

STATES OF JERSEY

OFFICIAL REPORT

TUESDAY, 5th APRIL 2011

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[9:30]

The Roll was called and the Vice-Dean led the Assembly in Prayer.

APPOINTMENT OF MINISTERS, COMMITTEES AND PANELS

1. Appointment of the President of the Chairmen's Committee

The Bailiff:

Then we come under F, appointment of the president of the Chairmen's Committee. As you know the former president has resigned and there is therefore a vacancy on this and therefore I invite nominations for the position of president which must of course be from among the members of the Chairmen's Committee. Are there any nominations for the position of President?

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

I would like to nominate Senator Ferguson.

The Bailiff:

Very well. Is that nomination seconded? **[Seconded]** Are there any other nominations?

Deputy M.R. Higgins of St. Helier:

Yes. I would like to nominate Deputy Southern.

The Bailiff:

Yes. Is that nomination seconded? **[Seconded]** Are there any other nominations? Very well, so I declare that there are 2 nominations. The procedure is set out in Standing Orders. It is one of those occasions where each candidate is entitled to address the Assembly for up to 10 minutes and then there is an opportunity to question them thereafter. The candidate who is not here must be in a place where he or she cannot hear what is going on. Can I say to each Member, there will be a bell rung after 9 minutes to warn the candidate that 10 minutes is nearly up? There will be a second bell at 10 minutes and at that occasion the candidate will have to stop even in mid-sentence. Now, Deputy Southern, I think you were called second so if you would like to retire with the Greffier to a suitable location. Very well, I am sure Deputy Southern is by now in some secure location and therefore I invite ... **[Laughter]**

Senator P.F.C. Ozouf:

Sir, were you hinting at something? **[Laughter]**

The Bailiff:

The Chair never hints at anything, Senator. I invite Senator Ferguson to address the Assembly.

1.1 Senator S.C. Ferguson:

Thank you. I was not exactly expecting this so Members will be pleased to know that I shall not be rattling on for the next 10 minutes or so. At this point in time the position of chairman is a 'night watchman' type of post. It is to keep the cart on the rails until October when no doubt things will all be changed. I would say that I bring to this my previous experience as chairman of the Chairmen's Committee and I suppose I would try, as I say, to keep the cart on the rails and keep the thing running smoothly until October. In actual fact it is less than that because most of the Scrutiny Panels are in fact finishing their reports by the end of July in order to start preparing for elections so that we are really talking a 3½ to 4 months period, so, as I say, it is a night watchman period. I think that is all I need to say. **[Approbation]**

The Bailiff:

Members have up to 20 minutes in which to question the candidate so are there any questions of Senator Ferguson?

1.1.1 Deputy M. Tadier of St. Brelade:

Thank you. What does the Senator see as the major issues that are facing Scrutiny at the moment and how does she plan to, in her capacity as the Chairman of the Chairmen's Committee, if elected, help to resolve any outstanding issues?

[9:45]

Senator S.C. Ferguson:

The most controversial issue ... I think there are a number of issues but obviously the most controversial issue is the airport review by Deputy Higgins. I think again on this we will probably have to review again the situation and the chairmen to meet on this and try and thrash out a compromise situation, which satisfies the perception of their conflict as well as the wishes of the panel to review the airport. Other matters: I think making sure that we can get our point across to the Council of Ministers, but that is probably an ongoing matter and probably will depend on how many bricks I have got in my handbag at the time. Basically, as I say, we have only got a 3½ month period so I really cannot see that we can achieve a lot apart from keeping the cart...

1.1.2 Deputy P.V.F. Le Claire of St. Helier:

While I was happy to second the nomination of the candidate, I would like to ask the candidate why it appears this morning that no discussion has taken place for this position. Is this position not something of importance in the States Assembly? Given the fact that the previous president had resigned on such a significant issue as his belief that Scrutiny is failing and the system is not working, is this not just another demonstration that the Scrutiny side of matters are not taking the sort of attention of Members that they should be?

Senator S.C. Ferguson:

That is a very good question. I am not quite certain why we did not have a meeting. I had in fact left it to others to organise it, which was probably my first mistake. We should have had a get-together to discuss it. It is an important post but, as I say, it is a somewhat of a "Johnny-come-lately" position in that it is merely to look after 3 months and to keep the cart on the rails. I do consider it important. Certainly I had made the suggestion that the vice-chairman should take over for this last period to July. I regret that he has not, but if elected obviously I will do my best to keep the cart on the rails.

1.1.3 Senator A. Breckon:

I wonder if I could ask Senator Ferguson to comment on the working relationship between the Chairmen's Committee and the Council of Ministers and if she thinks anything could be done to improve it.

Senator S.C. Ferguson:

My particular committee has had no problem dealing with the Council of Ministers. If I could persuade all chairmen to deal with the Council of Ministers in the same way then perhaps everything would be better. On the other hand, I think the regular meetings we have with the Council of Ministers are, in fact, useful. I think the problem is that if you go into these sorts of meetings with an antagonistic approach, then obviously you do not get such a good response. There has to be a give and take. Scrutiny cannot take everything; it does have to give on occasions. My real aim is to keep the channels of communication open and to keep them civilised. It is quite possible to question vigorously without being uncivilised. I think we all have a fantastic example in the Auditor General, who can ask the most penetrating questions in the most civilised manner that I have ever heard. It is possibly something that some of our advocates could learn from as well. But I think basically, it is to keep the channels of communication open and to keep talking. As Churchill said: "Better jaw, jaw, jaw than war, war, war."

1.1.4 Deputy R.G. Le Hérissier:

Thank you. What is the candidate's view of whether membership of Scrutiny should be compulsory for all Members who are not on the Executive?

Senator S.C. Ferguson:

This is a question, I think, on which a lot of midnight oil has been burned and there has been a lot of consideration. There is a problem that we do have Members of this Assembly who stay outside Scrutiny and who are not part of the Executive. This is a problem because it means that we are down to small numbers in Scrutiny. Now, I think there are obviously Members who will come on to Scrutiny Panels for particular reports. We have also the problem that quite a lot of people are on the Planning Panel, which takes up a lot of time and people. I think there is also a problem that some of our newly-elected people are whisked-on to Assistant Ministerships without having been through Scrutiny and understanding what Scrutiny is about. Now, this is something that I think needs to be addressed before the next elections. It is certainly something that I think there will be a lot of discussion about because I think obviously at the moment Scrutiny does not have the glamour of being in the Executive. Unlike the House of Commons where the committees are ... people fight for membership of those committees and we are trying to raise the profile of Scrutiny in that at the completion of a report a chairman will make a statement in the House to try and get the points across because sometimes the media, God bless them, do not always get the points of view that you want to get across and the important points. I think this is obviously a matter we are going to have to deal with. You cannot, I do not think, just dictate to people that they must be on Scrutiny because I think that would ... better a willing volunteer than an unwilling conscript. I think this one may run for a while but we are doing our best to look at it and improve it.

1.1.5 Connétable J. Gallichan of St. Mary:

Thank you. I am glad to follow that because I sense there is a contradiction. The candidate said when she gave her speech ... she saw this as a caretaker role keeping the cart on the rails yet obviously she shares my concern that less than half the available non-executive Members are serving on Scrutiny. Rather than keeping the cart on the rails what will the candidate do, if elected, to make sure that the next intake of States Members sees Scrutiny as valuable and sees the legacy as something to carry on?

Senator S.C. Ferguson:

I see that as part of the caretaker role; to get some plans together for it. I think Scrutiny is very bad at advertising what it has done well. It is unfortunate that perhaps the Ministers do not always agree with the results of Scrutiny Reports but I think we need to emphasise where the Ministers have, in fact, adopted the findings and recommendations of Scrutiny Reports and I suppose basically it is also up to the chairman to raise the profile and make it more exciting. But, as I say, I see that as part of the caretaker role and it will need some more work and it will require working with my fellow chairmen in order to do this. We will try and get something done before the elections but more than that, until I am elected, I do not think I can say.

1.1.6 Deputy T.M. Pitman of St. Helier:

Thank you. Following on from the last 2 questions really; what does the candidate feel that she can bring to the position that will develop some leadership and some decisiveness and enhance the role as far as team-building because, as she said, there are only 14 people doing Scrutiny work, and how can she enhance the role and provide that leadership that has been lacking, such as the role allows?

Senator S.C. Ferguson:

I do wonder if part of the problem is the fact that some of the reports that some panels have been doing are not terribly exciting. I think you have also got to pick your subject that you are going to review to make it vital. It has got to be perceived as being vital to the good running of Government

and with a bit more meat to it. One or 2 of the reports that I have seen come out of Scrutiny have not been on very exciting topics, and I think you can possibly look at the volume of reports that have come out of various panels and think, well, are they contributing? So, while people can say: “Scrutiny is not working”, “Scrutiny is not this, is not that” and Scrutiny will try and blame everything under the sun. To paraphrase the immortal bard: “The fault, dear Brutus, lies not in our stars but in ourselves.” I think perhaps we have not done enough to make it more exciting. My panel; yes, we have had some super topics ...

The Bailiff:

Yes, that is quite a long answer and there are other people wanting to ask questions.

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

Will the candidate lead the Chairmen’s Committee towards change, towards a select committee system similar to what they have in the U.K. (United Kingdom), given the current system appears to be creaking at the edges and I believe change is needed?

Senator S.C. Ferguson:

I know that the Deputy obviously wants to change the name of Scrutiny Panels to Select Committees. Sometimes if you are marketing, rebranding does help and I think this is something we do need to look at because, as I say, it is basically a marketing exercise. We need to make Scrutiny look more exciting. We need to make it look relevant. We need to make it look effective. If that requires changing the names to Select Committees then I think that might be a goer. I am sorry that is not parliamentary language, but I think it might well have a lot of merit and this is no doubt something that the panel would discuss.

1.1.8 Connétable D.W. Mezbourian of St. Lawrence:

What are the candidate’s views on whether there is, indeed, a conflict with the chair of the airport review?

Senator S.C. Ferguson:

Yes. As Members will know, I did, in fact, vote for the review because I think the airport does need looking at. At the time I make no excuses, it passed me by that the chairman of the E.D.D. (Economic Development Department) Panel is at the moment, out of the £100,000 E.D.D. grant... he is, in fact, taking a salary for running the air display and I think, as I say, it flew past me for some reason. I make no excuses. In retrospect I think that does give the perception of conflict and I think this is something that will come back to bite us if it is not dealt with.

[10:00]

Deputy M.R. Higgins:

Can I make a correction there? I do not receive a salary from the air display. I have a contract of service. I do receive a payment for some of the services that I do. **[Laughter]** It is different to a contract; I am not employed by the air display company.

Senator S.C. Ferguson:

Having allowed that interruption, payment for his services in organising the air display for something which is allegedly a charity, I think there is ...

Deputy M.R. Higgins:

I have got to interrupt again.

Senator S.C. Ferguson:

I am not giving way. There is a public perception to be considered and I think it must be considered. There must be a way round it to remove the perception but allow the review to go

forward and it is that that we need to organise. We really do not need to argue over is it a contract of service or is it a salary. What we need to do is see how we can push it forward rather than just argue at the margin.

1.1.9 Senator P.F.C. Ozouf:

The previous President cited a number of reasons for his resignation: the Ministerial government not being fit for purpose, Ministerial government being responsible for the worldwide downturn as far as I could read it [**Laughter**], the Troy Rule and other issues in relation to Public Accounts Committee and the issue of conflict of interest. Does the candidate agree with any of the other criticisms, apart from the conflict of interest issue which was raised, and if she does agree with any of those other criticisms, what is she going to do about it?

Senator S.C. Ferguson:

I think, as the Minister will remember, a lot of my panel's criticisms of how Ministerial government is working have been incorporated in our reports to the States Assembly on various financial matters, in the C.S.R. (Comprehensive Spending Review) 1, in the fiscal stimulus. Our reports do contain our criticisms. Our main criticism, which I do not think was one that the previous chairman mentioned, was long-term planning where we strongly recommended that they follow the New Zealand model where they have a 40-year strategic review and then shorter strategic reports every 4 years with the election cycle. So I believe in trying to be constructive and I will continue to be constructive as I hope our Scrutiny reports indicate.

Senator P.F.C. Ozouf:

I do not think she answered the question whether or not she agreed with any of the other criticisms.

Senator S.C. Ferguson:

I have been learning from the Minister for Treasury and Resources. [**Laughter**]. There is nothing else I can say. [**Laughter**] [**Aside**]

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

The candidate has talked about not exciting reports and the need to make Scrutiny look effective and relevant. There has just been a report published which has demonstrated that the proposition of the Minister involves no meaningful research, no aims and objectives, no evidence, no stakeholders were identified and the consultation itself was flawed, both in presentation and in execution. Yet the Minister persists in bringing this to the House. What is the candidate's approach to this because she has defined the problem as being Scrutiny has a lack of profile and so on and then when Ministers treat it like that, what is her reaction?

The Bailiff:

All right, so that is the 20 minutes end of questioning then. Just before I call Deputy Southern, Deputy Higgins, you wanted to intervene. It is only fair to give you the opportunity to say anything by way of clarification now if you wish to.

Deputy M.R. Higgins:

I take offence at Senator Ferguson's comments regarding the air display as a supposed charity. It has charitable status because its aims are to help raise money for service charities and promote tourism in the Island. It does both. It enables the Royal Air Force Association to raise money for its funds. It has also helped ... in fact we sponsored Holiday for Hero veterans at the air display, so it does have a charitable purpose. She is making an aspersion "alleged" charity. Yes, it has charitable status, that is the point. The other thing too is it seems to imply that because I receive some money - and I say some money - there is something wrong in me undertaking this review. The air display is distinct from the airport. It is distinct from the review we are doing. I believe that Scrutiny is evidence-based and it is only a perceived conflict of interest because it has been

generated as that. I am going to address that in the report when it comes out at the very beginning very transparently setting it out, but I would say to people, judge the report by the evidence because every report that I have been involved in has been evidence-based. If the airport is doing well, it will state that. If not, it will be criticised.

The Bailiff:

Deputy, I did not mean you to go into a great defence of the position. I just wanted to know whether you wanted to clarify any actual errors which the Minister ... very well. Now then Senator Ferguson, would you kindly retire with the Greffier's Assistant to an equally secure location as Deputy Southern and we invite Deputy Southern to return. Very well then. Deputy Southern has returned. When you ready, Deputy, I invite you to address the Assembly for up to 10 minutes.

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

For one terrifying minute, you thought there was going to be no candidates but all you were witnessing was the fight to be second so that we could prepare a little, and perhaps that is to my advantage because I have done 10 minutes thinking about what is the role of the Chairmen's Committee and where we should be going and why we are in such a crisis. The first thing I did though was look at the Standing Orders to see what it is that we are supposed to do. I looked at the Chairmen's Committee, establishment and constitution, terms of reference and it lasts for all of 2 sides. It is not an enormous job. It is an important job but it is not an enormous job. Fundamentally it is to act as a co-ordinating body for the work of P.A.C. (Public Accounts Committee) and Scrutiny Panels to ensure there is no unintended overlap. It goes on to co-ordinate the actions of Scrutiny and that is about it. I do not really want to be standing here with 8 months to go competing for a position which is a co-ordinator but we are at a crisis. We are at a crisis, and Members may not like to hear this but I will remind them again, because we adopted half of Clothier at the very beginning. We did not go for the whole package and the crisis that we are in now in terms of Scrutiny and its effectiveness was almost inevitable and could have been predicted. We took half the package. We are going to end up here with ineffective Scrutiny and that is the first time I have ever said that. Scrutiny at the moment is becoming less and less relevant to the actions of this body. The question is can we change that, can we make Scrutiny more effective and more efficient? I think the first thing we should be doing - and if it is the only thing I do in the next few months, then I will be pleased - I will be trying to ensure that anybody standing for a position in the States, whatever position, is aware that when they come into the States if they are not on the Executive, they are expected to do Scrutiny work. It goes with the job. Whether it is Constable, Deputy or Senator, it goes with the job. Standing in here, sitting in here, you have got to be involved in Scrutiny. By Scrutiny I do not necessarily mean P.A.C. That is a different job. It is a backward-looking job. That is examining past spending, a different issue, it is not policy. I do not mean P.P.C. (Privileges and Procedures Committee) which is different again, and I certainly do not mean sitting on a Planning Committee, which is different again, and yet people manage to escape into little bole holes in one of those committees and effectively not do Scrutiny. That cannot be allowed to happen. The first essential step we need to do is make sure anybody who is standing for a position in the States is aware that they will have to do, they are expected to do, and they will do, effective Scrutiny work. The second aspect of the crisis is that currently we are down to about 13 or 14 effective members. We cannot carry on like that and there has to be a new start come the new elections, and that is part of it. What else do we need to do? I think we need to and I will revisit the issue of who can do Scrutiny. In principle, I am against involving members of the Executive at all in Scrutiny. However, given what is happening and the way we are going, I would, as leading the Chairmen's Committee, review the position of Assistant Ministers as a possibility, examining scrutinising areas that they are not responsible for as a way forward to get more bodies and more enthusiasm and more commitment on the side of Scrutiny. It is interesting that 2 months ago an officer who was leaving as part of the redundancy programme said: "What is the biggest difference between an effective Scrutiny Panel and an ineffective Scrutiny Panel?" and he said: "Clearly, the

enthusiasm and commitment of the chairman and of the members for making sure that something gets done.” You have either got that drive which says I have set deadlines and things happen by those deadlines or not. The chairman who has not got the enthusiasm and/or the commitment ends up being ineffective and that is the experience worldwide. It is certainly the experience of the U.K., in Scotland, in Wales, in the Parliament itself. Talk to anybody about what makes effective Scrutiny and they will say the commitment of the chairman, and that is the key thing, and the members.

[10:15]

At the moment, members are feeling that what is the point? It is a moment of existential angst in Scrutiny. Everybody is walking around, including officers, saying: “What is the point? We do all this work, we gather the evidence, we sift it professionally and to the best of our abilities. We present our findings, we have recommendations and what happens? By and large, they get ignored.” That is where the breakdown is and that is where the lack of enthusiasm is coming from because people are saying: “What is the point?” I hope I can bring some point to the activities of Scrutiny in the next 8 months. We will do that, I hope, by having more focused, better-focused meetings. This general “to act as co-ordinating body” is very vague. It says talk to the Council of Ministers. Make sure you know their plans and that they know your plans. That is a talking shop. When we go and talk to the Council of Ministers, why are we not taking one of the overarching themes which applies to more than one Scrutiny Panel, for example like promoting equality on the Island - that is one of mine - and discussing with the Council of Ministers out of their silos what effectively is happening across the whole of Government? Why are we not doing that? Why not focus on an issue, and this is something I always say with my panel. I do not have cosy tea parties with my panel. Neither should the Chairmen’s Committee be having cosy tea parties where you just sit round for an hour and a half and we go away and nothing has really been decided. Nobody has said who is doing what and by when, what action are we taking in order to achieve something. that is not happening. Now I have sat on the Chairmen’s Committee for a long time, it seems for ever. It does seem an awful long time and I have seen various abilities brought to the job and, to be honest, I do not want to sit back on a Chairmen’s Committee led by the Senator because she has had 3 years of that and, to be honest, it was not that successful. We are down to lunchtime meetings that are done in an hour and a half, 2 hours. They are much more effective than they were. We used to have all morning sessions and without well, okay, telling tales out of school, the person who moved the committee on who said: “Is it not time we came to a decision who is doing what and by when? What are we going to do about this?” The person who did that prompt most often when we had half an hour of wandering around the issues and the hills was me. Now I do not want to have to do that again. I would rather be leading from the front and focusing more effectively the work of Scrutiny and trying to ensure that officers and members alike regain the enthusiasm, regain the vision and the commitment that made us decide to do Scrutiny in the first place. That is my aim.

The Bailiff:

Very well. So then we have our 20 minutes of questions.

1.2.1 Deputy T.M. Pitman:

My question is about consistency. In resigning the previous president has sought to make considerable play out of alleged conflict of interest in criticising another chairman yet, from my own observations filling in for my chairman on the panel, appears oblivious to his own conflict in pushing to review public sector pensions despite his awfully much pronounced and flawed views on the subject. How would the candidate guard against these inconsistencies in taking the Chairmen’s Committee forward?

Deputy G.P. Southern:

The Deputy focuses quite rightly on the fundamental decision within Scrutiny to remain objective. It is not a political position. I go back to a position that I have taken for a long time, which is that it is perfectly possible for everyone to walk into a Scrutiny meeting, take off their political hat and their political hobbyhorses, put on the Scrutiny hat, be objective, sift the evidence and do your best with that evidence to come to conclusions that are reasoned and logical and are supported by the evidence. The last question I always ask with my Scrutiny Panel - and I do it with any actions that we took as Chairmen's Committee - is is this position backed up by the evidence wherever possible? If it is not, then we change it and we work at it until we get a form of words that we can agree and we go forward with it. We have a serious danger of a major split at the moment on the Chairmen's Committee and in Scrutiny. I will work hard to make sure that we get consensus again and agree a way forward.

1.2.2 Deputy M. Tadier:

Which of the candidates does the Deputy think that the Ministers and Assistant Ministers will vote for? Should non-Scrutiny members be able to vote for Scrutiny members and would the result be different if Scrutiny solely were to select their own chairman of the Chairmen's Committee?

Deputy G.P. Southern:

I have absolutely no idea how the minds of Ministers work, so I could not possibly second-guess which way they might vote in this particular case and I will not be drawn on it. However, the second half of your question?

Deputy M. Tadier:

Should Scrutiny members only be the ones voting on this and not the Executive?

Deputy G.P. Southern:

In principle and since we had the first elections, I am in favour of Ministers not being able to vote for Scrutiny chairmen or Scrutiny positions because it is like picking your own team and that should not be allowed to happen, not that anybody would do that because we are all honourable men and women, but the opportunity to do so should not be presented.

1.2.3 Deputy P.V.F. Le Claire:

The candidate said it is like picking your own team but I think what he meant was it is like picking your own opposition, which is worse. **[Laughter]** Would the candidate please address some response to this concern of mine? This morning, it was quite apparent, or at least it seemed apparent, that there was no preparation and no co-ordination from the chairs of Scrutiny in preparing for this election this morning. Is it now possibly time because these bodies need to be co-ordinated in an independent and impartial way that perhaps the chairman of this role could be considered from among general Scrutiny membership rather than just the chairs?

Deputy G.P. Southern:

I thank the Deputy for the correction. He was right, that is what I meant to say, picking your own opposition, and it is a thought that the constitution of the Chairmen's Committee could be reviewed in such a manner as to get another body on there. I see no reason why not in principle and if that produces a bit of independence that would be good. However, it is not first on my agenda and I do not think that in and of itself would make a significant difference. What I have found in the past is that there has been too much emphasis on P.A.C. issues rather than on Scrutiny issues, and I think that has diverted the co-ordinating role somewhat and that needs looking at.

1.2.4 Deputy R.G. Le Hérisier:

How would the candidate ensure that the impact of Scrutiny reports is much more effective?

Deputy G.P. Southern:

He will take the latest prompt sheet that applies to Scrutiny Panels as to how to maximise your media coverage and your impact in the big world out there and apply it to the Chairmen's Committee. Wherever we make a decision, then we should be looking at that template and say how do we maximise the impact of this decision in terms of the consciousness of the people and voters out there to say that we are doing something and it is effective.

1.2.5 The Deputy of St. Mary:

The speaker has talked about members on Scrutiny feeling what is the point and he has also spoken about the meetings with the Council of Ministers. A Scrutiny Panel has just done a report which demonstrates that a proposition has been brought to the States by a Minister with no meaningful research, no aims and objectives, no evidence having been considered, no stakeholders identified and the consultation itself was flawed both in execution and in presentation and yet the Minister still brings it to the States. I just wonder what the candidate would do in his position as chairman of the Chairmen's Committee.

Deputy G.P. Southern:

I do not think there is a role for action on the part of the Chairmen's Committee there apart from to support the panel that brought the damning, I presume, assessment of the absence of research. I am totally unsurprised that material arrives from the Council of Ministers in this Chamber apparently under-researched and ill thought through. It happens time and time again. What I would like to see, and I think Scrutiny has an effective role in promoting this, is that where we have a so-called consultation, we do not have a flawed consultation where some of the results are already dismissed, where the questions sometimes are leading and there should be a role for, I think, the committee and certainly Scrutiny in tightening up the way in which Ministers conduct their consultation to make sure that it is effective and a good open consultation rather than one that is damaged.

1.2.6 Senator A. Breckon:

Could I ask Deputy Southern to comment on the present working relationship with the Council of Ministers and what he thinks could be done to improve it between that and the Chairmen's Committee?

Deputy G.P. Southern:

I think the working relationships have got better. That is faint praise. I have been involved as long as anybody in this Chamber with Scrutiny but it seems to me that initially officers and Ministers seemed to want to keep everything secret. They would not give us the papers so we could do a halfway decent piece of work on an issue unless we knew exactly what we were going for. It was very hard to get hold of the material in the first place. That seems to have got better. However, the fact is that, by and large, the recommendations of Scrutiny are often ignored unless they are fairly small and inconsequential, in which case they are accepted, or unless they absolutely agree with the Minister, in which case they are welcomed with open arms. There is much to be done on that and the way in which the committee and panels themselves bring those issues to the States with their recommendation and whether their evidence needs to be fortified, to be strengthened and that way we can get better relations. We have now faced the issue that apparently has brought about the resignation where a Minister is saying: "Not only will we maybe not give you the papers and not only will we ignore your results but we will call foul whenever we feel like it and try and stop you going to an area where you feel you need to go." That is what is happening here, and I think we have to stand up to those sorts of tactics very firmly and say: "No, Scrutiny decides the way it goes. Scrutiny decides on the possibility of the perception of a conflict of interest and we will back our people to act professionally in a proper manner to investigate the evidence in an issue where they might already have some experience." That is not a conflict of interest. That is saying: "Maybe I know where the skeletons are. Let us go there."

1.2.7 The Connétable of St. Lawrence:

I think my question follows on from the answer the candidate has just given, and my question is what are the candidate's views on whether there is indeed a conflict with the chair of the Airport Review?

Deputy G.P. Southern:

As ever, the Constable asks a succinct and accurate and hard question. She does it time and time again. My views are that there is no conflict of interest. There may be a perception of a conflict of interest and it is up to us on that panel if we decide to go and investigate matters at the airport to do a thorough job, one that stands up to be double clean and doubly-effective because it has been so rigorous that our conclusions stand out a mile. So it has got to be the best Scrutiny report we have ever produced and the cleanest one we have ever produced in order to make sure that the people going around saying: "Oh a conflict of interest"... there is no conflict of interest. If you look at the terms of reference, they are completely separate from any role associated with the air display and they are clearly defined and specific areas that I certainly am willing to help the chairman investigate in a thorough and efficient manner.

[10:30]

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

There was a Code of Practice Review Group set up that made a number of findings and recommendations to the Chairmen's Committee. What are the candidate's views of these and does he not agree that the fundamental problem at present is in fact the very Members in this Assembly and follow-up of reports for Scrutiny?

Deputy G.P. Southern:

Yes, I have read the report. I do not agree with all of it. However, the second point that the Deputy made on follow-up is an essential one. It is something that Scrutiny is weak in and needs to be given a nudge from time to time or a strong nudge, something stronger than a nudge - imagine something stronger than a nudge - that is what it needs, a kick up the B.T.M. to make sure that we do follow up because after the 6-week period and then it is nominally then another 3 months, 6 months. Do we ever go back? Very rarely. It is something that is a failing I think almost everywhere in Government but certainly one that needs urgent attention in Scrutiny to make sure that we do follow up and say: "What has happened?" because I think the answer often will be: "Nothing." Reports are just sitting on the shelf again as used to happen in the bad old days of committees.

1.2.9 Senator P.F.C. Ozouf:

In addition to the issue of conflict of interest, the previous president cited a number of reasons for his resignation, including the Ministerial government not being fit for purpose, Ministerial government being responsible for the global downturn, Guernsey's economic performance being better than Jersey, the Troy Rule and the Public Accounts Committee's report P.4. Does the candidate agree with any of these criticisms? Does he think they are fair and if he does, will he use his position if elected to deal with any of them?

Deputy G.P. Southern:

When I first read the letter of resignation, I could not believe what I was reading. It seemed to be a condemnation of everything that is wrong with the world and then it came to the conflict issue. On reflection, I do agree with him on many issues. However, I do not think they are resignation issues, any one of them, and I thank the Minister for Treasury and Resources, and I come back to the answer that I started with earlier on. What is wrong with Scrutiny is the same as what is wrong with Ministerial government. We took half of Clothier. We are trying to build half a machine. It is not going to work. We have to take the second half of Clothier eventually in order to get it right

because until we do we will not get it right. We can try and get it right and certainly in terms of focusing the activities of Scrutiny and of the Committee, in particular, that is what I will be doing.

1.2.10 The Deputy of St. John:

If elected, will the candidate be able to work with fellow chairmen, with the Council of Ministers and if so, would he envisage working with P.P.C. in putting in place a stronger Scrutiny system and all that would go with that with a view to moving forward to a Westminster-type system of a select committee in the future?

Deputy G.P. Southern:

I think the Deputy has perhaps already heard me say that I would review the issue of the involvement of Assistant Ministers in terms of trying to build a more solid base for Scrutiny, so in answer to his going towards a select committee system, that looks like a yes. It certainly requires review. In terms of working with Ministers, I will continue the way I have done. It is a challenging process. Scrutiny is about holding Ministers to account. It is not about cosy tea parties, tea and buns around the fire. It is about focused issues and that is what we should be doing whenever we meet. When we meet with the Council of Ministers, there should be a proper agenda and a proper focus to what are we doing with the next hour and a half rather than just meeting each other and making sure we know where we are. That is one issue but that can be done in writing. If we want to meet with somebody, it has got to be a working meeting that is about issues, best of all a single issue, and you thrash something out and something results at the end of it. So that is the way I would proceed and that is the way professionally we should be behaving.

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

I think the important thing is that we will remember that we are here as representatives. The answer that the candidate gave a little while ago as to who should be able to vote for Scrutiny members appears to me that that would be disenfranchising those electorates whose representatives are not on Scrutiny. Could the candidate please expand on his view?

Deputy G.P. Southern:

I do not know what type of voters the Deputy has been talking to out there but I have yet to meet a voter who said all Ministers must be able to vote for their Scrutiny chairman that holds them to account. They must be allowed to vote for the opposition otherwise I am disenfranchised, and I care who does what inside the Chamber. The fact is that apart from the policies that they adhere to, no voter out there cares what we do in the internal machinations of who gets what. That is politics with a small “p”. It is politics with a big “P” that voters are interested in, and that is about delivering effective policy in the interests of all people on the Island and not in the interests of a few.

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

Given that the candidate was a successful and hardworking chairman of the former Economic Development Scrutiny Panel, it was noted that some of the reports inferred personality clashes with the Executive at the time. I would ask the Deputy to indicate whether or not he would continue with this style if elected chairman.

