1.12 Deputy A.E. Pryke of Trinity:

I shall be brief. I think with Health and Social Services having most of the budget, I just really want to make a couple of points that I very much heard about what has been said regarding tobacco and alcohol, and just to remind Members really that there is an alcohol and tobacco strategy. One part of those aims was the fiscal measurements into that but here we are. I very much take on board Deputy Power's comments. He threw down the gauntlet, for want of a better word. I am going to pick it up and have offered to meet with Deputy Power. If he has got some way of saving some money within Health and Social Services then great, let us meet and let us take it on.

The Deputy Bailiff:

Deputy, I must ask you to sit down. We are not quorate. I ask Members who might be in the precincts to return to the Chamber. Thank you. Deputy, you may now continue.

The Deputy of Trinity:

I was in full flow as well. I am very happy to pick up that gauntlet that Deputy Power has thrown down. I also very much take on board what other Members have said about the tobacco and

alcohol strategy. I mentioned to you that they both have a dramatic effect on Health and Social Services. I shall look at the thoughts that Members have spoken and discuss them with the Medical Officer of Health. I understand that one of those was including looking at minimum pricing. I very much have heard what has been said. We need to move on from this. To take up the point about the Comprehensive Spending Review, I very much welcome that. As we all know the Health and Social Services budget is a very difficult budget to put together and anything that can help either by finding savings or where it is needed to increase funding can only be welcome. As the Minister for Treasury and Resources knows he has my full support with looking at that as well as the department's support. Finally, I would just like to thank the Minister for Treasury and Resources for all his support over the last months, it has been appreciated. One more point, just to confirm that the Williamson funding is £2.8 million for next year and the extra funding for the staffing and other respite is there because we approved it in the Business Plan early in September so the money will have to be found from somewhere.

1.1.13 Senator T.A. Le Sueur:

I think it is probably time that I, firstly, stood up to congratulate the Minister for Treasury and Resources on bringing forward a budget in difficult circumstances. I begin by really saying that it is disappointing to find the Chamber half-empty at this sort of time [**Approbation**] because this is a challenging situation and it is a challenge not just for the Minister for Treasury and Resources, not just for the Council of Ministers, but for us as a whole. In recent years we have changed our arrangements to reflect views that were prevalent 5 years ago in terms of changing our Public Finances Law and we now have a Business Plan debate separate from a budget debate and both of them guided by a Strategic Plan. I do wonder, after a couple of days in the States discussing this budget and after discussing for a couple of weeks the Business Plan, whether the tools that we have at our disposal are still the right tools to use but also whether we are using them properly. I think this is something that we are going to need to look at and that is why it is important that we have a debate such as this in order that the Council of Ministers can reflect those views in future arrangements. It is very easy at a budget debate to get figures and little things and scoring points here and there. What we have is a far bigger situation and I think what I would urge all Members to do is to try to lift our eyes and see a bigger picture because the picture not only needs to be bigger but also needs to be longer. To pick up the point from the Deputy of St. Mary, it may well be that what we spend today we do not benefit from for another 10 or 20 years. That should not stop us from thinking about it and seeing that broader picture but struggling, as we are today, that can be quite difficult to achieve when we work very much one year at a time. That is why I support and endorse the notion of moving to longer-term planning, longer-term budgeting and joined-up planning and joined-up budgeting. It is going to mean changes to the way we operate and they need to be properly thought out. I think what we can learn from today and from this year is that we have probably a lot of good tools and we are going to make sure that we sharpen them up and use them effectively. I hope, therefore, that the opportunities given to all of us in the context of a spending review and a fiscal review can be used to inform that process so that future budgets can build on the undoubted financial strength that the Island has. If we sometimes feel a little bit gloomy we ought to remind ourselves of the fortunate and strong position in which we are so that that gives us the opportunity to go forward and plan properly and plan for the longer term. I end this budget discussion on a feeling of optimism, that although we have not perhaps got all the mechanisms right we are in a good position to improve on the strong position that we currently have.

The Deputy Bailiff:

Does any other Member wish to speak? Then I call on the Minister for Treasury and Resources to reply.

1.1.14 Senator P.F.C. Ozouf:

Ten years ago yesterday a fresh-faced Deputy from St. Helier that had been recently elected had his first day in the States, together with Deputies Fox and Le Hérissier and it has certainly been in the last 10 years of my time in the States - that was me that came into this Assembly 10 years ago - and certainly I have learned a great deal. The last few months as Minister for Treasury and Resources has not been easy but can I say to Members that I am grateful for their support and for many of the kind things that have been said. Ministers for Treasury and Resources are here to serve the whole of the Island at this Assembly and I do my best in order to try and marry competing objectives. I think we have had a very good debate in many respects. It has been a respectful debate and there have been a lot of important points raised. I will not say that I am not a little disappointed with the issue of the extension of the deficit. The duty increases, which we have discussed, will mean that the budget deficit next year rises and of course we do not know exactly what the numbers will be but it will be in the region of £64.25 million. Any suggestion - I think that a couple of speakers made - that we were not incurring a deficit, we are and I think it is the right thing to do in the downturn we are incurring and we are going to be spending more than we are receiving and I will make a couple of comments about that. I should just say that is a significant issue in terms of the loss of revenue of £4 million and I will consider what the right options are. I am not going to rush anything but certainly - and I am grateful for Deputy Power, I will comment on his remarks in a second - there may well be an issue. I know that some Members could be uncomfortable with some of the aspects of that but we will consult widely with Members and the Council of Ministers to see what must happen. There has to be, I am afraid, always a consequence to an income or any piece of expenditure. There is no magic solution. We will be funding an increased deficit if we do not take any other action by effectively increasing the deficit and drawing down on our savings. I spoke about, in my main speech, and a number of Members have referred to this and the Chief Minister has referred to, the whole process which we go about setting taxes and spending. I thought at one early hour this morning that maybe we got it the wrong way around, that we should tax first and then spend because we certainly like spending but we do not like having the income, and I think that that is going to have to be part of the overall review about the way we carry out our Business Plan and we do the tax arrangements. That additional budget deficit is certainly going to have one consequence, it is going to mean that the F.S.R. (Fundamental Spending Review) and the C.S.R. (Comprehensive Spending Review) is going to have to be deeper to the extent that we do not find a solution by £4 million and I take on board all of the comments that Members have made. This is one of the kinds of debates which I do think I need to respond to some of the questions, not all, and some of the issues that Members have raised and I am just going to run through them as fast as I can. Senator Routier asked for an assurance on the spending. Let me be clear, the proposals in the budget were linked, in terms of the duty increases to pay for the increased investment in the nurses' establishment of £1.1 million, the £475,000.00 for respite care. We do not operate on a matched basis, on a hypothecated basis. I justified those tax increases on that basis but the spending will and has been agreed to be continued. I think it would be completely unacceptable to bring forward a proposition to take away that funding because it was required. I heard Senator Ferguson with her slings and arrows, she is a good, I think, chairman of the Corporate Affairs Scrutiny Panel. She scrutinises it with her panel, well, she holds me to account. She did say that she wanted to see, as a result of this budget debate, real reductions in savings and I, of course, share her zeal for efficiencies and savings but I have to say to her and I have to say to all Members that we are going to have to be realistic. We cannot duck the issue that there are real pressures on our expenditure going forward. There are demands for additional services for health. There are the consequences of the ageing society in terms of more older people in our community and how we, as a civilised society, want to look after them. There are pressures on infrastructure. There are pressures at Home Affairs. There are calls from Members in this Assembly to increase things like the incentive to work and there are issues in culture and arts, *et cetera*. I agree with Senator Ferguson about savings and efficiencies. One of the problems is, is that I think Members are almost triple-counting those efficiencies. They want savings and efficiencies to deliver the £4 million duties that we have not raised. They want those savings and efficiencies to deliver the structural deficit which only

occurs because of the downturn. The structural deficit is because our economy has contracted like many other economies around the world and we are going to be taking less tax as a result of that. I do not blame Members for that. I do not blame anybody for that. That is just the way that it is and that is the structural deficit. The third thing is they also want the money, and many Members quite rightly have their projects that they want to put more money in. So we must be careful that we are not triple-counting some of the savings but we will work incredibly hard, and Senator Perchard also asked to work hard on the Comprehensive Spending Review. Having been here for 10 years and been here through a number of savings reviews I will say to Members that I have learned a few lessons. I have learned a few tricks. I have learned about what works and what does not work and we are also fortifying. There has been criticism about putting more resources in the Treasury. Yes, there is going to be more resources seconded to the Treasury for the spending reviews but that is so that we can shine the torch appropriately, that we can challenge and that we can do, I think, a more forensic job which I think the public are asking us to do in terms of savings. I fully intend to bring some independence into those reviews. I mentioned in my budget speech that I would like to consider, and I intend to, appointing some independent commissioners in order to validate, to test the conclusions that have come from some of those reviews, and I think that will benefit Members of the Assembly in terms of having some independent scrutiny of proposals. We do not want to see departments coming up with proposals that simply cannot be delivered or that we end up undoing and so I just say that. Deputy Le Claire asked me the interesting question about whether or not we could rescind Zero/Ten. I would say to the Deputy that Zero/Ten - and I will also draw Members' attention to some comments that were made yesterday by the Guernsey Treasury and Resources Minister in his budget speech which I have seen that he issued yesterday - was, in my opinion without any question, the right decision for Jersey in the competitive landscape that we had 3, 4, and 5 years ago and it was the Zero/Ten that was first of all implemented by the Isle of Man. It has been the reason why our economy has grown and we have benefited from the growth of financial services in the last few years. We cannot undo it and we will not undo it but we will clearly take on board the changed mood and the opportunities, if I may say to Members, of a review. There are some aspects of Zero/Ten which all Members of the Assembly, and me included, do not like, the issue of the non-Jersey versus Jersey entities and I have been asked about whether or not I will take on board the Corporate Affairs Scrutiny Panel's recommendation on deemed rent. I am hopeful, in the F.S.R., that I am going to find a solution to that Jersey versus non-Jersey-owned entity. There is nothing that it was worth about £10 million or £15 million. I am going to work as hard as I can in order to find a solution to that. Zero/Ten was not against the code. It was not against the code but as all governments are looking at their tax systems and they are looking at different ways of approaching their fiscal strategies, we clearly have to engage with our European neighbours on that issue. I am confident that we will find a way through and I hope that the words that I have issued in the budget statement, about tax neutrality, about the importance of tax neutrality to our fiduciary businesses, the funds, *et cetera*, are going to make it very clear to the industry where we are going in respect of that. Deputy Green spoke of diversification and I know that that is something that many Members are looking for the Minister for Economic Development and the Council of Ministers to progress. I have to say to Deputy Green that I am not persuaded that it is always the right approach to use the tax system in order to achieve certain economic diversification objectives. Sometimes it is but if one takes, for example, the case of the film industry. The film industry around the world... that is something that politicians love for some unknown reason but maybe it is to do with the big screen. They love to have film industries. How film industries have grown in other places is by the use of the tax system by giving quite wealthy people tax breaks in order to get investment into the industry. One needs to be very clear about this, Jersey's tax system has been built on quite a simple basis and if we start introducing complexities, such as the film industry tax concessions, I would prefer, if we do have a debate about the film industry, for us to debate in this Assembly how much money we are going to give to it, set up a Film Commission and give the money to the Minister for Economic Development rather than doing it almost under the line in terms of that. He makes a very good point and that is

something that we continue to keep under review. I think - and I would say this of course - there has been a massive shift in the last few years in terms of the way that we have truly engaged with business. We have set up Jersey Enterprise and we have sparked entrepreneurial activity in all sorts of different ways but he is right. We can and always must do more because that is the way that we will improve the lives of Islanders, give people hope and opportunity for the future. Deputy Le Hérissier said a few things. I have to say to him that I believe that our success has been built on a low tax model. I think we have got low taxes and high levels of economic growth and I am not going to rule anything in or out in the tax review. I did mention the 20 per cent rate covertly in my speech and I would just draw Deputy Le Hérissier's attention to the fact that Guernsey has a tax rate of 20 per cent, the Isle of Man has a tax rate of 18 per cent and we live in a competitive world. It is the issue of competition that drives my agenda in terms of maximising economic value for Jersey. I will say a couple of more things about that in a second. He also spoke about savings and efficiencies. He and I have been in this place for 10 years and I remember a few years ago when we had the old Agriculture and Fisheries Committee and I still have a report in my study at home from a group that he was a part of where he said there was no opportunity for making any savings in terms of the Agriculture and Fisheries Department. A few years on savings and efficiencies were made and now the services that Economic Development provide, T.T.S. provide, are provided in a different way but they are provided in a dramatically more efficient way than before. We need to have innovative thinking in terms of the way that we provide services. For example, the Royal Jersey Agricultural and Horticultural Society now provide all of the services that the States used to in terms of looking after the dairy industry. They provide it efficiently, they provide it well and they provide it at a lower cost. Now there has been some structural changes but I would say to Deputy Le Hérissier and all Members that I do not believe that any organisation, that any department, not-for-profit business, government department, charity, says that they have extinguished all of the opportunities for doing things differently and more efficiently and that is the challenge that I have to all States Departments. It is also a challenge that I am going to put down to this Assembly. This Assembly is going to need to show its own responsibility in terms of being efficient and effective in the way that we carry out our work, and some Members may remonstrate, but the tone comes from the top. The top is here and we need to show how we can be more efficient in what we do as well. I will say to Deputy Vallois I thank her for her comments. She does hold me to account very well and I am happy to answer all of the questions that she raises. She raised an important question about Article 115. Article 115 has been a difficult issue for me to consider. I have received vigorous lobbying from industry groups and people involved in it and it is a good example of where I am not afraid to take difficult decisions. I think that it is wrong that pension funds in the U.K. get and can get income from property income in Jersey tax free whereas other people, who are also buying Jersey property, have to pay 20 per cent tax on that rent receivable. I have received vigorous representations from people about this, some of which have a clear interest in it because they think that they are not going to have such a wide pool of potential funds buying their properties and there will be a capital depreciation but I think it is the right thing to do, to close such loopholes and I give fair warning to those people who are looking at other Articles in the Income Tax Law and are finding perhaps other ways to, I am not saying evade, put in place structures. I will be looking very carefully with the Comptroller in relation to fairness and to ensure that our public finances receive the appropriate levels of tax from rental and property income in the commercial sector. Article 115 will have an effect, I have to say to Deputy Vallois, it will have an effect. It will mean that some property values are less but I think it is the right and equitable thing to do and I ask Members for support on that. She asked about a collective investment fund. There is a specific bit in the budget statement about collective investment funds and I draw her attention to page 9 of the budget report in respect of collective investment funds. I am happy to talk about that in any detail if she wishes but I think the point is made about what that is and what we are attempting to do in terms of that. I am sure she understands that issue, collective funds are typically investment funds where many individuals, normally non-residents of Jersey, invest separately. Together they have the opportunity to invest in specific areas in many