Deputy G.P. Southern:

I do not accept the premise of that question at all. Inferred personality clashes? Nonsense. I worked highly effectively with the Minister for Treasury and Resources over the Telecom sale and eventually he came round to the view we were holding out because the evidence was there in front of him, that he should not be going that way and he gracefully did not acknowledge what we had done but backed-off anyway.

The Connétable of St. Saviour:

Thank you but the question has already been asked.

1.2.13 Connétable J.M. Refault of St. Peter:

Does the candidate believe that Scrutiny as a whole is weakened in the public eye where perceived conflicts of interest are not resolved in a transparent and open way?

Deputy G.P. Southern:

Absolutely and the way to resolve them is through a thorough, sound and solid report based on evidence, based on the work of those who are supposed ... and we are on a small Island. Come on, look round the room. How many conflicts of interest have we got in the room? I bet everyone can think of a conflict of interest for every one Member in the States. If we go down the route of conflict of interest brought up by a Minister to object to a particular investigation, then that is the way of damnation because nobody in this room will be able to act, especially in areas where they have already got some expertise.

The Deputy of St. Peter:

In the candidate's answer to Deputy Jeune ...

The Bailiff:

I am sorry, Deputy, you have been beaten by the bell.

Deputy G.P. Southern:

May I say that is the longest 20 minutes I have ever been through in my entire life. **[Laughter]**

The Bailiff:

Very well. Then could Senator Ferguson be invited back to the Assembly? Very well. Well I will invite the Usher and the Deputy Viscount to distribute ballot papers and they are blank and therefore Members should write on them the name of their preferred candidate.

Connétable G.F. Butcher of St. John:

I wonder if I could ask, is this a first past the post vote or are we doing the alternative vote? **[Laughter]**

The Bailiff:

I think with only 2, whichever system you have, Connétable. **[Laughter]** Very well. So I invite the Usher and Deputy Viscount to collect the ballot papers please. Very well. Have all Members had an opportunity of filling in their ballot papers? Then I will ask the Attorney General and Deputy Viscount to act as scrutineers.

1.3 Appointment of the President of the Chairmen's Committee: result of election

The Bailiff:

Very well. We will move on to the next question but before that, I can announce the result of the election for the President of the Chairmen's Committee. The votes cast were as follows: Senator Ferguson 27 votes, Deputy Southern 20 votes and there was one spoilt paper. So I declare that Senator Ferguson is the president of the Chairmen's Committee. We come to the next matter which is the nomination of a member of the Corporate Services Scrutiny Panel. Senator Ferguson?

2. Nomination of Senator J.L. Perchard as a member of the Corporate Services Scrutiny Panel

2.1 Senator S.C. Ferguson:

I am very pleased to be able to nominate Senator James Perchard to join the panel.

The Bailiff:

Is that nomination seconded? [**Seconded**] Are there any other nominations for the position of a member of the Corporate Services Scrutiny Panel? Very well, then I declare that Senator Perchard is elected as a member of that panel. [**Approbation**] There are no matters under G or H so we come to Questions.

QUESTIONS

3. Written Questions

3.1 THE DEPUTY OF ST. MARY OF THE MINISTER FOR HEALTH AND SOCIAL SERVICES REGARDING HOSPITAL WAITING LISTS:

Question

Could the Minister tell members what the hospital's policy is on waiting lists? What are the waiting times in the most accessed disciplines compared with comparator health authorities/hospitals in the UK and what have been the trends over the last ten years?

Answer

HSSD's waiting list policy is a comprehensive document (12 pages) covering a variety of issues and circumstances relating to waiting list management¹.

HSSD's current waiting list targets are:

- 3 months for an out-patients appointment from the date the referral is received to the appointment
- 3 months for elective operations from the date the patient is added to the surgery waiting list to the day of the operation.

These targets do apply to all services except for emergency admissions or urgent patients, such as those with cancer, who are always prioritised.

At the end of 2010, across all services, 80% of outpatients' appointments and 79% of elective operations were within target. This performance against target has remained relatively static to date during 2011 (1st March 2011 - elective and outpatients waiting lists both at 79%).

HSSD does not hold the data to provide meaningful 10 year trend information. Detailed service-by-service information relating to fluctuations against target can be provided a longer time frame will be required. Specialities with the longest wait include:

Elective in-patient waits over 3 months target

Specialities with the longest waits include:

- orthopaedics - a new consultant is taking up post in April

¹ States members requiring a full copy of the policy can request one from the Department. This policy is primarily intended to support staff to manage waiting lists, as opposed to a public facing document.

- oral surgery - an action plan has been developed and the lead consultant will carry out some additional operating lists
- ophthalmology - the appointment of a temporary middle-grade doctor is supporting reductions in waiting times (new funding for this service will be available from 2012)

Out-patients waits over 3 months target

Specialities with the longest waits include:

- diabetic services - Diabetes Jersey are funding an additional specialist nurse to help bring down waiting times
- bariatric services - HSSD is currently developing plans to tender for new UK service to provide bariatric surgery (current contract price is not competitive)
- ophthalmology – the length of patients waits is increasing in the ophthalmology service. A new middle-grade doctors has been appointed to help reduce waits. A full business case is being developed in order to help meet increased demands for this service which are driven by an ageing population.

It is important to note that the elective surgical waiting lists are directly affected by activity in out-patients services. An increase in throughput of out-patients results in increased work load and potentially increase waiting in elective surgery.

HSSD targets are different to UK targets (18 weeks from the date the referral is written to treatment) and the two jurisdictions are not directly comparable in part due to the very significant financial investment in the UK aimed specifically at reducing waiting times.

3.2 THE DEPUTY OF ST. MARY OF THE MINISTER FOR HEALTH AND SOCIAL SERVICES REGARDING TREATMENT FOR OBESITY:

Question

Can the Minister tell members what the Health Service's current policy is with regard to the treatment of obesity and other health problems to which obesity is a contributory factor, and to the prevention of obesity? Can the Minister tell members of any cost benefit analysis which has been done into the costs and the benefits, financial and non-financial, of prevention rather than cure? What is the trend in obesity-related treatments over the last 5 years, and what are the latest estimates of the scale of the potential costs involved both now and in the future?

Answer

The increasing prevalence of obesity amongst adults and children is a major public health challenge in Jersey and other jurisdictions. Being overweight or obese increases the risk of developing a range of other health problems such as coronary heart disease (CHD), type 2 diabetes, some cancers, stroke and reduce life expectancy.

The consequences of obesity are not limited to the direct impact on health. Being overweight or obese has adverse social consequences for the individual (eg. discrimination, social exclusion and loss of or lower earnings) and for the wider economy (eg. working days lost and increased benefit payments).

HSSD approach is therefore twofold:

1. Prevention of obesity

Focus on intervening early during childhood.

- Rolling out the Healthy Schools Programme
- Ensuring healthy food and exercise is part of the curriculum
- Establishing Healthy Food Standards for Secondary School Canteens
- Monitoring child weight as part of school entry health check
- Health walks

In addition approaches which are focused on adults include

- Supporting the delivery of the Exercise Referral Scheme
- Piloting weight watcher on referral scheme
- Advocating for a physical environment that promotes active travel (cycling and walking)

2. Treatment and support

Specific services offered by HSSD relating to the treatment of obesity include:

- Patients with obesity problems may also be referred to the dietetic services by our consultants if they have associated health conditions.
- Bariatric surgery - GP's refer to service which takes a multidisciplinary approach including weight loss advice and monitoring psychological assessment prior to referral to the UK for surgery, if deemed appropriate

Increase in obesity and associated costs

Jersey has a growing obesity problem. The Jersey Annual Social Survey 2010 (JASS 2010) suggests about 19% of men 17% of women are now obese (Body Mass Index [BMI] of 30 or more). This is an increase on 2008 when 11% of men and 12% of women were obese. The 2010 survey also suggests that 1-2% of adult islanders (over 1,000 people) have a BMI of 40 or more. The lifespan of an obese person is up to 8-10 years shorter (for a BMI of 40-45) than a person of normal weight. This is similar to the reduced life expectancy observed in smokers².

JASS 2010 also suggests that around one in five women and one in ten men have a waist size at levels associated with a *very* high risk of cardio-vascular disease.

This increase will inevitably result in rising health care costs and rising numbers of patients seeking treatment for obesity and associated chronic conditions. For example, HSSD's Diabetes Centre has seen significant increases in caseload over recent years and it is expected that by 2016 it will be providing services to 7,500 patients (8% of population) compared to 500 in 1990.

Cost benefit analysis

Research evidence indicates the financial costs associated with obesity and its treatment, examples of which are detailed below. It is important to note that some of the evidence in this area is contradictory and open to dispute.

- Cost of obesity: The National Obesity Observatory has estimated the direct and

² Franco Sassi: 2010: Obesity and the Economic of Prevention, Fit not Fat: OECD

indirect costs of obesity in the UK, as detailed below³:

<u>Estimated costs</u>	<u>1998 (£ millions)</u>	<u>2002 (£ millions)</u>
Treating obesity	9.4	45.8 – 49.0c
Treating consequences of obesity	469.9	945 – 1,075
Total direct costs	479.3	990.8 – 1,124
Lost earnings due to premature mortality	827.8	1,050 – 1,150
Lost earnings due to attributable sickness	1,321.7	1,300 – 1,450
Total indirect costs	2,149.5	2,350 – 2,600
Total economic cost of obesity	2,628.9	3,340 – 3,724

Extrapolating these costs into the Jersey context, obesity and its consequences in 2002 would have cost around £1.5million in direct costs and about £4million in indirect costs. Costs that would have increased significantly in the intervening years.

³ The Economic Burden of Obesity, October 2010. http://www.noo.org.uk/NOO_pub

- Cost of prevention: logic dictates that prevention is better than cure, both financially and socially. It is important to recognise that whilst investment in prevention will bring financial benefits there is no evidence to support the notion that preventing obesity will mitigate or even reverse the trend of increasing expenditure. This is because technological progress puts constant pressure on health budgets so improvements in public health can, at best, only diminish the rate of increase in health spending.

Costs of surgery: Bariatric surgery and associated aftercare is costly however there is some research evidence that suggests that there are financial savings to be made through upfront investment in bariatric surgery. This is because the costs of surgery can, in some cases, be less than the costs of care for morbidly obese patients who have not undergone surgery⁴. Investment in bariatric surgery does however need to be prioritised against spending in other services.

HSSD future provision

As part of the KPMG 'Strategic Roadmap' work, a significant amount of energy is being spent on modelling the likely impact of future local population changes and health care need. This modelling work is informed by the ageing demographic and other significant trends such as increasing overweight and obesity.

This work will underpin a strategy for future health service delivery in the Island, alongside the strong imperative to invest in prevention and early intervention across a range of health issues. A Green Paper outlining the options is currently in development.

¹ Crémieux PY, Buchwald H, Shikora SA, et al. A study on the economic impact of bariatric surgery. *Am J Manag Care*. 2008;14(9):589-96.

3.3 DEPUTY G.P. SOUTHERN OF ST. HELIER OF THE MINISTER FOR HEALTH AND SOCIAL SERVICES REGARDING THE COST OF A G.P. CONSULTATION:

Question

Does the Minister accept the findings contained in Chapter 20 of SR.3/2011 'Review of Benefit Levels' that the cost of a GP consultation is such that it stops some people, especially those on low incomes, from seeing their GP?

Does she further consider that this presents a significant barrier to the implementation of her primary care strategy which emphasises preventative medicine?

What measures, if any, have been put in place to alleviate this problem since it was first reported in Jersey Annual Social Survey 2009, and if none, why?

What steps does the Minister, in conjunction with her colleagues, have under consideration to address this issue, and when will she bring any proposals to the States?

Answer

The Minister notes that the findings of the SR.3/2011 and recognises that the cost of a GP visit reportedly acts as a deterrent for some Islanders, at all income levels.

For those eligible for Income Support (IS) system support, there is provision for some GP visits and additional support is available for those individuals and families whose health is such that they require additional GP visits.

This benefit provision is designed to protect individuals who qualify for IS from the full impact of the costs of GP care and does therefore help families access primary care when they need to. The Minister acknowledges however that prioritising the costs of these visits may nevertheless present a problem in some cases.

The Jersey Annual Social Survey (JASS) 2009 survey does suggest the cost of GP services might contribute to reluctance to access preventative healthcare with people reportedly only visiting the GP “when I have to”. It is a matter of public health concern that about half the people in Jersey who pay for GP care may not prioritise spending on preventative healthcare, such as routine monitoring of chronic conditions e.g. high blood pressure and heart conditions.

In May 2010, the Minister for Social Security’s Proposition 36 – adopted unanimously by the States Assembly – lay the foundations for reform of primary care, drawing on the Health Insurance Fund to invest in practice infrastructure in return for commitment from the Jersey Primary Care Body to local regulation and delivery of a quality contract from 2012. Once the new quality contract is in place a proportion of GPs’ overall remuneration will be dependent on them delivering optimum regular care of their patients, as opposed to their current dependence on the level patient activity (i.e. the numbers of patients they see). It will therefore be in the GPs’ interests to reduce cost barriers to patients receiving this care. The effect of this is already being seen with more practice nurses being deployed as part of primary care teams.

In addition, the ‘Strategic Roadmap’ work which is currently underway will make further recommendations for building on the foundations firmly laid in P.36, towards a future safe, sustainable and affordable health care system in Jersey.

3.4 DEPUTY G.P. SOUTHERN OF ST. HELIER OF THE MINISTER FOR TREASURY AND RESOURCES REGARDING THE OVERLAP BETWEEN INCOME SUPPORT AND INCOME TAX THRESHOLDS:

Question

Does the Minister accept that the overlap between Income Support and Income Tax thresholds is a significant inefficiency which must be addressed and, if so, when will he bring measures to the States to do so?

Answer

The Minister has noted the findings and recommendations on this matter in the recent Health, Social Security and Housing Scrutiny report and will be reviewing those with the Minister for Social Security. A fuller response will be provided to that Scrutiny Panel within six weeks in accordance with the Code of Practice for Scrutiny Panels and the Public Accounts Committee.

3.5 DEPUTY G.P. SOUTHERN OF ST. HELIER OF THE MINISTER FOR HOUSING REGARDING SOCIAL RENTAL HOUSING:

Question

Does the Minister accept Key Finding 13 and Recommendation 11 of SR.3/2011 'Review of Benefit Levels' that the funding for the provision of social rented accommodation must be separated from the provision of Income Support benefits and, if so, when will he bring a proposal to deal with this to the Assembly?

Does he further accept that the quantity of States social rented accommodation is insufficient to meet the Island's needs, and, if so, what measures, if any, does he intend to pursue to resolve this problem and in what timescale?

Answer

I will be making a formal comment on SR.3/2011 in due course. A review of the relationship between the Housing Component of Income Support and social housing rents is currently underway. The findings will form part of the White Paper which will be lodged this year and is part of the wider Housing Transformation Project. I have formed a Political Steering Group to assist me with this work. The Minister for Social Security, Deputy Gorst, is a member of that Group.

I agree that we need more social and affordable housing. I am also of the view that we need to make better use of the social housing that we presently have. The Affordable Housing Gateway being developed as an element of the Regulatory work stream of the Housing Transformation Programme will address how we use the stock to benefit those in the greatest housing need, details about how it will operate and the benefits it will deliver will be set out in the aforementioned White Paper.

3.6 DEPUTY G.P. SOUTHERN OF ST. HELIER OF THE MINISTER FOR TREASURY AND RESOURCES REGARDING COMPANY TAX REVENUES:

Question

Given that in his response to written question 6121 on 1st March 2011 the Minister stated that it was "not possible to give firm figures" for company tax revenues for the years of assessment 2010 and 2011, will the Minister inform members of the latest estimates for these figures contained in his department's projections for budgetary purposes?

Answer

The estimated company tax revenues which are published in the Budget book summary table B remain the same. No further information is available at this time. The explanation for this position remains the same as in the answer to Part 1 of the Deputy's written question 6121, which was actually asked on 15th March 2011.

3.7 DEPUTY G.P. SOUTHERN OF ST. HELIER OF THE CHIEF MINISTER REGARDING PAY AND CONDITIONS OFFERED TO NURSES:

Question

Will the Chief Minister inform members why the pay and conditions offer under discussion with nurses representatives is limited to Grades 5 and above when retention rates for grades lower down the scale NM1 and NM3 are almost as high as that for NM5 (15%)?

Will he further explain why no offer is under discussion for Grade 3 nurses (Staff Nurse) when the differential in pay at this grade (including housing costs) is greater than that for Grades 5 and 6?

Answer

The main point to emphasise in responding to this question is that the current review of nurses' and midwives' pay is not a general pay review: that takes effect from January each year and nurses and midwives received a 2% general pay award on 1 January 2011. Rather the current review concerns recruitment and retention problems being experienced with the registered workforce within this pay group.

Income Data Services (IDS) do not propose an increase in pay for Grades 1 and 2, where Health Care Assistants (HCAs) are placed, because we do not have a recruitment problem in these grades.

For example, a recent advert for Grade 1 and 2 HCAs attracted 150 applicants for 5 FTE posts. Although HCA turnover is high, this is not an unusual phenomenon as this part of the non registered workforce are often older females who are part time and more likely to be second income generators within households.

Some younger Grade 1 or 2's use the role before they move on to undertake professional health and or social care careers as Health and Social Services is often able to move them into Grade 1 and 2 vacancies as a result of partnership work with other departments, for example Social Security and ESC.

Further, we have experienced no difficulties in recruitment to Grade 3 posts which are newly qualified registered nurses and in general the posts are filled by locally trained people.

The recruitment problem in particular is experienced at Grades 4 and above and this is where IDS have concentrated their attention in their recommendations.

I should add that at this stage no final decisions have been made on the IDS recommendations.

4. Oral Questions

The Bailiff:

So we come then to Oral Questions and first of all a question deferred from last time which Deputy Le Claire will ask of the Minister for Treasury and Resources.

[10:45]

4.1 Deputy P.V.F. Le Claire of the Minister for Treasury and Resources regarding the introduction of a first-time buyers loan scheme for those earning under £60,000:

Will the Minister consider introducing a scheme in Jersey similar to that recently announced in the United Kingdom whereby interest free loans will be available to first-time buyers earning under £60,000 looking to buy a property to help them get a foothold on the housing ladder and if not, why?

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

This is an important question as I believe that affordable homes is a vital policy which the Council of Ministers needs to have. Providing affordable homes is of course also a key element in the Draft Island Plan, which is scheduled for debate in the Assembly in June. This document has gone through a lengthy and extremely thorough consultation process. Any proposals relating to the provision of affordable homes, whether it be social housing or in the form of low cost home

ownership, should be considered in the context of that plan. The approach to affordable housing has to take account of many elements, not just the cost of a mortgage. Supply and demand, access to financing, the economic environment and the costs to the individual and taxpayer all need to be considered. I can tell the Deputy that I am looking at the scheme that was announced in the U.K. budget. Members will also be aware that we have been trialling the shared equity scheme for first-time buyers - Jersey Homebuy - and I am currently awaiting the P.A.C. report on that. Following the debate on the Island Plan and the report by the P.A.C., with Ministerial colleagues I will be pleased to consider proposals to help meet the need for access to more affordable housing in Jersey, including looking at the U.K. scheme.

4.1.1 Deputy G.P. Southern:

Is the Minister aware that the predecessor to this particular scheme ... under the Tory Government there was a scheme which was very similar which was brought in by Labour and was folded as unsuccessful initiative and was not working?

Senator P.F.C. Ozouf:

A number of policies have been brought forward by successive governments in the United Kingdom, and indeed others about getting first-time buyers on to the housing market. The scheme announced by the Chancellor in the U.K. if it was translated locally would effectively help 15 first-time buyers and the public subsidy or the capital made available for it would be in the region of £365,000. Those are my calculations. So it is a relatively small scheme and I have to say that Chancellors and Finance Ministers do make big announcements in budgets in order to position themselves and that scheme in the U.K., I am not sure whether directly it would deliver much, but I am prepared to look at the issue.

4.1.2 Deputy G.P. Southern:

Supplementary, if I may. Does the Minister accept that the essential need in Jersey is for the supply of States-owned rental housing?

Senator P.F.C. Ozouf:

Most certainly not. I have always believed that there should be supply in all sectors of the accommodation market in Jersey: Category B, Category A, first-time buyers. With Senator Cohen I have shared a long view about the importance of shared equity and I have also worked very effectively with the previous Ministers for Housing in relation to the availability of low-cost purchase housing. It is not just about social rented. It is about giving people also the opportunity of owning their homes.

4.1.3 Senator T.J. Le Main:

I have just come in so I apologise, I missed part of the question but I would like to pursue some discussions that I had recently with the Minister whether somehow the States could look at guaranteeing the deposit for a first-time buyer. I wonder whether the Minister would give us some assurance - and I am very happy to participate as I know several other Members are - whether we could pursue this because I think it is a very, very viable option to assist first-time buyers.

Senator P.F.C. Ozouf:

I agree with the Senator, but the issue is the bank lending criteria has changed in terms of now purchasers are requiring to have up to a 20 per cent deposit in many cases and then very punitive interest rates compared to what was available in previous years, in terms of getting on the housing ladder. I do think and I am prepared to spend some time with him and other Members on devising a scheme if possible - I want to make no promises about it - but if it is the issue of the deposit that is blocking young people in Jersey getting on to the housing ladder, then that is something that I am happy to work with Members of the Assembly to find a solution with some sort of States involvement.

4.1.4 Senator F. du H. Le Gresley:

Could the Minister advise the House what happened to the funds that were historically set aside for States loans for first-time buyers?

Senator P.F.C. Ozouf:

There was not an actual fund set aside. There was the Dwelling Houses Loan Fund... I think I have got that title right, if I have got that label wrong I will email Members later. But there was a fund that money was lent from States resources, and repayments were made to a certain fund. Some of that resource was transferred to the Stabilisation Fund. That was one of the key reasons why we built up the Stabilisation Fund in addition to the tax revenues that were accrued in advance of Zero/Ten coming in. There is a residual balance in there and that is certainly something that I have had some very productive meetings with the Minister for Housing about potentially using some of those remaining funds in order to help him achieve some of his objectives in terms of social housing and other housing and there are good discussions going on with Housing in relation to the Housing Transformation Plan, and we will be making some possible statements about that in the forthcoming months.

4.1.5 Deputy P.V.F. Le Claire:

I did not think I would have a supplementary but given the broad exchanges, I would like to ask the Minister... the last question highlighted the fund that was set aside recently. Up to about 6 years ago, there was something like £40 million in that fund down to about £4 million now I think. The Minister for Treasury and Resources has made a statement this morning that he would be willing to work with other Members. Would he not acknowledge the plight of many people in this Island by undertaking to form a taskforce to look at affordable housing in Jersey and invite on to that taskforce a group of States Members so this issue can be kept on the boil continuously because at the moment, the average house in Jersey is £450,000. In the United Kingdom, it is £160,000. Home ownership in Jersey is 54 per cent. In the U.K., it is 74 per cent and there is no light at the end of the tunnel for many people in Jersey. Would he undertake to tackle this by creating a taskforce of Members and people in the private sector to get to grips with this once and for all?

Senator P.F.C. Ozouf:

Throughout my 12 years in this Assembly, I have spent a lot of my political time on dealing with the issue of the housing market, and it is a complex issue. Yes, I am prepared to have a working party of States Members. I recognise the importance of this issue. I believe in plurality of home ownership and getting people into different types of tenure of home ownership. I am more than happy to work with the Minister for Housing who has responsibility for this area, and the Minister for Planning and Environment. Now we have the published Island Plan I am sure that we can put forward some sort of group in order to look at it. I would say one thing though. The issue is price and availability of credit and sometimes unintentionally governments do support the house prices in an artificial way and one needs to be extremely careful when subsidising the housing market that it does not just end up in the landlords' ... or the asset price. Sometimes the benevolence of Members can have unintended consequences which does not help and that is a challenge, but yes, I am more than happy to have a discussion.

4.2 Deputy J.M. Maçon of St. Saviour of the Chief Minister regarding recommendations within the report of the Review of the Roles of the Crown Officers (R.28/2011):

However, before I start, as the Chief Minister is not here, can ... and you have been briefed, okay, brilliant. Can the Deputy Chief Minister advise whether he has considered, in conjunction with the Chief Minister, Recommendation 4 in the report of the Review of the Roles of the Crown Officers - R.28 of 2011 - that the Bailiff should continue to be the guardian of the constitution and the conduit

through which official correspondence passes and if so, explain what processes and procedures, if any, have been put in place as a result.

Senator P.F.C. Ozouf (Deputy Chief Minister):

You, Sir, are the guardian of the constitution and the conduit through which official correspondence passes and so I can say to the Deputy no additional processes or procedures are required as a result of Recommendation 4.

4.2.1 Deputy J.M. Maçon:

Can the Minister please explain that because in the report it quite clearly explains that many informal arrangements through the Chief Minister's Department occur and the concern was raised that if the Bailiff is not privy to those communications there could be some constitutional issues that could arise in the future, and that is why they made their recommendation and therefore can I ask how the Minister holds the view that he does?

Senator P.F.C. Ozouf:

I think the Deputy is referring potentially to the operation of the official channel as opposed to whether or not the existing arrangements will continue to be as a result if the Carswell report was approved in its recommendation. The existing arrangement is that the Bailiff is the guardian of the constitution and the conduit through which official correspondence is passed. There is a protocol which has been established since the commencement of Ministerial government of handling communications between Jersey and the U.K. and between Jersey and the other countries between the Bailiff, Chief Minister, and that operation of the channel continues to work and no further changes are required providing the channel is working, which it is I am advised.

4.3 Senator F. du H. Le Gresley of the Minister for Home Affairs regarding the maximum award available to the Criminal Injuries Compensation Board:

Could the Minister advise why his review of the maximum award available to the Criminal Injuries Compensation Board, as detailed in the report and accounts for 2010 - R.34/2011 - has not been concluded and whether funding to meet higher awards has been sought from the Treasury?

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

The current scheme was approved by the States on 10th September 2009 and Article 25 sets a maximum award amount of £100,000. Awards are made solely in relation to personal injuries which are suffered as a result of a crime of violence. The funding of the scheme has created difficulties for a number of years. Funding is currently part of the Home Affairs budget but the amounts awarded have exceeded the budgeted sum in recent years; in 2010 by over £100,000. The raising of the maximum limit from £100,000 to £250,000 would further increase both the total costs and the fluctuations. One case alone could represent an extra £150,000 and there was one such case in 2010. There is a strong argument for underwriting of the costs from the Criminal Offences Confiscations Fund, which is what used to occur until the Fund ran out of money in one particular year but there are also some difficulties with that approach. However, there are substantial calls on that Fund to finance court and case costs in relation to major criminal investigations. In the present circumstances in which this Assembly has agreed to find cuts in existing public expenditure of the order of £65 million over 3 years and where there are significant pressures to increase public expenditure in a variety of areas, I am not able to recommend to the States an increase in the maximum award of £100,000.

4.3.1 Senator F. du H. Le Gresley:

Supplementary, if I may. I do not think the Minister has answered my question as to when the result of the review is going to be announced or informed to the House and also to the members of the Board.

Senator B.I. Le Marquand:

There has not been a formal review as such. What has happened is the issue has been raised with me in successive years by the Board and I have said I am considering it, but have privately, as it were, informally indicated to the chairman of the Board that I did not think I could go ahead at this stage. I am quite happy now to formally indicate that I do not think I can go ahead with the proposition for an increase upon the basis I have just outlined.

4.3.2 Senator F. du H. Le Gresley:

Could I have a final question? I would like to ask the Minister if he agrees with the statement by the Board in their report who say that they are very concerned that some very deserving applicants are suffering considerable hardship as a result of the failure to increase the maximum award. Does he agree with this statement?

Senator B.I. Le Marquand:

There is a philosophical and political issue here as to how any State deals with the issue of people who are injured as a result of assaults and countries vary. For instance, in New Zealand, I understand they have a very, very extensive 'no fault' basis scheme of compensation but it is incredibly expensive. That is one extreme. Other countries have set the limit at different levels. Jersey has set the limit at a particular level. It would be nice to be able to increase that level but we live in hard times and we have to make tough decisions.

[11:00]

In the light of the savings of £65 million which we are seeking to make, this is a "nice to have", perhaps a very "nice to have", which cannot practically be proceeded with.

4.4 Deputy G.P. Southern of the Minister for Economic Development regarding the conditions attached to the Regulation of Undertakings and Development licence issued to the company responsible for the construction of the Portelet development:

Will the Minister inform Members of the conditions attached to the Regulation of Undertakings and Development licence issued to the company responsible for the construction of the Portelet development in respect of the number of local and non-locally qualified workers that can be employed on this project?

Senator A.J.H. Maclean (The Minister for Economic Development):

Sir, if I may I would ask my Assistant Minister the Constable of St. Clement to answer the question.

Connétable L. Norman of St. Clement (Assistant Minister for Economic Development - rapporteur):

It does not quite work like that; licences are not issued for each individual project or site. Members may know that 3-year staffing licences are granted to cover a business' ongoing operations. As Members will know from previous answers that I have given, in agreeing these licences we work very closely with the Social Security Department to support locally qualified persons into work. While answering this question I think it is fair to say that construction employment seems to be holding up extremely well, and at this present time that we have a record number of people working in the construction industry, some 5,500 at the moment of which 90 per cent are locally qualified.

4.4.1 Deputy G.P. Southern:

Can the Assistant Minister deny the statement that I have had reported to me that there are very few local people working on the Portelet site and that a gang of 50 or so has been imported from Ireland, where they cannot find work, because they will work for no extra on bank holidays and on Sundays?

The Connétable of St. Clement:

Clearly the Deputy would need to ask the contractor that question, but from the information I have that cannot be the case.

Deputy G.P. Southern:

I am asking the Minister to ask that question of the contractor.

The Connétable of St. Clement:

There is an inspectorate involved in the Population Office and if they felt that there was anything untoward going on with any business it would be investigated.

4.4.2 Senator F. du H. Le Gresley:

Will the Assistant Minister confirm that suitable checks are taken on the status of staff employed by sub-contractors on this site?

The Connétable of St. Clement:

I am not quite sure what the questioner means because everyone who is employed in the construction or any other industry has to be subject to the licence agreement of the business concerned, and every business will normally have a 3-year licence where they have a maximum number of non-locally qualified people that they can employ, and certainly these checks are made on all businesses.

The Bailiff:

I will come back to you Deputy. I think, Deputy Hilton, I apologise for not having invited you to ask the first question.

4.4.3 Deputy J.A. Hilton of St. Helier:

During this period of growing unemployment among our young people, has the Minister considered re-visiting licences granted under the Regulation of Undertakings and Development Law, which allows businesses to employ non-locally qualified persons, and if not why not?

The Connétable of St. Clement:

This is almost identical to a question that I was asked a few weeks ago and I made absolutely clear that, yes, as licences do come up for renewal they are examined very, very carefully and reflect the current economic conditions, and certainly a significant number of applications have been made for non-locally qualified labour, which have been rejected or the numbers that have been requested have been significantly reduced.