cases, sometimes in developing markets. It is a competitive issue. Guernsey has a zero tax rate and that is what we are proposing to do here. There is a standardised exemption from arrangements and that is why it is being proposed. I do not think I am ever going to get support from Deputies Southern, Tadier and Higgins in relation to some of the things that I say. I regret that because I do try and find a middle road and I did try, in my budget speech, to address some of the concerns that some Members, who have very strong views about things like 1(1)(k)s and I have made comments in the budget speech. I hope that I have given a clear signal in some areas and Deputy Tadier did not raise the 1(1)(k) issue but I have made a clear statement about that and I intend to do that. Again, I am not afraid to take some tough decisions and I am not afraid to research it and create fairness in our tax system where there is not one. It is a shame that perhaps we did not have more amendments from Deputies Tadier, Higgins and Southern. I do not know why they did not amend the budget but the budget is an important issue for us to debate and I would have dealt with any amendments that we had. Deputy Shona Pitman asked about the timing of the C.S.R. and the F.S.R. The C.S.R., the Comprehensive Spending Review, is starting almost immediately. The Treasury team is being appointed, it will start in January and that will roll throughout the first 6 to 7 months as we go through the different reviews. Those 2 torches will be running in parallel, the torch light on savings and also the torch light in terms of the fiscal strategy where I will look to maximise, where I possibly can, tax revenue from commercial undertakings and financial services industry. There will be reports issued and perhaps it would be helpful if I gave a detailed timetable which consolidates all of the timetables. I am wanting to try and have as much engagement as possible with Members about the issue to do with fiscal strategy. She spoke about Jersey Finance and I have to say to her, I do not know what she thinks but I think that Jersey Finance has done an incredibly good job over the last 12 months in representing the Island and building business. We have had a terrible year. We have been caught up in the headlines of other nations who have attempted to cast aspersions on what we do and said that we are the cause of financial stability in the world, that has been proven to be comprehensively wrong, the Foot review has said the benefit that we have to the U.K. economy. I am absolutely determined that the Economic Development Minister, the Chief Minister's Department, the Treasury and Jersey Finance have all the possible resources that they need in order to extend the geographical reach of our financial services industry, that we continue to deliver new products and that is how we will, as an Assembly, continue to support; having jobs, prosperity, opportunities, social justice, fairness and redistribution, without a strong financial services industry we cannot achieve that. I think that she asked a question about land development tax as well and I say that land development tax is something that I am going to look at as far as the fiscal strategy review. Some research was carried out in relation to this issue in the past and I will say again, my view is that the land development tax should be looked alongside planning obligations as an alternative way of raising revenue, which is something the Deputy of Grouville has also quite rightly raised in the past and we need to look at both of those issues of land development tax and using the planning system. Where there is the right to have development comes the responsibility of putting something back into the community in a variety of different ways and delivering more houses in the Island. I am going to try and beseech of the Constable of St. Clement to support this budget. He is an Assistant Minister, that is not a guaranteed issue of course, but I will try and say to him that the V.E.D. (Vehicle Emissions Duty) has been consulted upon. It is going to raise money for environmental spend. He asked me whether or not I would stand in my commitment to introduce no new taxes. There was a caveat on no new taxes. The caveat was that no new taxes with the exception of for the environmental spend. The environmental spend is necessary, it is changing lives for people with insulation and pensioner and low income families. I spoke to a gentleman about the benefit that he has had from that and that has changed his life and is certainly reducing his energy costs in his household. I think the Assembly has done a very good job and the Minister for Planning and Environment has been right to champion this but we need to pay for it and that is why the Vehicle Emissions Duty is being put forward. Yes, it is timed in order to come in in September when economic conditions happened and there has been consultation too, one in 2007 with 130 responses - many of course from the

industry - and a further one in 2009 from 199 respondents. Deputy De Sousa thought that I had missed an opportunity. Well, if I have missed an opportunity, in terms of company in this particular budget, it is because I believe that the timing has to be right for that. This Assembly has dealt with a huge amount of issues over the last few months, fiscal stimulus which I know the Chief Minister ... I hope thinks it is going to make a real difference, keeping people in work. We are a small administration in reality and we cannot do everything at one time. Where there is an opportunity to raise money from companies, non-resident companies or companies that are non-Jersey companies - and I gave a few examples yesterday what we were already doing - I will do so. It is in all of our interests that I maximise as high as I can the income from company fees, but I do not want to throw the baby out with the bathwater. There is no sense in putting a fee up which just drives businesses out of the Island but I take that point on board. The Deputy of St. Mary spoke about inclusiveness and this particular issue about who is on at the Fiscal Strategy Steering Group. I am sure Members understand there has to be a group of people who are working up the policy and that is the job and we have created a separation in this Assembly, rightly so, between the Executive and Scrutiny. The Fiscal Strategy Review will look at all of the options. There will be interim reports published and if any Member has specific questions, if they have specific ideas in relation to taxes - of which Deputy Duhamel has, I know, some from an environmental point of view and the Deputy of St. Mary has others in relation to green taxes - then we will look at them and we will do a proper job in explaining to Members what the consequences I set out in the budget speech, all of the criteria we are looking at in terms of looking at the criteria of collection, affordability, progressiveness, *et cetera*, we will look at all of them and I am not ruling anything in or out. There are some difficult choices that we are going to have to take in relation to tax and I know that I am only going to finally get those approvals, that are going to be necessary in the budget next year, if I am shown to have done the proper research and engage with Members and I fully intend to do so. The core group is a Ministerial group. I have asked if there could be a membership to reflect Scrutiny's involvement from the Corporate Affairs Scrutiny Panel and the P.A.C., that is a matter for those panels and it will be up to the members. There will, no doubt, be a Scrutiny group. Scrutiny is well-resourced. No doubt there will be a special Scrutiny group that will be looking at this in order to scrutinise what we are doing and I will engage with Senator Ferguson in order to do that. Just finally 2 more Members: Deputy Power - we are both early birds, we did have a conversation on the telephone this morning and clearly there are lessons that I think can be learned in relation to the duty issue. He did ask me to put forward an amendment that was a halfway house and the advice I had was that was not appropriate for me to amend something that I was putting forward. Having said all of that, there has been a clear decision. I accept the authority of this Assembly. I will consider and take soundings of whether there are some that need to be brought back next month. I am grateful for the Greffier and for the Chair for their advice over the last 24 hours on options. Ministers for Treasury and Resources do try and exhaust all options in order to raise money and to put themselves back into the position but I accept the decision of the Assembly of course. Deputy Power said that he has got lots of ideas for savings, fantastic, I am delighted. We are running a Comprehensive Spending Review but could I please ask him and all other Members who have suggestions and real implementable ideas for savings to be a part, to engage in the Comprehensive Spending Review, let us have all of these ideas from all departments because we really are going to need them. He did, I think, maybe triple-count his savings but I will remain convinced that that is not the case. We are going to have to find an enormous amount of money to meet some of the spending requirements that he wants to do at Housing and I support them. We are going to have to be really tough in relation to spending and I fully intend to do that and I will be innovative. The Deputy of St. John said something about a "black hole", I have got here. I cannot even read my own writing so I am not sure that I can respond to that issue. I know that he wants to have a tax on bottled water and I need to be realistic about the cost of collection and the customs arrangements and all the rest of it. The G.S.T. system is a simple system of G.S.T. I visited the Agent of the Impôts 2 weeks ago with my Assistant Minister to see how they are doing in relation to collection of taxes and there were some empty desks on the day, where all of those additional 7

people would have been employed if we had had a complicated system of G.S.T. for counting those goods that would be part of G.S.T. and those that would not. I understand the point that he makes about environmental damage on various different white goods, *et cetera*. My challenge is always, how much does the issue raise, can it be avoided and what are the administrative costs incurred in doing so? That is the constant refrain but I will look at the issues that he wants to put forward. I think I have answered all of Members' questions. If I have not before I will just say a couple of summary points. This has not been an easy budget. It is difficult times. It is unprecedentedly difficult times for all Finance Ministers and for Councils of Ministers and governments around the world. We have been slightly less responsible than I would have originally proposed but we are still in an incredibly good position from our public finances and we must not forget that. We have made some really good and, in my opinion, necessarily tough decisions. We have found £17 million worth of savings. We have reinvested them in terms of areas such as children's services, health services, *et cetera*. As a result of this budget we will make a step change in terms of services, in children's services and health services, and we must not forget that, quite apart from what we are doing in terms of fiscal stimulus, which would keep hundreds of people unemployed unless we had made the decisions that we wanted to do. We have got a lot to do over the next 9 months, 3 projects; maximising economic enterprise and diversification and income, we have got to review and learn all of the lessons of comprehensive spending reviews of the past and we have got to look at tax. Two torches; I do not know whether I want to stick but certainly I am going to try and I will do so in a spirit of openness and co-operation. I have had a good steer and I think we have had a good budget debate. I thank Members, the Council of Ministers and the Chief Minister for all of their helpful support and I move the proposition.

Deputy M.R. Higgins:

Sir, can I just ask the Minister for clarification on 2 points before we go to the vote? First of all, he mentioned that he saw no new taxes. He re-affirmed there was going to be no new taxes except for environmental taxes but what is his view on user-pays charges which are, in effect, a form of stealth tax and they are increasingly coming in? Secondly, can he give assurances to Members that we will have information in plenty of time before next year's budget debate to analyse all the information from the spending review and the Fiscal Strategy Review, so we can respond properly next time?

Senator P.F.C. Ozouf:

It is really easy to use sound bites and to say that there are stealth taxes and other things. This Assembly has to balance the books. We have got difficult choices to make and we are going to be going on to consider a charge in relation to P.A.C. services which is a result of the Business Plan. A stealth tax is something that you are not telling people about. This Assembly has to approve every single new charge because that is the decision of this Assembly and we will do so and we have difficult decisions to make. I have to say to the Assembly, and I say to Deputy Higgins, can he justify all of the subsidised services that the States gives in all cases? I am clear that I intend to review all charges that government provides and where there is an unacceptable case of a public subsidy - the easy one is the gambling situation - I do not think the public should be subsidising, running and regulating gambling. That is a good example and there are other examples too. There are other examples where charges, where we used to have the debate, we could not increase charges by more than 2.5 per cent and we were ending up benefiting those that did not and should not have benefited from public funds and that is wrong. We have got to throw away this old view that charges equals bad. There are some charges that should be applied on a user-pays charge and sometimes that is good for the environment when we may well have to reconsider issues such as rubbish versus recycling objectives, *et cetera*. In relation to the budget, Members have had a very difficult year. They have had a Strategic Plan, they have had a Business Plan and a Budget and that is perhaps one of the reasons why Members get a great deal of information and it is a lot to absorb

and I understand that. We will work together to try and find a more digestible way in order to give Members enough information on a timely way in order that they can make decisions.

Deputy S. Pitman:

Sir, before we go to the vote, I asked 4 questions and only 2 of them have been answered. I would ask the Minister if he could answer them please as I have taken the time to read the budget and also he is accountable to his taxpayers so I think he should answer them.

The Deputy Bailiff:

Can you remind the Minister of the 2 questions?

Deputy S. Pitman:

Yes, Sir. Regarding Jersey Finance and the £2.5 million that is going to them, I did not make any complaints as to what their role was currently in Jersey, what I did ask for is why the rise and a breakdown of this rise? That is the first one and also I did ask, as the Minister for Treasury and Resources is aiming for non-negotiable savings targets across all departments at 2 per cent, I would like to see in the Comprehensive Spending Review, as Deputy Wimberley has also asked, what effect those cuts are going to have on services and their social impact? Is that going to be in the review?

Senator P.F.C. Ozouf:

Why the rise for Jersey Finance? The rise that I announced or the allocation of fiscal stimulus funding for the whole of the financial services sector, which is not just Jersey Finance, it is about a product fast-tracking in terms of legislation that we think that we can or the Minister believes that we can bring to market to build on the success of the Foundations industry. I think the Deputy will be aware that there has been a great deal of pressure on Jersey and a lot of criticism of Jersey from a number of political groups, politicians, N.G.O.s (non-governmental organisations), *et cetera*, over the last 36 months. It is important that Jersey is able to go out and represent itself and explain what we do. Jersey's financial services industry is very different as an offshore centre from some other offshore centres - and I am not going to name any - but we have a different standard in terms of regulation, a different approach but we cannot just simply sit here in desks in Jersey, we need to have our people, sometimes government people, sometimes Ministers, sometimes regulators who are independent, to go out and explain what we do. The trip to India was a very good case in point. If we had not engaged with the Ministry of Finance in India, if our regulator had not gone to see S.E.B.I. (Securities and Exchange Board of India), we would not be making progress in relation to that. The world is shifting from west to east in terms of economic power. We are preparing for that world in order that we can position Jersey to take as much as possible of the upturn when it happens. This is simply ...

Deputy S. Pitman:

I am not questioning that. I am asking for a breakdown and whether or not that money is going to the use it should be.

Senator P.F.C. Ozouf:

I have no doubt that the money is being well spent and will pay many dividends and I am happy to give the Deputy a breakdown of all the fiscal stimulus funding that has been allocated. In terms of the savings targets, we had a great and very interesting day when we discussed the Comprehensive Spending Review and approaches of other places. The difficulty that I have, and there are views on both sides of this debate, is that either you start with budgets going from a zero-based budget approach or you start with the existing budget and say: "What are the consequences of cuts?" The lesson that we have learned from other places is that if you start from an entirely zero-based budget approach you end up by having bids of 4 or 5 times the bids that you have available resources for. That is a real problem in terms of zero-based budgeting but it is a good exercise. On the other hand

you have to challenge departments and I have researched this and we have had clear advice from people that have been involved in these things in the past, from the I.M.F. (International Monetary Fund) and from other expert institutions, that you have to challenge departments on what they can do and what they will do if you impose a cut. That is going to be one of the tenets of the comprehensive spending review, is that we will challenge departments and we will say: “What will you do if your budget and your core budget is cut by 2 or 4 or 6 per cent?” We are going to have to make some difficult choices and if the Deputy and the other Deputies that are constantly saying that we should be investing in frontline services, I have to find the money from somewhere. I believe that all existing services are going to have to be more efficiently funded and we are going to have to make some difficult decisions where we stop doing some things to invest in other political priorities.

Deputy G.P. Southern:

Sir, if I may, could I seek a final point of clarification? The Minister, when referring to the Constable of St. Clement, said: “He is an Assistant Minister and that is not a given”, what did he mean by that? Was that somehow an indirect threat to his position? **[Laughter]**

Senator P.F.C. Ozouf:

The Deputy does push it sometimes, Sir. The Constable of St. Clement and I are very good political friends, we sit near each other. Of course I was pulling his leg in relation to the fact that there are a number of Assistant Ministers, lest there be any view that the Council of Ministers has a majority in this Assembly, we do not. Assistant Ministers vote how they want as Ministers vote how they want and long may that continue.

Deputy J.M. Maçon of St. Saviour:

Sir, on a point of clarification - I did not want to interrupt the Minister for Treasury and Resources during his speech - but he did comment that some jurisdictions had accused us of “being the cause of financial stability”. I believe it was a slip of the tongue and he meant “instability”, would the Minister like to clarify?

Senator P.F.C. Ozouf:

£4.25 million is certainly a big amount of money for the Treasury to deal with. It is something that I am going to have to deal with. It is not an instability issue for Jersey. It is not perfect in terms of housekeeping and I will come back to the Assembly with what I am going to do with that. Certainly I have got no suggestion of instability. I would beseech Members, as I always do, and I said that where they want to spend money and they say that they are going to raise money, I express the hope that they follow through on some of those objectives and we have not done so at that time. I regret that and that is what has put me in a difficult position but I will deal with it and I will work with Members to try and find a solution.

The Deputy Bailiff:

I think, Minister, the question was slightly different. It was whether or not foreign jurisdictions were accusing Jersey of creating stability or instability and I think the point being put to you is that you said they were accusing us of creating stability and you meant instability.

Senator P.F.C. Ozouf:

I do apologise to the Deputy. I completely got the wrong end of the stick there. Yes, there have been suggestions of instability and that is not the case.

Deputy M. Tadier:

On a point of order, Sir, it raises an interesting question and direction from the Chair would be useful, will it be recorded in Hansard as instability or stability because it clearly was stability?

The Deputy Bailiff:

It will be recorded as it was said, stability and the clarification will be recorded as well. At the end of his speech the Connétable of St. Clement asked me a question to which I responded, perhaps, entirely accurately that how he voted was a matter for him but in a sense perhaps not as helpfully as I might have done. The proposition before the States is whether to adopt the Budget Statement 2010. In order to decide on whether to adopt the Budget Statement Members will look at that Budget Statement in the round. It is given effect by the different pieces of legislation that follow so it is not inconsistent to vote for the Budget Statement and to vote against particular pieces of legislation if Members are so inclined. I thought I ought to make that perfectly clear in case there is something, a particular part of the Budget Statement, with which Members disagree. They are entitled to vote. It would be entirely proper to vote in favour of the Budget Statement in the round and then vote against the particular proposition when we come to look at the legislation.

The Deputy of St. Mary:

Conversely Sir, is it also reasonable to vote against the budget because there are certain aspects of the general framework, for instance the membership of the review board, but to vote in favour of every single enabling legislation so that all the money-raising measures go through? That would be equally possible, would it?

The Deputy Bailiff:

That is entirely a matter for Members. Do you call for the appel, Minister? The appel is called for. Members are invited to return to their seats to vote. The Greffier will open the voting.

POUR: 43		CONTRE: 3		ABSTAIN: 0
Senator T.A. Le Sueur		Senator A. Breckon		
Senator P.F. Routier		Deputy G.P. Southern (H)		
Senator P.F.C. Ozouf		Deputy M. Tadier (B)		
Senator T.J. Le Main				
Senator F.E. Cohen				
Senator J.L. Perchard				
Senator S.C. Ferguson				
Senator A.J.D. Maclean				
Senator B.I. Le Marquand				
Connétable of St. Ouen				
Connétable of St. Helier				
Connétable of Trinity				
Connétable of Grouville				
Connétable of St. Brelade				
Connétable of St. Saviour				
Connétable of St. Clement				
Connétable of St. Lawrence				
Connétable of St. Mary				
Deputy R.C. Duhamel (S)				
Deputy of St. Martin				
Deputy R.G. Le Hérisssier (S)				
Deputy J.B. Fox (H)				
Deputy J.A. Martin (H)				
Deputy of St. Ouen				
Deputy of Grouville				
Deputy of St. Peter				
Deputy J.A.N. Le Fondré (L)				
Deputy of Trinity				
Deputy S.S.P.A. Power (B)				
Deputy S. Pitman (H)				

Deputy K.C. Lewis (S)				
Deputy I.J. Gorst (C)				
Deputy of St. John				
Deputy A.E. Jeune (B)				
Deputy of St. Mary				
Deputy T.M. Pitman (H)				
Deputy A.T. Dupré (C)				
Deputy E.J. Noel (L)				
Deputy T.A. Vallois (S)				
Deputy M.R. Higgins (H)				
Deputy A.K.F. Green (H)				
Deputy D. De Sousa (H)				
Deputy J.M. Maçon (S)				

2. Draft Finance (2010 Budget) (Jersey) Law 200- (P.180/2009)

The Deputy Bailiff:

We now come to the legislation which gives effect to the Budget Statement and the first item is P.180 in the name of the Minister for Treasury and Resources, the Draft Finance (2010 Budget) (Jersey) Law and I ask the Greffier to read the citation of the draft.

The Greffier of the States:

Draft Finance (2010 Budget) (Jersey) Law 200-. A Law to set the rate of income tax for 2010 and to amend the Customs and Excise (Jersey) Law 1999 and the Stamp Duties and Fees (Jersey) Law 1998. The States, subject to the sanction of Her Most Excellent Majesty in Council, have adopted the following Law.

The Deputy Bailiff:

Members should have on their desks an amendment to this Law following the adoption of the amendment to Deputy Power.

2.1 Senator P.F.C. Ozouf (The Minister for Treasury and Resources):

This Budget Law proposes the level of income tax, the impôt duties which have already been debated and stamp duty and previously agreed in the previous debate, so I will come to the detail of the Articles but I propose the preamble.

The Deputy Bailiff:

The principles are proposed, are they seconded? **[Seconded]** Thank you. Does any Member wish to speak? I am going to put it to Members, all Members in favour of adopting the principles, kindly show? Those against? The principles are adopted. Minister, you wish to move the ...

2.2 Senator P.F.C. Ozouf:

Sir, I propose Article 1, the proposal that the standard rate of income tax for 2010 remains at 20 per cent and I propose Article 1.

The Deputy Bailiff:

Article 1 is proposed. Is that seconded? **[Seconded]** Does any Member wish to speak? All those Members in favour of adopting Article 1, kindly show? Those against? Article 1 is adopted. Now I come to Article 2 as amended.

2.3 Senator P.F.C. Ozouf:

The Article 2 amends the Customs and Excise (Jersey) Law 1999. It has been amended as a result of the Deputy Power amendment so that there are no duty increases. Paragraph 3 introduces the

provision for the Vehicle Emissions Duty, a duty which will be payable upon the first occasion that a motor vehicle is required to be registered in Jersey and it is proposed that this commences from September 2010. I propose the Articles.

The Deputy Bailiff:

Minister, as I understand it, paragraph 2, as originally before Members, has been deleted and paragraph 3, which is the provisions relating to motor vehicles, has now become paragraph 2 as a result.

Senator P.F.C. Ozouf:

That is absolutely correct, Sir. I am sorry if my notes have not caught up.

The Deputy Bailiff:

Article 2 is proposed, is that seconded? **[Seconded]** All Members in favour, kindly show? I should have asked if any Members wish to speak. Does any Member wish to speak? The appel is called for and the vote is on whether to adopt Article 2 of the Finance (2010 Budget) (Jersey) Law as amended. Members are invited to return to their seats and I will ask the Greffier to open the voting.

POUR: 34		CONTRE: 5		ABSTAIN: 1
Senator T.A. Le Sueur		Connétable of St. Clement		Connétable of St. Mary
Senator P.F. Routier		Deputy of St. Ouen		
Senator P.F.C. Ozouf		Deputy of St. John		
Senator T.J. Le Main		Deputy M.R. Higgins (H)		
Senator F.E. Cohen		Deputy J.M. Maçon (S)		
Senator J.L. Perchard				
Senator A. Breckon				
Senator S.C. Ferguson				
Senator A.J.D. Maclean				
Senator B.I. Le Marquand				
Connétable of St. Ouen				
Connétable of Trinity				
Connétable of Grouville				
Connétable of St. Brelade				
Connétable of St. Saviour				
Connétable of St. Lawrence				
Deputy R.C. Duhamel (S)				
Deputy of St. Martin				
Deputy R.G. Le Hérisssier (S)				
Deputy J.A. Martin (H)				
Deputy of Grouville				
Deputy J.A.N. Le Fondré (L)				
Deputy of Trinity				
Deputy S.S.P.A. Power (B)				
Deputy S. Pitman (H)				
Deputy K.C. Lewis (S)				
Deputy I.J. Gorst (C)				
Deputy A.E. Jeune (B)				
Deputy of St. Mary				
Deputy T.M. Pitman (H)				
Deputy A.T. Dupré (C)				
Deputy E.J. Noel (L)				
Deputy T.A. Vallois (S)				
Deputy A.K.F. Green (H)				

2.4 Senator P.F.C. Ozouf:

I propose Article 3 amending the Stamp Duties and Fees (Jersey) Law 1998 in this year's budget. As has been said, there are no proposals to change the underlying stamp duty rates. The only changes proposed are for minor changes, proposed to recover higher fee rates from higher valued court claims where the action is greater than £2 million, so I propose Article 3.

The Deputy Bailiff:

Is that seconded? **[Seconded]** Does any Member wish to speak? All those in favour of adopting Article 3, kindly show? Those against? Article 3 is adopted. We come to Article 4.

2.5 Senator P.F.C. Ozouf:

Article 4 provides for the commencement of E.D. (Emissions Duty) from the 1st September 2010 and other duties and fees to take effect in the normal Christmas cheer that Ministers for Treasury and Resources have but there is no Christmas cheer because there will not be any difference in them, from the 1st January 2010.

The Deputy Bailiff:

With the amendment to Article 2, in relation to Vehicle Emissions Duty, will come into force on the 1st September 2010? Is that seconded? **[Seconded]** Does any Member wish to speak? All Members in favour of adopting Article 4, kindly show? Those against? Article 4, as amended, is adopted. Do you propose the Bill in Third Reading, Minister?

2.6 Senator P.F.C. Ozouf:

Sir, I propose the Bill in Third Reading.

The Deputy Bailiff:

Seconded? **[Seconded]** Does any Member wish to speak? Those in favour of adopting the Bill in Third Reading, kindly show? Those against? The Bill is adopted in Third Reading. Minister, do you wish to propose an Acte Operatoire?

Senator P.F.C. Ozouf:

Yes, the Members will be familiar in relation to the legal effect that financial and taxation ...

The Deputy Bailiff:

I am just going to ask the Greffier to read the citation.

The Greffier of the States:

Act declaring the Finance (2010 Budget) (Jersey) Law 200- shall have immediate effect. The States, in pursuance of Article 19 of the Public Finances (Jersey) Law 2005, have made the following Act.

2.7 Senator P.F.C. Ozouf:

I think the Greffier explained it very well. This brings into immediate effect the legislation that we have just approved.

The Deputy Bailiff:

The proposal for an Acte Operatoire has been made. Seconded? **[Seconded]** Does any Member wish to speak? Those in favour, kindly show? Those against? The Acte Operatoire is adopted.

3. Draft Income Tax (Amendment No. 34) (Jersey) Law 200- (P.181/2009)

The Deputy Bailiff:

We now come to Projet 181 - the Draft Income Tax (Amendment No. 34) (Jersey) Law - in the name of the Minister for Treasury and Resources and I ask the Greffier to read the citation of the draft.

The Greffier of the States:

Draft Income Tax (Amendment No. 34) (Jersey) Law 200-. A Law to amend further the Income Tax (Jersey) Law 1961. The States, subject to the sanction of Her Most Excellent Majesty in Council, have adopted the following Law.

3.1 Senator P.F.C. Ozouf (The Minister for Treasury and Resources):

The principles give effect to income tax provisions proposed in the 2010 Budget. I move the preamble, the principles of the Bill.

The Deputy Bailiff:

Is that seconded? **[Seconded]** Does any Member wish to speak on the principles? Then I put the principles to Members. All Members in favour of adopting the principles, kindly show? Those against? The principles are adopted.

3.2 Senator P.F.C. Ozouf:

Sir, I wonder whether or not Members wish me to take the Articles *en bloc*. Part 1 confirms income tax amendments amends the principal law and proposes the standard rate of income 20 per cent for 2010. Articles 2 to 5, these amend the current pensions legislation to assist better pension planning but also introducing certain anti-avoidance provisions to ensure that there is no abuse of pensions tax legislation. Article 6 ensure that these provisions have effect from the year 2010 of assessment. Articles 7 to 13 amend existing Zero/Ten provisions to clarify certain existing provisions and to introduce further anti-avoidance provisions that have come to light following the Comptroller's experience of Zero/Ten. Article 14 ensures that these provisions have effect on the year of assessment, 2010. Articles 15 to 19 are Articles that give power to the Comptroller to administer the tax laws more effectively. They include provisions to require the production of information and documents requiring a person to keep financial records for 6 years but they also inherit some of the powers of the Comptroller that he has in relation to the Goods and Services Tax and puts them in the Income Tax Law. It allows the Comptroller to enter premises at a reasonable time to take copies of business records. Article 17 has the effect of increasing the late filing fee from £50 to £250. Article 20 ensures that the provisions come into force on the 1st January 2010 and Article 21 allows tax relief for certain capital expenditure items on energy savings items such as cavity wall insulation. Article 22 is an amendment of the Zero/Ten corporate tax legislation which extends deemed ownership of shares liable under Zero/Ten if held for a partnership or foundation. Article 23 abolishes the tax exemption given to Jersey superannuation funds, at Article 115, a provision that I have referred to. Article 24 ensures that these provisions are brought into effect from 2010, the year of assessment. Articles 25 and 26, together with the Schedule, they amend the title of the Comptroller of Income Tax to his new title of Comptroller of Taxes. He now administers, as Members will know, not only income tax but also the Goods and Services Tax and the new proposed Land Transaction Tax, if that is approved, and he is of course the competent authority for the E.U. Retention Tax, hence his change in title to better reflect his overarching responsibilities. Article 27 ensures that these arrangements come into force 7 days after the Law is registered. Article 28 is the closing citation for the clause that the Law is declared as being the Income Tax (Amendment No. 34) and I think that I have run through all of the Articles, Sir. I propose them *en bloc*.

The Deputy Bailiff:

Articles 1 to 28 and the Schedule are proposed, are they seconded? **[Seconded]** Does any Member wish to speak? The Deputy of St. Martin.

3.2.1 Deputy F.J. Hill of St. Martin:

I would like to draw Members' attention to Article 141B on page 20, the power to enter premises and examine business documents and it says: "An authorised person may examine ..." normally there is an interpretation as to what an authorised person is. Is the Minister able to tell us who the authorised person is? I also note that one can enter without a warrant and again I expect a reason as to why one can enter without a warrant. Also, just something in passing, if indeed that person goes into the premises and finds something maybe like a driving licence out of date, will that person be able to take any action?

The Deputy Bailiff:

Deputy, before you sit down, just a matter of law for a second and to tell you that the authorised person is defined in Article 19 as: "the Comptroller, or any person authorised by the Comptroller or functions" so if you wish to say anything in relation to that I thought I would point it out before you sat down. Deputy Vallois?

3.2.2 Deputy T.A. Vallois:

I just wanted to talk on Article 21... just slightly uncomfortable about this being agreed just purely because of the fact that we also pay out rent rebate and rent abatement to landlords and that we were all agreeing a £1,500 exemption amount for putting in well needed items but also just bearing in mind that the rent rebate and the abatement that we pay out on top of that, it just sits uncomfortably with me.

3.2.3 Deputy I.J. Gorst of St.Clement:

I just rise to address the issue that Deputy Vallois raised. I tried to address it yesterday in response to Deputy Le Hérissier. I hope Members are now aware that the Housing Department returns money to the central coffers which the Minister for Treasury and Resources, in an effectual way, distributes to departments. Money which is distributed to my department is spent on income support. Within income support low income families might be entitled to a rental component should they be renting accommodation. The amount that they are entitled to is determined by the size of house in which they reside. The size of house in which they reside ought to be determined by the number of individuals in that household and the rental amount is determined by the fair rents which are determined by the Housing Department. That is the current situation. We no longer have anything called rent rebate or rent abatement. As I said yesterday, that has been referred to as the "elephant in the room" but I am more than happy to discuss with any Member who might feel that there is a way that we can change that situation and make savings in that respect. However, I should also say, as I said yesterday, that I am approached from time to time to say that they do not think that that component is generous enough.

3.2.4 The Deputy of St. John:

The previous 2 speakers were referring to, in one case, rent rebate and another is to assistance. Given that a landlord - of which I am one, a landlord - does not know if his tenant does or does not receive assistance, no way can they be party to anything because it is all done in confidence between the department and the persons concerned, so a landlord would not know.

3.2.5 Deputy R.C. Duhamel of St. Saviour:

It is just a quick query to the Minister when he sums up and that is to explain to the House how the upper maximum limit for £1.8 million, which is referred to several times in terms of aggregate lump sums, was arrived at?

The Deputy Bailiff:

Does any other Member wish to speak? I call upon the Minister to reply.

3.2.6 Senator P.F.C. Ozouf:

The powers under Article 21 of the Law are all part of the overall aligning of the powers that the Comptroller has in order that he may discharge his duties and responsibilities to collect tax, and this provisions mirror those and they are available in the G.S.T. Law, as I am advised, and indeed I am grateful for you, Sir, for your clarification of who the authorised person is. I am not sure that I can make any comment in relation to the other matter that he raised. I am not a judicial individual ...

The Deputy of St. Martin:

It is just a question about the works without a warrant.

Senator P.F.C. Ozouf:

The warrant issue is not relevant to this. The Comptroller has got powers in order to do that but this is for the specific remit in relation to dealing with taxes and these are provisions that exist in tax codes that revenue authorities have around the world. Deputy Vallois, her question has been answered. I do not really want to start a debate about the supposed “elephant in the room”. I know that she did not mean to do that. I mean there is the whole issue about public subsidy of rent rebate systems and getting capitalised in asset values. We will not have that debate today. The Deputy of St. John is quite correct in what he said, this provision is designed to help and assist and to motivate. It is not a huge motivation but it is certainly a signal for landlords to invest in energy efficiency in order that they get a rebate on their rent receivable, on the rent that they receive and I hope we are sending a very clear message about what we are trying to do here. The answer to Deputy Duhamel is through the consultation. I am not the expert in relation to these matters. I am advised by the Comptroller who carries out extensive work in these matters and he has industry groups, representative groups, he is not easy to persuade in relation to these issues but I would act upon advice in relation to these issues. Sir, I move the Articles.

The Deputy Bailiff:

Articles 1 to 28 in the Schedule are proposed. The appel is called for and I invite Members wishing to vote to return to their seats. The Greffier will open the voting.

POUR: 40	CONTRE: 1	ABSTAIN: 0
Senator T.A. Le Sueur	Deputy J.M. Maçon (S)	
Senator P.F. Routier		
Senator P.F.C. Ozouf		
Senator T.J. Le Main		
Senator F.E. Cohen		
Senator J.L. Perchard		
Senator S.C. Ferguson		
Senator A.J.D. Maclean		
Senator B.I. Le Marquand		
Connétable of St. Ouen		
Connétable of Trinity		
Connétable of Grouville		
Connétable of St. Brelade		
Connétable of St. Saviour		
Connétable of St. Peter		
Connétable of St. Lawrence		
Connétable of St. Mary		
Deputy R.C. Duhamel (S)		
Deputy of St. Martin		
Deputy R.G. Le Hérisier (S)		
Deputy J.B. Fox (H)		

Deputy J.A. Martin (H)				
Deputy of St. Ouen				
Deputy of Grouville				
Deputy of St. Peter				
Deputy J.A.N. Le Fondré (L)				
Deputy of Trinity				
Deputy S.S.P.A. Power (B)				
Deputy S. Pitman (H)				
Deputy K.C. Lewis (S)				
Deputy I.J. Gorst (C)				
Deputy of St. John				
Deputy A.E. Jeune (B)				
Deputy T.M. Pitman (H)				
Deputy A.T. Dupré (C)				
Deputy E.J. Noel (L)				
Deputy T.A. Vallois (S)				
Deputy M.R. Higgins (H)				
Deputy A.K.F. Green (H)				
Deputy D. De Sousa (H)				

3.3 Senator P.F.C. Ozouf:

The Third Reading.