4.4.4 Senator A. Breckon:

Maybe for my benefit, I wonder if the Assistant Minister could try to get the answers closer to the questions because in the original question it was to do with the company responsible and he told us about 3-year licences and how many people working construction are meant to be local. Specific to this contractor, could the Assistant Minister say what their actual terms are for employing people and how that applies to any sub-contractors that they might use?

The Connétable of St. Clement:

Yes, sub-contractors are subject to the Regulation of Undertakings and Development Law the same as main contractors and will have their own licences, which they have to abide by.

4.4.5 Senator A. Breckon:

Can I ask the Assistant Minister how that relates to any licence issue and the regulations in development?

The Connétable of St. Clement:

The vast majority of businesses have 3-year licences, which regulate the number of non-qualified staff that they are allowed to employ. It is as simple as that.

4.4.6 Senator T.J. Le Main:

We understand, if the Assistant Minister could assist me further, it is well known and recognised that all contractors have a licence issued - most of them 90 per cent local, 10 per cent non-local - but contractors with large contracts have been given dispensation from this in the past, whereby for the duration of the contract they were allowed to take on unqualified under 5-year labour for the duration of the contract. So is that still the case?

The Connétable of St. Clement:

Yes, the department will receive requests from time to time from different types of businesses who might require additional staff for seasonal activities but for short term reasons - that would be the amount of work they have in hand, specialist labour - and those requests will be considered, again looking at the availability of local labour, working closely with the Social Security Department and a decision made on the merit of the application. I think it is worth saying at the moment that the construction industry is finding great difficulty in recruiting tradesmen across all areas, and that shows the current buoyancy of the construction business.

4.4.7 Deputy C.F. Labey of Grouville:

How many inspectors are employed to police these issues and would the Minister or Assistant Minister say if this is an adequate number?

The Connétable of St. Clement:

It is my recollection that we currently have 2, which is 2 more than we had about 2 or 3 years ago. Whether it is adequate or not is a matter of judgment but it would seem at the moment to be sufficient. Clearly if there were more, like in any policing area, a lot more areas could be covered, but does seem adequate at the moment.

4.4.8 Deputy P.V.F. Le Claire:

No doubt in the new proposals that are coming forward some of these issues will be addressed, but nevertheless the issue of 'white van man' coming off the boats late on Friday night or early Monday morning has been an issue in Jersey for a number of years. Given that the Minister's portfolio covers the harbours and airport, what measures are being taken, if any, or could be considered, to undertake to investigate whether the people coming off with work vans have actual licences that they are coming off to work with?

The Connétable of St. Clement:

Yes, regular inspections are carried out at the harbour to cover the sort of situation described by the Deputy, and it is fair to say that the vast majority who are spoken to and inspected do have the required permissions.

4.4.9 Deputy P.V.F. Le Claire:

Can I ask because I used to work down the harbour directing traffic off the boats, it never happened when I was there for the 3 years I was there, I just want to know, when, how, who is doing this work and how often? You have 2 inspectors; are those inspectors both down there doing that?

The Connétable of St. Clement:

As I said, the spot checks are carried out but they are not there permanently, but the evidence that we have is the vast majority of those who are coming off and who are inspected do have the required permissions. I am not sure how long ago Deputy Le Claire was working at the harbour but it may well have been before there was a Regulation of Undertakings and Development Law.

4.4.10 Deputy J.M. Maçon:

Just going back to the 2 enforcement officers, can the Assistant Minister please explain their status? Are they 2 full-time permanent posts, or is one full-time and one temporary, et cetera?

The Connétable of St. Clement:

Yes, they are 2 full-time permanent officers.

4.4.11 Deputy J.A. Hilton:

Just as a supplementary to my previous question; is the Minister able to circulate information outlining the recent applications by large retailers showing exactly where their applications for non-qualified workers ... he said that they had either been reduced, they had been knocked-back completely or they had reduced the number of licences granted. Could he circulate that information for us please? Thank you.

The Connétable of St. Clement:

Yes, this information was contained in answers I gave a few weeks ago and I will be pleased to re-circulate it.

4.4.12 Deputy G.P. Southern:

The person who got closest to the correct question to ask was Senator Le Main and it is a joy to work hand in hand with him as ever but in answer to his question as to whether you can be exempt from R.U.D.L. (Regulation of Undertakings and Development Law) if you are sub-contracting on a short term contract, and the question is, does that practice still exist and has an exemption been granted in this particular case? Are we talking about a gang of people imported from Ireland to replace shortage of workers over here? Is that the case? Is that happening with this particular site? Is their short-term contract, which is exempt from R.U.D.L., the 90:10 ratio?

The Connétable of St. Clement:

No.

4.5 Deputy S. Power of St. Brelade of the Minister for Economic Development regarding action taken by the Harbours Department against the Jersey Sailing Trust:

Can the Minister confirm that the Harbours Department have seized and will possibly dispose of, the whole of the fleet of sailing boats belonging to the Jersey Sailing Trust, and if so would he advise whether he knew of this matter and whether he considers that this action is proportionate and indeed reasonable?

Senator A.J.H. Maclean (The Minister for Economic Development):

I would like to give my other Assistant Minister a run-out, Sir, Senator Routier who has responsibility for the harbours.

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

I can confirm that Jersey Harbours have impounded 5 vessels owned by the Jersey Sailing Trust and these will be auctioned on 16th April. I have been fully briefed on the process, which is in line with department policy and terms and conditions for all customers. Officers have tried to work with the Trust over the past few years. Unfortunately all attempts to come to an agreement on a payment plan to settle the outstanding accounts for all of the mooring fees and for all of the vessels

has been unsuccessful and no payment has been made for over a year. I understand that Jersey Harbours is only one of a list of creditors owed money by the Jersey Sailing Trust. The money raised will be allocated as appropriate. The action being taken now is as a last resort and is proportionate and reasonable under the circumstances. I should say that today I have received an email from the representative of the Trust who is saying that he has some optimistic news for us, which hopefully might be able to resolve the matter.

4.5.1 Deputy S. Power:

Would the Assistant Minister not concede that the seizing of the whole fleet at the start of the season, when membership fee income comes in, is wrong, and would he not also concede that the debt that is owed to the Harbours Department, which is a 4 figure sum, is less than 10 per cent of the value of the boats?

Senator P.F. Routier:

I find it a little bit difficult to answer this question without explaining into the finances of the Trust. They do have some finance arrangements, which are on the vessels, which I know there is money due on those, and so I could tell the Deputy privately, if he wishes, the detail of that but I am advised that if the sale of the boats was to go ahead we may not get even the money that we want because there are other outstanding debts.

4.5.2 Senator T.J. Le Main:

I do not know what charitable status the Sailing Trust is or happens to do. I wonder if the Assistant Minister could advise this Assembly, and certainly me, if this is a charitable trust, and does it ... the aims are to teach sailing to disabled young people and people of that calibre?

Senator P.F. Routier:

My understanding from having looked at the website of the organisation is that it was set up to encourage people to sail generally. I am not aware of any particular remits for sailing for people with disabilities. My understanding is it is a group of people who have got together to own vessels to encourage people to encourage people to sail.

[11:15]

4.5.3 The Deputy of St. John:

The Minister did not say whether it was or was not a charitable trust. I will put the question, taking it that it is a charitable trust, and do other charitable trusts - if this one is so - pay mooring fees? I am thinking of the Maritime Museum possibly, and Sea Cadets and the like, and I know that a catamaran in the La Collette Basin, which is of another charitable or semi charitable trust, which was donated. Do they pay mooring fees, and if that is the case and this is a charity, does it not fall into the same bracket as those others?

Senator P.F. Routier:

In the words of the representative of the sailing trust: "The Sailing Trust is a sailing club using a not-for-profit company to hold ownership of vessels. It is not a charitable trust."

4.5.4 Deputy P.V.F. Le Claire:

The Assistant Minister intimated that there were other companies that were owed money in relation to these vessels - perhaps even finance companies, I do not know - he offered to share those details. Could I ask the Assistant Minister and clarification from Her Majesty's Attorney General, what position is the States in to auction vessels or property that have liens against them from people they have been purchased from? Is the States in a position to do that, legally?

Senator P.F. Routier:

I can answer that. Certainly the legislation does allow us to impound and to sell vessels if they have not paid their mooring fees. The basis of what would happen is, if an auction did go ahead the proceeds would go firstly to the mortgage - to the mortgage company - and then the Harbours Department would get any proceeds that were left afterwards. The advice I am given is that if that does go ahead we may not even get the total mooring fees that we require. I hope we do not go there. I have had an email from the representative of the organisation today, which is quite optimistic.

4.5.5 Senator F. du H. Le Gresley:

Given that the Assistant Minister has indicated that there will likely be a shortfall in money owed to the Harbours after the auction, has his department checked if the trustees of the Jersey Sailing Trust are personally liable for the debts of the Trust?

Senator P.F. Routier:

Firstly, obviously the valuation which has been put on the vessels varies from what the Harbours officers are telling us and what the owners currently are saying but there is a variation there, so the outcome of any sale obviously would be when it happens and we would know the actual valuation. I honestly cannot give any indication to the status of the members of the Trust. That would be for them to do, but I think it is a company, which has been established for the ownership of the vessels, and the structure of that, I have not got the details of it I am afraid.

4.5.6 Deputy S. Power:

I can confirm to the Assistant Minister, I attended a meeting of the Jersey Sailing Trust trustees last Saturday morning and 2 of them are at least liable personally for the debts. Can I ask the Assistant Minister finally, if he has made any attempt to meet with these trustees in the last year, and does he not find it ironic that while the States in various departments supports sailing organisations outside the Island, they cannot seem to find support for a sailing organisation within the Island?

Senator P.F. Routier:

There has not been any request from the Trust for any special dispensation or any support. They have established themselves under their own terms and under the terms and conditions, which are established in the Harbours Department. It is only at this ... well last year I know there was quite some difficulty with them paying fees but there was no request for dispensation from paying mooring fees, and there has not been any request now. It is a matter where they recognise that there is a debt that is owed to the Harbours Department and they have unfortunately got themselves into serious financial difficulty, and hopefully the membership will be able to resolve that for them.

Deputy S. Power:

I did ask the Assistant Minister whether he had met any of the trustees?

Senator P.F. Routier:

I have offered to meet with them but it is only this morning that the suggestion has been accepted to have a meeting, but I have not met them previously.

4.6 The Deputy of St. John of the Minister for Economic Development regarding waiting lists across all harbours and marinas:

I sincerely hope it is the Minister that answers, Sir. Would the Minister detail the number of people on waiting lists across all harbours and marinas, and advise whether the waiting list figures have reduced since 2009 and if so, by how many?

Senator A.J.H. Maclean (The Minister for Economic Development):

I would be delighted to take this question. There are currently 174 people on the waiting list for berths in the Elizabeth Marina, the St. Helier Marina and La Collette Basin. The waiting list numbers have indeed reduced since 2009 when they were at 242. We suspect that this is as a direct result of the economic climate and the fact that by re-configuring the marinas we have been able to increase the number of available berths. We are starting to find that people on the waiting lists are not taking up berths as they are offered. Effectively people are not buying or upgrading their boats due to the current economic climate. As a result Jersey Harbours are conducting a review of the lists and have recently written to all those on the waiting lists asking for them to re-confirm that they are still interested in a berth.

4.6.1 The Deputy of St. John:

As marina fees have been increasing well above the cost of living in recent years, are our harbours not killing the goose that lays the golden egg by increasing fees above the cost of living year on year, given we are in times of hardship right across the board? Would it not be better to have some income than no income given the numbers are falling? How many more increases does he anticipate in the next couple of years if the financial climate does not improve?

Senator A.J.H. Maclean:

Yes, the Deputy is right insofar as mooring charges are being increased. There is a differential though between the main harbours and outlying harbours. I should point out that outlying harbours have increased significantly. The most recent increase has been 20 per cent, but from a very low point. They are in no way covering their costs. They would need to rise by something in excess of 500 per cent to get anywhere near cost-recovery in the outlying harbours. The main marinas however have not been raised by anything like that. They have been largely matching inflationary increases.

4.6.2 Deputy J.G. Reed of St. Ouen:

The Senator has been kind enough to answer part of the question. However, the question did ask for the number of people on waiting lists across all harbours around the Island. Perhaps he would enlighten us on that part?

Senator A.J.H. Maclean:

I do not have the exact figures of all the individual outlying harbours. What I can tell the Deputy is that there are, in fact, waiting lists at all harbours ranging from between one and 8 years. In some cases, I believe Rozel in fact is even in excess of 8 years, so there is quite a significant number of people who are still wanting spaces, despite the fact that we have increased the berthing and mooring charges in those areas?

4.6.3 The Deputy of St. Ouen:

Can I ask the Senator, the charges in the outlying harbours, are they significantly different to that charged in the marina?

Senator A.J.H. Maclean:

Indeed they are, they are significantly different, and I think as I made the point, we would have to increase them in excess of 500 per cent if we get anywhere near cost recovery. But to give the Deputy an idea, an average berthing charge in an outlying harbour is £120 a year as opposed to starting at a couple of thousand pounds in the main marinas.

4.6.4 Senator T.J. Le Main:

I would like to ask if the Deputy of St. John is paying the right fees for his £1 million boat.

The Bailiff:

No, Senator, I know that was said in jest but you are not allowed to refer to the personal affairs of other Members.

The Deputy of St. John:

Yes, with that I was going to declare that I do have a boat in the marina and I pay my dues without objecting unless there is a query, but just to keep the record straight that I am a boat owner but this question was put in for the general boat users of the Island not for myself, and therefore it was ...

The Bailiff:

Do you have a final question, Deputy?

The Deputy of St. John:

Yes, Sir. No, I have not, Sir, I will just thank [Laughter] the Minister for his ...

4.7 Deputy A.E. Jeune of the Minister for Health and Social Services regarding clinical staff employed on an interim, locum, agency and contract basis during the past 12 months:

Will the Minister please give details of clinical staff employed on an interim, locum, agency or contract basis during the past 12 months, and identify any newly-created posts, indicating the days worked per week, the commencement and end dates and the total costs including fees and expenses?

Deputy A.E. Pryke of Trinity (The Minister for Health and Social Services):

As I informed the Deputy on 15th March, I will provide a breakdown of posts, costs or contractual positions relating to non-clinical staff, which has already been done. It is a fact of life that health and social care organisations are reliant on the use of interim clinical staff, and across Health and Social Services to give this such detail would be a great big piece of work. I have previously invited the Deputy to email me about any specific questions that she may have with regard to a particular post or role, and I welcome that at any time.

4.7.1 Deputy A.E. Jeune:

I thank the Minister for her non-answer. I put in a written question asking for this information at the last sitting and we were not given anything on clinical staff. I do not believe it is rocket science to produce that information, in particular any newly-created posts, et cetera. It might help the Minister and the Minister may be able to help me in telling me whether, being as there is no administrative manager in the A. and E. (Accident and Emergency) Department, who the clinical manager is and the terms of the person's employment.

The Deputy of Trinity:

The matter was related to non-clinical staff and I provided that information, and again, if she wanted to email me about that specific area of A. and E. I am very happy to give her that information. I can tell her now that there is a staff member on a 6-months fixed term contract acting as Head of Nursing for unscheduled care.

4.7.2 Deputy A.E. Jeune:

Is that in addition to the Head of Nursing across the hospital?

The Deputy of Trinity:

If she is talking about the Chief Nurse, the Chief Nurse is obviously head of all nurses not only in the hospital but across Health and Social Services and across the Island.

4.7.3 Deputy A.E. Jeune:

Does the Minister know how many Heads of Nurses we have in Health and Social Services?

The Deputy of Trinity:

I do not have that information but I can certainly give it to her.

4.7.4 Deputy A.E. Jeune:

And do we know the cost of the person in the A. and E. Department thank you, the Head Nurse in the A. and E.

The Deputy of Trinity:

This is very detailed and I do not have that information but, again, if the Deputy wants to email me with the exact information on specific areas she has I am very welcome to give her that information.

4.7.5 Deputy P.V.F. Le Claire:

The first question I believe was not answered and I would have liked to have followed up the answer with a supplementary, so I would ask the Minister if she could maybe circulate a specific answer to the question that was put by Deputy Jeune of St. Brelade to all Members, and also include within that information that is being asked for, any co-relating suspensions or restricted practices that have been implemented in the last 12 months for there to be a need for these locums that have been appointed?

[11:30]

The Deputy of Trinity:

Again, that is a very detailed question. Health and Social Services across the board rely on locums and agency nurses - that is a matter of fact for every Health and Social Services Department - for people who are off sick or on training, et cetera. Regarding the restricted; I have done numerous written answers on restricted practice and suspensions but I am happy to update the Deputy on that.

4.7.6 Deputy A.E. Jeune:

It appears to me that despite a written question from Deputy Higgins, a written question from myself, it is clear that any information in regard to the total costs of these short-term contracts within Health it appears that the Health Department do not want to put this into the public domain. Can the Minister please say whether this is correct?

The Deputy of Trinity:

No, it is not correct. I again say that Health and Services is very diverse and we rely on locums and agency staff, but it is a big piece of work. As it was mentioned last week, I think in a debate, that we have over 300 locum staff so immediately we meet locum doctors usage within a year. Some of them are only for a couple of days; some of them longer and to get the detailed information that the Deputy requires will take an awful lot of time. It is not just at the touch of a button, which I would like too, but it is just not feasible. I have offered again to the Deputy if she wants specific areas or specific service I am very happy to give that information.

4.8 Deputy F.J. Hill of St. Martin of the Minister for Education, Sport and Culture regarding the construction of a new school on Field 327A in St. Martin:

Further to the Minister's written answer on 29th March regarding the construction of a new school on Field 327A in St. Martin where no mention was made of an area of land being found to replace the football pitches currently being used by the school and Parish football teams, will he inform Members whether an alternative area has been found, and if not what proposals does he have in mind?

The Deputy of St. Ouen (The Minister for Education, Sport and Culture):

I can advise Members that Field 327A in St. Martin is sufficiently large enough to accommodate both the new school building and a playing field that will meet the approved standards for children of primary school age. At this stage it is difficult to determine whether the field will be able to accommodate a full size playing field for use by St. Martin's Football Club as we will need to await the outcome of the planning brief, and the subsequent development of detailed plans for the school building. I can however assure the Deputy that my department, Property Holdings, and the Parish of St. Martin have already discussed this matter. If necessary we will work with the Parish to identify a suitable site for the club's activities in the future. Thank you.

4.8.1 The Deputy of St. Martin:

Is the Minister aware of an undertaking given by the Minister for Treasury and Resources on 6th December last year, when the Minister stated he had discussed the funding of the new school with the Minister for Planning and Environment and the Minister for Education, Sport and Culture, and that no moneys would be spent until all issues including the football pitches and playing areas of St. Martin are secure before anything got underway. That being so, will the Minister inform Members why plans are being advanced without an alternative football pitch or playing area being identified?

The Deputy of St. Ouen:

I have just explained to my friend the Deputy in my original answer that until we have a clear indication of exactly the area that the school is going to require to be built on we will not know the remaining space that is available for the football pitch and, again, in my written answer last week I spelt out the main project phases that were required. We have just started the process and I believe it is sufficient - more than sufficient time - to deal with any issues regarding the relocation of the football club if, and I say that if, that is required.

4.8.2 The Deputy of St. Martin:

I would not have thought it took a genius to realise that you cannot get a football pitch for the adults and a football pitch for the children, and a school on that field. It is my understanding that no one in Education has informed the actual Parish football club of its intentions to construct a school on its pitch. Will the Minister inform Members why there has been no consultation whatsoever with the Parish football team, and what action does he take to rectify that position?

The Deputy of St. Ouen:

First of all our priority is to the school and the children within it, and we have made that very clear right from the word go with any discussions that we have had, both with the Parish and Property Holdings and others. We are also aware that the football club may need to be accommodated at an alternative site. The Parish has undertaken to enter discussions with them and we have offered our support in that process. There is still a reasonable time to go before any decisions regarding the new school will be taken and the process will continue, and discussions will take place with the football club. I am disappointed that the Deputy has not recognised the attempts that both the Parish and the department are making because I believe he has had correspondence with a member of the Village Green group in St. Martin, who has explained exactly what is planned.

4.9 Deputy T.M. Pitman of the Chief Minister regarding the Terms of Reference in the Napier Report:

Will the Chief Minister inform Members why part (b) of the terms of reference shown in R.39/2010 (re-issue) was amended in the Napier Terms of Reference published in R.132/2010, and why part (d) and part (c)(iii) are included but do not appear in the Napier terms of reference provided in R.132/2010? Would he also state why Members were not informed that these parts had been removed?

Senator P.F.C. Ozouf (Deputy Chief Minister - rapporteur):

Mr. Brian Napier Q.C. (Queens Counsel) has confirmed that he is not aware of any changes of the words in part (b) of the terms of reference between those he agreed when he was formerly engaged, and the ones that appeared in the final report. The report is therefore his and his interpretation. I am advised in respect of part (c)(iii) that this was a specific clause inserted into the original terms of reference at Mr. Napier's request when he was finalising his engagement. He has confirmed that he omitted them when he prepared his final report. The terms of reference were therefore never changed and therefore any suggestion that they were is incorrect. The issue concerning part (d) has been the subject of many questions already in the Assembly and the Chief Minister has provided detailed answers on each occasion. I will repeat what he has said, that following the former Police Chief's agreement to participate fully in the review, part (d) was no longer relevant and for that reason Mr. Napier did not reproduce it in his report. Therefore the Chief Minister has stated that it would not be necessary for the changes referred to, to be referred to him or the Deputy of St. Martin.

4.9.1 The Deputy of St. Martin:

Given the confusion over the number of terms of reference, will the Deputy Chief Minister agree to make a statement or ask the Chief Minister to make a statement as to why there have been so many discrepancies in the terms of reference, and apologise to Members for failing to carry out a full investigation of the discrepancies before giving so many different and inaccurate answers to Members over the recent months?

Senator P.F.C. Ozouf:

I perhaps have had the benefit of looking at this issue afresh having been advised that the Chief Minister was not going to be here. I have had to research these answers and come up with the explanation to the Assembly. I have to say that I am astonished having looked at this issue afresh with almost no baggage in relation to it. There is no confusion. The terms of reference as originally set out have been included in the report. There were some changes made. They are minor, they are insignificant, they are Mr. Napier's but more importantly, the issues that the Deputy continues to suggest were not covered in the terms of reference have been covered in the report. I simply over the last few hours, and I have spent a few hours over the last day looking at this... I do not understand what the issue is. I think the continued suggestion that there has somehow been a problem in this report is frankly a waste of the Chief Minister's time and it has been a waste of my time in the last few hours.

4.9.2 The Deputy of St. Mary:

I will enlighten or try to enlighten the Deputy Chief Minister about what one of the problems is, which is that part (d) was taken out on the basis that Mr. Power had said that he would co-operate with the inquiry, and in fact when Mr. Power said that he qualified that statement heavily as anyone who read his letter would agree. That is the kind of problem we are facing; that we are told he is willing to co-operate when it is simply untrue. He is willing to co-operate on condition that 1, 2 and 3, none of which had been met at that time. So it simply does not stack-up. My question to the Deputy Chief Minister is, if (c)(iii) - which I have just learnt about now - is the recording of material relating to the primary events of the suspension process, if that term of reference was put in, inserted at Mr. Napier's request, that is all fine and good but surely the person being asked to do a review, if they start to change the terms of reference that change should come back to the 2 people who are supposed to be supervising the review, namely the Chief Minister and the Deputy of St. Martin. I ask the Deputy Chief Minister to comment on that?

Senator P.F.C. Ozouf:

Nothing that I have heard in the questions diverts me from the conclusion that I have reached. This is a complete load of nonsense. We are talking about terms of reference that there were some changes in the report, which is not the Chief Minister's report, which is not the Chief Minister's

Department's report, it is Mr. Napier's report. The issues that the Deputies continue to raise in respect of whether or not the terms of reference were exactly transposed in the final report, they are almost missing the point. The point is that the report covers those issues. There are 3 references or 2 or 3 references in respect of (d) in the report, and I just do not understand why the Assembly is taking its time up in carrying on, going on about the wording of the terms of reference, where the terms of reference are a terms of reference which result in a report and the report covers these issues, and I do not think that there is any suggestion that it does not.

4.9.3 Deputy T.M. Pitman:

I would hope that the Deputy Chief Minister did not mean that "load of nonsense". Would he surely not conclude that we are talking about a gentleman's reputation - lifelong reputation - and would he not agree with me at the very least that all this could have been avoided had the other side of the story been allowed to be put, and this is where all these problems come from. I do appreciate that he may say it is not the Minister for Home Affairs' fault but natural justice, does he support it or not?

Senator P.F.C. Ozouf:

I am not going to comment on the generality of the issue. I have been asked a specific question in relation to the terms of reference, and in relation to the transposition of the terms of reference from the original one that was set out and set out in Mr. Napier's report. There is nothing that I have reviewed that gives me any indication that there is a problem. I am not going to comment on the remaining things. I remain shoulder to shoulder with the Minister for Home Affairs and the Chief Minister in relation to all the other issues, which have been debated in this Assembly. There comes a point at which an issue needs to be brought to a conclusion and this questioning about words in terms of reference, I do not think is helping the whole debate being brought to a satisfactory conclusion.

4.9.4 Deputy M. Tadier:

The Minister is doing a valiant attempt to try and deflect from the issue, saying that words are not important but it is words which were debated here, and we know as parliamentarians that words are key.

[11:45]

When certain words that are agreed by the Assembly are omitted for whatever reason then that can have a significant impact. I hope the Minister would agree with that point. Does he acknowledge that there is a difference between saying that Napier covered these issues to do with parts (d) and (c) but he covered them in spite of the fact that they were not included in the terms of reference, and if he had been given the terms of reference as had been set out by this Assembly and agreed between the Deputy of St. Martin, the Chief Minister and the whole Assembly, he may have come to different conclusions - and different or even deeper - and more words on the issues relating to parts (c) and (d)?

Senator P.F.C. Ozouf:

I cannot see that. I have to say that I do agree with the Deputy that words are important but the difference in wording in relation to (b) in respect of that is the sum total of the words, and the Deputy is a better English scholar than I am, but I certainly see that the wording of the original terms of reference and what was in the report is identical in terms of its plain English meaning and the other issues have been covered. I would just also ... the suggestion is that this is a criticism of the Chief Minister or the Chief Minister's Department, and I think the point needs to be forcefully made, that it is Mr. Napier's report, not the Chief Minister's report. That is an important issue. If Mr. Napier had a problem then he would have said so in his report. The constant debate about the wording of the terms of reference I think is missing the point, if I may say respectfully.

Deputy M. Tadier:

Sir, may I have a supplementary?

The Bailiff:

Yes a final question, Deputy.

4.9.5 Deputy M. Tadier:

Irrespective of what the consequences were in the report due to the fact that terms of reference had been missed out, will the speaker on behalf of the Chief Minister not acknowledge the fact that this House, the Deputy of St. Martin, all of us are owed an explanation and indeed I believe an apology from somebody to find out why terms of reference that were agreed in this Assembly have been somehow omitted, which have possibly and quite likely had an impact on the results of that report? We are simply asking for an acknowledgement and an apology so we can move on.

Senator P.F.C. Ozouf:

I accept that there were wording changes between the terms of reference that was in this Assembly and those that Mr. Napier put in his report. I accept that and it is Mr. Napier who asked for indeed (c)(iii) to be put in and he omitted it, but he has covered it in his report. So, I think that there almost needs to be acknowledgement on both sides that yes there were some changes in the terms of reference but the most important thing is; has that mattered in the end product of the report? I have to say that nothing that I have seen leads me to the conclusion that the report would be any different. It is quite wrong I think to cast aspersions on the Chief Minister or his department to suggest that there would be anything else. I think the matter now should be closed in relation to this issue. The Chief Minister has answered numerous questions on this issue. There is not the issue that the Deputies are suggesting and I think that that has to be a conclusion of the matter.

4.10 Deputy A.E. Jeune of the Minister for Health and Social Services regarding the £600,000 'savings' achieved by the Managing Director:

Following the response to written question 6171 on 29th of March this year regarding the £600,000 savings achieved by the Managing Director at the hospital, would the Minister please justify how working to her budget can be regarded as a saving, and state exactly please where the savings equating to a turnaround of just over £1 million were made?

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

My Assistant Minister who has responsibility for finance will be answering this question.

Deputy E.J. Noel of St. Lawrence (Assistant Minister for Health and Social Services - rapporteur)

On 15th February in response to an oral question the Minister said that the Hospital Managing Director and I quote: "at least saved £600,000." On 18th February in a written brief to all States Members, the Minister clarified that the Hospital Managing Director had, and again I quote: "taken responsibility for services that were predicted to overspend by £964,000 and delivered a £51,000 underspend, a turnaround of just over £1 million." The Minister clarified this again on 1st March in an answer to question 6082, and again on 29th March in an answer to question 6171. We can argue about the wording but this has not changed the fact that without the Hospital Managing Director, Health and Social Services would have overspent by approximately £964,000 across a number of services at the end of 2010. The Minister's answer to question 6171 provided information about the areas of the financial turnaround. If the Deputy has further questions I would invite her to meet with myself and Health and Social Services officers and we can go through it with her in detail.

4.10.1 Deputy A.E. Jeune:

The answers that this Assembly has been given is a myriad of savings relating to rostering and utilisation of nursing staff. £1 million on rostering and utilisation of nursing staff in a small hospital like we have got is really quite amazing. We have asked please to list where, in which departments, et cetera, these savings have been made. Well, not savings, very little savings, mostly living within the budget and making sure we do not have an underspend. Is that not what we employ these senior people to do, not to go over budget? We should not accept going over budget.

The Bailiff:

Will you come to your question, Deputy?

Deputy A.E. Jeune:

Can they please explain this because we are not getting the answers?

Deputy E.J. Noel:

The simple answer to that is I refer the Deputy to question 6171 where the detail was given. Arguing about semantics does not change the fact that a £1 million overspend has been avoided. Living within our budget does mean managing the resources to achieve underspends in certain areas because inevitably we will overspend in others.

4.10.2 Deputy G.P. Southern:

Moving on somewhat, last month there was a big red light against C.S.R. Stage 2 in terms of saving money because the staffing was not available to pursue C.S.R.2. What progress has the department made in acquiring or appointing suitably qualified staff to proceed with C.S.R.2?

Deputy E.J. Noel:

I have not got that information with me, I am quite willing to get it and invite the good Deputy into the department and we can go through the information available.

4.10.3 Deputy G.P. Southern:

No, I do not wish to come into the department. Will the Minister circulate the information as to whether he has appointed or not?

Deputy E.J. Noel:

On reviewing Hansard to identify what Deputy Southern has requested, I will provide the information.

4.10.4 Deputy T.M. Pitman:

Accountants certainly seem to speak very, very quickly or perhaps it is me but I think the Assistant Minister mentioned £960,000, could he tell us, does that include the approximate £80,000 over-the-top payment awarded to the Managing Director himself by someone within his own agency?