The Deputy Bailiff:

Seconded? [**Seconded**] The Law is proposed in Third Reading. Does any Member wish to speak? All Members in favour of adopting the Law in Third Reading, kindly show? Those against? The Income Tax (Amendment No. 34) (Jersey) Law is adopted in Third Reading. There is a proposition for an Acte Operatoire and I ask the Greffier to read the draft Act.

The Greffier of the States:

Act declaring that the Income Tax (Amendment No. 34) (Jersey) Law 200- shall have immediate effect. The States, in pursuance of Article 19 of the Public Finances (Jersey) Law 2005, have made the following Act.

3.4 Senator P.F.C. Ozouf:

I move the proposition and move the Act.

The Deputy Bailiff:

Is that seconded? [**Seconded**] Does any Member wish to speak? Those Members in favour, kindly show? Those Members against? The draft Act is adopted.

4. Draft Goods and Services Tax (Amendment No. 2) (Jersey) Law 200- (P.182/2009)

The Deputy Bailiff:

We now come to the Draft Goods and Services Tax (Amendment No. 2) (Jersey) Law in the name of the Minister for Treasury and Resources and I ask the Greffier to read the citation.

The Greffier of the States:

Draft Goods and Services Tax (Amendment No. 2) (Jersey) Law 200-. A Law to amend the Goods and Services Tax (Jersey) Law 2007. The States, subject to the sanction of Her Most Excellent Majesty in Council, have adopted the following Law.

4.1 Senator P.F.C. Ozouf (The Minister for Treasury and Resources):

I move the Articles *en bloc*. Article 1 provides for implementation of amendments to the ...

The Deputy Bailiff:

We have not adopted the principles yet.

Senator P.F.C. Ozouf:

Sorry, I am getting ahead of myself. **[Laughter]** I move the principles of the law.

The Deputy Bailiff:

Is that seconded? **[Seconded]** Does any Member wish to speak on the principles? No Member wishes to speak. I ask all those in favour of adopting the principles, kindly show? Those against? The principles are adopted.

4.2 Senator P.F.C. Ozouf:

I now turn to Articles 1 to 12. Article 1 providing implementation of amendments to the primary Law of the Goods and Services Tax. Articles 2 to 7 set out minor administrative changes to ease compliance for G.S.T. businesses by simplifying their registration, invoicing requirements and aligning the time limits for the assessment and income tax. Articles 9 to 11 bring in a simplification for registration requirements under Schedule 1 extending the exemption from G.S.T. in health and higher education, that is in Schedule 5, extending zero-rating relating to land for building dwellings helping keeping the cost of housing down. Finally, Article 12 shows that the measure may be cited as the Amendment No. 2 of the Goods and Services Law. I move the Articles.

The Deputy Bailiff:

The Articles are proposed and seconded. **[Seconded]** Does any Member wish to speak on the Articles? Nobody wishes to speak then those Members in favour of adopting the Articles, kindly show? Those against? The Articles are adopted. Do you move the Law in Third Reading?

4.3 Senator P.F.C. Ozouf:

Yes, please, Sir.

The Deputy Bailiff:

Seconded? **[Seconded]** Does any Member wish to speak? The Deputy of St. John.

4.3.1 The Deputy of St. John:

I notice the Law will soon be coming up to 3 years, the business service tax will be getting put in place and I sincerely hope that if the Minister at that time decides to increase the Goods and Services Tax they will consider freezing or in fact taking off goods and services on food and on children's clothes.

The Deputy Bailiff:

Does any other Member wish to speak? I call on the Minister to reply.

4.3.2 Senator P.F.C. Ozouf:

I was going to say something nice about the Deputy of St. John earlier **[Laughter]** when Senator Le Main said he got something right. I think the Deputy of St. John gets lots of things right but he and I, I am afraid, will have to agree to disagree on that issue. I remain of the view that a simple low rate of tax is what needs to be maintained **[Approbation]** and indeed I was interested, on my recent trip to India, to read an editorial in the Indian *Times of India* and the *Economic Times* on the same day that India is considering a Goods and Services Tax and there was a thumping editorial urging the Finance Minister, in his drafting, to have a simple tax at a low rate with no exemptions

because that was administratively simple. What is right for Jersey, I am pleased to see, is also going to be right for India.

The Deputy Bailiff:

The draft Law is proposed from Third Reading. All Members in favour, kindly show? Those against? The Goods and Services Tax (Amendment No. 2) (Jersey) Law is adopted in Third Reading. There is a draft Acte Operatoire and I ask the Greffier to read the draft Act.

The Greffier of the States:

Act declaring that the Goods and Services Tax (Amendment No. 2) (Jersey) Law 200- shall have immediate effect. The States, in pursuance of Article 19 in the Public Finances (Jersey) Law 2005, have made the following Act.

4.4 Senator P.F.C. Ozouf:

I move the Act.

The Deputy Bailiff:

Seconded? **[Seconded]** Does any Member wish to speak? All Members in favour of adopting the draft Act, kindly show? Those against? The draft Act is adopted.

5. Draft Goods and Services Tax (Amendment) (Jersey) Regulations 200- (P.183/2009)

The Deputy Bailiff:

We come next to the Draft Goods and Services Tax (Amendment) (Jersey) Regulations in the name of the Minister for Treasury and Resources - P.183 - and I ask the Greffier to read the citation.

The Greffier of the States:

Draft Goods and Services Tax (Amendment) (Jersey) Regulations 200-. The States, in pursuance of Articles 20, 23, 24, 29, 53, 56, 84 and 100 of the Goods and Services Tax (Jersey) Law 2007, have made the following Regulations.

The Deputy Bailiff:

Minister, do you propose the principles?

5.1 Senator P.F.C. Ozouf (The Minister for Treasury and Resources):

I will propose the principles.

The Deputy Bailiff:

Is that seconded? **[Seconded]** Does any Member wish to speak on the principles of the Regulations? All Members in favour of adopting the principles, kindly show? Those against? The principles are adopted. Minister, do you wish to move the Articles?

5.2 Senator P.F.C. Ozouf:

I move the Articles just with minor explanation. Article 1 provides implementation of amendment to the Goods and Services Tax. Article 2 repeals Regulation 6(2) which is redundant. Article 3 inserts new Regulations varying the provision of Article 24(2) which is in respect to the supply of services. This is a business facilitation, a measure that removes the risk of double indirect taxation for international services. Article 4 is a minor insertion. Article 5 clarifies and facilitates the procedure of re-funding G.S.T. to charities. Article 6 reciprocates the U.K. whereby a V.A.T. (Value Added Tax) incurred by Jersey businesses, for example, attending conferences and exhibitions in any other E.U. member state, is refunded. That provision requires reciprocation and this measure protects the rights of Jersey businesses in that regard. Article 7 deletes some items

from Schedule 6 of the Law that are redundant as a consequence of the regulation of Article 3 that I have whizzed through. Article 8 shows that this measure be cited as Goods and Services (Amendment) (Jersey) Regulations and will come into force on the 1st January 2010. I make the proposition.

The Deputy Bailiff:

The Regulations 1 to 8 are proposed, are they seconded? **[Seconded]** Does any Member wish to speak on the Regulations? Deputy Le Hérissier.

5.2.1 Deputy R.G. Le Hérissier:

Regulation 5: was there any way in which one could have obviated the need for charities to make the payment and then apply for a refund?

The Deputy Bailiff:

Does any other Member wish to speak? Minister.

5.2.2 Senator P.F.C. Ozouf:

If there had been an easier way of doing it we would have done it but this was the way in order to effectuate the debate that had been had on this basis.

The Deputy Bailiff:

Members in favour of adopting Regulations 1 to 8, kindly show? Those against? The Regulations are adopted in Second Reading. Do you move the Regulations in Third Reading, Minister?

5.3 Senator P.F.C. Ozouf:

I do, Sir.

The Deputy Bailiff:

Seconded? **[Seconded]** Does any Member wish to speak on the Regulations in Third Reading? The Regulations are proposed in Third Reading. Members in favour of adopting them, kindly show? Those against? The Regulations are adopted.

6. Draft Taxation (Land Transactions) (Jersey) Law 2009 (Appointed Day) Act 200-(P.158/2009)

The Deputy Bailiff:

We now come to the Draft Taxation (Land Transactions) (Jersey) Law 2009 (Appointed Day) Act and I ask the Greffier to read the draft Act.

The Greffier of the States:

Draft Taxation (Land Transactions) (Jersey) Law 2009 (Appointed Day) Act 200-. The States, in pursuance of Article 23 of the Taxation (Land Transactions) (Jersey) Law 2009, have made the following Act.

Senator P.F.C. Ozouf:

Sir, I have been greatly assisted in all of this legislation, particularly by my Assistant Minister, Deputy Noel, who I am going to ask to be rapporteur for the next 2 items.

6.1 Deputy E.J. Noel of St. Lawrence (Assistant Minister for Treasury and Resources - rapporteur):

This brings into effect the introduction of Land Transaction Tax, as agreed in principle by the States in 2005 and in detail in 2008. The tax ensures that the purchasers of share transfer properties

pay a tax equal to the stamp duty that would have been paid on the purchase of a freehold property. A similar tax is levied on associated borrowings. I make the proposition.

The Deputy Bailiff:

Is the Act seconded? [**Seconded**] Does any Member wish to speak? The Deputy of St. Martin.

6.1.1 The Deputy of St. Martin:

It has been mentioned earlier and I repeat again, when one talks about innovation, *et cetera*, coming up at budget debates, one of the suggestions I had made many years ago that it should have been introduced as part of a budget and we could then raise revenue for those people who are excluded by paying any form of duty when they have purchased a house. It eventually took myself - I must not pat myself on the back - but the fact was it took an individual, a Back-Bencher, to bring this forward and one can see that I lodged a particular proposition way back in 2004 and my main purpose was for equality. It seemed to be totally unfair that one lot had paid for the stamp duty and if you were clever enough to find a way of finding a share transfer purchase you paid no tax whatsoever. Again, it has taken 5 years to get here. Very importantly, I think, we have lost the opportunity. We keep saying how we should be looking at our costs and our expenditure and if one will see that possibly about £1 million or even maybe £2 million a year has been lost in revenue which could have been recovered had the will been there to bring this legislation forward a lot faster. Also, just to clarify, one criticism that had been levelled at this particular tax was it was going to affect the first-time buyer and I am pleased to see - in fact this is one of the things that came out as a result of Scrutiny - very importantly, that it will not affect the first-time buyer unless you are purchasing property over the value of £300,000. There will be the £50 payment which is a fee no doubt, a first-time buyer fee, I do not know whether the £50 is there but it will not affect those early first-time buyers unless they purchase over £300,000. I think this should have been before the House many years ago. I am sure I welcome it. I would hope other Members will also.

The Deputy Bailiff:

Does any other Member wish to speak? I call on the Assistant Minister to reply.

6.1.2 Deputy E.J. Noel:

Sir, it just leaves me thank the Deputy of St. Martin for his comments and I maintain the proposition.

The Deputy Bailiff:

All Members in favour of adopting the draft Act, kindly show? Those against? The Act is adopted.

7. Draft Taxation (Land Transactions) (Amendment of Law) (Jersey) Regulations 200-(P.159/2009)

The Deputy Bailiff:

We now come to the Draft Taxation (Land Transactions) (Amendment of Law) (Jersey) Regulations in the name of the Minister for Treasury and Resources. The Assistant Minister has been named as rapporteur. I call on the Greffier to read the citation.

The Greffier of the States:

Draft Taxation (Land Transactions) (Amendment of Law) (Jersey) Regulations 200-. The States, in pursuance of Article 6 of the Taxation (Land Transactions) (Jersey) Law 2009 and Article 3 of the Stamp Duties and Fees (Jersey) Law 1998, have made the following Regulations.

7.1 Deputy E.J. Noel (Assistant Minister for Treasury and Resources - rapporteur):

These Regulations correct some of the anomalies between the Land Transaction Tax Law and the Stamp Duty Law, particularly in relation to borrowing. Again the purpose is equity between purchasers of share transfer and freehold properties. I make the proposition.

The Deputy Bailiff:

Is the proposition seconded? **[Seconded]** Does any Member wish to speak? All those Members in favour, kindly show? The appel is called for. Members are invited to return to their seats to vote on the principles of the Regulations of P.159, the Draft Taxation (Land Transactions) (Amendment of Law) (Jersey) Regulations and I ask the Greffier to open the voting.

POUR: 39		CONTRE: 0		ABSTAIN: 0
Senator T.A. Le Sueur				
Senator P.F. Routier				
Senator P.F.C. Ozouf				
Senator T.J. Le Main				
Senator J.L. Perchard				
Senator A. Breckon				
Senator S.C. Ferguson				
Senator A.J.D. Maclean				
Senator B.I. Le Marquand				
Connétable of Trinity				
Connétable of St. Brelade				
Connétable of St. Saviour				
Connétable of St. Clement				
Connétable of St. Peter				
Connétable of St. Lawrence				
Connétable of St. Mary				
Deputy R.C. Duhamel (S)				
Deputy of St. Martin				
Deputy R.G. Le Hérisier (S)				
Deputy J.B. Fox (H)				
Deputy of St. Ouen				
Deputy of Grouville				
Deputy of St. Peter				
Deputy J.A. Hilton (H)				
Deputy J.A.N. Le Fondré (L)				
Deputy of Trinity				
Deputy S.S.P.A. Power (B)				
Deputy S. Pitman (H)				
Deputy K.C. Lewis (S)				
Deputy I.J. Gorst (C)				
Deputy of St. John				
Deputy A.E. Jeune (B)				
Deputy A.T. Dupré (C)				
Deputy E.J. Noel (L)				
Deputy T.A. Vallois (S)				
Deputy M.R. Higgins (H)				
Deputy A.K.F. Green (H)				
Deputy D. De Sousa (H)				
Deputy J.M. Maçon (S)				

The Deputy Bailiff:

Assistant Minister, do you wish to propose the Regulations *en bloc*?

7.2 Deputy E.J. Noel:

I do, Sir.

The Deputy Bailiff:

Are you going to tell Members about them or is ...

Deputy E.J. Noel:

Regulation 1 is the interpretation provision. Regulation 2 adds a definition to the Schedule of the Law. Regulation 3 sets out the basis for charging the Land Transaction Tax where there has been refinancing of borrowing secured as a security agreement in respect of dwelling accommodation. Regulation 4 amends the basis on which the Land Transaction Tax is charged in relation to the purchase of dwelling accommodation for a first-time buyer. Regulation 5 amends the basis on which the Land Transaction Tax is charged in relation to the security interest taken out by a first-time buyer at the time of the purchase of the dwelling accommodation. Regulation 6 amends the Schedule to the Stamp Duties and Fees (Jersey) Law 1998 and Regulation 7 sets out the title of the Regulation and provides that they will come into force on the same date as the Law.

The Deputy Bailiff:

Regulations 1 to 7 are proposed. Are they seconded? **[Seconded]** Does any Member wish to speak on the Regulations? Deputy Le Hérissier.

7.2.1 Deputy R.G. Le Hérissier:

It would be a brave person who would speak on the Regulations. I am not going to ask the Assistant Minister to give a lay person's guide to this Law. I wonder if he could tell us how it is intended to inform estate agents and purchasers because, quite frankly, as I said, it is a very brave person who would try to give a lay person's guide?

7.2.2 Senator P.F.C. Ozouf:

I will just say to Deputy Le Hérissier and to the Deputy of St. Martin that this has been an enormously complicated piece of legislation and the Deputy of St. Martin has admonished numerous Finance and Economics Committees. There are many of us who have wanted to bring these provisions in and the Law Draftsman and the best of our brains, in terms of the Law Officers and no doubt, Sir, you in a previous light, may well have had a hand in some of this. It has been a masterful piece of work by the Law Draftsman in order to do this, in order to bring something into force which we are convinced, after much review and much checking, will work. It is a lay person's guide. It is basically - I am sure the Deputy knows - to ensure that all stamp duty, all share transfer properties pay the same stamp duty. I cannot really add anything more than a more simple layman's guide than that. I spoke to some estate agents last night. They knew the consequences of it and they knew their obligations under it and it will collect the tax that we have been wanting to do for so long.

7.2.3 The Deputy of St. Martin:

I felt I just need to respond to the Minister. I always say: "Where there is a will there is a way" and just because it is complicated there is absolutely no reason why people should not pay their dues and I am minded back, the only one occasion I have ever, ever abstained in a vote was to do with a limited liability partnership vote and those Members who were in the House can remember - it must be 12 or 14 years ago - it was a very, very complicated piece of legislation and yet somehow the States found over £1 million plus to fund this piece of legislation. If I was to put money on it I would say that I do not think that anyone yet has ever partaken in this piece of legislation. Well over £1 million worth of wasted taxpayers' money on getting a Law Draftsman to draft up this piece of legislation and the Minister is shaking his head but maybe he will tell me how many

people have registered for the limited liability partnership and how much money has been raised as a result of it?