Deputy E.J. Noel:

I do not understand Deputy Trevor Pitman's question. He needs to explain that better but what has been included in the underspend of £964,000 was explained in the answer to question 6171.

4.10.5 Deputy G.P. Southern:

In the £960,000 saving he claims for 2010, can the Minister assure Members that this saving was made without any reduction of front line services?

Deputy E.J. Noel:

The turnaround from an overspend to an underspend; the information has already been given to Members, it is set out in detail in question 6171.

4.10.6 Deputy G.P. Southern:

So the Minister either can or cannot confirm that this has been achieved without any cuts to front line services. Why will he not do so now?

Deputy E.J. Noel:

If you bear with me I will read out the extract from question 6171: “As outlined in the answer to question 6082 on 1st March, in early 2010 some areas of hospital services including those relating to rostering and utilisation of nursing staff in the medical wards, the utilisation of agency/locum doctors, and the estate and facilities were predicted to overspend by £964,000 by the end of the year. The Managing Director successfully managed this problem and helped to deliver a £51,000 underspend, a turnaround of just over £1 million.”

The Bailiff:

I do think the question was very simple. Have any of these cuts been made to front line services? I think it is a yes or no answer to this.

Deputy E.J. Noel:

As far as I am aware we have maintained front line services throughout 2010, and are continuing to do so in 2011.

Deputy G.P. Southern:

So that is a yes.

4.10.7 Deputy A.E. Jeune:

Will the Assistant Minister confirm that what we have achieved is not a saving, it is living within the budget - not having an overspend - and clarify that to suggest that they do not want to have an overspend? Would he please meet with his Minister for Treasury and Resources who will tell him that staff should have to live within the budgets that are set, that overspends are not acceptable? Thank you.

Deputy E.J. Noel:

I am not sure there was a question there but I agree with the Deputy, overspends are not acceptable, and Health and Social Services for 2010 has underspent in total.

4.11 The Deputy of St. John of the Minister for Health and Social Services regarding the signing of the Reciprocal Health Agreement:

As we are aware the Health Agreement has now been signed, and having given the Minister a hard time in recent months over the Health Agreement, can I thank her and her officers on behalf of the people of the Island [**Approbation**] who have not been able to get insurance over the last 2 years, and it has created a lot of hardship on both sides of the Channel. On behalf of the people of Jersey can I thank the Minister? Thank you, Minister.

The Bailiff:

I take it from that that you are not posing your question?

The Deputy of St. John:

There is no question. I will not, Sir, but I had to say that.

The Deputy of Trinity:

Can I respond to that, Sir, please? Is it possible?

The Bailiff:

Briefly.

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

I will be brief, just to say I am extremely pleased that we did sign a Reciprocal Health Agreement. It is a new agreement similar to the Isle of Man and it is on a knock-for-knock basis and I myself wish to thank the officers, not only here but in the U.K., and especially the officers of the Lieutenant Governor who I know have been working behind the scenes as well. So thank you, I am very pleased with the outcome.

4.12 Deputy G.P. Southern of the Minister for Health and Social Services regarding the treatment and prevention of blood-borne diseases such as H.I.V. and Hepatitis C:

Will the Minister update Members on her department's progress in combating blood borne diseases such as H.I.V. (Human Immunodeficiency Virus) and Hepatitis C, and advise specifically what funding is provided by her department to A.C.E.T. (AIDS Care and Education Trust) to meet the cost of the preventative and other work undertaken by that organisation, and for the unlinked anonymous testing for these diseases?

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

I will try and be succinct. The department's H.I.V. and Hepatitis C programmes, which are consistent with the U.K. national guidelines, are led by clinical consultants and a specialist blood-borne virus nurse. Services are delivered across a range of settings including the Alcohol and Drug Service and the prison. The prevalence of H.I.V. in Jersey I am pleased to say is low, with an estimated 68 Islanders currently living with the disease. H.I.V. testing is offered as a part of routine care when a patient presents with possible clinical symptoms, with drug treatments and therapies available as required. Most new cases of Hepatitis C are associated with intravenous drug misuse therefore prevention services such as needle exchange and screening are organised as part of an integrated approach to drug misuse. As with H.I.V. the emphasis is always on early diagnosis because treatment is more effective in the early stages. A.C.E.T. does not currently receive funding from Health and Social Services. The department historically funded a programme aimed at the Portuguese community, which ended at the very end of 2009 by mutual agreement when the project worker left the Island.

[12:00]

This programme was not directly related to H.I.V. or blood-borne viruses. The department does not fund unlinked anonymous testing. In accordance with guidelines issued by the U.K. Chief Medical Officer of Health, Jersey provides voluntary H.I.V. testing. Unlinked anonymous testing only provides information about prevalence, which is not considered essential in a low incident population. Investment in early detection and treatment is a high priority.

4.12.1 Deputy G.P. Southern:

Is the Minister aware that use of unlinked anonymous testing was recommended in an early Scrutiny Report examining drug use on the Island and that this was followed up under the presidency of Senator Syvret, when he was at Health, and it was pointed out that while there had been a commitment to pursue unlinked anonymous testing this commitment had lapsed and it had fallen off the list of priorities. Members were assured at the time that this programme would be reinstated. It is now some years since and we have seen no progress. Can the Minister state clearly why what was agreed previously has not happened?

The Deputy of Trinity:

I cannot state exactly because it was before my time, but I am aware that there was looking at anonymous testing, and I think at the end of the day it was down to funding. But regarding H.I.V. and A.I.D.S. the world has moved on and at that time too, when I think they were re-looking at it,

the U.K. Chief Medical Officer came out with that it should be, as I said in the question, voluntary H.I.V. testing and that is what we do.

4.12.2 Deputy G.P. Southern:

Could it not be said that the absence of unlinked anonymous testing, which is the only way to discover the prevalence of a particular disease, is a short term saving in order to prevent a much longer term cost? If in fact we are unaware of the level of Hepatitis C in our population we could be storing up an enormous problem, an enormous cost, for 20 or 30 years down the line; surely today when we are talking about prevention rather than cure we should invest now in order to save possibly enormous costs later on. Is she not prepared to spend to save long term?

The Deputy of Trinity:

As I said, the world has moved on and anonymous testing just picked at random, looking at people's blood to see if they have H.I.V., it no way could be linked back to people who had H.I.V., so it was limited in what it could do. But with the new information coming out from the Chief Medical Officer in the U.K. that there is now set criteria to do voluntary H.I.V. testing, and so that we felt was more important to be one step ahead.

4.12.3 Deputy P.V.F. Le Claire:

It was put to me last week that Jersey is the only modern jurisdiction that does not have a drugs policy. I was surprised to hear that put to me and I was convinced that we did have a drugs policy, but I was assured that it is a scattered approach. Would, given the issues outlined in this question and the answers that have been given this morning, the Minister outline as to what exactly we do have for a drug strategy and whether she could circulate that to Members later please?

The Deputy of Trinity:

I will look into it and come back to the Deputy.

4.12.4 Deputy M. Tadier:

Does the Minister acknowledge that those exposed most to the diseases are not always those who are most likely to put themselves forward or take the initiative for voluntary testing, and if she does agree with that can she say how unlinked anonymous testing for these diseases fits into that position?

The Deputy of Trinity:

A lot of work is done in this area, as I have said, along with drug and alcohol and especially the consultation microbiologist at the hospital and a specialist nurse, and also the input that we have in the prison. It is down to set criteria, which is set down, as I said, from the U.K. Medical Officer.

4.12.5 Deputy K.C. Lewis of St. Saviour:

Would the Minister inform the Assembly if new blood donors are tested for H.I.V. and Hepatitis C and if so and it proves positive, are they informed?

The Deputy of Trinity:

That is a very detailed question but I am happy to give the Deputy that information. I know a lot of work has been done on blood transfusions and when I get it I can give the Deputy that precisely.

4.12.6 Deputy G.P. Southern:

Does the Minister not accept that a knowledge and understanding of the prevalence of blood-borne diseases such as A.I.D.S. and Hepatitis C are an essential piece of preventative work in her field, and will she not agree to revisit this area and examine whether the priorities in fact are correctly set?

The Deputy of Trinity:

A lot of work in this area has been done over many years, not only in Jersey and the U.K. but worldwide, and that is why a lot of emphasis was put into prevention, treatment and early diagnosis, and a lot of work is done I think within schools as part of their P.S.H.E. (Personal, Social, Health Education) as well as the wider population and we can always look at it, but my priorities at the moment are, as I said here, that the testing is done on a voluntary basis but more so importantly, and I think it is very good because our numbers are low and that is very important too.

4.12.7 Deputy G.P. Southern:

If I may; is that an agreement to revisit the list of priorities, in particular in the light of this particular technique or not?

The Deputy of Trinity:

No. It is not, because as I said the Chief Medical Officer [**Interruption**] ... as I have said many times.

4.13 Deputy S. Power of the Minister for Economic Development regarding the benefit of outlying harbours and piers:

Given the tourism benefit that outlying harbours and piers provide to both visitors to the Island and to locals, how does the Minister justify his comments made in the Assembly last week on 29th March 2011 that these outlying harbours are uneconomical and are subsidised by his department?

Senator A.J.H. Maclean (The Minister for Economic Development):

The annual cost of maintaining outlying harbours and piers in 2009 was £1.5 million. However, income only contributed £240,000. There is no visitor income from the outlying harbours. All income is from local boat owners. From a Jersey Harbour's commercial perspective outlying harbours are loss-making, which was the point that I was making on 29th March.

4.13.1 Deputy S. Power:

The Minister said last week that it would take 37 years to amortise the repairs to the pier at St. Aubin. Given the fact that one of the piers was built in 1812 and is now coming up to its 200th birthday, would the Minister not agree with me that any money spent on the outlying harbours is money well spent and saying that any of these heritage harbours are uneconomic is like saying the Forth Bridge is uneconomic or Balmoral Castle is uneconomic or anything else, will you not agree?

Senator A.J.H. Maclean:

I was not giving the impression that there was not value in the outlying harbours or structures such as St. Aubin's, but although the Deputy mentions the date of which it was constructed, unfortunately in those days there was not G.A.A.P. (Generally Accepted Accounting Principles) accounting in place and indeed G.A.A.P. accounting has not been used until the last few years. There was no depreciation of assets, no provision made by the States for repairs and replacement of assets. That is the key problem that we have to deal with and that, I am afraid, is a fact of life. Moving forward we must maintain these structures. They are essential to the Island; I do not dispute that at all.

4.13.2 Senator S.C. Ferguson:

The Minister has given a cost of, I think, £1.5 million; what is the split on that? Perhaps the Minister would tell us what the split is between capital and revenue expenditure.

Senator A.J.H. Maclean:

For the year 2011 contained in the business plan for Jersey Harbours, the depreciation element of historic harbours is £645,000. The balance is £845,000, which arrives at just a small amount below £1.5 million that I referred to earlier.

4.13.3 Senator S.C. Ferguson:

Sorry, supplementary? The £845,000; is that purely painting rails and so on or are there capital repairs included in that?

Senator A.J.H. Maclean:

There are other costs included. If the Senator would like breakdowns we can clearly provide those but that does include all costs associated.

4.13.4 Deputy of St. John:

Given tourism and the benefits is a hidden cost to the Island and funds are given to the E.D.D. to manage these annually, because he is responsible for harbours and airport, tourism, et cetera, within his overall budget, should he not be looking at working more closely with the various associations and the like that operate out of these various harbours and see if you could not move some of the responsibility for things like very large mooring chains, which are very expensive to replace every 10 or 15 years and the like to the associations who use this equipment?

Senator A.J.H. Maclean:

The Deputy makes a very valid point and I am sure he is aware that the Harbour Department work very closely with the various boat owners groups, the yacht clubs, the marine leisure growth group, and indeed there are a number of smaller associations at various harbours. We continue to work with those groups to find solutions but the fact of the matter is that mooring charges are so woefully inadequate in the outlying harbours, and that is in comparison to benchmarking that we have undertaken in Guernsey and Poole, Chichester and indeed in France in Cherbourg but we cannot do anything other than a measured approach. We are looking at 20 per cent increases per annum over a 5-year period. That is a significant increase and we have to have a measured approach. We would need to increase charges by over 500 per cent for cost recovery. We are moving towards that and I hope the approach we have taken is seen as reasonable.

4.13.5 Deputy P.V.F. Le Claire:

Increases of 500 per cent in terms of catch-up are quite alarming. Boats and moorings in these outlying harbours do, I understand, pay dues and there is more value in the harbours themselves than just providing facilities for vessels. I am a bit nervous about the approach States departments are taking on this. Will the Minister undertake to circulate as a matter of course the minutes from the Shadow Board at every meeting that they sit so that we can all see which direction they are heading in, please?

Senator A.J.H. Maclean:

I think there are 2 separate questions here. As far as the strategy undertaken with regard to the outlying harbours, I believe it is a measured approach that we have undertaken with the recovery. We are not seeking to recover 500 per cent. We are doing 20 per cent per year over 5 years. There is still going to be a shortfall. That shortfall will have to be met as it currently is by the harbours trading account. As far as the Shadow Board is concerned I have no objections to minutes being available for Members to see. There is no reason why that cannot be circulated.

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

In some ways this has been raised before but only peripherally. Would the Minister agree that to put all the costs on to boat users when a major part of the value of our harbours is in tourism is just going for an easy option because they are the easy ones to charge? Surely he should be allocating a large part of the costs to tourism and not just to the boat users.

Senator A.J.H. Maclean:

I am afraid I missed part of that question. The Senator on my right was coughing in my ear and I missed part of it, but I hope I have got the general gist about splitting the various costs between other agencies. Indeed, there is a value of course to tourism of the outlying harbours and, in fact, we will be coming on to debate later today another matter which is of significant importance to tourism which is our green lanes.

[12:15]

There are many areas which are valuable to the industry that contributes more than £250 million to the Island's economy and we have to continue to work all together to find the right solutions. Nevertheless it is out of the Harbours' budget that these matters are currently dealt with. If other funding mechanisms are more appropriate they would perhaps follow the U.K. model, which is local governments and councils who deal with the funding of heritage items.

4.13.7 Deputy S. Power:

If I am allowed, if the Minister will indulge me? Would the Minister not agree that to apply G.A.A.P. accounting to a working commercial wharf like the New North Quay and to apply the same principle to Rozel Pier or to the North Quay in St. Aubin is entirely inappropriate, and would he not agree with me that outlying harbours, like in the Highlands and Islands that are shared by Scottish Heritage and the various authorities, are treated differently for accounting purposes because they have a life span of 300 and 400 years?

Senator A.J.H. Maclean:

I do not entirely agree with the Deputy, I am afraid. I think it is absolutely appropriate that we make provision for the replacement and repair of capital items and that is one of the problems one could argue that the finances of the States are in the position that they are currently in. If we had made provisions in the past in that way we would not have the position that we have now. So, I am afraid we have to make appropriate provisions. The Minister for Treasury and Resources expects Harbours to pay. He is determined to inflict those costs upon the department and in many respects he is right.

4.14 Deputy T.M. Pitman of the Minister for Treasury and Resources regarding the benefit to other Islanders from 1(1)(k) residents:

As the Minister is looking so tanned and relaxed from his holiday, will he agree to release the report referred to by his Assistant Minister during oral questions on 29th March 2011, which apparently verifies that the benefit to other Islanders from 1(1)(k) residents is over £50 million and if not, why not?

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

My Assistant Minister has ably answered questions in this area and I ask him to answer the question today.

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

As the Deputy is aware I inadvertently used the wrong word when I said that the economic benefit to Jersey from 1(1)(k) residents had been verified when I meant to say compiled, and I advised States Members of my error within hours of doing so. The figure of £50 million to £70 million of economic benefit brought to the Island by 1(1)(k)s has been independently compiled. This was done by a law firm based outside of the Island with no vested interest in the Island. The firm which reviewed the 1(1)(k) regime did so on a condition that their full report would not be made public. They felt that the sensitive nature of the subject matter would make it impossible to undertake a full review if the details were to be made public. In particular, they felt that the individuals and the advisers interviewed would be less inclined to participate if their views could not be given in

private. However, as already expressed to States Members in my email of 30th March, we will be issuing a progress report into the 1(1)(k) review shortly and this will include extracts from the independent report but I am afraid not the report itself.

Deputy P.V.F. Le Claire:

On a point of order, I do not know by what arrangement the questioner received the answer from the Assistant Minister. If it was by agreement then there is no point of order, but the point of order I am questioning is by convention questions are asked of the Minister. By courtesy they are allowed to be answered by the Assistant Minister if we have agreed by the questioner. It has been the case in the past where you determined a request by me to defer a question from the Deputy of Trinity to the Minister for Planning and Environment on the grounds that the question related to the Minister's department and the answer that I needed I knew the Minister had but the Assistant Minister was not availed of. I think it needs to be quite clear in our minds that if we wish to put a question to Ministers whether or not Standing Orders permit us to press that question to the Minister or whether understanding orders we are allowed to.

The Bailiff:

It is already dealt with in Standing Orders. You may remember that this matter came up and so an amendment of the Standing Orders was made. So, a questioner may, when giving notice of a question indicate that he wants the question answered by the Minister himself, but unless that is done at the time the question is lodged then it may be answered by an Assistant Minister.

Senator P.F.C. Ozouf:

If I may just say, I am more than happy to answer the question but I have full confidence in my Assistant Minister who chairs the 1(1)(k) review, and I think that he is the right person to answer it, but if the Deputy wants me to answer it I am happy to do so.

The Bailiff:

Not now Minister, because that was not the original one that was put in. So, I had seen next Deputy Southern. I am sorry, it is Deputy Trevor Pitman. You want a first supplementary? I beg your pardon.

Deputy T.M. Pitman:

I know it was quite a long time ago, Sir.

The Bailiff:

Yes, it does seem a long time ago. [Laughter]

4.14.1 Deputy T.M. Pitman:

Can I say to the Assistant Minister that I informed his department that I would attempt to seek this document under the same Freedom of Information basis that Mr. J. Mills utilised to get school examination information. Am I right in surmising from his answer that given the Council of Ministers apparent obsession with secrecy this request will likely be denied, yet we will be asked to accept the alleged content on a 'trust me' basis and does he think that is acceptable?

Deputy E.J. Noel:

To quote a former Chief Minister, we have a contractual obligation to keep that report confidential. If we manage to negotiate with the parties involved in that contract then we will be able to issue the report, but at this moment in time we have been able to get their permission to report extracts from the document but not the full document.

4.14.2 Deputy G.P. Southern:

Will the Assistant Minister agree that this is a most unsatisfactory position, and will he agree to release in confidence the report to the appropriate Scrutiny Panel, whichever that might be?

Deputy E.J. Noel:

I believe the appropriate Scrutiny Panel would be Corporate Affairs. I have to take advice on that, whether or not by entering into a confidentiality agreement with the Scrutiny Panel if we would be in breach of our agreement with the provider of the report, but if it is the case that we can release it we indeed, if Scrutiny wish it, will release it.

4.14.3 Deputy G.P. Southern:

Supplementary, if I may? Is the Minister aware whether this report is subject to the Freedom of Information Law in the U.K. since it was obtained through the use of an English company, will he name that company so that at least Members can assess what the report's name is and whether it is accessible through Freedom of Information in the U.K?

Deputy E.J. Noel:

I am not an expert on U.K. law. I would have to refer that to advice. The report was prepared by a London office of an international law firm. They were supported by a specialist consultancy firm, again from outside the Island. Both firms have experience in advising wealthy individuals and of advising government. I am afraid that at this time I am not able to release their respective names.

4.14.4 Deputy M.R. Higgins:

I am extremely confused by some of the answers we have got. We are being told, I think, first of all that it is an independent report. Can the Assistant Minister tell us first of all was the report commissioned by any States body to that law firm to gather all the data? If it was not how has he got access to this report and how can it be verified?

Deputy E.J. Noel:

The report was commissioned by an officer at the time of the Chief Minister's Department, who is now an officer in the Treasury Department, and under the arrangement with the law firm concerned and the specialist consultancy firm concerned a distribution was agreed and, in my capacity, I was included in that distribution.

4.14.5 Deputy M.R. Higgins:

A supplementary? If it was commissioned by someone within the States surely it is a States document and therefore access to it should be available, and it is totally unacceptable for the Assistant Minister to say: "Oh, it is independent, it is this that and the other" and yet no one except him will ever have sight of it. It is totally unacceptable. Does the Assistant Minister not agree?

Deputy E.J. Noel:

I do not agree with Deputy Higgins. We would not have had that report if we had not agreed to the author's request that it be kept confidential.

4.14.6 Deputy S. Pitman of St. Helier:

I do not think the Assistant Minister has answered why the report was commissioned by Treasury and if so ...

The Bailiff:

Can you come to your question, Deputy?

Deputy S. Pitman:

Will the report contribute to part of the criteria when assessing the tax of 1(1)(k)s and if not why did the Assistant Minister mention this at the last session when the question was asked?

Deputy E.J. Noel:

I believe that Deputy Shona Pitman has answered her own question. The report was commissioned to enable us to carry out a full review of the impact and benefits that our high net worth individual offering is. Attracting high net worth individuals to the Island is beneficial to Jersey and we want to enhance that benefit, hence the reason for commissioning the report.

4.14.7 Deputy S. Pitman:

A supplementary? Can the Assistant Minister tell us if the report will contribute to part of the criteria when a 1(1)(k) comes into the Island and wants to live in the Island?

Deputy E.J. Noel:

The report is being used by the working group to enhance our offering to high net worth individuals, so we are in a better position to extract more tax and more benefit out of them and to attract more individuals to come and relocate to the Island, to bring their families, to bring their businesses, so overall the Island population benefits.

4.14.8 Deputy P.V.F. Le Claire:

I am sure that will be a great relief to the people that had to wait 20 years for their qualifications. I have never heard anything like it in my entire time in the States that a department can commission a document with an outside firm, and that the Minister answering the questions cannot even tell us what the name of that firm was. Can I ask please before the proposition comes that we can have a long debate to get this out into the open? I am sure it is coming. How much did this report cost?

Deputy E.J. Noel:

Firstly, I do not believe anyone in the Island now has to do 20 years before they get housing qualifications. Everyone is equal now. I believe we all have to do 10 years.

Deputy P.V.F. Le Claire:

A point of correction. I said it will come as a great relief to those that had to wait 20 years.

Deputy E.J. Noel:

To answer Deputy Le Claire's question, the cost of the report was £65,600.

4.14.9 Deputy J.M. Maçon:

Yes, the Assistant Minister talked about the working group. Can the Minister please inform us who sits on that working group?

Deputy E.J. Noel:

It is a political working group. It is made up of the Minister for Housing, the Connétable of St. Clement in his capacity as Assistant Minister for Economic Development, and myself.

4.14.10 Deputy G.P. Southern:

Will the Assistant Minister examine the possibility of issuing this report in a redacted or anonymised form so that we identify the evidence that supports the position that the Treasury has taken on this particular issue before he brings any proposition on 1(1)(k)s to the States for debate?

Deputy E.J. Noel:

I can only repeat that I already expressed to Members in my email of 30th March that we will shortly be issuing our review, and that it will include extracts from the independent report. That is all I have to say.

4.14.11 Deputy G.P. Southern:

If I may, a supplementary? The publication of the extracts is exactly what they did with their consultation on personal income tax, or personal tax options earlier in the year. Does the Assistant Minister not agree that this is an unsatisfactory way of proceeding with Government? We should have the evidence. If this House is to accept a new policy on 1(1)(k)s it must have the evidence and all the evidence on which to base its judgment. Surely the Assistant Minister must agree that is the way forward that we should be proceeding in Government.

Deputy E.J. Noel:

When we bring our proposal to this Assembly we will back it up with a report that does contain the evidence.

4.14.12 Deputy T.M. Pitman:

The Assistant Minister referred to Government. Does he not agree that certainly I thought 53 of us were in Government, and without a willingness to share such claimed information with all Members and thus respect them, does the Assistant Minister not accept that many of us, like the majority of the public I suggest, will continue to be highly sceptical about such claims and that can only be a negative thing?

Deputy E.J. Noel:

I disagree with Deputy Pitman. I do not believe that we have 53 Members in Government. I believe we have 53 Members in the Legislature. The Government is made up by the Council of Ministers.

[12:30]

4.15 Deputy P.V.F. Le Claire of the Minister for Transport and Technical Services regarding the replacement of the current sewage treatment equipment by the end of 2013:

Will the Minister confirm that there is a need to replace the current sewage treatment equipment by the end of 2013, and, if so, will he advise what is the current estimated cost of the replacement system, what is its life expectancy and how will treated sewage be released into the environment?

The Connétable of St. Brelade (The Minister for Transport and Technical Services):

I am glad we are debating this before lunch. I would not want to put Members off. The sewage treatment facilities at Bellozanne were originally commissioned in 1959 to serve a population of 57,000 people. Over the years as the population has increased the plant has been extended to cope with the extra demand placed on the system. Some items of the plant, such as the concrete tanks, have a greater life span meaning that the various parts of the plant have been replaced at different intervals as they came to the end of their useful life. Over the long-term the whole plant will have to be replaced in one form or another. The work on the liquid waste strategy is dealing with this issue. The immediate problem, which I think the question relates to, is the replacement of the sludge treatment facilities. These are currently coming to the end of their life and will need to be replaced by the end of 2013. The project will include the installation of 3 x 1,600 cubic metre sludge digesters and associated thickening and de-watering equipment. In order to achieve the best value for money for the States this project will be tendered in 3 phases with an estimated cost of just over £10 million. The life span of the replacement equipment will be a minimum of 15 years for mechanical and electrical works and 60 years for the digestion tanks. The end product of the new sludge treatment system is enhanced treated biosolids, which will then be used as a fertiliser. The modernisation of the sludge treatment facilities will also have the added benefit of reducing odours in the Bellozanne Valley area.

4.15.1 Deputy P.V.F. Le Claire:

Interesting answer; well maybe not, but an answer anyway. Could I ask 2 questions, please, out of that answer? It was kind of the Minister to indicate that 2013 related specifically to the sludge

treatment facility, which is £10 million. He did however address the question in its entirety by saying that in time the entire system will need overhauling. It was designed initially for 57,000. What is the estimated cost and when is that cost needed to be acquired in relation to that answer ... what is the cost and when is it needed to be acquired? Finally, from the work on the compost report we did with the Minister for Planning and Environment, it was determined by Jersey Royal that sewage sludge applied to their land would negate the possibility of them selling their potatoes into the U.K. market. Where does the Minister propose to dispose of the sewage sludge fertiliser?

The Connétable of St. Brelade:

While I cannot answer the Deputy's questions directly, I can say that the liquid waste strategy is currently being developed which will identify the assets that will require replacement over the next 20 years. In terms of the sewage sludge on land the department is responsible for that distribution and monitors the areas on which it is put so that the land is not overdosed in any area and is subject to the regulator's requirements and to avoid prejudice from markets trading groups.

4.15.2 Connétable A.S. Crowcroft of St. Helier:

Could the Minister say what relief, if any, his answer offers to the residents of Bellozanne Valley, in particular, and parts of St. Helier where lives are blighted by the presence of the sewage treatment plant and whether he and his team have considered possibly putting future facilities in other parts of the Island such as St. Brelade?

The Connétable of St. Brelade:

While I think probably in an ideal world one might put the sewage treatment down at La Collette within the existing industrial area it would cost an enormous amount of money to do so, and I would suggest in the present economic climate it is probably not feasible to do that. But I think it is incumbent on my department to reduce the odours in Bellozanne, and we have made significant strides in achieving that and hope by the undertaking of the present work, which I have alluded to, that that will improve considerably in the next few years.

4.15.3 The Deputy of St. John:

Given we were given a lot of paperwork by the Scrutiny Panel probably a year ago now on the liquid waste strategy, we have had very little information from the department on what is going on to date and given that the figures are somewhere in the region of £200 million to £250 million I would say on what will be required, how is this going to impact on the Minister's latest pet subject, which is close to all our hearts, and that is the condition of our main roads, et cetera, given that so much will be required in the liquid waste area, how is he going to get the funding for both these areas over the same period of time, because both require tens of millions of pounds?

The Connétable of St. Brelade:

Well it is a challenge, from the point of view not only of my department but from the States, to find the funding to underwrite these necessary requirements. The Deputy is quite right that the liquid waste strategy will cost the figures which he suggests, but the policy is under development. My department have just got some funding to start working on it, and we hope to come up with some firmer proposals as time goes on. Clearly, in his present position he will be party to those discussions. It is a balancing act in terms of budgeting, not only within my department but other areas of the States, and I suggest that when it comes to annual budgets and strategic plans the Deputy's input will be appreciated so that we can allocate appropriately.

4.15.4 Deputy G.P. Southern:

Will the Minister assure residents of Bellozanne that he will keep additional traffic down to a minimum as he starts this extra construction work?

The Connétable of St. Brelade:

I have to say that the residents of Bellozanne are better off subsequent to the opening of the new E.f.W. (Energy from Waste) plant at La Collette and that the refuse traffic, as we would call it, has now disappeared. To be fair there will be some initial heavy traffic while early works are going on but, as always, we will attempt to minimise the disruption to the public and look forward to feedback from the Bellozanne residents, and will keep them in touch through our newsletter, the *Bellozanne News* and keep them informed of what is going on.

4.15.5 Senator S.C. Ferguson:

Has the Minister consulted with the Environment Department as to environmental alternatives to what is obviously an old technology?

The Connétable of St. Brelade:

Yes, my officers are well-briefed on the latest technology but curiously, in terms of sewage works, old technology works best. It is a chemical action and we have not come across any viable alternatives, or viable or proven alternatives. I have to say that some years ago a new process was tried. It was not terribly successful and we look forward to proposing that particular unit with, probably, an old-fashioned one.

4.15.6 Deputy P.V.F. Le Claire:

Indeed, on Scrutiny we were told that the estimated costs for upgrading the traditional sewage works were going to be in the region of £200 million to £250 million in the next 20 years. We are now embarking upon replacing and improving upon the old technology, and I would like to ask the Minister if it is really not now time to think about bio-gas solutions where we could use the by-product to fuel the buses, as they are part of Connex's fleet. Connex has a fleet in many jurisdictions which run on bio-gas.

The Connétable of St. Brelade:

The department takes the gas off the top of some of the tanks and it is used in gas engines to provide energy on site, so I would suggest that we are taking up the Deputy's suggestion. Not sure about putting it in the buses yet, and we would not like to reduce bus usership by perhaps using the wrong fuel.

4.16 The Deputy of St. Martin of the Minister for Health and Social Services regarding the rate paid to Allied Health Professionals:

Timing is not bad, but there was a one or 2 minute stoppage, I think, Sir. Further to the Minister's response to an oral question on 15th March 2011, when she was unable to inform Members why Allied Health professionals are paid at a Civil Service rate, which is considerably higher than that of nurses, is she now able to provide the Assembly with a detailed reason for this anomaly?

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

My understanding is that it was done as part of a major review undertaken approximately 20 years ago, which sought to ensure staff grades were comparable across all public service posts in Jersey. It was undertaken by the Establishment Committee of the day. Where possible staff groups are linked together in order to determine pay, hence the allied health professionals reporting to the Civil Service.