The Deputy Bailiff:

We are, I think, discussing the Taxation Law Regulations and not Limited Partnerships Law. Does any other Member wish to speak? I call on the Assistant Minister to reply.

7.2.4 Deputy E.J. Noel:

I would have liked to have said that I welcomed the comments from the Deputy of St. Martin but perhaps not as much as his first set of comments. I thank, in particular, the Minister for Treasury and Resources for his comments and for his input in bringing this Law into place and I maintain the proposition.

The Deputy Bailiff:

The Regulations are proposed. All Members in favour, kindly show? Those against? The Regulations are adopted in Second Reading. Assistant Minister, do you wish to propose the Regulations in Third Reading?

7.3 Deputy E.J. Noel:

I do, Sir.

The Deputy Bailiff:

Seconded? **[Seconded]** Does any Member wish to speak in Third Reading? Chief Minister.

7.3.1 Senator T.A. Le Sueur:

Only as a very awkward excuse at the end of a budget debate to offer my congratulations to the Minister for Treasury and Resources and his Assistants and to the Treasury staff for the way in which this budget has been put together, as ever at rather short notice and it is perhaps one of the things we need to address in the future. Speaking as a former Minister for Treasury and Resources, I know that what appears to be an iceberg is only superficial, there is a lot below the surface which does not get seen and I would like to pay tribute to the work that is done below the surface by the number of officers in the Treasury. I am sure that the Minister for Treasury and Resources himself will elaborate on that but I think it is only right that we should offer our praise and our congratulations at the end of a successful and challenging year. **[Approbation]**

7.3.2 Senator P.F.C. Ozouf:

The Chief Minister has taken a little wind out of my sails. I was going to offer my personal thanks to the huge amount of work that is carried out by officers. I thank the Council of Ministers and the Chief Minister for their assistance but, as he says, there is an enormous amount of work that goes in putting a budget together; the Law Draftsman, the Comptroller of Income Tax, the agent of the impôt, the Economics Unit, the Greffier and his staff, the Law Officers and, most importantly perhaps, the very small team of Treasury officials that sit in within Treasury and Resources that run the whole process of the Business Plan and the budget. They work tirelessly under the direction of the Treasurer of the States. I know that as Minister that I am not the easiest of people to deal with sometimes. I do ask lots of questions and they have served me brilliantly and I extend my personal thanks for everything that they have done for me, and the Assembly, over the last few weeks. **[Approbation]**

The Deputy of St. Martin:

I am just a bit confused, are we talking about 159 or have we gone back to the budget?

The Deputy Bailiff:

I think, as a matter of order, we are trying to talk about 159, Deputy, yes. I call upon the Assistant Minister to reply.

7.3.3 Deputy E.J. Noel:

I too would like to thank the officers behind the scenes. This only helped my coming up to a year now as Assistant Minister for Treasury and Resources. It is a role that I am thoroughly enjoying but I will get back to the matter in hand, and I maintain the proposition.

The Deputy Bailiff:

The draft Regulations are proposed in Third Reading. All Members in favour, kindly show? Those against? The draft Regulations are adopted. All the legislation having now been approved, Article 18 of the Public Finances Law requires that the States are provided with a summary of all the authorised movements in the Consolidated Fund, the estimated balance of the Consolidated Fund at the start of the year, amounts authorised by the States to be withdrawn from the Consolidated Fund during 2009, all the money to be paid into the fund and the estimated balance at the end of the year. This was shown at page 43 of the Draft Budget Statement 2010 but as an amendment has been agreed a revised version has been distributed to Members and, at this point, the budget debate is concluded.

8. Draft Tariff of Harbour Dues (P.178/2009)

The Deputy Bailiff:

We now come to the Draft Tariff of Harbour Dues in the name of the Minister for Economic Development, P.178. I ask the Greffier to read the citation of the draft.

The Greffier of the States:

Proposition: the States are asked to decide whether they are of opinion, in accordance with Article 6 of the Harbour and Light Dues (Jersey) Law 1947, as amended, to approve the Draft Tariff of Harbour Dues as set out in the Appendix to the Ministerial decision of the Minister for Economic Development MD-E-2009-0185.

Senator A.J.H. Maclean:

Sir, could I ask my Assistant Minister, Senator Routier, to act as rapporteur for this item?

8.1 Senator P.F. Routier (Assistant Minister for Economic Development):

This proposition brings forward the increases to dues for passengers and vehicles and for the use of berths when the ship is not carrying goods. This will enable the Harbours Department to meet its commitments which have been agreed in the States Business Plan. Members will have had an opportunity to read the letter last week from the Port Users Association who represent some of the carriers and also may have heard the Chamber of Commerce suggest that the increase should not be implemented. I am very grateful to those Members who have asked for more details during the last week and especially those who have made inquiries with the carriers. During the last week further meetings have been held between the carriers and the Harbour's team to clarify the new structure of dues and incentives which will be available to enable offers for event-led tourism and also especially free child's fares at various times during the year. I would particularly like to thank Deputy Egré, the Deputy of St. John and Deputy Higgins, chairman of the Scrutiny Panel, for their time and consideration on this matter during this last week. Members will hopefully have had an opportunity to read the addendum to the proposition which we hope gives a fuller explanation of the reasons for the rationalisation of the harbour dues. This rationalisation was something that came out of the debate from last year when Members were calling for a far simpler method of dealing with harbour dues. Thanks to all of the efforts of many people during the last week. I can confidently advise Members that the purpose of this proposition of rationalisation and increasing

some of the dues and also doing away with some of the outdated dues is now fully understood by the carriers. The carriers also recognise the opportunities available to them with the reallocation of some of the increased dues to support them with incentives to help increase inbound tourism. In fact, if I may quote from an exchange of emails between the Managing Director of Condor Ferries and the Harbour's Commercial Director dated only a couple of days ago on the 8th December. I should also mention that the 2 French operators, Iles de la Manche and Corsaire, are included in the same terms and opportunities. The first email from the harbour's Commercial Director to the Managing Director of Condor Ferries, if I just read some excerpts from it: "As discussed and agreed I would like to confirm the position on Port of Jersey 2010 Harbour Dues. The tariff would increase by 2.5 per cent from the 1st January 2010 and the following tariffs will be removed from the Tariff of Harbour and Light Dues Law 2010. The withdrawn rates will be cost-neutral to Condor Ferries as follows; (a) the trade car savings of circa £67,000 to Condor, (b) the withdrawal of the child rate, increased costs to Condor Ferries of £75,000 and (c) the withdrawal of the low car rate, increased costs to Condor Ferries of £48,000. All the above figures to be finally agreed between the 2 parties once we both have the year end figures but to equal cost-neutral, there will be a circa £56,000, again, final amount to be agreed for both reduced harbours and performance-based marketing and incentives based on event-led tourism and off-season travel. Discussions will continue with your Jersey representative and your U.K. representative to agree and finalise. The Harbour Master and the Finance Director and I will continue to work with you to agree a long-term promotional agreement that will be beneficial to the Island's economy, the Port of Jersey and Condor Ferries. Kind regards, the Commercial Director." In response to that, from the Managing Director of Condor Ferries: "Many thanks for the confirmation and I have asked our team with you to finalise the incentives for next year. In the meantime we will also look to verify the numbers we discussed yesterday in terms of the savings and additional costs Condor Ferries will incur in 2010. As discussed yesterday, I think it will be very constructive to agree some longer term principles regarding dues and, as you say, to benefit both parties. Kind regards, the Managing Director of Condor Ferries." I do not know if Members will have had an opportunity to have had a look at any emails this morning or even have a look in their pigeon-holes. From the Port Users Association, who wrote the letter last week, they have confirmed today that the passenger harbour dues have now been agreed following meetings with Jersey Harbours so I was very pleased to have been able to report that today. I am pleased that the operators and the Port Users Association are now in a position to say that they understand and fully agree with the terms of the harbour dues and especially the ability they will have to have incentives for creating child's fares - free places for children - and also other event-led tourism. I therefore make the proposition.

The Deputy Bailiff:

The Tariff of Harbour Dues is proposed. Is it seconded? **[Seconded]** Does any Member wish to speak? Deputy Fox.

8.1.1 Deputy J.B. Fox of St. Helier:

Thank you. Being a frequent traveller to and from Jersey, I notice that communication, although it has been improving quite dramatically over the years, is still an element that we have had, all these letters to and fro from Port Users and meetings that you have just announced with Deputies of the States here, and it is an area that I perceive we still need to work on. Further, although I have had, with other interested persons, dealings with Harbours and E.D.D. (Economic Development Department), I think it is an area that one might consider continuing to have these regular but infrequent meetings so that we can keep on top of communication because clearly there were elements here that needed further clarifications before they were in agreement. What I would have liked to have seen was all these agreements being sorted out before it was necessary to come to such a public feature. I have just one question, though, to ask. You referred in the email, talking about off-season travel, could you just clarify what that meant and clarify what it is and what benefit it has to whom, *et cetera*?

8.1.2 Deputy M.R. Higgins:

A question for the Assistant Minister: in the addendum that we have received regarding the harbour dues it mentions about the forecast deficit. Under "Trading Operations" it says: "These charges aim to deliver enhanced services and reduce our forecast deficit, forecast at £559,000 for 2010." Could he clarify whether that figure includes the £200,000 that the Minister for Treasury and Resources expects from them from the fact that he is not charging any duty on marine fuel? He indicated yesterday in the budget that he is hoping to recover a third of the money that has been lost through that through the harbours themselves. So, is it minus £559,000 plus £200,000 or is it included in it?

8.1.3 The Deputy of St. Martin:

At the moment there is always a fixed charge when they go on and off a boat and one of the reasons that we are told why there are not more special offers is because the people offering the special offers will say: "We cannot because there is a fixed charge every time we have got to have someone coming on and off." Is there not a way, possibly, to have some way of having a floating charge so to speak so that there would be a variable charge? In other words it would be a percentage of the ticket price to be charged rather than a fixed charge so therefore, if indeed there was going to be a special offer, there would be a saving made by the company themselves because after all their fixed charge is always fixed, whatever it is going to be. Maybe consideration could be given to flexi-charge for special offers.

8.1.4 Connétable M.K. Jackson of St. Brelade:

Firstly, I would like to declare a degree of conflict but it is not really going to have a material effect: I refer to Article 4(2) where there is a mention of £8.79 per metre for a ship of 30 metres or less. Would the Assistant Minister confirm that this will be parallel to the charges made for the berthing of super yachts, which I understand the department is keen to encourage at present? Also would he confirm whether or not that figure will be inclusive of G.S.T? Secondly, just to comment on the addendum which was issued yesterday, the last words which indicate that there will be an increase of 4 per cent and at least 6 per cent for visiting vessels and moorings. I think that while I understand this does not apply to this particular Act, it is unsatisfactory to say that there will be an "at least 6 per cent charge" and I would ask the Assistant Minister at some point to indicate to Members whether that 6 per cent will in fact be to cover the point made by Deputy Higgins just now. Will it be to cover the missing fuel-charge element of the costs?

8.1.5 Deputy S. Power:

My questions are brief: very brief. It is linked to Deputy Higgins' question but coming at it from a different angle. The projected turnover on page 95 of the Business Plan, Summary Details, that we discussed earlier in the year, projects a turnover of £14.1 million for the Harbours Department with an expenditure of £14.7 million. So will the harbour dues that are being increased offset the projected loss/deficit of £549,000? I know Deputy Higgins has asked a separate question to that. I ask the Assistant Minister in his summing-up if he would like to compare Jersey Harbours to Portsmouth which is owned by Portsmouth City Council. I will quote 2 statistics: their turnover last year was £18.7 million with a net profit of £6 million posted on their website. They have a staff of 88. Jersey Harbours have a staff of 86. I ask the Assistant Minister to comment on whether he is comfortable with that and whether he is prepared to circulate to the Assembly in the New Year, performance indicators and return of capital to gross profit, if it is applied, and turnover per employee?

8.1.6 The Deputy of St. John:

I would like to know from the Assistant Minister what consultations on these increases have taken place between the Minister and the various leisure groups that contribute significantly to the return on the harbours and when these consultations took place?

8.1.7 Senator S.C. Ferguson:

The former Deputy Gerard Baudains had many pertinent comments on the efficient running of harbours and particularly with regard to staffing and there really is not much to give evidence for the rationale for these price increases. We have had a note of the deficit, but could this be connected with the increased number of managers and the reduction in frontline staff? We have seen the complaints about security down there overnight. We have an increase on commercial dues of 2.5 per cent compared with the 4 per cent in marina fees and 6 per cent for visiting yachtsmen. Mention has been made of the £75,000 of the revenue to specific incentives. I understand this is specific incentives for incoming passengers. Is tourism paying part of this? Would tourism not be involved in that? They have operators' concerns over the longer-term funding of non port-related costs, including the coastguard. Well, given that the expensive rib that was obtained through the confiscation funds was sold at a significant loss, I do wonder if perhaps we ought to be looking at the financial management down there and I do think that since this is a monopoly situation, this is another case for the J.C.R.A (Jersey Competition Regulatory Authority). Perhaps the Minister would like to comment.

The Deputy Bailiff:

Does any other Member wish to speak? I call on the Assistant Minister to reply.

8.1.8 Senator P.F. Routier:

Certainly Deputy Fox has picked on an issue with regard to communication with various parties. It is evident over the last couple of weeks that perhaps the communication has not been as it should have been but I can say that it did come as a little bit of a surprise to the department's officers that they felt that the communication had not been as good as it had been hoped it would have been. I have seen evidence and looked at minutes of meetings which have carried on during the year, which have been discussing these matters on a regular basis and I understand from the officers that there was from their point of view they felt that things had been discussed and understood. Obviously that was not a shared experience so there needs to be more work done on that. With regard to the questions about off-season travel, we are working with the carriers at the present time to put on additional sailings at Christmas, which is part of the offers which are going to be possible with the incentives funds which will be available, so there will be various times during the year that not only... - and addressing one of the other questions from Senator Ferguson with regard to these offers only being available to inbound passengers - it will obviously be available to local people to benefit from cheaper fares at various times during the year. So the thing is that is a new era we are moving into with regard to negotiating with the operators. Certainly the point which the Deputy of St. Martin made about the fixed charges: we are moving away from that now. We are now in a position where we do talk to the operators on a regular basis and do discuss incentives with them so that is an opportunity which is there from the increases in dues which have been proposed; from that will be created a fund which will be available for other incentives at different times during the year. Deputy Higgins asked about the deficits and whether it was a net position or whether the £200,000 which is being demanded by the Treasury Department ... to cover the issue with regard to marine fuel. The £556,000 deficit is after that has been taken into consideration and the people who are going to be paying for that £200,000 will be the marina users because they are going to see, as has been identified, an increase of 4 per cent as opposed to the 2.5 per cent that could have possibly been if it had not been for that: also for the visiting yachts as well; they are going to see an increase which is going to help to cover the £200,000 drop from that. The Constable of St. Brelade was asking about Article 4(2)(a) regarding the charge and was asking if it was compared with what the super yachts were being charged. The super yachts do pay a higher rate than the ordinary marina user. They pay a higher rate and the section the Connétable was asking about relates not, as such, to leisure boats: it is more about commercial boats, commercial ships and that relates to when a ship comes into the harbour and is not carrying any cargo and they will be charged a rate because they are not attracting a due with regard to their rates when they are unloading freight and

passengers. So that is if they come with nothing on them at all. So they are just charged that rate for laying over. He also asked if G.S.T. would be charged on that. No. G.S.T. is not charged on that. Deputy Power was asking about the comparison with Portsmouth. There has been some comparison with regard to charges, certainly. We have made those comparisons and we recognise that they do charge in a totally different way to Jersey. They charge for a ship going in and we do not. We just charge on the rates itself.

Deputy S. Power:

My question was relating to the cost of operating the Port of Jersey.