4.16.1 The Deputy of St. Martin:

I thank the Minister for that answer but given that there are discrepancies in the rate of pay, and the higher rate of pay is not creating difficulties in recruiting allied health professionals, or indeed the nurses at the lower grades, it must be apparent that nurses above Grade 4 will have to have an

increase in their salary, obviously to recruit the required number. Does the Minister agree and if so, what steps will she be taking to find the funding?

The Deputy of Trinity:

Allied health professionals and nurses are not interchangeable. They are 2 different issues and the allied professional pay is something that you need to take up with the States Employment Board.

4.16.2 The Deputy of St. Martin:

The question was that as there is no difficulty in recruiting allied health professionals or nurses at a lower rate, but there is a difficulty in recruiting Grade 4 and above. Does the Minister agree and if so, what steps will be taken to find the funding to meet the need for this additional funding for Grade 4 and above?

The Deputy of Trinity:

The Deputy is quite right with the Grade 5 nurses. That work is being done and we - the department- are in discussions with the States Employment Board.

4.16.3 Deputy G.P. Southern:

Given that she is currently involved in negotiations over a 5 per cent offer to the senior nurses, but that these senior nurses are some 15-17 per cent behind their U.K. counterparts in terms of the expense of living in Jersey, will she attempt in her communications with the States Employment Board to lobby for an exemption should the States Employment Board in 2012 and 2013 come up with the idea of yet another pay freeze, because that would mean that her recruitment problems with these senior nurses was made worse if she were to go along with it? Will she lobby S.E.B. (States Employment Board) to make an exemption for nurses?

The Deputy of Trinity:

As I have stood here many times and said, there is a problem with nurses pay. It is over a certain level we have trouble recruiting, as it has been said, and I think the Chief Minister's office did a written question to more or less those issues. But it is not only just one issue regarding pay. The difficulty in recruiting is also the cost of childcare and housing. There is not just one effect. It is a multitude of things and where we have to look at the possibility of recruiting nurses, especially in those areas I have mentioned, we need to look at somehow addressing those issues and that is what we are doing with the States Employment Board.

4.16.4 Deputy G.P. Southern:

As a point of clarity, I think, is the Minister suggesting that she undertake providing housing or providing cheaper childcare, or is she suggesting that she pay her nurses enough that they can afford to live here under the right conditions, and if so will she be opening negotiations with S.E.B. to make an exemption for nurses should we face a pay freeze in the future?

The Deputy of Trinity:

We do provide housing, and that is part of the problem because the housing over many, many years has not kept up to standard, and that is one of the big issues that we have too with them, as States Members know regarding our estates. They have not been kept up-to-date. But I continue to say, it is not just one issue, and I am in negotiations, as my department is, with the States Employment Board, and we will continue to have these discussions until we have a resolution looking at these nurses pay grades.

[12:45]

4.16.5 Deputy A.E. Jeune:

Could the Minister advise then, what rates of pay are being used to engage contract nurses, such as the Head of Nursing in the A. and E. Department?

The Deputy of Trinity:

I have not got that detailed question. I know Deputy Jeune is very concerned about these levels and again I say to her, please, Deputy Jeune, please email me and I will give you the information that you require.

4.16.6 The Deputy of St. Martin:

The I.D.S. (Income Data Services) report and recommendations were published in January this year, yet in the answer given in written answer 7 today it says that no final decisions have been made on the I.D.S. recommendations, is the Minister in a position to inform Members how soon these decisions will be made?

The Deputy of Trinity:

No, I am not unfortunately and I think that is a question more geared-up to the States Employment Board.

LUNCHEON ADJOURNMENT PROPOSED

The Bailiff:

Very well, that brings questions on notice to an end. The adjournment is proposed and therefore we reconvene afterwards to begin questions without notice.

[12:46]

LUNCHEON ADJOURNMENT

[14:15]

5. Questions to Ministers without notice - The Minister for Social Security

5.1 Deputy G.P. Southern:

Just to get us back in the swing of things, will the Minister state what protection will be in place for workers on transfer of businesses, the equivalent of the U.K. T.U.P.E. (Transfer of Undertakings (Protection of Employment)) legislation?

Deputy I.J. Gorst of St. Clement (The Minister for Social Security):

As the questioner well knows, he attended a briefing at lunchtime where I confirmed to Members that I would not be bringing forward T.U.P.E. legislation to this Assembly for approval and I also confirmed that it was my strong recommendation that whoever sits in this seat, metaphorically as it were, for the next political term, does likewise.

5.1.1 Deputy G.P. Southern:

Supplementary, if I may? So the 250-plus States workers who will be likely to be made redundant by outsourcing or privatisation over the next 2 years have got what protection over any terms and conditions under which they are employed?

Deputy I.J. Gorst:

It is my opinion that T.U.P.E. is not right for Jersey. It is not right for small communities, it is unnecessarily cumbersome and it would not, of course, in any case affect our main industry. With regard to any States employees, that falls within the remit of the States Employment Board, but I believe that if we wanted to produce legislation to protect those employees - although I am not convinced that we need to - we could deal with it on a case by case basis like our sister Island did in Guernsey. Having said that, I understand that the States Employment Board will provide necessary commitments with regard to any transfers that might or might not take place, I am not party to whether that is intended or not.

5.2 The Connétable of St. Helier:

Could the Minister explain whether people who are not at work, nor looking for work, are still entitled to draw free nursery education grants for their children? Does the Minister know what the cost of this is and could he say whether it is justifiable when the Council of Ministers are making savings like cutting school milk?

Deputy I.J. Gorst:

I am not sure exactly what it is the Connétable is referring to when he uses the term “free nursery grants”. Is he referring to childcare component payments within income support or ...?

The Connétable of St. Helier:

Yes, I am.

Deputy I.J. Gorst:

Thank you. I do not obviously ever wish to talk about individual cases. Childcare components should be available, or can be available for those who are in work. It might be that in a specific instance an individual might be temporarily out of work and the department might have made the decision that it was in the best interests of that individual. It is really not appropriate for me to talk about individual cases, but if there is a concern that the Connétable has, then please, I would be more than happy to try and address it with him, but I suspect from what he is saying, that that is what has happened in that particular instance.

The Connétable of St. Helier:

If I could just be helpful, I was really trying to get an understanding of whether we are talking about a lot of people who are not at work, not looking for work, but still drawing this supplement?

Deputy I.J. Gorst:

I would say we certainly should not be, because that is a payment which is available for some individuals where their gross income ... it used to be net, so we have made slightly more people eligible for that recognising that for those individuals it is better for them to get to work, albeit their childcare is a relatively high cost, and a difficult one for them to meet. So, we try to be understanding in that case, and the example that the Connétable refers to, I would expect that to be a more unusual occurrence.

5.3 The Deputy of St. John:

This morning we heard in question time, through the Minister for E.D. I believe it was, about a ‘white van man’ coming to the Island. Given that daily we see tradesmen and the like coming off the ferries from the U.K. and France, do your officers at Social Security check these vehicles regularly? If so, how often? Also, we heard this morning about building sites where foreign ...

The Deputy Bailiff:

That is enough questions, Deputy, thank you. One subject matter ...

The Deputy of St. John:

But it is all to do with the same inspection, Sir.

The Deputy Bailiff:

Carry on then. It did not sound like it.

The Deputy of St. John:

Building sites where ... we were asked if inspectors checked these sites. Do your officers check both the docks and the sites where people come over to work on, which come over *en bloc*, and do they carry social security cards from Jersey or elsewhere? If from elsewhere, who covers them in the event of an accident here?

Deputy I.J. Gorst:

Sir, I thank you for your intervention, perhaps it could have been slightly earlier. **[Laughter]** The Deputy has raised a number of points there which he has raised previously in this Assembly. He knows that we have from time to time carried out reviews or inspections at the Port for this particular purpose. I am not aware of when the last one was but we do it on a risk-based approach. When we last did it, as far as I am aware, there was only one white van there that went off our radar, as it were. The reason that we would be checking, of course, is that one of the issues that we are ever conscious of in the department, is those individuals who are working cash-in-hand and are therefore not paying any contributions on their earnings, so it is on our radar. That is part of the work that our fraud team does. Having said that, if these white vans are coming from another jurisdiction for a short period of time then their liability to social security contributions remains for a considerable period of time in their home jurisdiction, and therefore we are not ... we have to balance up how much work to do to whether it is appropriate or not. There were a lot of questions, Sir. I am not sure whether you are going to allow me to answer them all, of course.

The Deputy Bailiff:

I did say that crisp replies were needed, Minister.

Deputy I.J. Gorst:

Thank you, Sir. Building sites ... yes, of course we do send our inspectors to building sites as well, again bearing in mind a risk-based approach.

The Deputy of St. John:

Supplementary, Sir?

The Deputy Bailiff:

No, thank you. Deputy Le Claire ... **[Aside]** You had 4 questions in one.

The Deputy of St. John:

It was just the way I wrapped it up, Sir.

5.4 Deputy P.V.F. Le Claire:

This morning the Assistant Minister for Economic Development in answers to questions said that the construction industry was very healthy and it was finding it difficult to find trades people. At this time there is in the region of 1,700 to 2,000 people registered with Social Security as seeking work. Would it be possible in the future to place on the website of the Minister for Social Security, the amount of people in different categories in these trades that are seeking work, so that companies looking for employees can go to the website and see, for example, that there are 7 carpenters, 8 plumbers, 14 painters and decorators, et cetera?

Deputy I.J. Gorst:

I am not sure that it would quite work in the way the Deputy might suggest. I understand, however, what he is trying to achieve and we have put in place a new process. My Assistant Minister has visited a number of large employers on the Island who understand what their requirements are when it comes to the recruitment process, and the types of skills that they are looking for, matching those up with individuals in the department; the Deputy will know that we have got a new enhanced work-zone process. We put extra money into that to deal with exactly this issue, because it is not always just having a skill. It might be some other criteria as well. Some employers work on a piece-rate, et cetera, and we have to take that into consideration on the age profile of the individual that they are looking for, so it would not necessarily be helpful simply to put the skills on the website. Having said that, perhaps what we could do is ask the Statistics Unit to add further information on their release around what the skills are. That might be a helpful approach from an

information perspective, but from a perspective of matching employees with jobs, we are already doing that in a way that we hope is going to work better in the future.

5.5 Deputy R.C. Duhamel:

My question to the Minister is, has the Minister considered, or is he considering bringing to this House, a phased transition towards retirement rather than the suggested U.K. proposals of step changes?

Deputy I.J. Gorst:

Another Member who was at my briefing at lunchtime. As I said then, this week I will, in effect ... sorry next week, I am getting confused with my days of the week. Next week I will be publicly launching my proposals with regard to retirement age and the approach I am intending to take, and I shall be asking the Assembly to agree that approach in principle later this year.

5.6 Deputy S. Pitman:

It was, I believe, last May in which I had organised a meeting with the Minister and a senior officer regarding the letters that are sent out to income support recipients and what is in the letters and what is not; i.e. the breakdown. Really what I was asking for was a breakdown of the components of income support, basically explaining to recipients what they are getting, because so many do not know what they are getting. They think they are getting things when they are not and so often I have been to the department to get the breakdown, take it back to this constituent and explain it. Now I am ...

The Deputy Bailiff:

Deputy, what is the question, please? The question should be concise.

Deputy S. Pitman:

Well, I think Members need a bit of background to this. I really want to know what has been done because as far as I am aware, nothing has been done?

Deputy I.J. Gorst:

Yes, it might appear that nothing has been done. That is not the case. We are virtually in the final stages of redrafting that letter. We have gone out to various interested parties, not least of which is the Citizens Advice Bureau and stakeholders who themselves help individuals who claim income support every day. We did have a meeting last May. The Deputy was keen and the Scrutiny Panel has again raised this issue, but perhaps producing a letter which includes all the components that an individual is entitled to. Now, while income support is simple in principle, it can become quite complicated when we have to then consider an individual's, or a household's income and it is my view that including too much information would be more complicated and lead to more confusion than producing simply a bottom line. Having said that, we need to make sure that we have appropriate resources available to help those who are helping claimants, to help claimants who need to come into the department, to understand what it is that they are receiving from the department. I would prefer a 2-stage approach and that is that for individuals to come back to us once they have seen the newly drafted letter and the way that we are going to present the information, to come back to us and ask for a breakdown after, if they are still not satisfied.

Deputy S. Pitman:

Supplementary, Sir?

The Deputy Bailiff:

I am sorry, we do not have time. We have got 2 minutes left and ...

5.7 Senator F. du H. Le Gresley:

I will be very quick. Can the Minister advise if the majority of the remaining recipients of transition payments under income support are those people previously in receipt of Disability Transport Allowance and if that is the case, is he aware - to the best of my knowledge - that the previous Minister gave an undertaking that this benefit would not be removed?

[14:30]

Deputy I.J. Gorst:

Last October we did the first transition down-rate, in July this year we will be doing the second transition down-rate. There were a category of individuals, around 150 of them, that had 100 per cent extension until this July. I am in the process of considering what the most appropriate way is of dealing with those individuals. I have communicated with the previous Minister. As it happens, the Member asking the question will be coming to your political steering group around the income support review and it is on the agenda for that meeting as well, and I want to consult with fellow Ministers as well. It is a difficult area; an area that can be quite emotive, but an area that we must consider carefully and ensure that we are not creating a system where some people are receiving a benefit way above the entitlement of others.

5.8 Deputy T.M. Pitman:

I just wanted to ask the Minister if there had been any developments. Had he discussed his colleague the Minister for Economic Development's comments about benefits being disincentive to young people?

Deputy I.J. Gorst:

Indeed, I have discussed it with my fellow Minister in the most robust of terms and he has apologised for any confusion that might have been caused by a headline written by an individual outside of his control. Having said that, we are absolutely certain that we do not want in any way, shape or form to recreate benefit dependency and we certainly do not want to create it among those younger members of our community, and we are considering whether we need to make changes to ensure that it absolutely is not the case that that is happening.

6. Questions to Ministers without notice - The Minister for Economic Development

6.1 Deputy J.A. Hilton:

Some States Members attended a presentation given by the schools' board and the Advance to Work Scheme last week and it was an excellent presentation, and I commend them for the work they have done in the past. What I found a little bit depressing was in the booklet that we were handed there were 150 or so companies listed who had assisted in this scheme and I was very, very disappointed to see that only 5 States departments have helped place youngsters for work experience. Can the Minister tell Members what action he intends to take to encourage States departments to participate fully in this scheme, and could he possibly come back in about 3 months' time and inform Members exactly which departments have taken place with the scheme and how many people they have placed?

Senator A.J.H. Maclean (The Minister for Economic Development):

The Deputy asks an extremely good question. In fact the placements, just to put the record straight, in the private sector there are 270 companies registered to take placements and we are encouraging as many more as possible to join the scheme. It is an excellent scheme. The Deputy is right, of course, in the public sector we are not really stepping-up to the plate in the way we should. There have been discussions with departments and lists have gone out to departments to encourage them to participate in the scheme, and I certainly am more than happy to report back on progress. We will certainly keep the pressure up. It is absolutely essential that we have full take-up of these schemes within the public sector.

6.2 The Connétable of St. Helier:

Does the Minister agree with me that the continuation of the taxi marshal scheme is a vital part of a successful evening economy and essential in particular to the operation of the hotels in the Weighbridge area, and will he take part in meetings to seek to find sustainable funding for the continuation of the scheme? As a former Deputy of St. Helier, does he share my reluctance to see the ongoing cost of this Island-wide service met by the ratepayers of St. Helier?

Senator A.J.H. Maclean:

I share the disappointment of the Constable in the recent announcement of the suspension of the scheme. I think it is an excellent scheme. I think funding should be sorted if one possibly can, but perhaps the Constable should direct his question to the Minister for Treasury and Resources, not the Minister for Economic Development. However, I am more than happy to throw my weight behind the support to the scheme if funding can be found.

6.3 Senator J.L. Perchard:

Will the Minister confirm that he recently wrote to the Chairmen's Committee over what he claimed was a conflict of interest regarding the chairman of the Economic Affairs Scrutiny Panel's review? A conflict that I understand had something to do with Jersey Airport. Could he tell us exactly what this conflict of interest is about in his opinion?

Senator A.J.H. Maclean:

Yes, I can confirm I wrote to the chairman of the Chairmen's Panel regarding that matter. It was my belief that the intention of the Economic Affairs Scrutiny Panel to appoint or set up a sub-panel to be chaired by Deputy Higgins was either a conflict or a perceived conflict due to the Deputy's involvement with the International Air Display, and it was for that reason that I wrote to the Chairmen's Committee to seek their guidance. I should stress that it was not an intention to be an issue between the Executive and Scrutiny. I am very keen that the airport and the harbours are scrutinised. It was just an issue I thought that should be brought to the attention of the Chairmen's Panel.

6.3.1 Senator J.L. Perchard:

A supplementary if I may, the involvement with the air display - obviously we have learnt nothing from the reply of the Minister - can he tell us exactly what this conflict of interest is about?

The Deputy Bailiff:

What do you perceive the conflict of interest to be about, Minister?

Senator A.J.H. Maclean:

Perceived, indeed. Quite simply that there is a relationship between Deputy Higgins who runs the International Air Display and the airport and the Deputy gets some remuneration from the International Air Display, and for those reasons I believe that it is inappropriate that he should chair a panel reviewing the activities of the airport.

6.4 Deputy M.R. Higgins:

In the past I have asked the Minister questions regarding people employed at Jersey Airport who are being paid considerable sums of money but who are not carrying out their contractual duties. Could the Minister tell Members whether the Air Traffic Controller employed from the United Kingdom with a salary of £68,000, who failed his local radar qualification, is still employed at the airport and the nature of the work that he is doing? Secondly, can he say whether the Baggage System Consultant who is employed at the airport at a salary of £65,000 per annum without any knowledge or experience of automated baggage handling systems, is still employed at the airport on this project and, if not, what he is doing to earn his money?

Senator A.J.H. Maclean:

The Deputy is offering an opinion not supported by facts at all. I am surprisingly not going to discuss the affairs of individual employees at the airport on the floor of this Assembly. I will say though that I am more than satisfied with the way in which the airport operates from a human resources point of view and in every aspect. It is a highly regulated and successfully operated airport and I would hope that there is a full and thorough scrutiny review in due course.

6.4.1 Deputy M.R. Higgins:

A supplementary on this. First of all, the baggage consultant is not working on the baggage project ...

The Deputy Bailiff:

That is not a question. That is a statement.

Deputy M.R. Higgins:

Sir, I am making a statement first. I am just asking for confirmation. My understanding is the baggage consultant has nothing to do with the baggage system even though Capita Symonds has now been brought in to manage ...

The Deputy Bailiff:

That also is a statement and not a question, Deputy. Deputy of Grouville.

6.5 The Deputy of Grouville:

To take up from Deputy Hilton's question about the Advance to Work Scheme; I too attended the briefing last week and out of the 270 companies that were listed as participants I noticed as well as the Deputy noticing that there were not many States departments participating. Not many large companies, large banks, trust companies and the like, the mainstay of our economy, were participating. In fact, the only trust company I could see at a glance was one where one of the directors of the Advance to Work Scheme is a member of, so what is he doing about getting these larger firms to participate in such a scheme?

Senator A.J.H. Maclean:

I am taking every opportunity possible to promote the scheme and to encourage businesses of all sizes and in all sectors to participate. It has been growing. It is now up to 270 but we must bear in mind there are thousands of companies in Jersey, and certainly I would be very hopeful we can get some more. Through Jersey Enterprise we are taking the opportunity to ensure that all companies that receive advice through Jersey Enterprise are being made aware of the placement scheme. It does not matter the size of business or the sector, it is still a valuable opportunity and we will continue to push the point and, indeed, the question the Deputy has asked has also helped. Hopefully, the media will pick up on the point.

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

In parallel to Deputy Hilton's question, one of the things that I understand is coming to light more and more and is a problem that I have come across is that we spend a great deal of time and money educating our young people, many of which go outside the Island to get the skills and qualifications we demand and within 10 years 62 per cent of them return back, many of which with skilled partners we have not paid for, but increasingly I am told that local people returning are being told they cannot have the local jobs available because they have not got 5 years' experience. How can we get the experience if we do not give them the opportunities? They go off again and we do not see them back.

Senator A.J.H. Maclean:

Well, I agree with the Deputy. We need to create the culture where we have proper succession planning in place and opportunities for training people to ensure that they can take local jobs. I have to say that central to the new economic growth strategy, which will be going out in Green Paper form shortly, Members will see is skills and training. Skills and training is absolutely essential to the future success of our local economy.

6.7 Deputy S. Pitman:

What knowledge does the Minister have of Social Security working with local businesses in trying to get those on incapacity benefits and deemed effectively as having some capacity to work, as the Minister for Social Security said last year that the department was working with businesses?

Senator A.J.H. Maclean:

I can tell the Deputy that both Economic Development and Social Security work very closely together - and Education, Sport and Culture for that matter - as part of the Skills Executive in addressing all issues relating to skills training and ensuring that all individuals whether those suffering from incapacity or otherwise have opportunities to get into the work place and generate a fulfilling life as possible.

6.7.1 Deputy S. Pitman:

The Minister has not answered the question. He has generalised. Can you be more specific? I am talking about those recipients on incapacity benefits.

Senator A.J.H. Maclean:

Perhaps the Deputy could tell me what indeed she wants me to be specific about.

Deputy S. Pitman:

About what knowledge do you have on Social Security working with local businesses in trying to get these people into work?

Senator A.J.H. Maclean:

Well, there are various bodies that are involved in looking at people with incapacities to ensure that they can get training to find work and, frankly, it is an issue that is being looked at with regard to the Skills Executive and the Skills Board. It is one of a whole range of issues to ensure people get and find fulfilling job opportunities.

6.8 Deputy A.E. Jeune:

Just following on from something raised by Deputy Higgins, can the Minister confirm that he is satisfied that those staff employed in his areas of responsibility carry out the functions for which they were employed?

Senator A.J.H. Maclean:

Yes, as far as I am aware I have no reason to believe staff do not carry out the functions that they were employed to undertake and very satisfactorily.

6.9 Deputy T.M. Pitman:

Could the Minister advise Members whether one of the airport directors is on a remuneration package of £215,000 that may or may not include agency fees and associated costs?

Senator A.J.H. Maclean:

I think the Deputy said one of the airport directors. There is one airport director and the salary, I am not prepared to discuss of an individual but it is certainly nothing like that sum.

6.10 Connétable K.P. Vibert of St. Ouen:

Does the Minister share my concern that the financial cuts that his department is suffering are likely to adversely affect the Island tourism industry insofar as lack of maintenance of the small fishing harbours along the north coast?

Senator A.J.H. Maclean:

Possibly. Clearly, from the tourism industry's perspective there is never enough money in terms of either promoting or, indeed, maintaining assets from within the Island. We have a problem in the States of Jersey, as I was alluding to this morning, about maintaining essential infrastructure including the outlying harbours. There has not been appropriate provision made over the years but that, I am pleased to say, is now beginning to be addressed. It is important that it is.

6.11 Senator F. du H. Le Gresley:

Could the Minister advise what progress his department is making to set up a new independent business advisory service as envisaged in his business plan for 2011?

Senator A.J.H. Maclean:

I believe the Senator is alluding to a merger between Jersey Enterprise and, indeed, the funded Jersey Business Venture. Discussions are ongoing between those 2 organisations and I am hopeful certainly before the conclusion of this year, that we will have one single body delivering support to the business community.

6.12 Deputy M. Tadier:

A moment ago in an answer about the director of the airport's salary, the Minister explained that he was not prepared to discuss this but then went on to say that the sum was nothing like that, which clearly implies that the Minister knows the sum that the director is getting paid. It should be public information. Presumably it is available under the Freedom of Information code of practice which currently exists. Why will the Minister not give that information now in public so that the members of the public can hear?

Senator A.J.H. Maclean:

I am more than prepared to circulate information that is in the public domain with regard to salaries and I am happy to circulate that to Members. I am not going to speculate on the differentials between salaries, bonuses and other items in relation to different individuals or named individuals.

[14:45]

6.13 Deputy S. Power:

I wonder could the Minister explain as quick and as easily as he can, how he would apply G.A.A.P. accounting principles to St. Catherine's Breakwater?

Senator A.J.H. Maclean:

As quickly as I can. **[Laughter]** Quite simply there needs to be provision for the replacement of assets so all assets within the portfolio at Jersey Harbours and Jersey Airport for that matter have had nominal valuations attached to them and, indeed, replacement costs and it is from those figures that the depreciation of the asset over an accepted accounting period is arrived at and that is the right way to approach it.

6.14 The Deputy of Grouville:

Referring to the evening economy, does the Minister not believe that establishments that are responsible for people standing in taxi queues at night should partake in the taxi marshal sponsorships?

Senator A.J.H. Maclean:

That sounds an eminently sensible solution. I am sure that the premises in question may have a different view but, as I have already said to the Constable, I am more than happy to throw my weight behind trying to find an acceptable solution; that I am not sure is going to go as far as financing it but that is a matter for the Minister for Treasury and Resources, but I will certainly assist and that is an interesting idea.

6.15 Deputy A.T. Dupré of St. Clement:

Should the taxi drivers themselves not pay a contribution towards these marshals?

Senator A.J.H. Maclean:

That is a matter for the Minister for Transport and Technical Services to liaise with the taxi drivers to see if, indeed, they have the willingness to do so. I will leave that over to him.

The Deputy Bailiff:

That brings to an end the time allocated for the second question period. There is nothing under J and K. The Minister for Economic Development will make a statement regarding the Jersey Financial Services Commission.

STATEMENTS ON A MATTER OF OFFICIAL RESPONSIBILITY

7. The Minister for Economic Development - statement regarding the Jersey Financial Services Commission

7.1 Senator A.J.H. Maclean (The Minister for Economic Development):

Members will be aware of the report and proposition P.150/2010 lodged by Senator Breckon which seeks to request the Minister for Economic Development to bring forward for approval by the States no later than 30th June 2011 proposals to allow the Jersey Financial Services Commission to impose fines for breaches of the Commission's regulations as recommended in the recent report of the International Monetary Fund following its assessments of Jersey's regulatory and anti-money laundering regimes as part of the Financial Sector Assessment Programme. Over the last few years, the Jersey Financial Services Commission, the J.F.S.C., have investigated and published a number of issues and cases regarding the conduct, capability and performance of individuals and organisations that are licensed by them. These investigations can take a long time to conclude and can be very costly and take a great deal of time and effort. As well as in-house officers, outside specialist assistance is used for legal advice and areas like forensic accounting or computer or other information technology searching. Some of these costs could be recovered from those investigated. However, as the law stands the J.F.S.C. have no powers to impose fines on those who transgress. In many other jurisdictions, regulators have the powers to fine and this is now accepted as an option which the J.F.S.C. should have. The Jersey Financial Services Commission is currently engaged in developing proposals for the introduction of civil penalties for breaches of the regulatory codes of practice issued by the Commission to regulate financial services businesses. In considering the introduction of such civil penalties, the Commission has researched civil penalty structures in operation in 12 jurisdictions and is currently considering the most appropriate model or combination of models. Proposals will be presented to the Board of Commissioners for consideration and I would anticipate that further advice will be needed to allow the preparation of a report and proposition to be brought to the States. Senator Breckon has informed me that following discussions that he has had with the J.F.S.C. and the contents of his statement, he now intends to withdraw P.150 in the knowledge that his concerns are being addressed by the J.F.S.C. and are expected to be concluded during 2012.

7.1.1 Deputy M.R. Higgins:

I am wondering why it has taken so long because Members may be interested to be aware of the fact that I researched fining for the Commission in 2006. Papers were prepared then so I am surprised it has taken so long. Can the Minister tell us why it has taken so long to come forward?

Senator A.J.H. Maclean:

I would not necessarily disagree with the Deputy. It probably has taken too long. As I alluded to in my statement, a number of other jurisdictions have the powers to fine. The J.F.S.C. are progressing the matter and we will move forward with it.

7.1.2 The Deputy of St. Mary:

Does the Minister take this as an example of the power of Back-Bench propositions to make things happen?

Senator A.J.H. Maclean:

All I can say is that the J.F.S.C. were, in any event, progressing this matter before Senator Breckon raised the issue. Nevertheless, I do thank the Senator for bringing it forward. I have no further comment to make.

7.1.3 Senator A. Breckon:

I will withdraw it at the appropriate time. I would just like to ask the Minister if he is aware of investigations carried out in 2008, 2009, 2010 into asset management and fund administration, and the report listed many failings that the Commission were unable to find, and does he believe that cases like this demonstrate the need for a fine as a sanction rather than just a reprimand, which tends to die-down after a few days?

Senator A.J.H. Maclean:

In principle, yes, I do, and I think that is the very reason why the J.F.S.C. themselves are progressing this matter. I think that they recognise the need as well. I hope Members think it is a step in the right direction.

7.1.4 The Connétable of St. Mary:

Without the proposals in detail obviously it is hard to know how I will react to this, but is the Minister convinced that the current appeals processes and complaints processes in place with the J.F.S.C. will be adequate if this proposal comes to fruition?

Senator A.J.H. Maclean:

I would certainly hope so. I mean clearly this is very much the early stages. We are waiting for the J.F.S.C. to conclude their proposals, take it to the Board of Commissioners of the J.F.S.C. before it comes forward for legal advice through the Law Officers' Department. At that point, I would be in a better position to be able to answer the Constable's question but ...

Senator A. Breckon:

Would now be an appropriate time to withdraw P.150?

The Deputy Bailiff:

I was just going to come on to that but are there any other questions for the Minister? Then we go to Public Business and the first item is P.150 which you would like to withdraw, Senator.

PUBLIC BUSINESS

8. Jersey Financial Services Commission: Imposition of Fines (P.150/2010)

8.1 Senator A. Breckon:

I would like to thank the Minister for his statement and for the Jersey Financial Services Commission for the information it shared with me and I believed this work, as the Minister has said, is in progress and so I would like to withdraw this with the knowledge that the work is in hand and I am sure the Minister will come back in due course.

The Deputy Bailiff:

Thank you. Very well, P.150 is withdrawn.

9. Speed Limits: revised policy (P.167/2010)

The Deputy Bailiff:

We now come to P.167 - Speed Limits: revised policy - lodged by the Minister for Transport and Technical Services. I will ask the Greffier to read the proposition.

The Deputy of St. John:

Before this is read, I have to ask if this proposition could be withdrawn until such time as it can be brought back by the Minister ...

The Deputy Bailiff:

I was going to say, Deputy, perhaps the proposition ought to be read first. Could we just read the proposition so members of the public know what we are talking about?