Senator P.F. Routier:

Yes, certainly. The Deputy asked for performance indicators to be provided for him. I am very happy for that work to be undertaken. We are continually reviewing the way the port operates and I have to say that over the last 10 years we have seen ... if we had been putting our harbour dues up we would be 14.8 per cent more than they currently are. There has been efficiencies driven out but there can still be further efficiencies to be driven out, certainly. I agree with that and there is a thing from the addendum. It has been shown that there are 2 fewer members of staff now than there were previously. There is work going on to ensure that and that is what is happening. The Deputy of St. John asked about consultation with leisure users: I do not know whether he was addressing the question to myself or to the Minister but certainly I personally have not been to a meeting of theirs because I am not invited to a meeting of theirs, but certainly I have been down to the yacht club and discussed matters with them on a couple of occasions and I have to say they have been very, very supportive of what is happening. The point I would like to make is that we are moving towards G.A.A.P. (General Accepted Accounting Principles) accounting and the reason for the deficit we are now showing is that the G.A.A.P. accounting now has charges for depreciation. We now have depreciation within our accounts which is identified but we have this deficit and we have to work to cover that. With regard to the J.C.R.A. certainly there may be a piece of work for them to do but what I would welcome is perhaps ... we have been having discussions with the Scrutiny Panel but they have an idea to review what is happening within the harbours and the airport and we would welcome that certainly. If Deputy Higgins wishes to carry out that review, I would say we are very happy for that to happen. We have had a wide-ranging debate about the many questions regarding the harbour. The actual harbour dues I can say have been discussed with the operators and the people who will be paying them. I maintain the proposition and ask for the appel.

The Deputy Bailiff:

The draft Harbour Dues is proposed and the appel has been called for. I invite all Members wishing to vote

Connétable P.F.M. Hanning of St. Saviour:

Excuse me, Sir, could I ask your advice on this? As a marina user having a berth there, would I be conflicted on this or is it general enough for me to be allowed to vote?

The Deputy Bailiff:

Connétable, I regard this matter as of general significance and therefore not a sufficiently direct pecuniary interest that should inhibit you from voting. The Draft Tariff of Harbour Dues is proposed and the appel has been called for. I invite Members wishing to vote to return to the Chamber. The Greffier will open the voting.

POUR: 38		CONTRE: 4		ABSTAIN: 0
Senator T.A. Le Sueur		Deputy R.G. Le Hérisssier (S)		
Senator P.F. Routier		Deputy S. Pitman (H)		
Senator P.F.C. Ozouf		Deputy A.K.F. Green (H)		

Senator T.J. Le Main		Deputy J.M. Maçon (S)		
Senator F.E. Cohen				
Senator A. Breckon				
Senator S.C. Ferguson				
Senator A.J.D. Maclean				
Senator B.I. Le Marquand				
Connétable of St. Ouen				
Connétable of Trinity				
Connétable of Grouville				
Connétable of St. Brelade				
Connétable of St. Saviour				
Connétable of St. Clement				
Connétable of St. Peter				
Connétable of St. Lawrence				
Connétable of St. Mary				
Deputy R.C. Duhamel (S)				
Deputy of St. Martin				
Deputy J.B. Fox (H)				
Deputy J.A. Martin (H)				
Deputy of St. Ouen				
Deputy of St. Peter				
Deputy J.A. Hilton (H)				
Deputy J.A.N. Le Fondré (L)				
Deputy of Trinity				
Deputy S.S.P.A. Power (B)				
Deputy K.C. Lewis (S)				
Deputy I.J. Gorst (C)				
Deputy M. Tadier (B)				
Deputy A.E. Jeune (B)				
Deputy of St. Mary				
Deputy A.T. Dupré (C)				
Deputy E.J. Noel (L)				
Deputy T.A. Vallois (S)				
Deputy M.R. Higgins (H)				
Deputy D. De Sousa (H)				

The Deputy Bailiff:

In accordance with Standing Orders I draw to Members' attention the fact that it is 12.45 p.m. Do Members wish to continue or do they wish to adjourn? The adjournment is proposed.

Deputy I.J. Gorst:

Sir, could I make the opposing proposal that we try and finish the business before we adjourn for lunch.

The Deputy Bailiff:

The directly contrary proposal to the proposal that we adjourn: is that seconded? **[Seconded]**

Deputy J.A. Martin of St. Helier:

Could I just try and be a little bit helpful? I know why people might be trying to adjourn but I have spoken to where we need to be and they are quite prepared to wait until 1.30 p.m. and I do not know if anybody thinks we can get the work done by 1.30 p.m. but I think it should be an option. There would be no problem so I would like to propose that we do sit until 1.30 p.m. and finish the

business. I was not lucky last night but I did win a £5 bet on that we would be on the budget until gone 11.00 a.m. so I did not lose out completely.

The Deputy Bailiff:

Thank you, Deputy. We do not need to have a debate about this. The proposal is to adjourn. The information that was given to Members will no doubt be helpful. Those Members in favour of adjourning, will they kindly show? **[Laughter]** Not even the proposer or seconder wishes to vote in favour of this proposition.

9. 'User Pays' Charges: pathology (P.185/2009)

The Deputy Bailiff:

We now come on to P.185/2009, 'User Pays' Charges: pathology. I will ask the Greffier to read the proposition.

The Greffier of the States:

The States are asked to decide whether they are of opinion: (a) to refer to their Act dated 24th June 2003 in which they agreed that no new 'user pays' charges should be introduced without the prior approval of the States; and (b) to approve the introduction of specified charges for General Practitioner test requests for specified services in Haematology and Clinical Chemistry as set out in the Appendix to the Report of the Minister for Health and Social Services dated 27th October 2009.

9.1 The Deputy of Trinity (The Minister for Health and Social Services):

I am bringing forward this proposition today in accordance with the 2010 Business Plan agreed by this Assembly in September 2009. Members will recall how difficult it was for me to present the then draft Business Plan and the investment needed and how I have highlighted the very productive joint working initiative of Health and Social Services and the Social Security Department in developing sensible solutions to the funding of care in the primary and secondary care sector. This proposition describes one such solution. The Health and Social Services Department reconciliation of net revenue expenditure for 2010 included an additional income stream of £750,000 per annum to be funded from the Health Insurance Fund. To enable that the health budget can fulfil its commitments next year, it is proposed that a charge is introduced for specific haematology and clinical chemistry services provided to the general practitioners with effect from 1st January 2010. By law this has to be brought to this House. I reiterate how grateful I am to the Minister for Social Security for his support in this issue. With the support of the Council of Ministers, the Minister has agreed to introduce additional benefit, funded through the Health Insurance Fund, to match the cost of this charge as outlined in P.184/2009. This benefit ensures that there will be no cost to the patient or to the G.P. (General Practitioner) as a result of this new charge. The funds will be transferred from the Health Insurance Fund to the Health and Social Services Department to match the direct costs of G.P.-requested blood tests. This means that the financial impact will be borne directly where the service is demanded. To date the cost has been borne by the pathology laboratories of the general hospital, funded by the Health and Social Services revenue budget. I have taken steps to ensure that this new, appropriate process does not create such a huge administrative burden. No additional manpower or finance is required by Health and Social Services or the Social Security Department to administer the proposed scheme. This proposal is an indication of a close working relationship that exists between my department, the Social Security Department and the G.P. community who have been engaged in developing this proposal. I do not propose to go into full details of how the actual financial reconciliation will work between the Social Security Department and the Health and Social Services Department as this is set out in the Report and Proposition but I should explain what it would mean for the patient and the G.P. If approved, from 1st January 2010, when a consultation between a G.P. and a patient results in the need of a laboratory investigation such as a blood test, the patient will sign a declaration at the time

of the G.P. consultation agreeing that the benefits, 1 or 2, will be assigned to the Health and Social Services Department. The patient will not be required to pay any more to the G.P. nor the G.P. to the hospital. My department, the Social Security Department, will reconcile the data to ensure that patients are eligible for benefit and payments will occur directly from Social Security to Health and Social Services. In this way the pathology laboratory will receive income for the services it provides and the health insurance will provide a benefit to the patient so there is no need to meet the extra cost. While there will be no negative impact upon the G.P. or the patient's pocket as a result of this proposal, the subsequent annual income of approximately £750,000 to the Health and Social Services budget will allow the hospital to maintain its services, ensure that patients have prompt access to a range of life-saving treatments. In addition and following on from this proposal, my department is taking steps to provide G.P.s with electronic links to the pathology laboratory so that they will no longer have to wait for results to be sent to them through the post. This will enable them to access them directly which is obviously much faster. This is better for G.P.s and of course better for the patients as faster diagnosis means a better chance of better outcomes. These new electronic links between G.P.s and the pathology laboratories will mark the beginning of more seamless care between primary and secondary providers. In conclusion, this proposition establishes a new income stream for pathology services which will help sustain hospital services in general. I have been able to do this thanks to the close working relationship between the department and Social Security. I would like to take this opportunity to remind Members that when they agreed the Business Plan in September it was mentioned there that this fund of £750,000 would be sourced in this way, so I hope Members can support this and I maintain the proposition.

The Bailiff:

Is the Proposition seconded? **[Seconded]** Does any Member wish to speak to the proposition?
Deputy Ferguson.

9.1.1 Senator S.C. Ferguson:

Can the Minister confirm that the £750,000 has already been netted out of the sum that is in Summary Table B? There is £168 million, or thereabouts, in the net revenue expenditure. Has the £750,000 already been allowed for and has she any idea what the savings on postage are?

Connétable D.J. Murphy of Grouville:

That was the question I was going to ask.

9.1.2 Deputy A.E. Jeune of St. Brelade:

My Minister, the Minister for Social Security, the Minister for Health and Social Services, the Minister for Treasury and Resources and any other Minister whose ear I have been able to bend on this one are all well aware of my beliefs that the Health Insurance Fund is bailing out the Health Department here. We are simply taking over a cost which has been previously funded by the taxpayer so this is a win-win for Health. The Minister for Health and Social Services says the costs have been borne by her department but they have been paid for annually in the Health Department's budget. While I will not oppose this, I do ask the Minister for Treasury and Resources, when he says he is going to be shining a torch in these departments in his reviews, that he uses a microscope.

9.1.3 Deputy J.A. Martin:

I will be brief. The Assistant Minister for Social Security says we have borne this. Well, it is all about also we want people to come for preventative tests and these tests are becoming more and more and more. The Assistant Minister for Social Security says the taxpayer is paying for this. Well, does the taxpayer not pay into the Health Insurance Fund every single week and Health has never been able to do it? It is going to have to be done, unfortunately. We have worked very hard together to make it seem less for the patient. The patient will not feel any different and nor will G.P.s but the money that is paid by all of us will finally get to where it needs to be. We need to get

out of this that the taxpayers' money is not money that is in the Health Insurance Fund. I totally respect where the Deputy is coming from and the Minister will be shining his torch in the eyes of the people taking these tests, but we really need to encourage people to go for their tests, not to be charged, and it is to me an absolute no-brainer and I really hope that we do not need a long debate on this and people can feel they can support the Minister for Health and Social Services and the Minister for Social Security in the next proposition.

9.1.4 Deputy A.T. Dupre of St. Clement:

Most doctors charge their patients for blood test. Hopefully this proposal will cease that and patients will be able to have free blood tests.

Deputy R.G. Le Hérissier:

I just hope, with all the shining of the torch, the Minister does not end up with a flat battery.

9.1.5 Deputy I.J. Gorst:

Some would have us believe that there is no robust debate and consideration of decisions. I think, yet again this morning, Members will have seen that in my department we certainly do have robust debate and consideration of decision and that is only appropriate. I should address one issue that my fellow Deputy has raised there. Currently the situation is that some G.P.s do charge patients for a blood test. That charge is not for the blood test. It is for the administration of the blood test. This proposition by the Minister for Health and Social Services is proposing that a new charge will be raised for blood tests. That is what we are now discussing. We have a proposition after this, which is in my name, which will in effect, if Members approve it, mean that that charge is not passed on to the patient but is met from the Health Insurance Fund. I am an accountant and therefore get a little bit concerned that we are always appropriate in the terminology that we use. My Assistant Minister is correct to say these services are currently paid for by taxpayers. If we accept these 2 proposals, what will happen is the cost will be being borne by the contributor: that is people who contribute into the Health Insurance Fund which is part of the social security contribution. So, there is a difference however I appreciate, as Deputy Martin says, it is all in the mix and most of the people paying tax are the same people who are contributing as well but we must be clear that at least we in this Assembly know the difference and we know that one is, in effect, an insurance-based system. I would just have one plea to Members. I will be voting for this proposition and I am supporting the Minister for Health and Social Services as she tries to get to grips with some of the issues that she has in Health, in managing her budget and in making sure that primary and secondary care is appropriate for the 21st century and that we are providing the healthcare which we want to provide for our community. My plea would be that if Members do not want to fund this from the Health Insurance Fund, they do not approve this extra charge and if they approve the extra charge without going on to approve my proposition, what they will in effect be doing is passing on a charge to the patient and I do not think that that is what this Assembly would want. It certainly is not what the Minister for Health and Social Services would want. Therefore I believe it has to be all or nothing. I hope that it will be all but I leave that to Members to decide.

9.1.6 Deputy J.B. Fox:

On this occasion I will support it but let us have no matter of doubt we are in a Ministerial government and at the moment we are moving funds from one to another to help Health. At the moment I do not have a problem with that. I think it is a little deceitful inasmuch as I think we should be helping Health through direct taxation. At the moment the Health and Social Security Fund, which is an insurance fund as opposed to a taxation fund, clearly is able to withstand it otherwise the Minister would not be proposing on this occasion, but I will guarantee you, within 12 months to 2 years, the Social Security Fund will be saying it is running short of money and it needs more funds from elsewhere coming back in. As long as we recognise that and we make the decisions accordingly but at the moment it is one of these creeping taxations that if you cannot get

it directly, you do it by other sources. Sometimes it is necessary but it is not good practice in my book.

9.1.7 Deputy D.J. De Sousa:

Can both the Minister for Health and Social Services and the Minister for Social Security just clarify my understanding that the fund that this money would be coming from is within Social Security but is ring-fenced for Health? Am I right or wrong?

9.1.8 The Deputy of St. Martin:

I have put down here: “As clear as mud” and “Creative accountancy”. I just wondered really at the end of the day are we really making heavy weather of it. Would it not have been easier just to give the money from one hand to the other without going through the rigmarole? If one has a look at the financial and manpower implications, they say there are none. Well, there must be. Surely we are going to go from the doctor giving one form there ... really this is really heavy weather. I personally would have thought it would have been easier to transfer the money over. However, I want to echo what Deputy Fox has said because he got in before me. I am concerned about this. What we want to be doing is we want to encourage people and I know I have been pressuring for free prostate cancer checks for a long time and I have flagged. Now Deputy Tadier has taken on that as well. What we should be doing is encouraging people and what I really feel - and one reads what it says here about costs and financial implications - the cost of the benefits is estimated at £750,000 in 2010. There are a growing number of pressures on the Health Insurance Fund and while the fund currently shows a healthy balance, there is a surplus which will be depleted over the next few years. So I really am concerned about this and I think probably in 2 or 3 years there will be no money left.

9.1.9 Senator P.F.C. Ozouf:

Today is not I think the debate to have a large and long debate about the definition of primary health care and the use of the Health Insurance Fund. I regard this as a first step. It is difficult to follow somebody like Deputy Fox, who basically said that he wants to have more money spent but he is not willing to somehow put the right charges from public taxation or general taxation. I need to say to Deputy Fox that there are real challenges, going forward, in relation to how we fund healthcare and there is a debate to be had about primary healthcare and secondary healthcare. Many people, if one were to ask the general public and social security contributors, I doubt whether many of them know what their Health Insurance Fund contribution goes to and I think that it is right for there to be a contribution for some of the primary healthcare that Health and Social Services provide out of the Health Insurance Fund. There is a balance on it. There is a considerable balance on their capital fund and on an annual year-to-year basis. There is going to have to be a complete review of all this and this is going to happen and rightly so: it is overview. We now have a Minister for Health and Social Services and a Minister for Social Security. There are Assistants on all sides that challenge their Ministers but they are working together for Health. There should no longer be this silo mentality that we have seen in the past, I think, between Health and Social Services and Social Security and this is a first step.

9.1.10 The Deputy of St. Mary:

Very briefly, I must say I have to echo what the Deputy of St. Martin said. It is very strange: we have to go with the 2 propositions, as a package, because they have been worked out and presented to us but the fact is that on page 4 of the original P.185, the Minister for Health and Social Services' proposition, there are 5 steps, 5 bureaucratic steps, 5 bullet points, saying the different bits of paper and the different things that will have to happen for this money to end up being transferred gobbet by gobbet, bit by bit, from the Health Insurance Fund to the Health Department. I think it is very odd. I hope the torch - the famous torch - shines on this area as well because it does seem to me to be creating bureaucracy in order to avoid the issue of simply funding the health

service. I have real problems. I am going to vote for it. I am going to vote for both of them, but I think we just have to be very careful here about our on-going bureaucracy.

Deputy I.J. Gorst:

Sir, would the Deputy give way before he finishes his speech? Thank you, Deputy. I appreciate what the Deputy has just said, and the Deputy of St. Martin. The reason the propositions are structured as they are is because the Health Insurance Law is a 1967 law. It is somewhat archaic. It is being reviewed as part of that review that the Minister for Treasury and Resources talked about. It was before my time, if I might use that phrase, and all this would be wrapped-up with *New Directions*. Members wiser than I might know what has happened to *New Directions*. It seems to have been brought down. It does indeed need a torch shining on it. It is a legitimate point. This is why it is structured in the way that it is. It is not bureaucratic as it might appear in the Minister for Health and Social Services' proposition because most of these steps can be done electronically.

9.1.11 The Very Reverend R.F. Key, B.A., The Dean of Jersey:

I am concerned about clarity of communication which we have addressed once or twice this morning. Having heard from the Minister for Health and Social Services and the Minister for Social Security and it is quite clear to me, that while saying "user pays" we do not mean extra charges for patients. Not everybody in our Island will have been listening in to the radio or will have been in this Chamber and if you simply read an Order Paper that says "User Pays", it is easy to inculcate fear in the minds of the person who is sitting at home wondering whether their particular ailment is worth taking to the G.P. and what the extra charge might be. I have in the last few months had ample opportunity of sitting in the pathology lab and the clinic and it is largely populated either by the elderly or by the terrified. I am delighted that we have a complete package to put together so it does not mean extra charges for patients but I do think it behoves all Members to communicate that with crystal clear clarity to the people of the Island so that people do not delay getting treatment that can save their lives.

The Bailiff:

Does any other Member wish to speak? I call upon the Minister to reply.

9.1.12 The Deputy of Trinity:

I will try and answer the questions as I go along and I might jump around. I would first of all like to respond to the Dean and thank him for his contributions and I absolutely, wholeheartedly agree with him. The last thing that I want is that any cost be incurred to the patient to even remotely stop and think: "Can I afford to go and have a blood test?" That is not my intention and that is why liaison with the Social Security Department has been vital. The pathology charges will be if you go to your G.P. If you go to the hospital to have any blood tests, that carries on exactly the same. So this is with G.P.'s only and we will get out some communication to make that explicitly clear and that, if this is approved, there will be no charge to the patient. Also for clarity, there are 2 forms but on the forms there could be requests for 2 or 3 different blood tests, be it for blood count, be in for haemoglobin or with the clinical chemistry, it could be urea and electrolytes so there could be 2 or 3 tests per form, but the form is only charged at the £10 rate. Senator Ferguson: yes, the sum has been included and I am sure there will be some savings - I certainly hope so. There will be some savings on postage, definitely. Deputy Jeune: on primary care, I know we have had quite a few discussions about this and I can understand where she is coming from. The idea, as I said, is not to prevent anyone going to the G.P. but also the G.P. is primary care. What we in the Department of Health and Social Services really deem to be secondary care and I fully appreciate and take on board that there is a lot of work to be done with G.P.s. They are in the process of having to be re-validated by the end of April and there is the whole issue of work that needs to be done and both the Minister for Social Security and myself, we are working with the G.P.s to help them through

this process. But any process like this will be costly and I just raise that fact. Next year it is going to be even more challenging. I thank Deputy Dupre for her support and if some G.P.s do charge for blood tests, I do not know. I am not too sure but at this present moment in time, Health and Social Security have been doing all the actual testing, providing the forms, providing the vials, free of charge. I thank Deputy Gorst for his support. Deputy Fox and other Members: it may seem there is a lot of bureaucracy to get where we are but in fact, as Deputy Gorst explained, this is because of the Health Insurance Fund. I do not like bureaucracy so I aim to keep it as simple as possible and hopefully if all the forms get in once a quarter, it will be I.T. (information technology) work from one to the other. There are 5 steps but that is what we have to do but I hope to keep it to the minimum and am adamant that there are no manpower implications in that at all. I hope I have answered all the questions. It just remains for me to say thank you to the Minister and his department. It is the beginning of a new era because both of us realise that there are a lot of important health issues in primary care that we need to resolve, work through and work-in with the G.P.s and we are doing that. I would also like to thank the officers from both departments because it may seem simple but these things can sometimes prove difficult but they have worked very well together and they will continue to work together. Thank you very much. I maintain and I ask for the appel.

The Bailiff:

The appel is called for in relation to the proposition of the Minister for Health and Social Services. I invite Members to return to their seats and the Greffier will open the voting.

POUR: 42	CONTRE: 0	ABSTAIN: 0
Senator T.A. Le Sueur		
Senator P.F. Routier		
Senator P.F.C. Ozouf		
Senator F.E. Cohen		
Senator A. Breckon		
Senator S.C. Ferguson		
Senator A.J.D. Maclean		
Senator B.I. Le Marquand		
Connétable of St. Ouen		
Connétable of St. Helier		
Connétable of Trinity		
Connétable of Grouville		
Connétable of St. Brelade		
Connétable of St. Saviour		
Connétable of St. Peter		
Connétable of St. Lawrence		
Connétable of St. Mary		
Deputy R.C. Duhamel (S)		
Deputy of St. Martin		
Deputy R.G. Le Hérisier (S)		
Deputy J.B. Fox (H)		
Deputy J.A. Martin (H)		
Deputy of St. Ouen		
Deputy of Grouville		
Deputy of St. Peter		
Deputy J.A.N. Le Fondré (L)		
Deputy of Trinity		
Deputy S.S.P.A. Power (B)		
Deputy S. Pitman (H)		
Deputy K.C. Lewis (S)		
Deputy I.J. Gorst (C)		

Deputy M. Tadier (B)				
Deputy A.E. Jeune (B)				
Deputy of St. Mary				
Deputy T.M. Pitman (H)				
Deputy A.T. Dupré (C)				
Deputy E.J. Noel (L)				
Deputy T.A. Vallois (S)				
Deputy M.R. Higgins (H)				
Deputy A.K.F. Green (H)				
Deputy D. De Sousa (H)				
Deputy J.M. Maçon (S)				

10. Draft Health Insurance (Medical Benefit) (Amendment No. 2) (Jersey) Regulations 200-(P.184/2009)

The Bailiff:

We come next to the Draft Health Insurance (Medical Benefit) (Amendment No.2) (Jersey) Regulations 200- - P.184/2009 - lodged by the Minister for Social Security. I will ask the Greffier to read the citation.

The Greffier of the States:

Draft Health Insurance (Medical Benefit) (Amendment No. 2) (Jersey) Regulations 200-. The States, in pursuance of Articles 9 and 36 of the Health Insurance (Jersey) Law 1967, have made the following Regulations.

10.1 Deputy I.J. Gorst (The Minister for Social Security):

This quite simply does just what it says on the packet at I said earlier. The Health Insurance Law is an old law. It allows currently a medical benefit to be paid in what is in effect to an individual who visits a G.P. This creates a second benefit which allows when that individual visits the G.P., they can assign that benefit to the Health and Social Services Department and thereby pay the £10 for these tests to Health and Social Services rather than we having to pay it to the G.P. practice directly. I should just say as I said in my report - I am not sure if the Deputy of St. Martin was criticising me or not but I do not think he was. I think he was just raising Members' awareness of that fact and that is why I included it in my report - that there are and will be ongoing pressures on the Health Insurance Fund. The balance at the moment at the end of December 2008 stood at £72 million. We are expecting a surplus at the end of this year of £4.4 million. This is £750,000 on an ongoing basis. There are pressures on that Fund. Primary care does need to be addressed and improved in a more joined-up manner. We must be allocating funds to prevention rather than cure, which is what primary care is all about. As the Minister for Health and Social Services said, one of larger pressures on that fund is G.P. re-validation which could take a number of million pounds every year and I will hopefully be coming to the States early next year with proposals in regard to that. Having said all that, this proposition fits with the one that we have just approved and therefore I hope that Members will now approve the second part so that patients are not charged the £10. Thank you.

The Bailiff:

Are the principles seconded? [**Seconded**] Does any Member wish to speak on the principles?

10.1.1 Senator P.F. Routier:

Briefly: I am so pleased that the Minister for Social Security has been able to advise Members of the healthy position of the Health Insurance Fund even after the prescriptions were given free a couple of years ago.

10.1.2 Deputy D.J. De Sousa:

Just briefly: that is what I was trying to get at in my question before. I did have a feeling that this was from the same fund as the free prescriptions and the Minister does know that I have asked him several times about this. Will he also, when looking over this Fund, do the review that has been promised on free prescriptions for all and maybe take some of that back from those that can afford to pay for prescriptions and target it maybe at H.M.A.s (Household Medical Accounts) for those on pensions and income support?

The Bailiff:

Does any other Member wish to speak? Very well, I call upon the Minister to reply.

10.1.3 Deputy I.J. Gorst:

Yes, the work with regard to analysing the prescriptions with a view to reintroducing a prescription charge is being undertaken. It is somewhat labour intensive because the records that the department has are not in relation to age scales within society and the prescriptions that they might have taken in any given month but officers and staff are working on that. It is only appropriate that I have that information to know the age ranges that we might want to bring it back in. I said that we would not introduce it for the over-65s and more than likely not for the under-5s but I need to know what level of reintroduction ... what amount it would generate and I expect that Members would want that information to know whether I am making an appropriate decision. I thank the previous Minister for his comments. He is quite right that the Fund is in a healthy balance because of his good stewardship despite his giving of free prescriptions. I maintain the proposition and hope that Members will support it.

The Bailiff:

All those in favour of adopting the principles kindly show. Those against. The principles are adopted. Senator Breckon, do you wish this matter to be referred to your Scrutiny Panel? Minister, do you propose the Regulations *en bloc*?

Deputy I.J. Gorst:

Yes, if I could, Sir, thank you.

The Bailiff:

Seconded? [**Seconded**] Does any Member wish to speak on any of the Regulations? All those in favour of adopting the Regulations, kindly show. Those against. The Regulations are adopted. Do you propose a Third Reading?

Deputy I.J. Gorst:

Yes.

The Bailiff:

Seconded? [**Seconded**] Does any Member wish to speak on the Third Reading? All those in favour of adopting the Regulations in Third Reading, kindly show. Those against. The Regulations are adopted in Third Reading.

11. Rate Appeal Board: appointment of members (P.191/2009)

The Bailiff:

We come next to P.191/2009 - Rate Appeal Board - lodged by the Minister for Treasury and Resources. I will ask the Greffier to read the proposition.

The Greffier of the States:

The States are asked to decide whether they are of opinion, in pursuance of Article 44 of the Rates (Jersey) Law 2005, to appoint with effect from 31st December 2009 (a) Mr. Leslie May, Mr. Brian Ahier, Mr. Jeremy James Robin Johnson as members of the Rate Appeal Board, for the period ending 31st December 2010; (b) Mr. Peter John Norman, Mr. Thomas Slattery, Mr. Timothy George Cartwright, Mr. Jethro Adams as members of the Rate Appeal Board, for the period ending 31st December 2012.

11.1 Senator P.F.C. Ozouf (The Minister for Treasury and Resources):

The Rates Appeal Board has an important statutory function. I can say, however, that they have only met twice in recent years but it is important that they are in post to perform their function. The Appointments Commission was advised that no person should serve on a statutory board for more than 10 years. Hence there is a split in the proposition as it has been through an Appointments Commission process and I thank all the names that have been put forward to serve with a continuing service for this important statutory body. I move the proposition.

The Bailiff:

Seconded? **[Seconded]** Does any Member wish to speak on the proposition? Deputy De Sousa.

11.1.1 Deputy D.J. De Sousa:

I just have a slight query and a question for the Minister. He stated, and it does state in the Proposition and Report, that a member should not exceed 10 years. Looking on the back, Mr. Adams has spent 10 years as a rate assessor. Has he been on the board for that period or no? Can he just clarify?

The Bailiff:

Does any other Member wish to speak? Very well, I call upon the Minister to reply.

11.1.2 Senator P.F.C. Ozouf:

Simply the Rates Appeal Board in a statutory function. I ask for the standing vote?

The Bailiff:

All those in favour of adopting the proposition kindly show. Those against. The proposition is adopted.

12. Jersey Police Complaints Authority: appointment of members (P.192/2009)

The Bailiff:

We come next to Jersey Police Complaints Authority: appointment of members - P.192/2009 - lodged by the Minister for Home Affairs. I will ask the Greffier to read the proposition

The Greffier of the States:

The States are asked to decide whether they are of opinion, in accordance with Article 2 of, and the Schedule to, the Police (Complaints and Discipline) (Jersey) Law 1999, to appoint the following as members of the Jersey Police Complaints Authority for a period of 3 years, effective from 1st January 2010: Mr. Bruce Lawrence Ridley, Advocate Jane Martin.

12.1 Senator B.I. Le Marquand (The Minister for Home Affairs):

The Police Complaints Authority performs an important function in relation to overseeing investigations in relation to possible disciplinary hearings. Very recently I brought the proposition to the House in relation to a new chairman. At that time we were struggling to find a new member. I am very pleased to say we have now found 2 excellent new members, details of whom are in the

proposition. We have gone through the correct procedure and I would ask the Members to support the proposition.

The Bailiff:

Is the proposition seconded? [**Seconded**] Does anyone wish to speak on the proposition?

12.1.1 The Deputy of St. Martin:

Just a very quick question: I note the positions were advertised in the *Evening Post*. It did not say how many applicants came forward. Would the Minister be able to give us an idea of how many were really desperate for this job? We know that 2 were appointed.

The Bailiff:

Does any other Member wish to speak? Very well, I call upon the Minister to reply.

12.1.2 Senator B.I. Le Marquand:

I do not 100 per cent know the answer to that. It was a dearth of applicants before. I assume it was only 2 and we are very grateful to have them. I maintain the proposition.

The Bailiff:

All those in favour of adopting the proposition kindly show. Those against. The proposition is adopted.

13. Public Employees Contributory Retirement Scheme Committee of Management: membership (P.199/2009)

The Bailiff:

The next item on the Order Paper is the Public Employee Contributory Retirement Scheme Committee of Management Membership - P.199/2009 - lodged by the Chief Minister. I will ask the Greffier to read the proposition.

The Greffier of the States:

The States are asked to decide whether they are of opinion to approve, in accordance with Regulation 3(2) of the Public Employees (Contributory Retirement Scheme) (General) (Jersey) Regulations 1989, the appointment of the Committee of Management, for a period of 3 years commencing 1st January 2010, as follows: Employer Representatives: Mr. I. Black, Treasurer of the States; Mr. M.J. Pinel, Head of Employee Relations; Mr. S.M. Patidar; Mr. J. Rosser; Ms. L. Dennis. Employee Representatives: Mr. G. Birbeck; Mr. J.H. Lees; Mr. J.T. Noel; Mr. M.D. Orbell; Mr. A. Tadier; Miss B. Ward; Mr. M. Johnson.

Deputy J.B. Fox:

Do I need to declare an interest on this one?

The Bailiff:

I do not know, Deputy Fox.

Deputy J.B. Fox:

I receive a pension from this.

The Bailiff:

I see. No, I do not think so. This is to do with a committee of management.

Deputy E.J. Noel:

I would like to declare an interest. Mr. J.T. Noel is my brother.

The Bailiff:

Very well.

13.1 Senator T.A. Le Sueur (The Chief Minister):

The composition of the Public Employees Contributory Retirement Scheme Committee of Management is currently in a state of flux. That is due to a couple of reasons, the first being a report recently presented by the Comptroller and Auditor General which pointed out the potential difficulties of having States Members on that committee of management, which until now we have had. I would like to thank Senator Shenton and Deputy Le Fondré who are current members of that committee. It was felt, I think quite rightly and appropriately, that there should be States Members on this and indeed the position of the States Treasurer, Mr. Black, is also questionable. At this stage we have taken the decision to not appoint or reappoint any States Members and as the report says, Mr. Black, the Treasurer, will only serve for one further year. That will give us impetus to change or review the structure of this committee of management where indeed there have been some people on the board for quite a considerable period of time. Nonetheless I thank those who have agreed to serve and serve again. The curriculum vitae of the people concerned have been presented in an annex to the report, which was subsequently reissued. I hope it therefore gives Members an indication of the people and the calibre who are serving. I thank them for offering to serve and I propose their re-appointment.

The Bailiff:

Is the proposition seconded? [**Seconded**] Does any Member wish to speak on the proposition?

13.1.1 Deputy I.J. Gorst:

It has been my privilege to serve on the committee of management in the past, a job I had to retire from due to other commitments. I would just like to pay tribute to those members whose terms of office have recently expired. There was a particularly strong group of people and I believe that we as an Assembly and as an employer owe them our gratitude and I want to put it on public record that we are thankful and grateful to them for undertaking this at no cost to themselves in a professional manner.

The Bailiff:

Does any other Member wish to speak? I call upon the Chief Minister to reply.

13.1.2 Senator T.A. Le Sueur:

I thank the Deputy for his comments and also thank him in the past for his valuable service on the committee in the past. I maintain the proposition.