The Deputy Greffier of the States:

The States are asked to decide whether they are of opinion (a) to approve a revised policy with regard to speed limits on public roads following simplified structure - (i) a 40 miles per hour speed limit on all public roads not subject limits or Green Lane status with vehicles with a laden weight of 3.5 tonnes or over being subject to a 30 mile per hour limit on these roads; (ii) a 30 miles per hour speed limit on public roads in urban/built-up areas (using the Island Plan map definition of a built-up area, and roads with no centre line; (iii) a 20 miles per hour speed limit - (1) on public roads in housing estates and distinct residential areas; (2) in areas outside schools where there are part-time electronically-signed speed limits; (iv) a 20 miles per hour speed limit in all Green Lanes; (b) to agree that an Appeals Panel should be established to consider decisions on speed limits made by the Minister for Transport and Technical Services which the Connétable of the Parish or the States of Jersey Police disagree with; (c) to request the Minister for Transport and Technical Services, in consultation with the Minister for Home Affairs, to investigate the potential road safety benefits of introducing a penalty points and fixed penalty system to deal with minor traffic offences; (d) to request the Minister for Transport and Technical Services to take the necessary steps to give legal effect to the proposals.

9.1 Speed Limits: revised policy (P.167/2010) - proposal of the Deputy of St. John to defer debate

9.1.1 The Deputy of St. John:

Could I ask that the Assembly do not take this proposition today given it is blatantly misleading and contemptuous to the Members and I will give you the reasons. We have 3 amendments and in each amendment it says the majority of the public favour a 30 mile per hour limit rather than a 20 in an urban area. None of this evidence ... It says it similarly in each of the amendments so this has been contemptuous to this Assembly. Further to that we have only just been issued with these plans today. My Scrutiny Panel have been asking for weeks and months to have the plans. They only arrived today and, in fact, they are incorrect. They are giving us 40 mile per hour speed limits in areas in fact where it says, and it has just been read out: "Roads with no centre white line" and I see already just looking at this very poor copy, because you cannot really identify things very well

on such a small copy, which currently have no white line in the centre and yet they are being shown. The Minister is treating this House with contempt and I will refer to my findings. The working group reviewed the speed limit policy (1) it was not carried out at an acceptable standard, no meaningful research was done and no aims and objectives were ever defined other than to look at the existing policy; (2) the evidence of key issues such as actual speeds and accident records were never considered consequently public concern about road safety was not addressed; (3) the only substantial consultation carried out, the public survey, was so seriously flawed in methodology and interpretation, the result ...

The Connétable of St. Brelade:

If the Member would give way ...

The Deputy of St. John:

No, I will not. It resulted ...

The Connétable of St. Brelade:

On a point of order, it is difficult to ...

The Deputy Bailiff:

I am asked for a point of order.

The Deputy of St. John:

Yes, Sir.

The Connétable of St. Brelade:

Is it appropriate for me to suggest to the Member that I am not going to withdraw the proposition at this point so that appropriate presentations of the proposition can be made and a lot of the Deputy's questions will be answered?

The Deputy Bailiff:

Minister, as I understand it although the Deputy is going into some points of detail his proposition is that this proposition be not taken today and in those circumstances he is entitled to make that proposition and it can be seconded, and you have an opportunity to speak on whether it is taken today. It is very desirable we do not end up having 2 debates on the same subject matter. I am sure the Deputy will take that into account.

The Connétable of St. Brelade:

Thank you, Sir.

The Deputy of St. John:

Thank you, Sir. (4) the public consultation was inadequate, no stakeholders were ever identified; (5) the department did not identify the failings of the working group report or carry out any consultation of its own before the Minister lodged the proposition; (6) aspects of the proposition have the potential for negative impact on road safety compliance with speed limits and enforcements, and it goes on. We have made recommendations, et cetera, but it is the contempt in which the Minister is misleading the House in his response to the various amendments which is of a real concern.

The Deputy Bailiff:

You mean he is innocent of misleading the House, Deputy?

[15:00]

The Deputy of St. John:

He may have innocently, but he is treating the House with contempt because of the way he put it down and I think given that Members have only had the map today, our report was only laid on the 31st, 5 or 6 days ago, the Minister owes it to this House to come back at a future time after having given consideration, proper consideration, to our report because if this is debated today and it was to get accepted, it means that the Council of Ministers, through the Minister, are treating the members of Scrutiny with contempt and I cannot accept that. I am asking the House to delay this for a period of time so the Minister and his officers can look in-depth at our report and come back. I am sure my seconder, the vice-president of my committee, will have more to say on this but that is where I am coming from and ...

The Deputy Bailiff:

Your proposition is to defer this debate to another day?

The Deputy of St. John:

Correct, Sir. Thank you.

The Deputy Bailiff:

Is that seconded? **[Seconded]** Minister, do you wish to speak? I propose to ask you to speak and I hope very much that Members will then think they can make a decision on whether to take the debate today. Minister?

9.1.2 The Connétable of St. Brelade:

First of all, I have to say that I object to the suggestions of the Deputy that I bring contempt to the panel, and I think those allegations are groundless and I think it is a pure misinterpretation. The panel recommends that the review is referred back. I do not believe this is in the public interest. I believe there is enough evidence before the Assembly for Members to consider the proposed policy and I welcome a democratic debate on the issue. A more detailed technical analysis of this issue on an Island basis would be very resource-hungry and unlikely to produce a significantly different result. My department has the expertise to do such a technical analysis but has limited resources and inevitably there should be either some considerable time before the staff availability could be found or alternatively other important work would have to be delayed. A more technical approach has been taken by T.T.S. (Transport and Technical Services) in the past or the Public Services Committee, as it was then, and this informed the proposals which were approved by the States in 2005. The general categories of speed limits now proposed are very similar. My staff do take a more technical approach when looking at individual cases for changes, in particular assessing the accident rate, the actual speed of vehicles and the local issues which may mean justification for a change. The general policy, however, simply gives a consistent framework to enable detailed assessment of individual locations to be considered consistently. The Scrutiny Panel chose to employ U.K. consultants to review the work as a group and advise on U.K. best practice. My review group chose to rely on more local experience. To satisfy the needs of the Scrutiny Panel I would need to employ a company of U.K. consultants and I would anticipate a cost of between £25,000 and £50,000 to do this. This is a cost to me of a manual worker in my department. The Scrutiny Panel argue that the consultation was inadequate. The review group did consult the general public as well as the States, the Parishes and the Honorary Police. While I would concede that I did not issue a formal Green Paper, I did publish the group's recommendations in October 2009 and a report to the States. The Deputy of St. John suggests in his foreword that I should have focused my efforts on better reinforcement. Enforcement is, of course, essential to effective speed limits but that was not the principal purpose of Deputy Gorst's proposition. The proposition required me to review the policy which determines which speed limit should apply to which categories of road and I am happy, of course, to work with the Minister for Home Affairs to develop this. Scrutiny have drawn attention to errors in the statistical analysis of the public questionnaire. While this is accepted, the result is that it increases the level of public support for

the majority of the policy. As Senator Maclean has lodged an amendment to that part regarding the Green Lanes, Members will have the opportunity to debate this policy separately. I delayed debate of the proposition in order to be reasonable to Members who submitted late amendments and the Scrutiny Panel. I contend that further delay will achieve very little apart from additional cost, as I have no doubt that any outcome will not be dissimilar to my proposals. I would also anticipate that in the event of a successful reference back there will yet be further last minute amendments and no doubt requests for further delay. I could draw a parallel with the Department of Circumlocution in Dickens' *Little Dorrit* and take the view that acceptance of a reference back simply makes a mockery of the States and our processes. I believe there is enough evidence before the Assembly for Members to consider the proposed policy and that to refer the issue back for further costly review would not be an efficient use of our resources. I welcome a democratic debate and look forward to hearing Members' constructive views.

The Deputy Bailiff:

The proposition before Members is to defer debating this proposition today. That is the only thing that is concerning Members at the moment. If it is necessary for any Member to speak on this subject, whether to talk about it today, then Members have got the right to speak but the risks of having the debate twice are very high and there will come a time quite early on when I will call a halt to that. Deputy of St. Mary.

9.1.3 The Deputy of St. Mary:

I take that point quite forcefully. I want to be brief. There are 3 things I want to say. One is that the additional cost mentioned by the Minister is a complete red herring. As part of the Sustainable Transport Policy, he has the task of setting up the road safety task group, which will look at road safety and improving matters for all Islanders in respect of road safety. Whether that group works through consultants, whether it works through our existing road safety officer, whether it takes the evidence from the police and so on is up to them but the additional cost is not what is at issue here. There are 2 further points. One is the disrespect about the maps. Members have been given quite detailed maps which are fairly hard to read on the day of the debate. We asked for them as a panel over a month ago. We asked for them again in a Ministerial hearing one month ago. We said: "We want to see them" and the Scrutiny Panel has still not officially seen them although they have been issued to Members on the day of the debate. If Members think that they can discuss something on the hoof like that, well and good. A further point, of course, is that the public have not seen these maps so hundreds of miles of changes have never seen the light of day until the day of the debate and that alone is a reason for not proceeding today. Finally, this issue of the consultation. If Members look at the comments of the Minister, and he has just said that he accepts that the consultation might have been a bit flawed, but the fact is that his comments on the first amendment at the bottom in the last paragraph he says: "I believe it is right to respect a few of the Honorary Police [this is about the Green Lanes] and alter the limit to 20 miles an hour as they suggest and the majority of the public favour ..." The majority of the public favour. He clearly has not read our report or if he has read it he is content to simply ignore what it says and it is not what we say, it is what the States Statistics Unit says. He has claimed that the majority of the public favour Green Lanes going from 15 to 20 on the basis of his consultation. The majority of the public. The States Statistics Unit says on page 12 of our review and we quote them: "The results of the survey cannot and should not be considered to be representative of those of the Island's population."

The Deputy Bailiff:

Deputy, you will forgive me. Your first 2 points were absolutely on point. This third one is now debating ...

The Deputy of St. Mary:

Well, no, Sir, I am now reinforcing the point of my chairman about the contempt, to use the word, for the House. The point is that in his comments he is saying things that directly contradict what the States Statistics Unit have told us about this consultation. The majority, you cannot rely on that consultation as being representative of the public and there are flaws within the consultation, which are even worse, which mean that it is doubly wrong and I will not go into the detail of that now, but the fact is it is all in our report and we should be discussing this matter.

9.1.4 Deputy M. Tadier:

I will not talk long, simply to bring out the pragmatic argument, I think, here. We have heard arguments from the Constable of St. Brelade in his role as the Minister for T.T.S. saying that there may be all these costs implications if there is a reference back or if this is deferred or whatever the outcome is today if the debate does not go ahead. I know we are debating about not taking this at today's sitting. I just put the counter argument back. What is the cost implication of the delay to this legislation, which certainly does need to at some point come through to the States and there needs to be some kind of coherent but also a way forward that we can all agree on. It seems to me if we go to debate there's quite a good chance - I am getting the impression from the mood here - that this will get kicked out today. Is that really what we want to do? That is going to set us back perhaps at least another 3 months because we know this proposition cannot come back within 3 months. We will not be able to debate this, this side of the elections and I would say it is probably practically a better option to defer this. We have heard that Scrutiny has got concerns. I would like to see some liaison there going on between the department and Scrutiny to try and find a better way forward, which hopefully by doing it that way, by taking a pragmatic approach, we can resolve these issues a lot quicker, take on board what the Scrutiny Panel have said, we can study these maps perhaps at our leisure rather than just at our desks in the very short time we have had to do that and let the public see these. I think the argument, certainly the early argument given by the Deputy of St. Mary, were very compelling and I do not feel prepared from after what he said to go into this debate in an even-handed way, so I think certainly I will be supporting this proposition slightly reluctantly because I think it is an important piece of legislation, but I think we do need to take on board what the Scrutiny Panel have said and I do think there is an element of shroud-waving perhaps coming from the Minister.

9.1.5 The Connétable of St. Mary:

I am in a dilemma here because I have already held off ordering road signs, getting things repainted in my Parish because this was coming. I wanted it to be debated when it was first promulgated because literally I am in the process of having to repaint all my Green Lane signs. Now if I do those at 15 miles per hour and it turns out to be 20 or whatever happens I will be criticised for misuse of my budget. My financial year is the end of April. If we debate this today and it gets thrown out then at least we have some sort of certainty and we know what the mood of the Assembly is. If we do not debate it, as Deputy Tadier said ... Deputy Tadier seemed to think that debating it now would lead to a delay but not debating it would lead to a greater delay. For a start, it is out of time. It will have to be re-lodged. There will be a 6-week lodging period and then if the Minister agrees not to debate it because he thinks there should be fundamental changes, I very much doubt those fundamental changes could be brought back to the Assembly in any kind of form if consultation was required this side of the recess, and I would be forced to go with repainting the signs and everything exactly as it is now according to law, and so that is just not acceptable. We need some way forward and the only way to get this is to debate it. I am not saying you have to accept it; that is a matter for the Assembly.

The Deputy Bailiff:

The Chair is going to take an executive decision. We are not going to spend all afternoon debating whether to debate it. I have 4 people down to speak: Senator Ferguson, Senator Le Main, Senator

Ozouf, the Deputy of Grouville and at that moment I will then call on the Deputy of St. John to reply. Senator Ferguson.

9.1.6 Senator S.C. Ferguson:

At the risk of alienating my Connétable, this is one of the best Scrutiny Reports produced, one of the best ones I have seen, and it would have been useful for the department to consult with the panel. If we delay the debate it will enable that discussion. Frankly, I think it is better to delay and then bring back a better proposition.

9.1.7 Senator T.J. Le Main:

I am on the same theme as the last speaker. In fact, I think it is going to be very, very discourteous to the hardworking members of the Scrutiny Panel who, as said by the chairman, we have only had some of the paperwork this morning. In fact, I went home lunch time and found the letter from the Minister in my letterbox this morning and I think it is very discourteous. I have got a lot of respect for the Minister. I have worked with him, he is a very decent hardworking man and I think that really he should give an opportunity for the Scrutiny Panel to finish their work, and I do not think that 2 or 3 months is going to make all that difference, so I am going to be supporting the not taking it today.

[15:15]

9.1.8 Senator P.F.C. Ozouf:

I just wanted to ask some guidance. This proposition was lodged on 2nd November and my indications are that there would be an issue of whether or not the proposition could be taken after. We are, are we not, in the Last Chance Saloon? **[Laughter]**

The Deputy Bailiff:

Let Hansard show that the Last Chance Saloon in this occasion is Deputy Fox who is going to pay £10. Yes, Senator.

Senator P.F.C. Ozouf:

Is there not an issue of the proposition being time-barred and that if we do not take it then we are going to have to start again in relation to a new proposition? I cannot help ... I understand Members' frustration but we are very good at doing this, that we lodge something, it is months, it takes an awful long time and then there is a Scrutiny Panel, which I respect the Scrutiny Panel's report, they have made some good points, but surely we need to go ahead with the debate because the proposition will be lost and we are going to be starting again and we do not make decisions. We have got a huge work programme going forward in the next few months. I would have thought that we do have a lot of opportunity of having a debate and reaching a conclusion on this. **[Aside]**

The Deputy Bailiff:

Just for the information of Members, the Senator is correct that if the matter is not debated today at this sitting it will fall away on the application of the 6-month rule because the next Assembly is not until 3rd May. It will need to be re-lodged either in the same form or in a different form and the 6 week lodging period will apply. Deputy of Grouville.

9.1.9 The Deputy of Grouville:

While I am keen to have it debated today because I have been contacted by quite a few parishioners over this matter but I would like some indication, listening to the Constable of St. Mary there, how many Parish Assemblies have been held to discuss the proposals of roads in their Parish so parishioners have the opportunity to have their say and where Parish Roads Committees can take on board what has been said and, likewise, so can States Members listen to parishioners and what they would like to see in their Parishes.

The Deputy Bailiff:

Was that a rhetorical question, Deputy? Do you know how many Parish Assembly meetings have taken place?

The Deputy of Grouville:

No, I do not. I heard the Constable of St. Clement on the radio this morning. I gather his Parish has had an Assembly to discuss it and I think this is just the sort of thing that should go to Parish Assemblies, and I would just like to know how many have discussed it.

The Deputy Bailiff:

Can I ask the Chairman of the Comité des Connétables if he is aware of that information?

The Connétable of St. Ouen:

I cannot say how many Parishes have held an Assembly but I am aware that the Roads Committees of each Parish were invited to have discussions with the Minister's team before this was drawn up.

The Connétable of St. John:

I wonder if I could give just a little bit of guidance. In my own Parish, I did not have an Assembly. What I did is I sent out a questionnaire - which I know some people are critical of - to all the households in St. John. That pile was for 15 miles per hour, 75 per cent for 20 miles per hour. It just gave me a steer within my own Parish rather than Assembly; 200-odd replies.

The Deputy Bailiff:

Well, the debate has been on whether or not to defer this proposition today. Do you wish to sum up, Deputy? I indicated a few moments ago that there were 4 speakers down to speak and I was only going to call a halt to the debate because we are only debating whether or not to debate it.

Deputy M. Tadier:

Can I ask; is that within Standing Orders, Sir, to stymie debate when elective representatives wish to speak on a particular matter?

The Deputy Bailiff:

It is within the Chair's discretion.

9.1.10 The Deputy of St. John:

I do have some real concerns. People have only just seen this today. How on earth Public Services are going to redesign 175 miles of road without having consulted the public contrary to what we have heard because they have only just produced this map. They could not produce it to us at our hearings. We asked for it several times and it was given to me with an apology this morning as the chairman of the Environment Scrutiny Panel, so therefore the consultation for the public to know what is going to be 20 or proposed to be 20, what is proposed to be 30 has not happened; it will not have happened because they would need to see that blown-up into a sensible road map that they could identify where they live. Likewise, nothing has been said about the public safety. Nobody has mentioned public safety. There is a safety issue, a big safety issue and if you read through our report we mention it because in fact if this is adopted you are not going to get better speed limits. You are going to do something on the hoof that the Island will regret, that we will be spending years and years trying to put right. It is better now to delay this for a few weeks and relay it in 6 weeks' time after the Minister has had his officers ... if it takes 8 weeks or 3 months, his officers need to look at this in the clear light of day. He has the expertise within his department. It is a shame he did not use it in the year, 18 months, that he had the report from the working party on his desk. It is a real shame. I am not going to go into any more depth. I have said what I have and I am hoping Members will support me because if this is debated today and was accepted, it is a nightmare for disaster and I will ask for the appel.

The Deputy Bailiff:

The proposition is to defer debate on P.167. The appel has been called for. I invite Members to return to their seats and ask the Greffier to open the voting.

POUR: 26	CONTRE: 21	ABSTAIN: 3
Senator T.J. Le Main	Senator P.F. Routier	Senator F.E. Cohen
Senator B.E. Shenton	Senator P.F.C. Ozouf	Senator B.I. Le Marquand
Senator J.L. Perchard	Senator A.J.H. Maclean	Connétable of St. Helier
Senator A. Breckon	Connétable of St. Ouen	
Senator S.C. Ferguson	Connétable of Trinity	
Senator F.du H. Le Gresley	Connétable of St. Brelade	
Connétable of Grouville	Connétable of St. Martin	
Connétable of St. Peter	Connétable of St. John	
Connétable of St. Lawrence	Connétable of St. Saviour	
Deputy R.C. Duhamel (S)	Connétable of St. Clement	
Deputy of St. Martin	Connétable of St. Mary	
Deputy R.G. Le Hérisssier (S)	Deputy J.B. Fox (H)	
Deputy J.A. Martin (H)	Deputy G.P. Southern (H)	
Deputy of St. Peter	Deputy of St. Ouen	
Deputy J.A. Hilton (H)	Deputy of Grouville	
Deputy P.V.F. Le Claire (H)	Deputy of Trinity	
Deputy J.A.N. Le Fondré (L)	Deputy K.C. Lewis (S)	
Deputy S.S.P.A. Power (B)	Deputy I.J. Gorst (C)	
Deputy S. Pitman (H)	Deputy A.E. Jeune (B)	
Deputy of St. John	Deputy E.J. Noel (L)	
Deputy M. Tadier (B)	Deputy A.K.F. Green (H)	
Deputy of St. Mary		
Deputy T.M. Pitman (H)		
Deputy T.A. Vallois (S)		
Deputy M.R. Higgins (H)		
Deputy J.M. Maçon (S)		

The Deputy Bailiff:

P.167 is therefore deferred to another day and we come on to the next item on the agenda which is P.23 Income tax: introduction of higher rate.

Deputy G.P. Southern:

Sir, I would be grateful for 2 minutes 30 seconds of time just to get my things.

Senator P.F.C. Ozouf:

If it would be helpful I am happy to take the data protection proposition if it assists the Deputy.

10. Draft States of Jersey (Transfer of Functions No. 4) (Treasury and Resources to Chief Minister) (Jersey) Regulations 201- (P.25/2011)

The Deputy Bailiff:

The data protection proposition being P.25. Very well, we will take P.25, the Draft States of Jersey (Transfer of Functions No. 4) (Treasury and Resources to Chief Minister) (Jersey) Regulations lodged by the Chief Minister and I will ask the Greffier to read the citation.

The Deputy Greffier of the States:

The Draft States of Jersey (Transfer of Functions No. 4) (Treasury and Resources to Chief Minister) (Jersey) Regulations. The States, in pursuance of Article 29 of the States of Jersey Law 2005, have made the following Regulations.

10.1 Senator P.F.C. Ozouf (Deputy Chief Minister - rapporteur):

I am perhaps in the interesting situation of standing-in for the Chief Minister in handing him some responsibilities from the Treasury Department but I know that that is not going to, I hope, be a controversial issue. Over the last few months, it will not have escaped Members' attention that there have been a number of increased responsibilities for the Treasury and Resources Department having taken full responsibility of Resources. Following discussions with the Chief Minister in relation to the important function of Data Protection responsibilities, it has been suggested that the Chief Minister's Department takes responsibility for Data Protection. We are not, in Treasury, fully equipped in order to deal with such matters. I think that the moving of Data Protection responsibilities to the Chief Minister's Department will in some cases potentially enhance the perception of independence. There are a number of other such bodies that the Chief Minister's Department does discharge, and I hope that Members would agree that such a move is sensible in terms of departmental responsibilities. There will be no change for the independence, the impartiality or operation of Data Protection. There will also be no change in terms of the Scrutiny Panel responsibility because it will be Corporate Affairs and I make the proposition.

The Deputy Bailiff:

The principles are proposed, are they seconded? **[Seconded]** Does any Member wish to speak? Deputy Le Hérisier.

10.1.1 Deputy R.G. Le Hérisier:

We have in a sense been down this road before us to how do we have access without political interference of the wrong kind? How do we have accesses to the policies which determine a department like that, and I wonder if the Minister for Treasury and Resources could tell us in anticipation of this move what questioning will Members be able to undertake of this particular office? Because it strikes me as another one of these offices which does, as we know, incredibly valuable work, whose independence obviously needs to be acknowledged but yet which we need to keep oversight of, and it is a question of where that particular balance is struck. Secondly, could the Minister say whether the incredible amassing of functions which has occurred under the Treasury, which has led to this slight movement of one function, can he tell us what kind of management scheme he has - admittedly this is slightly off the point - for that enormous amassing of functions which he has placed under the wing of the Treasury? Is there going to be increased delegation and, again, how are Members going to be informed of policy in areas like human resources which we know is highly contentious, I.T. (information technology), procurement or highly contentious issues which seem to have become centralised under the Treasury but not necessarily to bring more light on to their activities?

10.1.2 Deputy T.A. Vallois:

Can I just ask the Deputy Chief Minister how much the budget was that was transferred from his department to the Chief Minister's Department for Data Protection Commission and when the Ministerial Decision was made or if it has been made, and whether he could elaborate on why it was decided that the Chief Minister's Department was the best place for Data Protection Commissioner's office if possible?

The Deputy Bailiff:

Does any other Member wish to speak? Then I call on the Deputy Chief Minister's reply.

10.1.3 Senator P.F.C. Ozouf:

In answer to the question of Deputy Le Hérissier, there is going to be no change in relation to any of the arrangements within Data Protection. Obviously it will be a matter for the Chief Minister to decide how he is going to discharge those functions, whether or not he will discharge them personally to the extent that there is political involvement in it. There are obviously outstanding issues in terms of amendments to the Data Protection Law, which have been the subject of a Scrutiny review. He will decide whether or not he is going to ask one of his Assistant Ministers in order to discharge those functions. I should say that currently there is somewhat of a split in relation to the responsibilities for Data Protection. The Chief Minister currently receives reports and recommendations from Data Protection separately from the Treasury even though the Treasury has been responsible for legislation, so it made absolute sense to move it to the Chief Minister's Department although there was a discussion. In some jurisdictions, Data Protection is within the ... I think it is the case in Guernsey that Data Protection is within the responsibility of the equivalent of the Home Affairs Department, but I think the view has been taken that it is better fitted and better suited in the Chief Minister's Department. If I take one hat off and wear the Minister for Treasury and Resources' hat, because Deputy Le Hérissier went off the point, but I will attempt to answer the questions in relation to the amassing of the responsibilities of the Treasury and Resources Department, I would remind politely Deputy Le Hérissier that Clothier... although there has been some talk earlier in the sitting today of the importance of the whole of Clothier being implemented, I assume that Members include collective responsibility, the ability for the Chief Minister to propose all Ministers as a slate but also of course that Clothier did recommend the setting up of a separate Resources Department within Treasury. I think there is a clue in the title, it says: "Treasury and Resources" and Resources was split with the Chief Minister's Department. Resources: there should be a tension in relation to resources and finance matters with other departments. I am afraid that is the nature of allocation of scarce resources and certainly the combined Resources Department now under the able single responsibility of an Assistant Minister - the Constable of St. Peter - who is doing a great job in relation to the work that he has been undertaking. I think that Resources are well served in relation to a single point of responsibility and there is a great deal of work, which no doubt the Assistant Minister will be briefing Members on in all of those areas of H.R. (Human Resources) and I.T.

[15:30]

I think that it is a step in the right direction that we have created and I hope Members would agree. In relation to the budget, I am answering Deputy Vallois' question, the net budget for data protection, which will be transferred subject to States approval, is that the net budget is £222,000; that includes £312,000 gross expected budgeted income and £90,000 income. But Members will be aware that there is a fee that is payable under the Data Protection Law for registered users and that budget will be transferred, there is no slight of hand on either of the Chief Minister's Department or Treasury in relation to the matters. As far as the Ministerial Decision was concerned, that was of course published. The drafting had to be the subject of a Ministerial Decision to request the Law Draftsman to make the changes, there has been a Ministerial Decision by both myself and the Chief Minister in relation to the transfer of functions. I imagine there may be a further Ministerial Decision subject to the States approval, but I will need to check if that is going to be published in the normal way. There would be no confidentiality associated with that. I think that answers all of the questions that Members raised and I make the proposition.

The Deputy Bailiff:

The proposition of the principles is made, all Members in favour kindly show. Those against. The principles are adopted. Senator Ferguson, does your panel wish to scrutinise these Regulations?

Senator S.C. Ferguson:

No thank you, sir.

The Deputy Bailiff:

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

10.2 Senator P.F.C. Ozouf:

I propose the Regulations *en bloc* and seek to answer any questions that Members may have. I just would say that I would thank the Data Protection Registrar, as Minister for Treasury and resources, for the assistance that she has given to myself and the Assistant Minister for Treasury. We thank her for her work, we thank her for all her service in relation to the function that she has and wish her well if the States approve the transfer of her responsibilities to the Chief Minister’s Department.

The Deputy Bailiff:

Regulations 1 to 5 are proposed, are they seconded? [**Seconded**] All Members in favour of adopting those Regulations ... the appel has been called for. I ask Members to return to their seats. The vote is on whether to adopt Regulations 1 to 5 of the States of Jersey (Transfer of Functions No. 4) (Treasury and Resources to Chief Minister) (Jersey) Regulations, and I ask the Greffier to open the voting.

POUR: 40		CONTRE: 0		ABSTAIN: 0
Senator P.F. Routier				
Senator P.F.C. Ozouf				
Senator T.J. Le Main				
Senator B.E. Shenton				
Senator J.L. Perchard				
Senator A. Breckon				
Senator S.C. Ferguson				
Senator A.J.H. Maclean				
Senator B.I. Le Marquand				
Senator F. du H. Le Gresley				
Connétable of St. Ouen				
Connétable of St. Helier				
Connétable of Trinity				
Connétable of Grouville				
Connétable of St. Brelade				
Connétable of St. Martin				
Connétable of St. John				
Connétable of St. Saviour				
Connétable of St. Peter				
Connétable of St. Lawrence				
Connétable of St. Mary				
Deputy of St. Martin				
Deputy R.G. Le Hérisier (S)				
Deputy G.P. Southern (H)				
Deputy of St. Ouen				
Deputy of St. Peter				
Deputy J.A. Hilton (H)				
Deputy P.V.F. Le Claire (H)				
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 T.M. Pitman (H)				
Deputy E.J. Noel (L)				
Deputy T.A. Vallois (S)				
Deputy M.R. Higgins (H)				

Deputy A.K.F. Green (H)				
Deputy J.M. Maçon (S)				

The Deputy Bailiff:

Do you propose the Regulations in Third Reading?

Senator P.F.C. Ozouf:

I do.

The Deputy Bailiff:

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

11. Income Tax: introduction of higher rate (P.23/2011)

The Deputy Bailiff:

So we now return to P.23 - Income Tax: introduction of higher rate - lodged by Deputy Southern, and I ask the Greffier to read the proposition.

The Deputy Greffier of the States:

The States are asked to decide whether they are of opinion (a) to support the principle of progressive taxation through the introduction of higher rates of personal income tax for those individuals with higher incomes and in order to achieve this objective to request the Minister for Treasury and Resources to bring forward for approval the necessary legislation as part of the budget 2012 proposals: (i) to ensure that personal income tax assessments apply to individual earnings so that married couples are not discriminated against in the application of higher rates; (ii) to introduce a higher rate of personal income tax on annual income in the band £70,000 to £99,999 and to set the rate for this band at 22.5 per cent for the year of assessment 2012 with that rate being raised to 25 per cent for the year of assessment 2013 and ensuing years; (iii) to introduce a further rate of personal income tax on annual income over £100,000 and to set the rate for this band at 25 per cent for the year of assessment 2012 with that rate being raised to 30 per cent for the year of assessment 2013 and ensuing years; (b) To request the Minister for Treasury and Resources to review the terms under which 1(1)(k) residents are granted consents and to bring forward for approval the necessary legislation as part of the budget 2012 proposals to raise the tax liability of: (i) those currently resident; and (ii) future applicants by the application of the rates in paragraph (a)(iii) above.

11.1 Deputy G.P. Southern:

Before we get into the meat of the proposition, and I do hope we have a full debate on this today and that the Council of Ministers can back up their comments that they made on this particular proposition, but before we get into the meat and the nitty-gritty of what I am suggesting I would like to point out, lest I forget before the end, that Members should note that it is possible, and I will take this proposition in parts in order that the States should decide on the principle, which means that perhaps one might go (a)(i), that might be accepted, but not agree with the particular way which I propose and the bounds of which I propose raising that tax in (a)(ii) or (a)(iii), both of which can be taken separately. Under (b), to then take that further to apply to 1(1)(k)s, i.e. those currently resident, which is one step, or those yet to come, which is a different step, each of those I think can be taken separately and voted on separately, and I just check with the Deputy Bailiff if that is the case because that is my intention and that is why I structured it in the way I did.