The Bailiff:

All those in favour of adopting the proposition kindly show. Those against. The proposition is adopted.

14. Jersey Appointments Commission: appointment of Chairman and member (P.200/2009)

The Bailiff:

The final matter on the Order Paper is Jersey Appointments Commission: appointment of Chairman and member - P.200/2009 - lodged by the Chief Minister. I will ask the Greffier to read the proposition.

The Greffier of the States:

The States are asked to decide whether they are of opinion, in accordance with Article 18(1) of the Employment of States of Jersey Employees (Jersey) Law 2005, to appoint Mr. Alan Merry as a

replacement Chairman of the Jersey Appointments Commission and Mr. James Morris as a new Commissioner, each for a period of 4 years commencing on 24th February 2010.

14.1 Senator T.A. Le Sueur (The Chief Minister):

The Appointments Commission is one of the more recent committees that we have created and I think that in the 8 years that it has been in existence it has done some valuable work and really is something which nowadays we would say that we could not possibly do without. I would like to thank particularly the retiring chairman, Mr. Mike Liston, who has served 2 terms and who really instigated this Appointments Commission and set it on the right path. Both he and the deputy chair are retiring at the same time, which is perhaps a little bit unfortunate but I would like to thank them very much for the service that they have both provided. They will be a hard act to follow and a selection process was undertaken by myself and the Human Resources Director, together with Mr. Liston as outgoing chairman. We had a number of applicants but we set the standard very high in order that we could try to match the quality and expertise of the outgoing people and I am pleased to say that we have found 2 people of significant ability, Mr. Alan Merry and Mr. James Morris. Again, their curriculum vitae are included in the proposition but I would add as far as Mr. Morris is concerned, he has been involved outside of professional work in considerable help to the Island in things such as Crimestoppers, Durrell, the Island cricket team, the bobsleigh team and the Small Firms Loan Guarantee Scheme. I thank both of them and I also thank the other members of the Commission who remain in office for the valuable service that they provide in order that we as States Members can ensure that appointments are fairly and honestly and properly made. I propose the appointment of the 2 new members.

The Bailiff:

Is the proposition seconded? **[Seconded]** Does any Member wish to speak on the proposition? Very well, all those in favour of adopting the proposition kindly show. Those against. The proposition is adopted. That completes public business.

ARRANGEMENT OF PUBLIC BUSINESS FOR FUTURE MEETINGS

The Bailiff:

Members should have received a yellow paper which contains an amended programme for the future and I ask the Chairman of the P.P.C. (Privileges and Procedures Committee) to take us through that.

15. Connétable J. Gallichan of St. Mary (Chairman, Privileges and Procedures Committee):

Very briefly, the arrangement of business is as for the peach coloured sheet and I am grateful to the Greffe for preparing this. I am also grateful to a number of Members that I have contacted who have agreed to arrange for propositions that were scheduled for 19th January so that we have a more balanced workload for the coming sessions.

The Bailiff:

How many days do you anticipate it is taking?

The Connétable of St. Mary:

I think 3.

The Bailiff:

Very well. Does any Member wish to comment on the arrangements?

15.1 Senator S.C. Ferguson:

I will be withdrawing P.171/2009. It will reappear, transmogrified, but the chairman of the P.P.C. can delete it at this point in time.

The Bailiff:

Very well. You are withdrawing that now, are you Senator?

Senator S.C. Ferguson:

Yes. It will, as I say, be re-lodged in a different format.

15.2 Deputy T.A. Vallois:

Can I just ask; the Corporate Services Panel will be scrutinising the Draft Data Protection (Amendment No. 2) (Jersey) Law 200- which has come up on the peach sheet as P.147/2009. Can I just ask the Assistant Minister for Treasury and Resources whether that is being withdrawn?

Deputy E.J. Noel:

Yes, I will be withdrawing that. The communication obviously has not got through to the Deputy yet.

The Bailiff:

So this is P.147/2009. That has been withdrawn, has it? So you withdraw it now. Very well. So that comes out of the list as well. Any other? Deputy Higgins.

15.3 Deputy M.R. Higgins:

Yes, the proposition regarding Operation Blast: I have already indicated to the chairman of the P.P.C. that it is going back. The reason is that we are still waiting for information to come. I just want the Minister for Home Affairs to realise that and not do any work in the meantime.

The Bailiff:

Very well. Any other Members? Do Members agree then to the Public Business as listed on the peach sheet, as amended as we have just heard? Very well. That will be inscribed. So that completes matters.

CHRISTMAS GREETINGS

Senator T.A. Le Sueur:

It is not on the Order Paper but it is traditional at the last sitting that we should exchange Christmas Greetings and I am pleased to do so.

The Bailiff:

Perhaps if I can just interpose to say of course that it would normally be the senior Senator but as he is not here, you are the second senior Senator and it is in that capacity you are rising.

Senator T.A. Le Sueur:

That is correct, yes. I will hopefully keep this brief as Members, I am sure, are aware of the time. We are currently in this season of Advent which in the liturgical context means a new beginning and 12 months ago it was a new beginning for many of us, some of us as new Members and some in new roles, either as Ministers or some other role. It is said that there is a 6-month grace period during which the shortcomings are often overlooked: the so-called "honeymoon period". I mention this because although for all of us that period is now expired, for you, Sir, the end of your honeymoon period is imminent. **[Laughter]** However, unlike some of us, for you a honeymoon period seems unnecessary since I have not discerned any lack of wisdom in your performance in the time since you took up your appointment last summer. **[Approbation]** The Senatorial benches

may not be the repository of all wisdom but **[Laughter]** they do contain those Members elected with an all-Island mandate and I hope that before too long, there will again be a full complement of Members on this side of the House in order that the views of the public can be more fully represented. **[Approbation]** As I say, we are not always necessarily truly wise, and Christmas is a timely reminder about wisdom. My observation about wisdom comes as a reaction to the question put to Jesus as to how to achieve the perfect existence. His answer is perhaps a salutary lesson to those of us who think we know it all. He said we must become like little children with the innocence and the questioning mind of a child. The birth of the child Jesus in humble surroundings should perhaps remind us of that. I think I will leave the rest of the sermons to the Dean and just hope that in the year to come, we too will ask the right questions. I should like to express the hope that over this Christmas season, we are able to take time to pause and really question the true values of life. On behalf of my fellow Senators, I should like to extend Christmas greetings to you and Mrs. Birt; to the Deputy Bailiff and Mrs. Bailhache; to the Attorney General and Mrs. Le Cocq. To each of you, this will be the first Christmas in your new roles and I hope it will be the first of many. I also offer seasonal greetings to the Greffier, the Deputy Greffier and the staff of the Greffe for their unfailing advice and help. **[Approbation]** To the Dean, whose occasional words in this House are always well-chosen and thoughtful. **[Approbation]** To the ushers who rush around at our beck and call and who, I hope, will never be replaced by BlackBerries or other electronic devices. **[Laughter]** To Nora and her teapot and her everlasting supply of biscuits. **[Approbation]** To the ladies and gentlemen of the media who do their best to make sense of what we have been saying and record it for others to digest. **[Laughter]** And to my colleagues in the other parts of the Chamber. On behalf of all of those here on the Senatorial benches, I wish everyone a happy and a holy Christmas time and look forward to coming back next year, refreshed and perhaps even rejuvenated. I offer season's greetings to one and all. **[Approbation]**

Connétable K.P. Vibert of St. Ouen:

And now good parishioners to Grosnez Castle for a jolly good party. I have booked Squire Hacket's pig roast and the Brewer and his unkempt daughter, Mary Ann, have promised to bring 20 barrels of their best mead. Sorry ... I appeared to have picked up my St. Ouen pantomime script rather than my Christmas message. This is my opportunity on behalf of the Comité des Connétables to express our heartfelt season's greetings to all our fellow States Members as well as to all who labour to ensure the good running of this Chamber and its workings. It is also an opportunity to ask all Members to join in paying tribute to all those in our Island who give of their time and talents to the continuing success of the many and varied voluntary services **[Approbation]** which serve this Island and its less fortunate citizens so admirably. I must of course make particular mention of those who serve as members of the Honorary Police system. They continue to give a real commitment to the well-being of their Parish and Island. Their service is often taken for granted yet they devote so many hours of their free time to assisting the policing of events such as the Battle of Flowers, the Air Display and Jersey Live as well as many other commercial events. The total number of hours given is staggering and we extend our warmest thanks to them all. **[Approbation]** 2009 in the States will probably be remembered more for its quantity than its quality yet despite so many hours spent in the States we have still failed to debate really serious topics such as whether Members should be allowed to fiddle with their BlackBerries and how Members should pay for their sandwiches. As I looked through the Connétables' Christmas messages of the last 10 years, the one thread which ran through them was that the States had once again debated the future of the Connétables in this Chamber. This last year has lived up to what is now becoming tradition and I thank those Members who have once again ensured that the profile of the Connétables has remained at the forefront of Island politics. It is good that the public know that we are still here and taking a full and active part in the workings of the States. Sir, it gives me great pleasure, in the name of the Connétables, to wish you and Mrs. Birt; the Deputy Bailiff and Mrs. Bailhache; the Lieutenant Governor and Mrs. Ridgeway; the Dean and Mrs. Key; the Attorney General and Mrs. Le Cocq; the Law Officers Department; the Greffier, the

Deputy Greffier and the Assistant Greffier and all their staff and families; to Nora for her valued and welcome service to us all; to the ushers for their patience and forbearing with us and to the media who look on us with ... well sometimes a bit of disdain, I believe. To the Senators and Deputies and their families a happy and restful Christmas and a healthy and hopefully prosperous New Year. **[Approbation]**

Deputy R.C. Duhamel:

I have been told to be brief so I shall be. When 12 new bright lights appeared over the States Assembly skies last Christmas, I and many others wondered whether or not ... well, what it was going to be a portent to the future of. I think a year later we have found out and despite a transient, turbulent phase, I think some Members have established their positions in the pecking order. We do have notable occurrences of the planetary plodders, if you like, who were drawn into a close orbit and settled orbit around the centre in a very short period of time, and that is good. We have a number of shooting stars who have passed through our system and we all know what happens to shooting stars. They do burn out eventually. We still have a number of other heavenly bodies who are looking for a suitable position. I was careful, I was told: "Do not look around at this point." **[Laughter]** I think a breath of fresh air has been brought by the new Members to this Chamber and I personally as the senior States Deputy would like to thank them for their contributions. **[Approbation]** While those established politicians might not always have agreed with the arguments that have been put forward, I think it at least shows that this Chamber is ready and willing to work together to represent all views of all Islanders in what is our and their Government. It is good to note that the spirit of goodwill will flow more easily this year due to the proposition brought by Deputy Power. I do not propose that we go as far as what used to happen with the pagan festival of Saturnalia where it was a common practice for people to run naked, intoxicated in the streets. I will not go into that but it sounded like fun. **[Laughter]** On a personal note and very quickly, I have been an admirer of the robes that the Law Officers - the Crown Officers - do wear and have suggested on many occasions to the Privileges and Procedures Committee that perhaps one day we might be able to extend our coffers to purchase robes for all States Members so we can bring to proceedings the necessary pomp and circumstance. With that in mind, perhaps the word got out: I was suitably pleased to receive a head-hunting invitation to don a red robe and it was not to appear as a Bailiff strip-o-gram or something like that at a drunken party. It was to be Father Christmas. I think as the senior Deputy, I am particularly pleased to have been afforded the opportunity. I might just recall very quickly that on opening the big parcel that was delivered with Santa's suit, I did take a look in the mirror to see why I should have been afforded this opportunity. I must admit that the whiteness of the beard was false and my beard has not got to that level as yet. Neither has the hair. On trying on the costume I can also say that if I am asked on another occasion, it is certainly a role that I will be able to expand into. Members will expect me to make some mention from a green perspective and I am sure that we will all have the opportunity to recharge our batteries over the Christmas period. With that, Sir, I think I should draw things to an end and wish yourself and your wife, the Deputy Bailiff and his wife; the other Crown Officers, the Attorney General, the Viscount, the Greffe, the court ushers, the tea-lady and the Dean and the absent Governor - he is normally with us - the press in the press box on both sides - they do do a sterling job. In fact, everybody and not least of which my colleagues on the Deputies' benches and indeed the Constables and the Senators. I think we have had a very good year. It bodes well for the future and I think if people can reflect how they can deliver even more of what we have begun to deliver, in the next 2 years, I am sure the Island will be very grateful for it. I wish you the best seasonal greetings from the Deputies' benches, Sir, and see you in January. **[Approbation]**

The Connétable of Grouville:

May I make a contribution of a charitable nature that, in view of the fact that in the last week we have decided not to increase the duty on alcohol, that I could remind Members that in fact

Silkworth Lodge, who deal with alcohol and drug abuse, are having an Art and Craft Fair in the Town Hall church on Saturday. I would be very pleased to see them attending. Thank you.

The Dean of Jersey:

Last year the Attorney General introduced a new tradition of those appointed by the Crown giving Christmas wishes and so I can say with the phrase I think I have got from the Royal Court, on behalf of all those for whom the Attorney General customarily speaks. This is simply to say that we would want to wish you and all the others who have been mentioned a very happy Christmas but particularly the Constables and the Deputies and the Senators: those who make up those who debate in this place. We are very grateful when you very patiently listen to our advice and when you occasionally take it **[Laughter]** and I just want to scotch 2 rumours if I may. The first is that the Attorney General and I after great debate among ourselves, have decided not to follow the Strictly Come Dancing precedent and hold up score cards after Members' speeches. **[Laughter]** The second is to scotch the rumour that in the Town Church restoration, a new feature is being added to the pulpit, that is to say a trap-door where, when the congregation have had enough, a button can be pressed and the speaker disappears. That is being reserved entirely for the States Assembly. **[Laughter]** But on behalf of the Attorney General, His Excellency and myself, an extremely joyous Christmas to all Members and a very prosperous and blessed New Year. Thank you. **[Approbation]**

The Bailiff:

Thank you very much to Senator Le Sueur, the Connétable of St. Ouen, Deputy Duhamel and the Dean for their good wishes on behalf of Members, which are very much appreciated. As has been pointed out already, this is the first year of the new Assembly following last year's elections and again, as Deputy Duhamel has said, the new Members have quickly made their mark. It has also been an extremely busy year. I am advised by the Greffier that the States has sat in total on some 60 days. I do not know whether it seemed that long or that short to others but 60 days: this compares for example with 51 last year; 45 in 2007 and 38 in 2006, which was the previous year which immediately followed an election. In terms of questions, there have been a total of 385 listed oral questions with notice and 419 written questions, making a total of 804 questions. This compares with a total of 489 in 2008 and 457 in 2007. So all of this has imposed additional pressures on the support staff of the States including, in particular, the Greffe. Now all Members, I know, are familiar with the enormous help and assistance which they receive from members of the Greffe. But it is not just the elected Members who receive such assistance. The presiding officer of any parliamentary assembly must rely to a very considerable degree on the Clerk of that Assembly so we are all very fortunate to have a strong and hard working team ably led by the Greffier and the Deputy Greffier and I would like to express my thanks to all of them. **[Approbation]** Now there have of course been other changes. This is the first year that I have had the privilege of responding to Christmas greetings as Bailiff and it has certainly been an interesting 6 months, particularly as I was without a Deputy Bailiff until the beginning of November and I would like to express my thanks and appreciation to Members for the support and understanding which they have given since I took office. I very much appreciate it. We have also seen the appointment, of course, of a new Deputy Bailiff and a new Attorney General and I have no doubt that they will play their full part in helping this Assembly in the very important duties which you all have to undertake. Now there is one other change I have noted. I am sorry he is not here, but as is well known, the Deputy of St. John was a Member of the Assembly previously for many years before re-joining us in December last year. Unless my memory is playing me tricks, I think this must be the first year when I have not at some stage during the year, when the Chair has ruled against him, heard the immortal words: "But, Sir, you are cutting me off at the knees." **[Laughter]** But I have no doubt that normal service will be resumed later. **[Laughter]** Now the credit crunch has meant that 2009 has been a difficult year and many people have suffered as a result of it and it follows, I think, that the States has been faced with a number of particularly difficult decisions and

I think there is no doubt that this is going to continue during the course of 2010. So all the more cause that Members should take the opportunity for some rest and relaxation and re-charging of the batteries. So on behalf of the Deputy Bailiff, the Dean, who has come in and spoken, the Greffier, the Viscount and the ushers, I wish all Members an opportunity of relaxation with their families and I wish you all a very happy Christmas and New Year. **[Approbation]** So with that I declare this session closed and the States will re-convene on 19th January.

ADJOURNMENT