The Deputy Bailiff:

It is certainly the case that part (b) can be taken separately from part (a). You wish to stop after?

Deputy G.P. Southern:

(a)(i) is a whole statement backing the principle and making preparatory work without a date on it. The date then kicks-in and the mechanism kicks-in on (a)(ii) and then further on (a)(iii) before we get to 1(1)(k)s on (b).

The Deputy Bailiff:

Well it is your proposition, Deputy, and I will certainly allow you to put it in that way.

Deputy G.P. Southern:

But you still look quizzical, Sir?

The Deputy Bailiff:

I think it is a matter for Members to comment on the framing of the proposition and no doubt some Members will do so.

Deputy G.P. Southern:

Okay, but that is how I intend to take it in case, as often happens, people like one bit but not another bit; it is completely, I think, separable and we can take those bits a bit at a time. The first thing to note is that this is a request, as we have heard from our colleagues on the mainland, that those with the broadest shoulders should take their fair share of the tax burden that we find ourselves in. To be absolutely clear, this is aimed at high earners and only high earners. We are talking about a new rate at £70,000 and above for individuals, that is individual earnings, and a higher rate for those earning over £100,000 a year. So it is not like '20 Means 20' which kicked-in at around the £40,000 and hit a lot of what were classically middle earners. It is not like supplementation, which is also due to be changed, which again kicks-in at £43,000 and again takes in a lot of middle earners. By and large this measure is restricted only to those who are high earners. Lest anybody doubt it, they just have to turn to the most recent report of the 2009 Jersey Income Distribution survey; on page 33 they find that the average individual earning in Jersey in 2009-2010 was £649 per week or £34,000. So this does not impact in a serious way upon anybody earning any less than twice the average. It is clearly at the top-end. That is reinforced by the consultation paper involved by the Treasury and Resources Department, which indicates on page 9 that only 15 per cent of the population earn more than £81,000 per year. So £81,000, 15 per cent of the population, and on their particular little graph they show that some 10 per cent earned between £60,000 and £81,000. If you add, let us say, 5 per cent in off that we are talking there about 20 per cent. We are talking about taxing the top quintile at a higher rate, that is the reality of what this measure says. We saw last week a whole raft of hand-wringing over the supposedly enormously high salaries that we are paying to some civil servants, and we came to a compromised position that said: "We shall count the number of people we are paying large amounts to and we will log them and record them, but we cannot really do anything about them because that is the way the market works." Even within the market, the way in which you do something about those high salaries is you tax them. Looking at the Comptroller and Auditor General's figures about how many civil servants that we have got earning those large sums; I did a quick calculation using my figures and my proposals. What we would in effect be doing is from those 600 or so employees earning greater than £70,000 - and that is where the Comptroller and Auditor General started his counting - the 600 civil servants, using my mechanisms here we would raise an additional £1.4 million from those particular civil servants, public sector workers who are earning between £70,000 and £290,000 per year. So if you want to do something about that in particular, this is a mechanism that enables you to do so. It also puts into perspective the size of that particular problem, public sector workers could raise £1.4 million. From the community as a whole and the private sector combined with the public sector we are looking at something of the order of £30 million. So £1.4 million in the public sector, but possibly £30 million from the wealthy in the private sector puts that balance into perspective. It is not often I go extensively through a set of comments from the Council of

Ministers but this time I will, and I do intend to analyse what they are saying in some depth. Quite frankly because when I showed this to a couple of colleagues they looked at these comments and said: "Where is the evidence? There is a set of assertions here which do not seem to go very far. They seem to be saying, 'Oh this is very unsettling, let us not go there'." The reality is that despite the fact that the Council of Ministers suggest in their comments: "Finally, constantly debating the option of increasing personal tax rates is damaging Jersey's reputation for stability both locally and internationally." Constantly debating is damaging, and I wonder where they got the evidence for constantly debating a higher tax rate because, as far as I know, I am the only person who has brought anything to the States and it was in 2003 in P.6 early in the year, and then P.131, 2003 to 2011, does not seem to me to be constantly talking about higher rates, and we have not seen any higher rates, nor any real debate on higher rates since.

[15:45]

So it is certainly not constantly debating them. But I ask Members whether they really want to treat that statement seriously when they suggest it is damaging to Jersey's reputation for stability both locally and internationally. When the U.K. brought in a higher rate, a 50 per cent rate for those earning £150,000, were they accused of being unstable? No, they were not. The reality is that of course governments from time to time change their rates of tax and they do so without any fuss. The reality of most of western society is that they do have higher rates and, therefore, a progressive tax system. We do not. Comparison with those who have kept a single rate of tax is that, by and large, many of the countries that have adopted a low single rate of tax have in fact flirted with bankruptcy or, in fact, have been made bankrupt. If you look at the Belaruses, et cetera, of the old Soviet bloc that went for low rate single rate tax have ended up in an economic mess. The 20 per cent rate was appropriate perhaps in 1940, it is perhaps no longer appropriate today 70 years on. Time has come, surely, to review this particular issue. What I am intending to do is bring a little balance into the proposals that we have seen through, in what we propose to do in these recessionary times. I just point out to Members what is on page 7 of my proposition; what measures have we taken? We have introduced spending reductions to the tune of £65 million by 2010, despite the protestations of the Minister for Treasury and Resources, this will result in some public service cuts which are most damaging to the welfare of the poorest and the vulnerable. It is one thing we have done. We have increased G.S.T. (Goods and Services Tax) to 5 per cent, no exemptions, raising £15 million in 2011 and £27 million in 2012. This is a more regressive tax, because there are no exemptions, than in the U.K. with twice the impact on the lowest income quintile, the lowest 20 per cent earners than on the highest. We have increased impôts to the tune of £3.3 million, again this is a revenue raiser with regressive impact. We have proposed to increase social security contributions for those earning over £45,000 approximately to 2 per cent, and while this does appear to be progressive, all it is, is proportional. There is no element of any of what we have done that is progressive. A higher tax rate along the lines that I propose is progressive and is the proper balance that we should be pursuing in order to cope with the recession and onward. I keep asking the Minister for Treasury and Resources for any signs that the recession is over, any concrete signs, any solid signs, and the answer is always and is still, there are none. At a presentation of Skills Jersey last week I heard the chairman of Skills Jersey state that unemployment figure of 1,400 and something, which we now have, he was not expecting that to come down particularly before the end of the year. So in 2011 we are stuck with high unemployment, little sign of recovery and we should, I believe, be spreading the burden. I asked the Minister for Social Security whether he agreed with the chairman of Skills Jersey and he said: "No, he is known in the Council of Ministers as one of the pessimists and he does not expect to see large reductions in the number of unemployed." So there is no sign that we are going to come out of this on our own. In 2012 and 2013 I am suggesting we should be sharing the burden more fairly. Now, when I was discussing this back in 2003 our financial fiscal advisers were a body called Oxera and they had many things to say, many useful things to say, one of them is contained in my

proposition on page 3, and I will just quote from it briefly and remind people what we should be doing.

The Deputy Bailiff:

I am sorry, Deputy, I must ask you to sit down for a moment. Can I advise Members in the precinct that we are now inquorate and ask them to return to the Assembly Room. Deputy, you may contain.

Deputy G.P. Southern:

Oxera said back in 2003: "There are many ways in which the additional tax burden could fall, both within the large structure: neutral, progressive or regressive and relatively advantaging or disadvantaging particular groups. The limits at which tax avoidance will become a serious consideration do not seem to be approached, at least within the range of generating £50 million per annum of tax revenues. Thus, within quite large limits the choice of large scale structure of the tax burden seems to be largely political and not economic." So these arguments that said this is going to be the end of the world economically, I do not believe are true. In addition they pointed out then, and one can point it out now because it still applies clearly: "In general, tax structures operate to increase the tax contributions in both the absolute amount and as a proportion of income as income rises, i.e. tax rates increase as personal income rises. This is the norm in most jurisdictions." So while it appears to be radical for us it is the norm in most jurisdictions to have higher rates at higher incomes. So, let us turn to some of the comments made by the Council of Ministers in response to this proposition: "Imposing a higher tax burden would damage Jersey's economy by undermining its competitiveness, reducing employment opportunities for local people and ultimately reducing tax revenues for the Treasury." Bear that in mind, listen to that sequence: "Imposing a higher tax burden on individuals, personal tax, would damage Jersey's economy by undermining its competitiveness, reducing employment opportunities and ultimately reducing tax revenues." They go on to say: "It is essential that as many people are involved in the workforce as possible." I could not agree more, but what is the personal rate of tax you pay got to do with that? Are we suggesting that if you were to pay tax at 25 per cent or even at 30 per cent you would stop work? Not true. Does this reduce the number of jobs available directly? Of course it does not. The Council of Ministers appear to have confused personal and company tax. This has no impact upon the amount that a company pays, it is about personal taxation and we have, even in these restricted times, the highest participation rates in perhaps the western world, both male and female taking part in the work place. So it seems to me that those sorts of reactions are over the top and not evidence-based. Now we come on to (a)(i), independent taxation, and here we have a gem. Under (a)(i) the Council of Ministers says: "The Treasury Department is currently conducting a review of the income tax system with the aim of modernising it and making it more efficient to administer." Modernising, that would be a nice thing, joining the rest of the world by applying a higher rate of tax for higher earnings perhaps. "It is possible that this review will recommend the introduction of independent taxation as a part of wider reform and that many of the issues that currently prevent it will be resolved." Listen to that. As near as anything to admitting: "We were going to do this anyway." It is possible, it is under consideration. "It is possible that this review will recommend the introduction of independent taxation as part of a wider reform and that many of the issues that currently prevent it will be resolved." So, we are working on it but this proposition we must oppose all bits of it, even though it says go to independent assessment, they are already working on it, but we could not possibly do it by 2012, is the answer, far too complex. Hang on, is not the Treasury and Resources Department the only department that has just increased its workforce, have they not got 10 extra people or thereabouts to do some work and revise and modernise the entire tax structure of which this independent assessment could and should be one? The answer, I think, is yes. But the answer according to the usual mass opposition: "We oppose all parts of this proposition, we could not possibly do it in the next 5 months." Really? Then we go on and Members will notice that I have been asking week after week after week, meeting after meeting, to

get the responses of the Minister for Treasury and Resources, the Council of Ministers, to my proposition in case it contained any hidden snags. I got it on Saturday morning and lo and behold the bullet points in their comments on page 3, some of which suggest some snags which make the whole thing impossible, which takes a few weeks notice and a bit of thinking about how we would adjust for that. Certainly on the bullet points, yes, there are some adjustments that obviously need to be made in terms of ensuring that the new distribution of tax is relatively fair compared to the old one. Adjustments will need to be made, I have not got the answer to those yet because I only got these on Saturday, but in 2 weeks' time I may well have them, but who knows. Then of course we have got this ultimate objection: "We will have an additional 20,000 assessments each year which will cost in the region of £700,000. That is 14 additional staff at an extra cost of £700,000 per annum, and this calculation has been prepared on the basis that 11 additional accounts officers were required to review an average of 1,800 returns each. The equivalent help of that assistance will rise in cost. It takes £50,000 to even print that number of assessments.

[16:00]

Come on, do we or do we not assess all spouses' incomes when they are declared? Yes, we do. We do those assessments. We check the figures for married couples for each of them. Does it matter is that is on a separate piece of paper? Well, it will put the post bill up somewhat but surely that is all. To expect anyone to believe this will require 14 additional staff, 11 additional accounts officers, et cetera, is quite frankly staggering. Then we come to talking about increasing tax rates for the 1(1)(k)s and of course we are told that we could not possibly do that. Why? Because on page 4 of their comments, the very wealthy have the greatest opportunity for mobility. They are courted by a large number of countries which try and attract them and the benefits of their wealth. They have the greatest opportunity for mobility. Do they? How much stamp duty and estate agent's duty do you have to pay when you sell a £2 million house? Stamp duty has just increased. How much stamp duty is paid? Quite a large amount of money. How mobile are they? I will tell you who is the most mobile on this Island. The most mobile employees on this Island are nurses, are teachers and already some of them are starting to go because, quite frankly, they cannot afford to come here and they cannot afford to live here. That is the reality. That is the most mobile. So let us lower the taxation on them and let us leave the very wealthy alone because they might leave. They might up and leave along with, it is feared here, some businesses who simply will not come here if we tax their employees if they earn lots of money. Again, completely not logical arguments. But then we hear, in examining some of the arguments on the documents that we have yet to see and we are told we cannot see of the assessment of the benefits of the 1(1)(k)s for the Island, we are told and we get a little hint here on page 5 ... the advice from the people we do not know - a law firm in England - did however suggest that some wealthy individuals might be prepared to pay an increased amount of tax to acquire 1(1)(k) status in Jersey. Of course they might because we are a nice place to come to. Look on the Jersey Government website on the page that says: "Bringing your business to Jersey." One item says: "Low, stable tax regime." At least 23 other points suggest all the other advantages; the good health service, the good schools, ease of communications, the good telecommunications, the central place close to Europe and close to London. All of those reasons. A safe place to be. Safety. I remember that one on the website. "Come to Jersey. It has got advantages, one of which is low tax." So the dangers that I pointed out that all business *en masse* and all wealthy people, as soon as we try and tax them a little more, are going to leave is simply scaremongering. It is scaremongering that has been repeated time and time and time again until those who repeat it believe it, and maybe they think they have seen some evidence that it is true but in fact we have no evidence that that is the case. Certainly I do not believe there is a case there that has proven that increasing our tax rates for those earning more than £70,000 individually or £100,000 individually will cause a mass exodus of those people to leave the Island and thereby endanger our entire economy. The argument over higher rates is a political one and not an economic one. That is the advice. We could, if we choose to, go down this route. Looking longer term, I believe we must go down this route. Whether we grasp that nettle today or grasp it at some

time in the future, I believe this single flat rate tax that was brought about in 1940 is no longer a viable economic model for this Island. I do not believe we will see the resurrection in exactly the same form of the finance sector in the future. We have to look at different ways and fairer ways to spread the burden into all in our society, and not just those that are at the middle to lower-earning end. We have to increase rates, I believe, on those earning substantially more than the average. Thank you.

The Deputy Bailiff:

Is the proposition seconded? [**Seconded**] Does any other Member wish to speak? Senator Ozouf.

11.1.1 Senator P.F.C. Ozouf:

I was hoping that another Member would go first in order that I may hold back in the debate but nobody else wants to speak, so I will speak now. The Council of Ministers, as Deputy Southern has already indicated, has provided a substantial and detailed comment on this proposition. I should start the debate by saying that I had expected there being a proposition to introduce a higher rate of tax in last year's budget. That was something of a surprise, that there was not an amendment in last year's budget, but I thought that the absence of an amendment for a higher rate of tax and the general acceptance of the statements that I made when lodging the budget and then, subsequently, I said that it was important that a strong, loud message was sent out that the 20 per cent rate of tax that has built Jersey's prosperity in the post-war history was important, as it has been in the last decades, and it is today. In all of the remarks that I want to make on this proposition, I want to be absolutely clear that I believe most strongly that a departure from the settled, stable, 20 per cent rate of tax would be damaging to the Island and, indeed, damaging to our ability to pay for public services in the longer term. I know that Deputy Southern is giving us an option of a part vote on this proposition. I am going to submit to the Assembly that I am going to recommend that all parts of this proposition are resoundingly rejected and that the message should go out that we support, as a majority of Members, the maintenance of a low tax system and, at the heart of it, the 20 per cent rate of tax. I believe that we do need to deal with the uncertainty that has been created as a result of possibilities of higher rates of tax. I think that we need to deal with this issue today and we need to take off from the table the option of Jersey departing from the 20 per cent rate of tax. Our tax policy at all levels, and not just personal income tax, should ensure that we continue to attract highly valuable individuals and high earners, particularly those in the finance industry and also in the industries in the future that we diversified for. I believe that our tax policy throughout all classes and in all sectors needs to remain low for us to prosper. We do have some of the lowest levels of all taxes, particularly personal taxes, in the world and that is because we are so successful. Deputy Southern and I disagree. I think that he believes that the politics in Jersey should be about dividing up the cake differently as opposed to growing the cake, and he is nodding in agreement. I heard nothing from Deputy Southern in his remarks. I see nothing in his reports about any policies that will grow the cake; that will grow the economy; that will improve the economic situation of Jersey; that will boost social mobility. I hear only proposals from him to effectively divide up the cake in a different way, and I note that I think it is an important difference in terms of the approach in terms of the management of taxation. He is looking at me curiously but I have heard nothing about growth, about how to increase prosperity in any of the remarks that he says. He speaks about redistribution and dividing up the cake differently and that is obviously a fundamental difference in approach. I want to deal, if I may, with the technical flaws in his proposition because they are serious and they are of significance to Members' decisions. Independent taxation, as set out in the proposition, I need to say to Deputy Southern, will increase the tax burden for lower earners and decrease it for higher earners. I am sure that the Deputy does not want to do that but I am afraid that that is the consequence of what he is proposing. He assumes that his proposals will result in an arithmetic increase in terms of tax revenues. It will not. Over time, because of the importance of competitiveness issues, which I will address, we will get less tax revenue and we will have to increase taxes for all our residents. The Deputy states that

there are no manpower implications. There are significant manpower implications of his proposition. There would be an additional cost in implementing the proposals of approximately £700,000. We will need extra staff to process the 20,000 additional returns. I want to modernise Jersey's tax system but I want to do so properly and I want to do so with appropriate research consultation. This proposition will add 20,000 extra tax returns on their own, and it will certainly add extra cost and complexity to our tax system, and a proposal that is based only on a few short pages of evidence or what Deputy Southern believes is evidence. So there are serious consequences if this proposition were to be adopted. Throughout the Deputy's report and his speech, he constantly compares Jersey to the U.K. He submits that even with these higher rates, our highest earners will still be better off than the U.K. and he refers in his report to the 50 per cent rate of tax. I do not know how many times that I need to try and explain to Deputy Southern that we do not compete with the United Kingdom. We compete with comparable small jurisdictions such as Guernsey, the Isle of Man, larger centres such as Switzerland and Singapore and other offshore centres in the Caribbean. If we increase our tax rate, the extremely mobile earners will not consider moving to the U.K. as a result of our policies. They will look to these other jurisdictions. Those are the jurisdictions that we have to compete with, those are the jurisdictions which we should be comparing ourselves with, and I need to say to Deputy Southern that they have no proposals on the table discussed in their parliaments, in their manifestos, to increase their basic rate of tax and introduce higher rates of tax. Indeed, if he does not believe that from the jurisdictions further afield, he simply needs to look at Guernsey. There are no proposals to introduce a higher rate of tax in Guernsey and, as our most friendly neighbour but our competitor, we will see a move of existing business and new business to Guernsey.

[16:15]

The 20 per cent rate of tax applies to our higher earners. Many people on lower incomes pay significantly less than 20 per cent. I accept that our higher rate is at 20 per cent and that has been improved and changed as a result of the '20 Means 20' policies, which means that ... and I note with interest that the U.K. has lifted some of our proposals or they have at least replicated some of our proposals of '20 Means 20' in some areas. The fact is that we do have a progressive system because lower earners pay substantially less than the 20 per cent rate. If we cannot continue to attract higher earners through a competitive tax rate, I question our ability to be able to continue to deliver those extremely lower effective tax rates in the future. Higher earners and the tax that they pay means that lower earners pay less tax and they pay lower tax because the cake in Jersey is larger and we need to take a smaller percentage of income as a result. Deputy Southern talks about the disproportionate effect of measures such as G.S.T on lower earners, and I would remind him that we have brought in measures to protect lower earners from the impact of G.S.T. I am sure, Sir, that you do not want a debate on food exemptions. That is a debate that we will have again in the next few weeks but all Members will, irrespective of their views on exemptions, remember, and I hope they will accept, that we have already done a substantial amount of mitigation both in the original introduction of G.S.T. at 3 per cent and the proposals approved last year in the budget to mitigate to a very great extent lower earners from G.S.T., and I do not think his representations on that issue are entirely fair. On income tax, we have very high levels of exemptions. The Coalition Government in the U.K. would only dream of the kind of exemptions from tax that we already have. I believe that it is right that lower earners pay only a small proportion of their income in tax and, indeed, of course, as many Members will be aware, lower earners do not pay any tax at all. Deputy Southern says that we use the excuse that people in businesses will leave if we increase the tax burden. This is not an excuse. I need to say to Deputy Southern that, in my belief, it is true. I fully accept that it is difficult to provide empirical evidence but it is simply common sense. Our finance industry has been built on the stable amounts of personal tax and we need to remember the importance of continuing to offer lower rates of tax and low costs for business for business to continue to stay here and to attract more business in the future. We cannot afford, particularly in this difficult economic climate, to become more expensive, and that is exactly what Deputy

Southern's proposals will mean. Jersey will become more expensive to do business and we will not get new business because our competitors are not proposing similar increases. There will be a gradual move over a period of time. I am not saying that it would happen overnight. There would be a gradual move of existing business and an inability to get new business over a period of time and our tax revenues will fall and I do not want to take that risk. I could speak at significant length on this proposition but I do not think that I need to because the comment is clear. I believe that this proposition is ill thought-out and is based on inadequate research. It is short-term. It may be populist in terms of what we are promising in terms of arithmetic increases of tax but they are not sustainable. This proposition will depart from the settled, stable arrangements that we have on tax and the proposition does show a worrying lack of knowledge of exactly how Jersey works and why we have been successful. I am going to leave this particular issue of the 1(1)(k) proposition to my Assistant Minister to deal with, suffice it to say that the proposal dismantles our 1(1)(k) regime. In a word, it will mean that we do not have a competitive 1(1)(k) regime, and I find that curious in a world where many jurisdictions are competing to attract high net worth individuals. Here we would be dismantling our regime. Others are, including the U.K. of course, extremely smart internationally in terms of putting their equivalent of a 1(1)(k) regime in place. Last year, we consulted on a new fiscal strategy and included in that fiscal strategy was the proposal of the possibility of a higher rate of tax, and I certainly needed to show and needed to mean that we were going to have a proper consultation on that issue. I did not take the advice of some people that suggested that we should not be consulting on it. I wanted there to be a proper debate in relation to this issue, and Members will recall the numerous meetings with all sorts of interest groups across the Island and public meetings and the extremely well responded to consultation on that issue. I have to say to Members that while I thought that it was the right domestic debate to have, I think we did need to have the debate about the possibility of a higher rate of tax. I have to concede that the very message that was sent out outside of these shores that we were considering a higher rate of tax did do damage to our economy at the time, and there was uncertainty about Jersey's commitment to low, stable taxes as a result. I would remind Members of the rather uncomfortable international coverage that there was including the *Financial Times* which certainly seized on the opportunity of a suggestion that Jersey was moving away from its standard 20 per cent of tax. I am aware, unfortunately, that we lost business as a result of it. Business and the Island need certainty. We are a small jurisdiction with a strong financial services centre and if the Deputy needs any evidence of the importance of low taxes for the success of a financial centre, then I would direct the Deputy and Members to the recent *Global Financial Centre Review* which has compared finance centres across the world and, yes, the large centres of London, New York and Hong Kong but also all of the offshore centres including Guernsey and the Isle of Man. I am pleased to say that we have fared well in that assessment but, in that report, is re-stated the importance of low personal tax rates as one of the most important factors influencing a jurisdiction in our class's competitiveness. Stable, low, certain tax rates are cited in that very well regarded report as one of the stronger signals as a commitment to an offshore centre and, indeed, diversification. I do not really want to say anything else. I think that this proposition, if accepted in all parts, will be damaging to Jersey. I think it will send out a worrying signal to the international community and I do not believe that it will be importantly successful in gathering the increased tax revenue, which Deputy Southern suggests. There may well be a blip if we were foolish enough to accept it in the short-term but, ultimately, this Assembly would have to be dealing with the consequences of a contracted financial services centre and inability to diversify its economy. I believe that we need to be sending out messages of stability, certainty and pro-growth strategies in the future. George Osborne, in his budget speech just 2 or 3 weeks ago, spoke about the importance ... and I see Deputy Southern sneering at that. He is right when he cited the importance of growth and when he cited the importance of competitive jurisdiction offering the environment for wealth creators and high net worth salary earners. He was right. He has put in place policies that are going to benefit the U.K. We need to continue with the stability and with the rock-solid principle that a 20 per cent rate of tax has been the cornerstone of our success and I would like the message today to go out that we

recognise that and it is going to be the cornerstone for our future prosperity in the next few years. I urge Members to reject all parts of this proposition and move on.

11.1.2 Senator S.C. Ferguson:

Oh, dear. This is another piecemeal approach. We cannot just work like this. Members may recall that in our recent Scrutiny Report regarding fiscal strategy, we castigated the Minister for Treasury and Resources for plans that we considered he should have made. We said that he had to look at fiscal policy overall and that included looking at the tax system with a view to simplifying tax, looking at spending which is going on and cracking-on with an economic growth plan. There are 3 legs to fiscal policy here and it is tax, spending and an economic growth plan. As a helpful postscript, we also need to look at the interaction with the benefit systems and the social concerns, and this makes a holistic fiscal policy. Now, going on to the economic evidence; the economic evidence is that property and consumption taxes are the most efficient taxes and support growth. Income and corporate taxation retard growth. Now, there is evidence of this. This is from people like the O.E.C.D. (Organisation for Economic Co-operation and Development), Alesina who is one of the senior economists from Harvard, there are papers and I would be delighted to give Deputy Southern copies of the papers so that he can appreciate the economic background to how the Island runs. As a *non sequitur*, in tax contributions, 12 per cent of the population pay something like 68 per cent of the tax. Do we really want to increase this? Economically, we should not be tinkering piecemeal with only one part of our fiscal policy. We should be looking at a holistic approach. Now, I understand this has started and to pass this proposition in the middle of a proper review would be really quite foolhardy. Sadly, this proposition falls back on the old socialist cry: "Soak the rich." The last U.K. Government brought in the 50 per cent rate and they are losing a significant number of high taxpayers, and one thing that I have gathered is that the current government will reduce it as soon as possible. I can remember Denis Healey saying: "Soak the rich." I think it was: "Make the pips squeak" and look what happened to the U.K. subsequently. In these recessionary times, we should be reducing spending and then, as soon as possible, we should reduce taxes. Increasing taxes - we had to do it last December, unfortunately - slows down a recovery and this proposition would help slow down the recovery even more. There are possibilities too that some of our unemployment is structural unemployment. As the skills requirement in the labour market changes, there will be a lag as the changes are implemented, and this is perhaps a thing I am sure the Minister for Social Security is looking at. In short, there is no economic evidence that this particular proposition is good for anything but a short-term newspaper headline, and I recommend to Members that they should reject this proposition in total.

[16:30]

11.1.3 Deputy M. Tadier:

The first point I want to make is a rhetorical question; which is what are the chances that the actual tax rate that we have chosen at 20 per cent is the optimum taxation rate? What are the chances that is the optimum. I would suggest that it is not the optimum purely because it would be very coincidental if it were. I would say it is quite right that we do look at the rates of taxation. I will go on to talk about it perhaps in slightly more detail. We have had this idea that 20 per cent tax rate is sacrosanct. That has been said by the Minister for Treasury and Resources. One of the first questions I asked, I think, and it was not quite sacrosanct for the Chief Minister, but it was for the Minister for the Treasury and Resources, but somewhere somehow they agreed that it was an important figure that needed to be kept. I seem to remember a time when we charged the banks 20 per cent of tax and that was reduced to 10 per cent, so we got this strange 20/10/0 tax regime that goes on in the Island. Clearly there are times when we can tweak or change the tax rates. Of course in that case it was taxing down, and we know that the amount of taxation that corporations and companies pays has reduced both in actual terms and in percentage terms of the actual overall

tax take, so clearly we can play around with tax and with percentages, but clearly it has to come from the Minister for Treasury and Resources and from one side of the Chamber, and when it is proposed from the other side of the Chamber it is completely a no-go. The other point I would make is that clearly, and I think Deputy Southern would acknowledge this, is that this is not an elixir of any kind. This is not a golden bullet which is going to solve all of Jersey's taxation or socioeconomic woes that we are going through. Nonetheless I think it is something that is good to have on the table. Something that will take us in the right direction. It does open up the debate at least and if we adopt this it does at least give a new mechanism for the Minister for Treasury and Resources to address what is perceived by many, I believe, in this Chamber of an issue of higher earners. Certainly we have just debated this the other week to do with what is the issue. How can we come to terms with the very high wages that we are paying in the public sector? Certainly this is one way to claw some of that money back for the taxpayers of the Island, but it would also address the issues in the private sector. Clearly, I touched on that last time, that high wages in the private sector also do have a very serious social impact, and it is the disparity between low earners and high earners living in close proximity that do have an effect on the interconnection and the consequences for the Island. I think the first point to be made is that the consultation, I think, was imperfect. What is interesting with the result is that we are not given any hard-cut figures about how many of those who were consulted with it were in favour of an increased level of taxation for higher earners than those who were not. We certainly know that there was a very mixed response, and it seems to be, but it is more or less half-and-half but clearly there was a big lobby from the financial and from the business community to keep taxation as it was. Similarly, from the responses that I read, there is a very strong feeling in the Island that the inequality and the perception of that inequality needed to be addressed. I would say that there is certainly no clear direction from the consultation. We have been told again and again that the 20 per cent is one of the key pillars of Jersey's economic success. Then there is this remarkable statement in the comments from the Minister for Treasury and Resources that lower personal tax rates are linked with higher take-up of unemployment because of the incentives to work, et cetera. I propose another theory as to why we have relatively high employment in Jersey. It is because members of the public simply cannot survive if they do not work. We have a very expensive place in Jersey to live. We know that we have a developing but perhaps imperfect income support system, which is not comparable to that of the U.K., perhaps thankfully, or that of other jurisdictions. In Jersey you simply do have to work, often very long hours, often both partners and sometimes even children to be able to pay for rents, et cetera. I would say this is probably one of the reasons we have a high take-up of employment. I would also contest the argument that Jersey success is built on this 20 per cent magical figure. I would say probably, and if you had asked us in the past, we would have said that Jersey's success is built on the fact, among other things, that we had exempt company status. We had the zero rate, which we have got now, and that is what this current Government is fighting to protect, even though it seems perhaps that the whole system is crumbling around our ears with pressure from Europe and pressure from the U.K. to maintain this zero rate of tax. If we are honest, of course, this is the real issue at stake. This is the issue which Deputy Southern's proposition cannot deal with, the fact that the real high earners out there who are not simply workers, albeit workers who are getting paid a relatively high amount, nonetheless workers, we can tax those at a higher rate but the real issue is how do we tax capital in essentially what is the centre to help avoid taxing capital. This is the kind of contradiction that we will have to come to terms with but I think, nonetheless, it has been accused of being piecemeal. Deputy Southern's proposition is a step in the right direction to try and bring some sort of parity and better equality into a system which we know is imperfect as it currently stands. Jersey's real success is built on the fact that we have been able to charge some companies, on the one hand, zero per cent tax, other companies 20 per cent tax. It is because, as we know, historically Jersey has had this privileged position. I would say, and this is the controversial part, I make no apologies for saying it, rather than 20 per cent tax rate being the cornerstone of Jersey's economic success if, in fact, we can call it economic success, some of the people I talk to would disagree with that. I would say, Jersey is

built on the history of exploitation and greed. There you go, I have said it, it is not popular for certain Members to hear. I know that historically, because my grandparents, my great grandparents, were some of those on whose back the exploitation took place, and it took place right up to today where we still have not got the basic social legislation that you would expect in any other developed jurisdiction, such as the U.K., who brought in a Sex Discrimination Act in 1975 following on with various other parts; I think in 1976 they brought in the Race Discrimination Act. It just goes to show that Jersey will prioritise financial legislation. It will prioritise policy that relates to business, to companies, to very high earners, to capital, but when it comes to looking after their own people, when it comes to finding innovative and new ways to try and introduce greater forms of equality into society, which is somewhere enshrined in the Strategic Plan in a very roundabout way, we have difficulty doing it. We become all of a sudden a cannot-do Government, we cannot think of a way in which to perhaps claw-back some money to have some kind of redistribution and to close the gap between the lowest and the highest earners. I think it is very commendable that the Deputy is also advocating a separation of taxation for couples. First of all, we know that there are many couples who live together but who are not married. That seems to be a contradiction, I think, and I am sure I will be corrected by the Minister for Social Security if that is the case, between the way in which we assess for social security, for income support - it is done on a household basis - whereas we assess for couples, if they are not married, individually. I can give an example, this is that a couple who are not married, you have one individual who perhaps is not working, has fallen on hard times, is living with his partner, they may or may not just be friends, but that is by the by. But these living in that situation is not dependent on this person for anything else apart from accommodation, he has to find his own way, but we find, strangely enough, that when it comes for him to seek income support they are assessed as an unit, so if the other partner is a higher earner they will say ... under my understanding from the person I spoke to, that this person was told: "You are living together, this person is a high earner, you do not qualify for income support" yet when it comes to taxation, both individuals have to be taxed on their own individual assessment. It seems that there is an inconsistency there. I am happy to talk to the Minister, but that is certainly what this person in question was told. That seems to be consistent with what I know. I think that is not an issue which needs to receive any resistance. I also think we are doing a great disservice when we talk about people leaving, if we tamper - I use the word "tamper" perhaps incorrectly because I think it is not a negative thing - if we change or suggest changes... This whole idea that simply by even debating in what is a democratic Chamber, a debating Chamber, the idea of changing Jersey's taxation, we are told that even by doing that, somehow we are damaging Jersey as a finance centre, I find that completely unbelievable. Countries all around the world in their Parliaments have to debate all sorts of things and by simply saying this kind of scaremongering, by even talking about it, and presumably by the Minister even consulting on it in his Green Paper, this is going to be picked up all around the world and investors are going to say: "Well, I am not coming to Jersey because even though I have got no physical presence in Jersey, even though I am not employing anyone in Jersey, even though the rate of taxation in Jersey for my company or companies that I deal with remains at zero, I am not going to invest in Jersey because some employees in that company might get charged at 22.5 per cent or 25 per cent, is complete nonsense. I mean we are not thinking of tampering with the zero rate or the 10 per cent rate here. That is an argument for another day. There are arguments for and against that. We are not talking about hiking up I.S.E. (International Services Entities) fees. Again that is a debate for another day and those things certainly should not be done on a whim. We are talking about something very simple. To suggest that the only people in Jersey who matter are those who come in; to suggest, I think, is the underlying implication that those innovators, those entrepreneurs must always come from outside, is also, I think, insulting to the very hardworking and enterprising individuals that we have in the Island, and I would say that we are getting too focused on the tax rate. I will give a very short example, and I will not go on too much longer after that. I remember being at the Institute of Directors, and I think Deputy Le Hérissier was there with me, and the question was asked: "Should Governments interfere with businesses?" something to that effect. Of

course the resounding answer was no, Governments should stay well away, they should let business do what we want to do. Then another question was asked: "Should Government be encouraging growth for businesses. Should they be doing things to assist businesses to grow?" Of course the answer is yes, absolutely, that is what they should be doing. Perhaps initially they did not realise that the 2 were perhaps mutually exclusive or certainly that there was an overlap there. I would say, as a Government, what we need to be doing, quite irrespective of the tax rate, which can, I think, go up for those who can afford to pay it, is that we need to be encouraging incentives, we need to be providing perhaps tax breaks at an early level, and providing other breaks to facilitate entrepreneurship, certainly that can be a good thing. But, with the acknowledgement that when those businesses, which have been helped by the Government flourish and have a massive turnover and perhaps making lots of profits that, yes, quite rightly, they and their staff should also pay something back to the society and to the Government, which helped them improvise the great infrastructure that is in place for them to be able to flourish. I do not think I need to labour the point any more. I think that we need to prove that we are a can-do Government. I think we have seen here that many of the arguments coming forward, I think, are shroud-waving and not valid, and I suspect that in a year or two's time when the Minister for Treasury and Resources realises that he has to come forward with this kind of proposition himself, the landscape will have completely changed all of a sudden. Perhaps in 2013, maybe just before 2014, when he comes back with a similar proposition himself to say: "Yes, we need a progressive taxation structure" and he can go before the electorate of Jersey saying that: "I am going to try and claw-back some money for the taxpayers of all these high earners in the public sector, whom we have not been able to keep under control." I think he will be the saviour riding in on his white horse and proposing exactly this. So I say let us just get ahead of the game, and I have no problem in supporting this.

[16:45]

11.1.4 Deputy P.V.F. Le Claire:

This afternoon I felt like I have been a passenger on board the lifeboat from the movie the *Cruel Sea* in the Second World War where we are all in the same lifeboat but there is not enough provisions to go around, we may not like the people that are in the boat with us and we have got no choice about it, and we are certainly not happy about it, and there is nothing we seem to be able to do about it. We are all at sea together. The old adage "Tax the rich, tax the rich" is just not going to do it. I do not know how successful Deputy Southern feels he is going to be this afternoon in a finance industry filled with moderate to conservative elected representatives that support the main provider of the industry that we survive upon. I do not really think he is going to get much support, and it is quite depressing really to have these debates because I recognise where Deputy Southern is coming from, and as with Deputy Tadier talking about the fact that the poor do not seem to be being looked after as much, and there has even been some talk this afternoon about where is the evidence that we if tax the rich they will leave? I would say if we gave the poor half the money the rich had they would leave the Island tomorrow. I know certainly a lot of people I know if they had half the money that they needed to leave they would do so. The opportunities for Jersey, I think, need to be based upon what are the opportunities for the young and what are the opportunities for those that are by virtue of their birth naturally occurring or indigenous, whether they be Portuguese, Polish, Scottish, Irish, Jersey, French Jersey people, it makes no difference. They are still being born into an Island where the price of housing is astronomical and nothing seems to be getting done about it. It does not matter how much we take off the rich, it is not going to give us more money to afford that housing. That is the largest portion of the poor person's budget; housing and the rents. So when dissatisfaction manifests itself in the community, as it is simmering away today, and has been doing, it is not surprising to see that we have got Back-Bench propositions coming forward to try to balance the books from a moral perspective. It certainly is not a very pleasant scene outside in St. Helier but it is a far better scene outside in St. Helier than it is in Southampton. If you go across the ferry from Portsmouth to Gosport and you look at their town centre and their High Street, and you compare it with the High Streets in Jersey, it is just nothing like it, even Colomberie

looks like a vibrant portion of town compared to some of the European countries' High Streets at the moment. This is a global recession and it is probably going to, in my view, double-dip in a significant fashion because of the unrestricted and unrestrained practices of the finance industry across the board. Many people are now identifying what has gone wrong and what will go wrong again with the finance industry, and our pickle is that we have chosen it as our form of harvest. Our farm is finance, that is what we have done. That is where our harvest is. I do agree with Deputy Tadier in a lot of what he said in the sentiments, but I would disagree that Jersey made its background entirely on exploitation and greed. My mother came here to play the piano to entertain the tourists from Scotland when she won a competition on the radio, and she and my father played music to the tourists. We certainly did not feel that Jersey was making a killing out of the tourists at the time. It was a beautiful island, a lot of businesses were successful. A lot of tourists came to Jersey. It was a beautiful place to grow up in. My mother loved it. She came, she stayed. My whole family have benefited from the tourism industry and I do not believe that any portion of that industry exploited, in those terms, the people. They certainly did not pay the highest wages but they certainly did not charge the highest prices either. They were bucket and spade brigades. The Island was a different island and it made-do. We immersed from that industry into a finance industry and we are for ever pulling at ourselves like a tug of war. We want more taxes to spend on social issues, so we pull from the left from the finance industry and yet we put money in to the right to pull to get money, we are always at each other, it just seems to be so anti-productive. Hong Kong has got a system of taxation that perhaps the Scrutiny Panels, under the capable leaderships of people like Deputy Southern, could analyse and come back to us and give examples of where only the richest people pay personal taxation. Personal taxation was introduced as a temporary measure to pay for the Second World War, not the Third, Fourth or Fifth, that is currently going on, and it was meant to be an interim measure. It will never go away, but yet in Hong Kong where there is or there has been a system introduced by a Scots person, a civil servant, a system where there is a low footprint of Government, a low footprint of interference in private life, and only taxation among people who do exceptionally well, no taxation among ordinary people who are encouraged to do exceptionally well, they have a thriving system. I would agree with Deputy Tadier that we have got social security issues and as we are starting to see, and some people are starting to complain: "Who are all these people who are costing us money?" the social security system in Jersey is not as secure as in other jurisdictions that I have seen before. There is no paternity law that has been spoken about before, and there is no requirement under Jersey law that every company must have a pension as is required in other places that are coming through. In fact, somebody that is not a million miles away from me the other day introduced me to their pay statement where they worked 7 hours more that week than they did the previous week and were worse off by £10 because of the fact their social security had been increased. There are some really strange anomalies in relation to what you are willing to do for yourself and what the system is willing to give you in return. Personal taxation increases are not going to solve our financial difficulties. We are all in the same boat together, like or not. It may be a particularly cruel sea, and it may not be a lifeboat that we all enjoy being in at this time, but we certainly do have to weather the course. One of the things I saw ... I am starting to quote from upmarket newspapers, because every time I mention something like the *Guardian* or the *News of the World* or something they all snigger, so this is from the *Times*. I think the *Times* is going to go down well. It is from a *Guardian* correspondent: "Now the Government is seeking to bring the spirit of youthful freedom back to Paris with a plan to force down rents in the top floor rooms, which housemaids in the first half of the 20th century and students in the second half... but which are increasingly occupied by wealthy couples looking for Parisian chic. 'Owners who charge more than 40 euros, £35 per square metre for rooms of less than 13 square metres, will be taxed at a dissuasive rate', said Benoit Apparou, the Housing Minister." That was from 4th April. Unfortunately one of my colleagues to my far right suggested that it was 1st April. It should not be an April Fool that people who exploit people such as in those circumstances are taxed at a dissuasive rate. But nor should it be the position, in my view, that people should be taxed just because they are making money. I think that

the money that we need to raise to pay for our social services and to balance the level and the burden of taxation should not just necessarily come about because we decide to put a line across the entire top of what people earn, because some people may be making money doing something wholly ethical and wholly applaudable and producing jobs and highly admirable, while others are doing things that are totally unethical, and I think we should be looking at taxing people for their activity, not for their productivity.

11.1.5 Deputy I.J. Gorst:

Perhaps I could just comment on the previous speaker. I think he probably inadvertently ...

The Bailiff:

Is this your speech?

Deputy I.J. Gorst:

No, I think he inadvertently spoke when he said that the social security system was, I think he used the word ... I have forgotten the word he used, but basically he was inferring it was not robust as it is, when really his point was about social legislation. He made a fair point about social legislation but with regard to the social ...

The Bailiff:

Sounds very like a speech to me.

Deputy I.J. Gorst:

... social security systems, it is robust. It pays a very good rate and there is plenty of money in the pot.

The Bailiff:

I have made a note that although out of turn you have now spoken.

11.1.6 Senator A. Breckon:

I remember years ago, and I think Senator Ozouf is entirely consistent here because previous Presidents of Finance and Economics Committees and others, I think there was an amendment many years ago about having a 15 per cent rate of tax, and at the time, I cannot remember who it was who proposed it and who was President of Finance and Economics, but it was opposed on the grounds that if you can put it down you can put it up and it creates instability. Therefore, although in some instances we could have afforded to have done it, there was opposition to it for entirely that reason. I think the Minister for Treasury and Resources, at the moment, has been entirely consistent with that, and that sends out, I think, the right message because it does give that stability. Having said that, I think it was mentioned in his budget speech, about having an inclusive working group looking at taxation, and these issues may or may not have been on the agenda because fiscal strategies in the past have missed things. At one stage we had unlimited mortgage relief, which has now changed. We scrapped Vehicle Registration Duty and never replaced it with anything. It was raising, I think, over £4 million the last full year it was in. Then as the Deputy of St. Martin will probably remember, the Stamp Duty on Share Transfer took about 10 years, I think, from actual discussion to get it in place. So we have lost many millions of pounds. The existing Minister for Treasury and Resources and the previous one still have not sorted out the companies who are non-domiciled and who are shipping money and profits offshore. These things need to be addressed so for me, if we reject this today then the Minister for Treasury and Resources has to come up with something that is inclusive and looks at some of these sort of things because Senator Ferguson mentioned having ... we are in the middle, she said, of a proper review. I must confess I was not aware of that, I was aware of the Scrutiny Report from Corporate Services that was less than complimentary about the fiscal policy that was not, and Deputy Southern has mentioned in here the Goods and Services Tax, which is a £16 million lever, 1 per cent, which is easily do-able, social

security contributions, domestic property rates and income tax, but we are squeezing the income tax at the moment with '20 Means 20.' So we are doing something, whether that is set at the right level or not, I am not sure, but time will tell but it is raising money. The other thing I would say to the Minister for Treasury and Resources, I think it needs a more inclusive working group to put more things perhaps on the table, and it needs to be more open and transparent rather than just saying: "We have got these 4 or 5 choices. We considered the others, you need not bother yourself with that." I think we need to put things on when things have been taken away that perhaps should be back on now - things raise £3 million, £4 million, £5 million - they might be worth doing, and the thing will come together, because I can see where Deputy Southern is coming from and it looks fairly tempting perhaps. But I would say... and I have not seen how this exactly works out, but maybe this has been set at too low a level because if we look at Jersey being a fairly expensive place to live then people in these income brackets who look as if they are earning a fortune but when they come to do something with it, in particular buy a house, then perhaps they are not. The other thing - again something the Minister for Treasury and Resources mentioned - was about having your say. But it has to be that. It has to be allowing people to have their say and putting things on the agenda, including some of the things that Deputy Southern has. But for me, at the moment, although this work Deputy Southern has done here is appreciated and I can see where it is coming from, I think it is perhaps not realistic to do that at this stage of the game where we are in a difficult economic cycle, and perhaps people in these circumstances that we are describing here, although they look very well-off, for some I would say that perhaps they are feeling the squeeze as much as other people.

[17:00]

For the moment, I have serious doubts about supporting that, but having said that my vote against this would be in the hope that the Minister for Treasury and Resources would come forward and be more open and transparent with what we are going to do, bearing in mind that the report, as I said, of the Corporate Services Scrutiny Panel, was not very complimentary and I would hope he would... he said he welcomed that but I hope he would react to that, and we do get an inclusive proper fiscal review. With that I cannot support this at the moment.

11.1.7 Senator F.E. Cohen:

This debate is rather like a socialist capitalist tussle of the mid 1960s in the Midlands, and while I respect Deputy Southern enormously, I am afraid with our present one-strand economy we do not have the latitude to experiment. The essence of any international financial centre must be absolute stability in its taxation system. The very mention of the potential to increase higher rate taxation only a year ago caused enormous difficulties for the financial services industry, and as I have reported to the House before, I know of one significant case of lost business that was a direct result of even the very mention of consideration of a higher tax rate, and I think it was a mistake to put that in the public domain. That is not a reflection on the consultation process, it is simply with the benefit of hindsight. Stability of the present taxation system is absolutely essential to the very survival of our current economic model. We need to continue with a simple system and the simpler the better. It is my view the lower that we can get the rate of taxation, the greater our opportunities for growth. We need to encourage entrepreneurship and you do not do that by disincentivising success. 1(1)(k)s have provided benefits in the past and there is a case for competing in this market, but it is an international market and at the moment we are not very attractive and other jurisdictions are taking this area of business. I would prefer to see us concentrate on a new market, a market of mid-streamers where we encourage those who may not be multi-millionaires but who have shown success in business and who are prepared to build businesses in Jersey and to offer employment to our now 1,500 unemployed Islanders. I am afraid we do not have the latitude to experiment, and while I respect the views presented by the Deputy I am afraid that his proposition is the road to financial ruin in our present market.

11.1.8 Deputy J.A. Martin of St. Helier:

I will be brief. I was tempted to speak after Senator Breckon, and it is really about whether Deputy Southern is so set on the bands. It does say in (ii): “To introduce a higher rate of personal income tax on an annual income in the band of £70,000 to £99,000.” That may, as you say, sound a lot but it was only yesterday, myself, the Minister for Treasury and Resources, the Minister for Social Security, sat down with the Childcare Trust and the nought to 2s over here are now, it is over £15,000 per year to have decent childminding. So you have got 2 children, that is £30,000 a year, and that is with the privilege to work and pay tax and leave your children from the age of nought, you get a little bit of maternity leave so they are normally 2 or 3 months old. Does that hit... is this a single mum? It could even be a single father at £77,000. Then, as Senator Breckon has said, the '20 Means 20' is eroded in Mortgage Interest Tax Relief, all on the same people. So where the £99,000 might be okay or £110,000, I am very, very sceptical of around the £77,000, for just the reason I was saying. I do not think either the Minister for Treasury and Resources or Deputy Southern have made a case literally one for and one against. I do think there are other ways to raise money. I would just be very, very ... personally, I am very wary to support this across the board when I ... I just do not think of the pay packet, I am thinking of the person, the children. We discussed yesterday, it does not matter what age your child is, your tax relief is exactly the same. So you may be paying £30,000 a year in child ... that is not a made-up figure. That is completely what it costs in Jersey for nought to 2. It goes down a bit from 2 to 3, and then there is the part now in the age 4s, which the taxpayer pays in education. I think there is a lot more work to be done. I do not like Deputy Southern being pooh-poohed when he does do a lot of research and he tries to ... there are obvious things in here like council tax, the equivalent to your rates over here, are peanuts, but they pay for different things in the U.K. They have part of the police force in your council tax. So we are not comparing apples and pears, but I do think there are probably other things that can be looked at. I am now surprised though, just to echo again Senator Breckon... it always takes a Back-Bencher's proposition to suddenly find out, or maybe I have missed it, there is a lot of work going on behind the scenes and this panel is sitting down and they are looking at all these issues, so maybe it is a bit of a communication issue as well. But I think, unless I can absolutely be assured that this is not my poor single mum or dad who is paying out over £30,000 a year in childcare, or around that, plus losing out on mortgage interest relief, plus paying tax at '20 Means 20', which by everything that has been said, I am sure they are those people. Do you really want to squeeze them more? Do you really want to squeeze them more, because if it was me I would walk away. I would say: “Sell my house, give me income support” and I will look after my children and I will see them until they are 5.” Because these people give up a lot more than money.

11.1.9 The Deputy of St. Mary:

First a couple of fundamental points, and I think it is good that the proposer has raised these issues because even though he may not win the vote, nevertheless it is important that we talk about these fundamental matters. I think the starting point of his proposition is that we do need to raise more revenue, and I am not sure that that is fully accepted by the party that is in power. There is a lot of dishonest talk from the likes of the chairman of P.A.C., who is not with us ...

The Bailiff:

I am sorry, Deputy, I am sure you do not mean to accuse the president of P.A.C. of dishonesty.

The Deputy of St. Mary:

Alright, there is much misleading talk from the likes of the chairman of P.A.C.

The Bailiff:

And even not deliberately misleading.

The Deputy of St. Mary:

I did not say “deliberately misleading”, I said it was misleading when he talks about overspends of £100 million when, in fact, what is happening is the demands on the States are increasing and also

he includes in the £100 million such matters as welfare payments being transferred from the Parishes to the centre. But it is all good for a front page headline. That gives our residents the feeling that somehow they can have something for nothing. That they can have a Government apparatus, they can have a health service, an education service, and roads, and all the rest of it, but somehow on the cheap. Well it costs so much and that is how much it costs and we do need the additional income. I will just give 3 examples. At the health briefing I went to about a week ago, it was made quite clear that the demands on the health service are not decreasing, they are increasing and inevitably so, and the money will have to be found. We learnt I think at the last sitting, in questions, about the state of the roads and the fact that there is no liability so that if people are damaged or injured or killed on our roads as a result of potholes there is no cause to answer. So it goes. Then of course the example of sewerage, just £200 million we have to find from somewhere. That is the background. The other important issue that the proposer raises, the ability to pay principal, and the matter of sharing the burden fairly. I think he used that phrase in his opening speech, and that is so important. That is the fundamental issue. When I go down into the detail, the fact is that that is what we are talking about, sharing the burden fairly. I thought Deputy Le Claire put his finger on a couple of interesting things and what he showed was that a wealthy environment penalises the poor. If you have everything expensive like housing, like the cost of living - because of prices partly driven by inflation, partly driven by the high level of demand because there is plenty of money in the economy - then we, as a Government, have to redress the balance. We have to do something about that inequality, and that is what the proposer is looking to do. More specifically then, we heard from Senator Cohen earlier that he wants a simple system and the lower the rate the better. Really? I heard someone say "hear hear", and the comments of the, I think it is, Council of Ministers talk about this proposal undermining the competitiveness of Jersey. That implies that the only good money is money in some private individual's pocket, or some money in an entrepreneur's that is going to come in from business activity. It assumes that social goods have no value because our competitiveness will only be damaged if we transfer money from the private sector to the public sector. That means that the quality of our environment and how clean our sea is, and whether it might hurt you to go and have a swim, does not matter, and the quality of our schools and the quality of our cultural events, and all these things that make up a large part of the quality of life do not register on the balance sheet of the people over there, or it is out of balance. It is not in balance. Again, that is part of what the proposer is on about. Competitiveness is not just about the tax take. It is about the quality of social provision, quality of amenities, quality of cultural life, quality of the urban environment, and so on. The next point I want to address is is this damaging Jersey by treading on the toes of absolute stability? Senator Cohen again made an astonishing comment that we should keep things secret so that this stability is not threatened. In other words, we must all - the public and people in here, the States Members - must be gagged because to do otherwise, to show that we are talking about such matters, might affect stability. Might create the dreaded uncertainty. We see in the comments about our reputation and the mainstream media picking up on things like us discussing possible changes to tax rates. The mainstream media pick up on other things that Jersey does. They pick up, for instance, they bang on about offshore finance centres and their possible role in the credit crunch, not just Jersey but in general. They pick up on tax avoidance, they pick up on tax evasion, they pick up on low value consignment relief, which I seem to remember as being in the mainstream media recently. All these things have an impact on our reputation, but do we try to limit them? Do we send spin doctors to try and shut these papers up? Well, we cannot. So the international perception of Jersey is being formed by commentary on some of the things that we do, whether justified or not, and to say that we cannot talk about this matter of tax rates, is quite extraordinary. There is another comment to make about this matter of tax rates. The implication of what the Minister for Treasury and Resources said is that we have to indulge in the race to the bottom until we get to the bottom. We have to charge less than any other jurisdiction. They will then look at our rates and charge less than we do. The logical end point is a golden goose that cannot lay any golden eggs because it is empty. There is a golden goose that is dead. There is no golden goose because we have gone to

zero. That is the logical end point of this strange strategy. There might be a different strategy. There might be a let us get together with other jurisdictions and go for a harmonisation of tax rates that might be competitive, that might still save the golden goose after all. Comparisons of different rates of total tax take: I asked a written question a month ago to the Minister for Treasury and Resources asking where was a setting-out of the tax rates that would affect individuals or households of different types, where this was to justify his statement that if higher rates were introduced in Jersey people would go elsewhere?

[17:15]

On page 3 of his comments the Minister for Treasury and Resources talks about tax rates in Jersey and compares them to Guernsey and the Isle of Man. He says: "A comparison of the income tax rates in Guernsey - 20 per cent - and the Isle of Man - 20 per cent - shows that if higher rates of tax were introduced in Jersey our highest tax rates would be significantly higher than the other Crown Dependencies. Jersey already levies more income tax on the highest earners than either Guernsey or the Isle of Man because Jersey does not limit the amount of tax payable in any one year as the other 2 islands do." That is a partial statement of the situation because in his own background research document to the personal taxation consultation, on page 30 there is a chart of the overall tax rates, including income tax, social security and V.A.T. (value added tax) by income in the U.K. and the Crown Dependencies, and that is just U.K., Isle of Man, Jersey and Guernsey. The charts show quite clearly that Jersey is basically the same as Guernsey. The Isle of Man is substantially higher and U.K., of course, is a totally different ball game. But what the Minister says in his comments is that we would be uncompetitive if we raised our tax rates a tiny bit with Guernsey and the Isle of Man. The situation with the Isle of Man is that it is simply not true, and with Guernsey, yes, we would go slightly above them. It is a more mixed picture than he is saying. He also mentioned in his speech, he talked about Singapore as a possible competitor for people living in Jersey. We compete with Singapore, he said. There is a table and I tried to find these - I had great difficulty in finding this document on our wonderful, wonderful website, but in the end managed - and on page 23 there is a chart, a very complex bar chart with 5 different categories of tax for the O.E.C.D., the U.K., Singapore, Switzerland, Guernsey, the Isle of Man and Jersey. But what there is not, is a comparison of tax rates by person or by household type across the different jurisdictions, so there is no way of knowing from this chart whether people in Switzerland are paying more or less tax overall than in Jersey. But if you look at the very detailed figures on the next page, page 31, and you need a magnifying glass to see these figures, in Switzerland the standard rate of V.A.T. is 7.5 per cent, so that clearly is a lot more than us, and their social security contributions are way more than ours. In Singapore, for instance, the social security contribution is 20 per cent of the wage up to age 50, and the V.A.T. rate is 7 per cent broad-based, and so it goes. There are details in that chart, in those figures, which show that it is not quite so simple. I am still asking, and we still have nowhere a presentation of overall tax incidence on different household types across our so-called competitor jurisdictions. There is another point about 'people would fly away.' Well they would fly away. People do not just fly to Singapore in a vacuum, they have to take their job with them or else they are living in a bedsit trying to get a job in Singapore. Singapore may have the same difficulties as we do in regard to its finance industry, so I find it slightly fanciful this idea that the high earners are going to fly away all of a sudden if the rates change. There certainly is not any evidence for that and I have been asking for quite a while. Finally, 1(1)(k)s: we learn that a review of 1(1)(k)s is taking place and, as Deputy Martin said, well, that is the first we knew that there was a serious review, but interestingly it says here: "To make *ad hoc* changes [and they are claiming that Deputy Southern's proposition would be doing that] before all the information is available and all the options have been considered would be detrimental to the Island and economic security." But the problem is that the people doing that review or who are in charge of that review, namely the Minister for Treasury and Resources and his Assistant Minister, and probably the Minister for Economic Development, are on record as saying that there is no problem with 1(1)(k)s. There are no downsides. The Minister for Economic Development in a Scrutiny hearing said there

are no downsides to 1(1)(k)s living in Jersey. The Assistant Minister, here to my left, Deputy Noel, has said in this House, in answer to questions, he cannot think of any downsides to 1(1)(k)s living in Jersey, so how can these people conduct a review of whether 1(1)(k)s are good or bad for the Island, or how good and in what proportion are they good for the Island, or do they have some downsides which we should address or certainly think about? I will give just 2 examples because I was asked to in question time but I did not, but now is an appropriate moment. There are 2 examples of the kind of effect that 1(1)(k)s might have on the Island and which should be considered in any review, and I urge the Assistant Minister to take them into account in his review. He cannot claim that he cannot hear me, he is only 2 yards away. The first thing is the displacement effect, and I will give an example of that. I heard - and whether it is apocryphal or not I do not know - but I heard of a bunch of very wealthy Arab people who wished to hire St. Brelade's Bay, this was some years ago. The deal was that they wanted the Bay. No one else on the Bay, thank you very much. They wanted the Bay for, I do not know how long, probably a day or so, in a very big yacht and so on, presumably so they would not be overlooked, and so on. The answer they got was no. But it is an interesting example of what I mean by displacement. Some of our best sites in Jersey are now home to palaces for 1(1)(k)s, now that means they are not home to somebody else. In fact they are not home to a lot of other people. Deputy Tadier touched on this point. The fact is that there is a displacement effect and we see it on various sites around the coast, as I speak, and the displacement effect also works on a psychological level. There is this wealth and it has an effect on the economy and on our minds. The other effect, which is never considered, is the inflationary effect. People extol the fact that 1(1)(k)s contribute £X million to the economy, and so on, by spending, but of course they are spending it in competition with other people's spending. They are buying the same plumber services. They are buying the same swimming pools as other people are - and new kitchens - and so of course they can pay more and they create demand-pull, and that must have an effect on inflation. I have yet to see an evaluation of that effect on the Island economy and on the purchasing power of other Islanders because that goes back to my point about equality right at the beginning. So there is an issue about evaluating 1(1)(k)s. I am very glad to see in the report of the Minister for Treasury and Resources that the rates for 1(1)(k)s have been changed from December 2010. They have been nudged upwards. He says that the change was made on the basis of careful consideration, in other words they thought very carefully about whether they would lose some 1(1)(k)s and they concluded they could take a little bit more. The fact is, if we lose some new 1(1)(k)s where do you draw the line? Do we want all 1(1)(k)s to end up in Jersey? No, because there would not be any left for anyone else. We obviously draw the line somewhere and the question that Deputy Southern is posing is where do we draw the line, and his solution is very radical and I would ask him in his summing up to tackle that issue because maybe it is a step too far. It seems to me a very sweeping change, but I do hope that the Ministers involved take note of what I said about the review and seriously look at all the effects of 1(1)(k)s because if they do not then what is the point of these kind of debates. I think that is all that needs to be said, or all I am going to say.

Senator F.E. Cohen:

Can I just make a point in relation to the comments the Deputy suggested I had made. He suggested that I had said we should consult in secret. That is not what I said at all. I said that it was a mistake to raise the issue in the first place.

Deputy T.M. Pitman:

I am in the hands of the House but I want to speak for about 15 minutes. I am happy to start or call the adjournment and carry on tomorrow. **[Aside]** I propose the adjournment.

The Bailiff:

Seconded? **[Seconded]** Do Members wish to adjourn at this stage? That seems to be the consensus. Accordingly the States will stand adjourned until 9.30 a.m. tomorrow.

ADJOURNMENT

[17:25]